



TEXAS
METHODIST
FOUNDATION
STEWARDING POTENTIAL

OFFERING CIRCULAR
2023



Dear Texas Methodist Foundation Investor,

Thank you for considering an investment with the Texas Methodist Foundation Impact Notes.

This Offering Circular provides specific information for prospective individual investors, trusts, and partnerships to consider in evaluating an investment in the Texas Methodist Foundation Impact Notes. It details the anticipated returns and potential risks associated with the investment.

Texas Methodist Foundation is a nonprofit corporation. All revenues generated by our investment and lending activities are reinvested to support the mission and purpose of the church.

TMF Impact Notes are variable and fixed-rate notes that pay a rate of interest as detailed in your application.

Please contact us with any questions. We would be glad to help complete your application.

If you have any questions, please feel free to call or email Sara Beltran or Randi Forrest with any questions at 800-933-5502 or by email:

- Sara Beltran: sbeltran@tmf-fdn.org
- Randi Forrest: rforrest@tmf-fdn.org

Gratefully,

Rev. Lisa Greenwood
President & CEO, Texas Methodist Foundation



This Offering Circular contains essential information about the issuer (Texas Methodist Foundation Inc. ("TMF")) and the securities being offered hereby. Persons are advised to read this Offering Circular carefully prior to making any decision to purchase these securities.

THESE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL OR STATE SECURITIES AND EXCHANGE COMMISSION, THE STATES OF TEXAS, NEW MEXICO, OR ANY OTHER STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER FOR SALE OF SECURITIES IN STATES WHERE THEIR REGISTRATION HAS BEEN REQUIRED BY THE LAWS OF THAT STATE.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THIS CIRCULAR HAS BEEN PREPARED ON A CONFIDENTIAL BASIS FOR THE BENEFIT OF QUALIFIED INVESTORS IN CONNECTION WITH THE SALE OF THE NOTES. THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE ACT"), OR THE SECURITIES LAWS OF ANY STATE, IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH LAWS, AND CANNOT BE MORTGAGED, PLEDGED, HYPOTHECATED, TRANSFERRED OR RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER THE ACT AND SUCH LAWS.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENT OF THIS OFFERING CIRCULAR OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS RELATED TO THE NOTES AS LEGAL OR TAX ADVICE OR AS INFORMATION NECESSARILY APPLICABLE TO A PROSPECTIVE INVESTOR'S PARTICULAR FINANCIAL SITUATION. EACH INVESTOR SHOULD CONSULT THEIR OWN FINANCIAL ADVISOR, LEGAL COUNSEL, AND ACCOUNTANT AS TO TAX, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS RELATING TO THIS OFFERING ON BEHALF OF TEXAS METHODIST FOUNDATION OTHER THAN AS INCLUDED IN THIS OFFERING CIRCULAR. NO OFFERING

LITERATURE OR ADVERTISING IN ANY FORM MAY BE EMPLOYED IN THE OFFERING OF THE NOTES OTHER THAN THIS OFFERING CIRCULAR. THIS OFFERING CIRCULAR HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF QUALIFIED INVESTORS INTERESTED IN THE NOTES, AND ANY REPRODUCTION, DISTRIBUTION, OR DISCLOSURE OF ANY OF THE CONTENT OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART WITHOUT THE PRIOR WRITTEN CONSENT OF TMF IS PROHIBITED.

THE NOTES ARE OFFERED WHEN, AS, AND IF ISSUED, SUBJECT TO THE RIGHT OF TMF, IN ITS SOLE DISCRETION, TO REJECT ANY ATTEMPTED INVESTMENT AND TO CERTAIN OTHER CONDITIONS. APPLICATIONS FOR NOTES CAN BE MADE ONLY BY RECEIPT BY TMF OF EXECUTED APPLICATIONS FOR INVESTMENT, A FORM OF WHICH IS ATTACHED TO THIS OFFERING CIRCULAR FOR USE BY PROSPECTIVE ELIGIBLE INVESTORS.

CERTAIN PROVISIONS OF RELEVANT DOCUMENTS RELATING TO THE NOTES HAVE BEEN SUMMARIZED IN THIS OFFERING CIRCULAR. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. COPIES OF SUCH DOCUMENTS ARE AVAILABLE UPON REQUEST TO TMF.

IMPACT NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), OR ANY OTHER STATE OR FEDERALLY REGULATED INSTITUTION. THE NOTES ARE ALSO NOT CERTIFICATES OF DEPOSIT OR DEPOSIT ACCOUNTS WITH A BANK, SAVINGS AND LOAN ASSOCIATION, CREDIT UNION, OR OTHER FINANCIAL INSTITUTION REGULATED BY FEDERAL OR STATE AUTHORITIES. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON THE FUND'S FINANCIAL CONDITION, WHICH IS, IN TURN, IN PART DEPENDENT UPON THE REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST BY BORROWERS. A PURCHASE OF THE NOTES IS SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE ENTIRE PRINCIPAL AMOUNT INVESTED. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE FUND'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, ANY METHODIST OR WESLEYAN DENOMINAL CHURCH INSTITUTION OR AGENCY.

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CERTAIN DEFINED TERMS

Certain capitalized terms used in this Offering Circular have the meanings given below:

"*Borrower*" means the qualified tax-exempt churches and related entities that apply for and/or become the debtor of any Loan.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Constituent Community*" are churches, denominational agencies, and nonprofits that derive their origin from the Wesleyan-Episcopal Movement of the 18th Century, and those churches and nonprofits with purposes consistent with or in alignment with TMF's religious purposes.

"*TMF*" means the Texas Methodist Foundation Inc., a Texas nonprofit corporation registered with the State of New Mexico to do business in that state and tax-exempt under the laws of the United States.

"*Portfolio*" means the Loan Portfolio managed by TMF for the purpose of providing Loans and financial assistance to Borrowers. The Portfolio is not a separate legal entity. It consists of an investment pool of assets, the primary asset being the Loans managed by TMF.

"*Loans*" means the real estate, asset-based or unsecured loans provided by the Portfolio, under the direction of TMF, to the Borrowers for the purpose of furthering the charitable, religious, and educational purposes described above under "Constituent Communities." The loans described do not apply to designated loans originating outside of the Portfolio. "Designated loans" are those loans made directly by an investor to a Borrower and held within the investor's account. The investor assumes all responsibility for the qualification of the Loan, and any loss that might occur on the Loan is charged to the investor's account and not to the Portfolio.

"*Loan Policy*" means the loan policies promulgated from time to time by TMF's Board of Directors under which the Loans are originated and handled.

"*Master Certificate of Participation*" means the certificate under which the aggregated Notes are invested in the Portfolio. The amount of the Master Certificate of Participation will vary from time to time in accordance with the aggregate number of Notes.

"*Notes*" means the interests in the Master Certificate of Participation offered by TMF through this Offering Circular, which represents each Qualified Investor's participation by amount and is accounted for by separate accounts maintained by TMF. The Notes are referred to as TMF Impact Notes. The Notes are general obligations of TMF and are not secured or otherwise backed by an interest in any specific loan or loans in the Portfolio.

"*Qualified Investor*" means the churches, agencies, and entities which are included among the Constituent Community and those individuals who identify as affiliated with a church or nonprofit within the Constituent Community.

SUMMARY INFORMATION

Texas Methodist Foundation

Texas Methodist Foundation ("TMF") is a Texas nonprofit corporation operated as a tax-exempt organization under § 501(c)(3) of the Internal Revenue Code of 1986 ("Code"). TMF was organized in 1938, during the Great Depression, from the vision of leaders of the Methodist Church across the State of Texas. TMF serves those churches, denominational agencies, and associated entities which trace their roots to the Wesleyan movement in the United States; and those churches, denominational agencies, and entities which share purposes in common with the core beliefs of the Wesleyan movement.

The Portfolio

Among TMF's financial services is the Loan Portfolio (the "Portfolio"). The Portfolio is designed to provide:

- (i) A secure and stable repository for investments by congregations and denominational institutions, and Qualified Investors, and
- (ii) A source for loans to congregations and nonprofits within the Constituent Community for building programs and projects, and other religious purposes.

The Portfolio is not a distinct legal entity. It is one of several investment portfolios operated by TMF on the terms described in this Offering Circular. The Notes are general obligations of TMF and are not secured or otherwise backed by any specific loan or loans in the Portfolio. TMF may borrow funds from time to time, both for purposes related and unrelated to the Portfolio. These borrowings may be secured by an interest in the Loans in the Portfolio.

The principal purpose of the Portfolio is to provide financial services and assistance, which may include loans to Constituent Community churches and institutions such as hospitals, colleges, and other entities ("Borrowers") for building programs and other capital investments, as described in this Offering Circular.

The Portfolio pools money invested by (i) the Constituent Community congregations and related institutions directly in the Portfolio and (ii) Qualified Investors in Notes and lends it to Borrowers. Specific investments or accounts are not tied to particular loans. Loans originated by the Portfolio are generally for either (i) building programs and secured by first lien Deeds of Trust on the Borrower's real property; or (ii) capital improvements, acquisitions, or working capital for Borrowers. Real estate-secured Loans comprise the majority of all Loans originated by the Portfolio. Most Borrowers are located in the boundaries of the Constituent Community, but the Portfolio originates (or has or may acquire Notes in) Loans to Borrowers outside of the states of Texas and New Mexico from time to time. In infrequent circumstances, a Loan may be originated which is not secured by a first lien deed of Trust but secured by other means deemed adequate following a review and deliberative process. Loans are made according to the Loan Policy of TMF. TMF's Board of Directors has promulgated the Loan Policy, which may be revised by the Board

of Directors. The Loan Policy is implemented by the Board's Loan Committee and TMF's officers. A copy of the Loan Policy is available upon request.

Impact Notes

Investments from Qualified Investors are aggregated and invested in the Portfolio through the Master Certificate of Participation. A Qualified Investor may purchase Impact Notes, with a minimum investment of \$1,000 for individuals and trusts, representing a participation in the Master Certificate of Participation. No actual certificates will be issued for the Notes. Instead, TMF maintains a separate account for each Qualified Investor to record that investor's initial investment, additional investments, withdrawals, and interest payments.

Strategy

TMF is a charitable tax-exempt public foundation qualifying as an "Association of Churches" type nonprofit under applicable federal law governing tax-exempt entities. As a faith-based entity, its primary purpose is to deepen cultures of purpose, support the work of local churches and affiliated entities to achieve the missions they have identified, and to equip a generation of faith-based leaders to lead in a changing cultural environment. In connection with its investment and loan activity, TMF's overall business strategy is to promote the growth and development of the Constituent Community by loaning as much of the Portfolio as is prudent to creditworthy Borrowers while offering a competitive return for investors. The desires of investors to promote church growth and advance charitable purposes, as evidenced by their investments, has historically allowed the Portfolio to make Loans at interest rates generally lower than those charged by commercial banks and other institutional lenders and under terms that are more flexible and responsive to a church's unique financial challenges than those terms available through commercial lenders. In addition to helping build and expand religious communities of faith, investors in the Portfolio enable TMF to respond to identified needs of churches, nonprofit entities, and agencies through TMF's other services. TMF's core values of servanthood, integrity, and competence define the added value provided as TMF seeks to manage investments in accordance with social principles arising out of the religious values of the Constituent Community.

THE OFFERING

Notes Currently Offered	\$100,000,000
Use of Proceeds	100% invested in Master Certificate of Participation in the Portfolio

TMF is offering up to \$100,000,000 in Notes to Qualified Investors only. The minimum investment is \$1,000 for individuals, trusts, other business entities (such as Limited Liability Companies) within the constituent community, and a \$10,000 minimum investment for partnerships. All investors must be Qualified Investors. All proceeds from the sale of Notes will be aggregated and deposited by TMF in the Portfolio through the Master Certificate of Participation. The Portfolio is managed and operated by TMF. Notes are not represented by a separate certificate.

Investment in the Master Certificate of Participation may be made through Variable Rate or Fixed Rate Notes. See "Description of Securities."

TMF will establish and maintain a distinct account for each investor in Notes to record the dates of investments, terms of investments, interest payments, and withdrawals. A Note entitles the holder to interest payments and withdrawals under the terms of this Offering Circular. See "Description of Securities." Notes are general obligations of TMF and are not secured or otherwise backed by the specific Loans in the Portfolio.

Investment in the Notes will be in cash unless TMF authorizes, at its discretion, other forms of investment that can be converted into cash.

Interest on the Notes will be compounded monthly. Each Qualified Investor, other than a Qualified Investor who has invested through an individual retirement account, has the option of receiving the interest quarterly (on or about January 1, April 1, July 1, and October 1 of each year) semi-annually (on or about January 1 and July 1 of each year) or receiving the interest upon written request, but not more often than once per calendar month. Additionally, if the amount of the investment is \$10,000 or greater, the investor may choose to receive this interest automatically as often as monthly. Interest on a Note purchased through an individual retirement account will accrue and be compounded until maturity or withdrawal.

The variable interest rate payable to Variable Rate Noteholders and the fixed rate offered for Fixed Rate Notes will be set and periodically adjusted by TMF. Current rates are available on the TMF website at www.texasmethodistfoundation.org or by calling Investor Relations at (800) 933-5502 or (512) 331-9971.

On a monthly basis, TMF may adjust the rate of interest payable on the Master Certificate of Participation and Variable Rate Notes. Adjustments are made in light of the average rate of return received by the Portfolio on its Loans, the then prevailing rate of interest being paid to investors on similar investments, and the budgets and goals set by TMF's Board of Directors.

At the time of the monthly adjustment on the Master Certificate of Participation, TMF may adjust the interest rate payable to Variable Rate Noteholders. This adjustment will reflect the costs and

expenses of operating and maintaining the Notes accounts, including the costs and expenses of this offering. No minimum interest rate must be paid on the Variable Rate Notes.

TMF may adjust the interest rate and terms offered on Fixed Rate Notes on a weekly basis. An investment in a Fixed Rate Note will generally be for a fixed period of time of one (1), two (2), three (3), four (4), or five (5) years, and the maturity date will be established when the investment in the Fixed Rate Note is made. Principal may not be added by an investor to a specific fixed note after the initial investment is made. An Investor may purchase additional notes under the terms of this Offering Circular at any time under the rates available at the time of the additional purchase. Principal may not be withdrawn from this account before the maturity date without the consent of TMF, and a penalty will be charged for such early withdrawal except as provided herein. See **"Description of Securities."**

TMF reserves the right from time to time to offer special rates on the sale of Notes to specific groups. TMF is offering the Notes only to Qualified Investors who intend to acquire the Notes solely for investment and who make the representations contained in the Application for Investment in the form that is attached as Appendix "C," "D," and "E" to this Offering Circular. (See Appendix C - **"Application for Investment – For Individuals,"** Appendix D - **"Application for Investment – For Trusts,"** or Appendix E - **"Application for Investment – For Partnerships,"** as applicable.) The offering is not underwritten.

While investment in Variable Rate Notes is intended to be for periods of one (1) year or more, investments are returnable upon written demand. TMF has 30 days to honor a request for withdrawal of investment. Although this right exists, TMF has historically honored withdrawal requests within one business day.

TMF is solely responsible for the return of both interest payments and principal amounts of investments to holders of the Notes. Should TMF be unable to meet its obligations to holders of the Notes, the Noteholders will have no recourse against any other party. Noteholders have no direct ownership interest in the Loans or any other assets of TMF, and the Notes are unsecured debt obligations of TMF. TMF may, from time to time, borrow funds, both related and unrelated to the Portfolio, and may grant a security interest in or pledge the Loans in the Portfolio to secure such borrowings. (See **"Risk Factors."**)

RISK FACTORS

Historically, investors in the Portfolio desire to benefit church and nonprofit development in the Constituent Community as well as receive a return on investment commensurate with the risk involved. Prospective investors should carefully consider the following factors and other information contained in this Offering Circular before acquiring Notes.

Unsecured Obligations

The Notes are not secured. Holders of the Notes have no direct right, individually or as a group, in the Loans or to foreclose upon the Loans payable to TMF. TMF will make all decisions regarding the Loans' collection, amendment, enforcement, and management at the discretion of TMF's Board of Directors, its officers, and management.

Ownership of Loans; Right to Pledge

TMF maintains ownership of the Loans in the Portfolio and has the right to grant security interests in and pledge the Loans, including collections thereon, to secure indebtedness of TMF, whether related or unrelated to the Portfolio. The holder of any such security interest or pledge will have rights in the Loans superior to the general creditors of TMF and may foreclose on the Loans if TMF defaults on its obligations to such holder.

As of September 1, 2023, TMF has one revolving line of credit of \$40 million, of which \$950,000 is outstanding at that date. A general pledge of an interest in the Loan Portfolio secures this Loan.

No Trust Agreement

The Notes are not issued pursuant to any trust agreement or indenture, and no indenture trustee or other agent has been appointed to represent the interests of Noteholders. If TMF fails to pay interest on any Note on the date due or fails to return an investment within 30 days of the written request of a Noteholder, the holder must seek damages or other remedies against TMF and will have no direct recourse against any other church or denominational entity or agency of the Constituent Community or any officer, director or staff of TMF.

Return Upon Demand

Because a Variable Rate Note is returnable within 30 days of a written demand and at any given time, a substantial portion of the Portfolio's assets will be invested in the Loans; it is likely that TMF will be unable to promptly return investments if a substantial number of Noteholders request to close their accounts within a short period of time. TMF has always redeemed an investment on demand; however, past performance does not predict future actions. TMF maintains a line of credit per the guidelines set by TMF's Board of Directors. Information regarding the current line of credit is available upon request.

No Deposit Account or Guaranty

Notes represent an obligation of TMF under the Master Certificate of Participation. Notes are not the same as or similar to deposit accounts with banks or other financial institutions, are not regulated by any federal or state governmental authority and are not guaranteed by the FDIC or any other person or entity.

No Minimum Interest Rate

There is no minimum interest rate that TMF must pay according to the Master Certificate of Participation or to the Variable Rate Noteholders.

Dependence Upon Voluntary Contributions

The financial stability of the Borrowers and their ability to make payments of principal and interest on Loans is primarily dependent upon the voluntary contributions of their members. Because church membership and attendance may be adversely affected by a variety of factors outside of the control of a Church, it is possible that a Church will not receive sufficient voluntary contributions to allow it to meet its obligations under a Loan made to it by TMF. The terms of the security documents and applicable provisions of law describe TMF's remedies against a Borrower that defaults under a Loan. Neither the trustees nor any other members of a Borrower will be required to personally guarantee any Loan from TMF. As of September 1, 2023, since 1938, no loss of principal has been incurred on the default of any loan originated within the Portfolio. TMF merged with another UMC Foundation in 2019, and the combined entity continues under the name TMF. Before the merger with TMF, that entity experienced a loan loss on one Loan it originated. There can be no guarantee that TMF will be able to collect the principal and interest due on any particular Loan.

Deficiency in Value of the Mortgaged Property

TMF has not adopted a formal policy limiting the ratio of the amount of a Loan to the value of the property securing the Loan but applies the loan policies and guidelines adopted by TMF's Board of Directors (the "Loan Policies"). Although the Loan Policies set income and debt service standards for loan qualification, the market value of a project is generally less than the cost of constructing or remodeling because of the limited market for facilities of the type constructed and used by the Borrowers. Therefore, in the event of a Loan foreclosure, there is no guarantee that TMF will be able to sell the mortgaged property for an amount sufficient to repay the Loan secured by such property.

Unpredictability of Demand for First Mortgage Loans

There can be no assurance that the demand for Loans will be sufficiently strong to allow all of the Portfolio proceeds to be used for Loans. To the extent that the Portfolio has monies in excess of the demand for Loans, the investment of such excess funds in alternative investments according to the investment policies of TMF may affect the interest return of the Portfolio.

Geographic Concentration of Loans

Most of the Loans are to congregations or institutions in the States of Texas and New Mexico. Poor economic conditions or decreases in real estate values in either of those states could adversely impact the Loans' overall collectability.

Illiquidity of Investment

There is no public trading market for the Notes, and no trading market is ever likely to develop. The transferability of the Notes is subject to restrictions that are established by applicable state and federal securities laws and as approved by TMF. Therefore, an investor may be unable to sell any of the Notes for an indefinite period of time. Nonetheless, an investment in Notes is returnable

within thirty (30) days upon written demand, subject to the provisions of the Offering Circular regarding early withdrawal of Fixed Rate Notes. The Notes may be transferred by gift or donation and by the qualified executor or administrator of the estate of a deceased Note holder. TMF may require suitable evidence of authority for such a transfer in either of those events.

Safeguarding Personal Information

TMF's operations depend on technology and related services; some provided by third-party vendors. The majority of TMF's business records are stored and processed electronically, including records of loans receivable, Notes payable, and most other business records. TMF has an ongoing program of updating its cybersecurity with hardware, software, employee training, and utilization of third-party vendors and services (including our website functionalities) for processing, storing, and delivering information. TMF's electronic records include confidential customer information. Electronic processing, storage, and delivery have inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, interruption of website service, inability to access data when needed, corruption or permanent loss of data, unauthorized access to data or theft of data. Cyber threats are rapidly evolving, and TMF may be unable to anticipate or prevent all such threats. While TMF and its vendors take measures to protect against these risks, TMF's computer systems and network infrastructure are not immune to cyber-attacks, including denial of service attacks, hacking, terrorist activities, identity theft, and other fraudulent, illegal, or improper activity perpetrated by third parties. No cybersecurity measures will be 100% effective, and additional risks may be identified or emerge in the future. A successful penetration or circumvention of TMF's or its vendor's security could cause, among other consequences, significant disruption of all aspects of TMF's operations.

No Publicly Available Information

TMF and the Portfolio do not, and are not required, to file annual or other periodic reports with the Securities Exchange Commission or comparable regulatory agencies in either Texas or New Mexico. Accordingly, there is no publicly available information relating to the Portfolio other than those available by request of a Constituent or contained in TMF's on-line publication of updated financial statements at regular intervals.

Noteholder Demand for Repayment at Note Maturity

If a substantial number of holders of Investment Notes demand repayment of their Notes and, in each case, do not reinvest in the Notes, it may be difficult for TMF to repay noteholders in the ordinary course.

METHOD OF OFFERING

The Notes are offered only by TMF. At the sole discretion of TMF, investments for Notes may be established by property other than cash. The Notes are offered only to Qualified Investors. The minimum investment is \$1,000 for individuals, trusts, other business entities (such as Limited Liability Companies) within the constituent community, and a \$10,000 minimum investment for partnerships. Joint investments are permitted for Qualified Investors. All individual Qualified Investors may establish a "payable on death" (P. O. D.) account. A P. O. D. account permits the investor to designate a beneficiary to receive the Note on the death of the investor. During the investor's life, the investor may change the beneficiary or terminate the P. O. D. account by written notice to TMF.

No officer, director, or staff member of TMF will receive any fee or monetary benefit from the sale of the Notes or the Portfolio's operation except for reasonable compensation for services rendered in performing their regular duties. No fees or commissions will be paid to any underwriter, broker, or independent salesman for the sale of Notes.

No minimum amount of Notes must be sold under this offering, and if the entire amount of the offering is not needed for the intended purposes, the offering may be terminated or limited, and the acceptance of subscriptions suspended at any time. TMF reserves the right to limit the amount of Notes that any person or entity may purchase at any time.

INDIVIDUAL RETIREMENT ACCOUNTS

TMF has a program permitting the purchase of Notes as investments for Individual Retirement Accounts ("IRAs"). To do so, investors must have an existing IRA that will accept Notes as investments (prospective investors should inquire about their existing IRA to determine if such is the case) or establish a new IRA with a trust company selected by TMF. TMF currently has an agreement with a trust company ("Trust Company") whereby the Trust Company will establish self-directed IRAs to facilitate the purchase of TMF's Notes. An investor using the Trust Company to set up a self-directed IRA will be responsible for the Trust Company's customary fees and costs. **TMF DOES NOT OWN ANY INTEREST IN THE TRUST COMPANY AND HAS NO CONTROL OVER THE ACTIVITIES OF THE TRUST COMPANY. THUS, QUALIFIED INVESTORS SHALL HAVE NO CLAIM AGAINST TMF FOR ANY ACT OR FAILURE TO ACT BY THE TRUST COMPANY.**

The Trust Company will endeavor to establish IRAs to accommodate IRA rollovers, transfers from existing IRAs, and new accounts, act as the custodian for such self-directed IRAs, and invest IRA funds per the IRA holder's instructions to invest in the Notes. TMF reserves the right to limit the amount it will accept from IRA rollovers or transfers.

Notes purchased as IRA investments will be subject to the same terms, conditions, and risks as Notes having the same term to maturity, provided that interest earned on Fixed Rate Notes purchased as investments for IRAs must accrue and be compounded until maturity.

Investors who establish IRAs with the Trust Company may choose a traditional IRA or, if they qualify, a Roth IRA. IRAs are subject to the rules and regulations for IRAs as outlined in the Internal Revenue Code and Regulations. Consultation with a competent financial and tax adviser is recommended.

Prospective Qualified Investors considering purchasing one or more Notes for an IRA should contact Investor Relations at (512) 331-9971 or by writing to TMF at 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808. TMF will provide the Trust Company's IRA kit containing the Trust Company's IRA application and related materials. The completed IRA application, related documentation, and check (payable to the trust company) in payment for the Note should be returned to TMF as described in those documents.

CAPITALIZATION

The following table sets forth the capitalization of the Loan Portfolio in terms of balances and investments for the periods December 31, 2018 to December 31, 2022. A copy of the most recent audited financial statement is available upon request or on TMF's website. Monthly unaudited financials are also available on the website at www.texasmethodistfoundation.org.

TEXAS METHODIST FOUNDATION
LOAN PORTFOLIO AS OF
DECEMBER 31 of the following calendar years

ASSETS	2018	2019	2020	2021	2022
Cash and cash equivalents	7,572,964	21,238,792	27,763,521	40,787,982	20,735,703
Accrued Interest Rec.	1,109,180	1,216,144	1,721,701	1,675,903	1,821,345
Loans, net, and Church Bonds	324,911,731	317,657,369	305,460,568	288,353,386	289,690,550
	333,593,875	340,112,305	334,945,790	330,817,271	312,247,598
LIABILITIES AND NET ASSETS					
LIABILITIES					
Principal Due Investors	311,505,874	326,362,305	328,689,832	330,815,334	312,240,288
Notes Payable	22,088,000	13,750,000	6,250,000	-	-
	333,593,874	340,112,305	334,939,832	330,815,334	312,240,288

DESCRIPTION OF SECURITIES

General

Each Qualified Investor in Notes will have an account maintained by TMF evidencing that the Qualified Investor has made an investment of a specified dollar amount with TMF and is entitled under the conditions and upon the terms of this Offering Circular to participate to that extent in the Master Certificate of Participation. The minimum investment is \$1,000 for individuals, trusts, other business entities (such as Limited Liability Companies) within the constituent community, and a \$10,000 minimum investment for partnerships. At TMF's discretion, deposits may be established by property contributions other than cash.

While Variable Rate Notes are intended to be for periods of one (1) year or more, investments are returnable upon 30 days prior written demand. Although TMF has 30 days to honor withdrawal requests, in practice, those requests have been kept within one business day; however, TMF may not follow that practice in the future.

Fixed Rate Notes are generally for a fixed period of one (1), two (2), three (3), four (4), or five (5) years, and the maturity date is established when the investment in the Fixed Rate Note is made. Principal may not be added to a specific fixed note after the initial investment is made though purchases of additional notes at the terms available at the time of the purchase may be made. Principal may not be withdrawn from the account before the maturity date without the consent of TMF, and a penalty will be charged for such early withdrawal except as provided herein. See "Withdrawals and Returns."

Interest Rate Payments

Interest on the Notes will be compounded monthly. Each investor other than an investor purchasing a Note through an IRA has the option of receiving the interest quarterly (on or about January 1st, April 1st, July 1st, and October 1st of each year), semi-annually (on or about January 1st and July 1st of each year) or receiving the interest upon written request, but not more often than once per calendar month. Additionally, if the amount of the investment is \$10,000 or greater, the investor may choose to receive this interest automatically as often as monthly. Interest on a Note purchased through an IRA will accrue and be compounded until maturity or withdrawal.

The difference between the rate paid to the Master Certificate of Participation and the rate paid to Noteholders will be used by TMF to defray its general operating costs, including but not limited to expenses of operating and maintaining the Notes accounts, including fees and expenses of this offering and to support its charitable purposes such as the making of charitable grants, and faith-based leadership development ministries.

Interest rates payable on the Variable Rate Notes are subject to change monthly. TMF's Board of Directors meets semi-annually to, among other items, examine Loan returns and earnings payments to investors, review and approve proposed budgets and amendments, and review budget performance. Operating within the budgets and goals set by TMF's Board of Directors, TMF's staff set and modify interest rates on certificates of participation.

The interest rate payable on a Fixed Rate Note will be established when the investment is made and will remain in effect until the Note's maturity date. Additions may not be made to the account after the initial investment. TMF's staff sets the interest rate and terms offered on Fixed Rate Notes

on a weekly basis. The terms offered when the investment is made will determine the interest rate and maturity date of the Fixed Rate Note. Upon maturity, a Fixed Rate Note will automatically be converted to a Variable Rate Note unless the funds are withdrawn or the Qualified Investor establishes a new Fixed Rate Note.

The variable interest rate set for the Variable Rate Certificates of Participation and the Master Certificate of Participation and the fixed rate terms offered for the Fixed Rate Notes are based in part on the earnings from the Portfolio of loans that include a combination of variable and fixed rate loans. There is no minimum interest rate that TMF must pay on the Master Certificate of Participation and on Variable Rate Notes. (See "**Risk Factors.**").

Withdrawals and Returns

Variable Rate Notes will have no maturity date. Investments may be withdrawn by their record owner, in whole or in part, at face value upon 30 days written demand to TMF. Withdrawals will be made in the order of the requests. There can be no assurance; however, that TMF will have sufficient liquidity in the short term to honor withdrawal requests. (See "**Risk Factors - Return Upon Demand.**").

Fixed Rate Notes have a maturity date determined when the investment is made (or, as applicable, at the time of renewal.) Except as provided below, the principal may not be withdrawn from this account before the maturity date (including any renewal thereof) without the consent of TMF, and a penalty will be charged for such early withdrawal. The penalty for a Fixed Rate account is four (4) months of interest on the principal amount withdrawn. The penalty will be charged first against any interest, then in the account, and then from the principal. This early withdrawal penalty will be waived if: (i) the account owner dies or is declared legally incompetent, or (ii) if the account is an IRA account and the withdrawal request is made within seven days of establishing the IRA account in which event the entire amount will be returned without payment of interest.

Redemption Rights

TMF reserves the right to redeem any Variable Rate Note or any Fixed Rate Note, in whole or in part, by payment of the then-invested amount plus accrued interest. If TMF elects to redeem a Note, it will attempt to select the Note to be redeemed randomly; however, TMF reserves the right to use other methods to determine which Notes it will redeem at any given time. Although TMF will use its reasonable best efforts to redeem all of an investor's Notes at the same time, partial redemptions may be made at TMF's election.

Form of Investment

All Notes must be held by Qualified Investors directly or through an IRA. Joint investments are permitted for Qualified Investors who are individuals. All individual Qualified Investors may establish a "payable on death" ("P. O. D.") account. A P. O. D. account permits the Qualified Investor to designate a beneficiary to receive the Note on the death of the Qualified Investor. During the investor's life, the investor may change the beneficiary or terminate the P. O. D. account by delivering written notice to TMF. If a joint investment, the account will be held under both names and, unless otherwise directed, will be held under the designation of "joint tenants with right of survivorship." This designation means that either owner may access the account for withdrawals and on the death of one owner, the surviving owner will own the entire Note account.

Transferability

Except as provided below, Notes are not transferable. TMF must approve all transfers. Upon receipt of proper authorization, including evidence of authority and written assignments, Notes may be transferred:

- (i) On death, to the estate or beneficiaries of the deceased Noteholder; or the beneficiary named in a P. O. D. account;
- (ii) by gift or donation; and
- (iii) according to a marital property division ordered or approved by a court order.

Notices

All notices of, or requests for, withdrawals, change of address or account information, transfer, and P.O.D. designation requests must be in writing with proper, authorized signature(s) and addressed to TMF at 11709 Boulder Lane, Suite 100, Austin, Texas 78726, or sent electronically via email to investorrelations@tmf-fdn.org. TMF will send all notices and checks to the Noteholder at the address set forth on the Application for Investment or other address designated in writing by the Noteholder.

Liquidity Protection

TMF's staff uses good faith efforts to manage the daily liquidity position in an effort to continually maximize the rate of return on the total Portfolio while providing the necessary liquidity to provide funds for day-to-day operations, withdrawals, and outstanding loan commitments. TMF maintains a line of credit with a commercial lender per the guidelines set by TMF's Board of Directors. Information regarding the current line of credit is available upon request. TMF may also sell loan participations within the guidelines determined by the Board of Directors. TMF may modify its liquidity guidelines without notice to the Noteholders.

MANAGEMENT'S DISCUSSION OF BUSINESS OPERATIONS

General

TMF has undertaken this offering to provide Qualified Investors an opportunity to participate in the Portfolio. TMF facilitates this investment by aggregating the offering proceeds from the Notes and maintaining an investment in the Portfolio through the Master Certificate of Participation.

TMF maintains and administers proceeds of the Master Certificate of Participation and other certificates of participation from institutional investors to make Loans to Borrowers.

The Portfolio's revenues are primarily derived from the interest earned on the Loans. Any portion of the annual revenues earned by TMF not used to pay operating expenses and investment returns is added to TMF capital and shown in TMF's financial statements as Undesignated Endowment. It is uncertain whether interest rates will increase, decrease or remain constant in the future. A significant increase in interest rates would likely have a material adverse effect on the demand for Loans, thereby causing TMF to adjust interest rates paid to investors, including Noteholders, over the long term.

Operating and Investment Policies

TMF generally makes Loans only to Borrowers within the boundaries of the Constituent Community but may, from time to time, make Loans to other Borrowers outside of the states of Texas and New Mexico. Additionally, TMF may acquire Notes in Loans to Borrowers, both inside or outside the geographical boundaries of the Constituent Community. TMF administers Loan origination, negotiation, and compliance through two committees: the Directors' Loan Committee, composed of directors elected by TMF's Board of Directors, and the Officers' Loan Committee, and other Foundation officers and personnel appointed by TMF's President. The Directors' Loan Committee must approve every Loan or, if the Loan is for less than \$250,000, assuming the aggregate debt of the Borrower is also less than \$250,000, the Officers' Loan Committee. TMF may make direct Loans to Borrowers or participate with commercial banks, financial institutions, or nonprofit corporations in making joint Loans. Loans originated by TMF are for either:

- (i) building programs and secured by the first lien deeds of Trust on the Borrower's real property; or
- (ii) capital improvements, acquisitions, or working capital for Borrowers.

In infrequent circumstances, a Loan may be originated which is not secured by a first lien deed of Trust.

In considering each Loan application, the Directors' Loan Committee reviews data on construction costs of the proposed project, the value of the property to be mortgaged, the financial capability of the Borrower seeking the Loan, and other purposes of the Loan, such as operating capital, along with the Officers' Loan Committee recommendation as to approval or disapproval. TMF may, from time to time, require independent appraisals of properties to be mortgaged, although the Loan Policy does not require it.

Subject to the discussion of unsecured loans and loans secured by assets other than real estate below, with rare exceptions, every Loan made by TMF will be secured by a first lien deed of Trust on the real property to be improved or acquired with the Loan proceeds. TMF typically obtains a mortgagee's title insurance policy, naming TMF as the mortgagee, or a title run or update to an existing policy issued by a title insurance company licensed to do business in the Borrower's state.

Although a first lien on real property typically secures Loans, TMF's underwriting standards focus primarily on a Borrower's present and anticipated cash flow. TMF's expertise in this area shows that cash flow for Borrowers is a stronger indication of creditworthiness than property value. The Borrower must demonstrate the ability to repay the Loan from cash flow.

TMF will consider unsecured Loans to Borrowers only when the Borrower exhibits impeccable financial strength and an identifiable source of repayment. Unsecured Loans will generally not exceed one (1) year in maturity, and interest is collected monthly.

Loans secured by assets other than real estate (e.g., computers, copiers, organs, and pianos) will not be for a term that exceeds the asset's useful life or one (1) year for working capital. Interest is payable monthly on these loans.

The typical Loan is secured by real property for a term not exceeding 23 years. This term provides for interest and payment terms as follows:

- (i) Initially, the Loan interest rate is set in relation to a target rate such as the *Wall Street Journal* prime interest rate (or other primary quoted rate) and will be either fixed for a specific time period or may float between interest rate ceilings and floors. These ceilings and floors are generally two percentage points above or below (as the case may be) the target rate set on the Loan at the origination date or any subsequent adjustment date. In addition, these loans will have a minimum interest rate that is set so that in no case will the rate on the Loan fall below a set minimum rate;
- (ii) Variable interest rate loans may float between the floor and ceilings as agreed by the parties in the written instruments supporting the loan and security. These will generally be for three years during the term of the Loan, and are adjusted at the end of each period to reflect the then prevailing target rate;
- (iii) Monthly loan payments of principal and interest are initially based on a term not to exceed a 20-year amortization period, adjusted at the anniversary date of the Loan during the term of the Loan to reflect adjustments in the interest rate and amortization for the remaining term of the Loan; and
- (iv) No loan carries a written right to be transferred or assumable; though TMF, at its sole discretion, may permit an assumption or transfer. Loans may be prepaid without penalty.

The Officer's Loan Committee sets rates and terms offered by TMF in consultation with the Board of Directors and takes into consideration factors outstanding at the time the Loan is approved.

These include general economic conditions, competitive lending environment, liquidity needs, and other factors deemed necessary by the Board. The Loan Policy allows for the collection of any such fees as is considered necessary. These fees are not limited to origination, discount, legal, or other fees associated with the loan process.

Origination of Loans

All Borrowers are required to follow certain procedures to authorize the purchase of property, construction or remodeling of buildings, and the borrowing of funds, including provisions found within TMF's Loan Policy.

TMF evaluates Loan applications in accordance with procedures promulgated from time to time by TMF's Board of Directors. At present, the procedures are as follows:

The Borrower must first submit a Loan application on a standard form provided by TMF. The completed application contains the following:

- (a) relevant statistical and financial information about the Borrower's congregation, organization, and the proposed project or borrowing need;
- (b) certification by the Borrower's recording secretary showing that the Borrower's members have properly authorized the proposed borrowing; and
- (c) formal consent by the church's pastor and all relevant authorities, as applicable.

The Loan application is then evaluated by the Officers' Loan Committee of TMF. In determining the soundness of a Loan, the Officers' Loan Committee must (a) consider the overall financial situation of the applicant Borrower to determine whether it has the resources on hand to make debt service payments based upon written information and reports, (b) evaluate the Borrower, including whether its congregation membership and attendance is sufficient to sustain the debt, evidence of the general level of support for the Borrower's programs, including the proposed project, and whether the Borrower is physically located in an area experiencing increasing or decreasing economic growth, and (c) consider whether the project itself is appropriate for the Borrower to be undertaking in light of its financial situation, support for the project, and location of the project. In addition, representatives of TMF typically visit the proposed site and meet with the leading members of the Borrower before recommending any Loan for approval by the Directors' Loan Committee. Other information may include:

- (i) most recent two years' Local Church Annual Report Form;
- (ii) most recent two years' Annual Report of Trustees;
- (iii) most recent two years' Annual Report of the Committee on Finance;
- (iv) current year's budget; and
- (v) other information as TMF may determine.

If the Officers' Loan Committee determines the Loan to be sound, and TMF has sufficient funds to make the Loan, the Loan application is presented to the Directors' Loan Committee, with the Officers' Loan Committee's recommendation for approval. The Directors' Loan Committee evaluates a summary of the Loan Application and either disapproves or approves the Loan and

establishes its terms. If the Loan is approved, TMF issues a written commitment to the Borrower, setting forth the terms and conditions of the Loan. The Officers' Loan Committee may approve Loans of up to \$100,000 without the Directors' Loan Committee's approval assuming the aggregate debt of the Borrower is not more than \$100,000. Two members of the Officers' Loan Committee must approve the Loan, one of which must be TMF's President or senior loan officer. Loans approved in this manner are reported to the Directors' Loan Committee at its next meeting.

Employees

As of September 1, 2023, TMF employs 50 full and part-time employees. Key officers and staff are described under "**Management.**"

TMF has no collective bargaining agreements covering its employees, has never experienced any material labor disruption, and is unaware of any efforts or plans to organize its employees. TMF considers relations with its employees to be excellent.

MANAGEMENT

Directors and Executive Officers

TMF's current Board of Directors is outlined in Appendix A.

Operation of the Portfolio is managed and administered through the Directors' Loan Committee (elected by TMF's Board of Directors), the Officers' Loan Committee (appointed by TMF's President), and certain officers and Foundation staff. As of September 1, 2023, these individuals and their positions are as follows:

Directors' Loan Committee

Rev. Richie Butler, Dallas
Mr. Randall Canedy, Mansfield
Rev. Reginald Clemons, Pearland
Dr. Robert Lopez, San Antonio
Mr. Kelvin Walker, Dallas

Dr. Richard White, Nacogdoches
Rev. Morris Matthis, Montgomery
Judge Ron Enns, Amarillo (Chair)
Dr. Clayton Oliphint, Richardson
Dr. Eduardo Rivera, El Paso

Officers Loan Committee

Rev. Lisa Greenwood – President/CEO, TMF
David McCaskill – Sr. Vice President Loan Fund Services, TMF
Paula Sini – Assistant Vice President Loans, TMF
Cheryl Westbrook – Assistant Vice President Loans, TMF
Daniel B. Park – Loan Officer, TMF

Key Officers and Staff

Rev. Lisa Greenwood – President/CEO. For over 30 years, Rev. Greenwood has been a change-maker within ministry and faith communities across the country, driving the development of programming and organizational growth. Since 2012, Rev. Greenwood has helped expand the TMF into a nationally recognized thought leader. A University of Texas and Yale Divinity graduate, Rev. Greenwood began her career as an ordained elder in the North Texas Conference of the United Methodist Church. Over 20 years, she gained deep insight into local church leadership, finance, and management.

David McCaskill – Senior Vice President Loan Fund Services. Mr. McCaskill joined TMF in 1999. Before joining TMF, he had twenty-one years of experience at all levels of banking, including working for the Office of the Comptroller of the Currency (OCC). Mr. McCaskill graduated from Texas A & M University (B.B.A. 1978). Mr. McCaskill's responsibilities include overseeing Lending and Investor Services, which includes the management of the managed and individual accounts.

Curtis Vick – Chief Operating Officer/Chief Financial Officer. Mr. Vick started his career with TMF in 1982, developing computer-based bookkeeping systems. Through the years, he has been involved in all areas of TMF and has been integral in the four merger transactions during its history. Mr. Vick is the son of a Methodist minister and received a basketball scholarship to attend Southwestern University, a Methodist university in Georgetown, Texas, where he earned a Bachelor of Science in Computer Science. Mr. Vick is in charge of TMF's overall operations.

Paula L. Sini - Assistant Vice President of Loan Operations. Ms. Sini joined TMF in 2015 following 30 years in commercial banking culminating in the position of Senior Vice President,

National Manager for BBVA Compass Bank with responsibility for Commercial & Industrial, Public Finance, and Global Wealth Loan Documentation and Funding Control and Document preparation. She is primarily responsible for the Portfolio's loan operations and servicing, including documentation and funding in a manner that protects TMF's nonprofit interests and reserves.

Cheryl Westbrook – Assistant Vice President of Loans. Following a 26-year career in banking in a variety of governance, Loan, and promotional capacities and then obtaining her real estate license, Ms. Westbrook became a loan officer for Heartspring until its merger in 2018 with Texas Methodist Foundation.

Daniel B. Park – Loan Officer. Mr. Park comes to TMF from HomeTown Bank in Galveston, where he managed credit underwriting. Before HomeTown Bank, Mr. Park was Vice President and Senior Internal Auditor at Prosperity Bank in Houston. Mr. Park also served as a Senior Bank Examiner for the Arkansas State Bank Department, overseeing the regulation of commercial banks in Arkansas. Mr. Park has developed expertise in affordable housing, senior living facilities, and rental properties throughout his career. He knows well the intricacies of lending in a wide variety of circumstances.

Sara Beltran – Assistant Vice President, Investor Relations. Ms. Beltran joined the Foundation in 2000. Ms. Beltran's background includes over 15 years in executive administration and banking. Ms. Beltran brings her expertise to TMF as the primary administrator of all institutional and individual accounts for TMF.

Derek Casteel, CFA – Director of Investment Services. Mr. Casteel joined TMF as director of investment services in 2018. He is primarily responsible for the management of institutional client relationships and the pursuit of growth opportunities. Mr. Casteel most recently served as a managing director at Wespath Institutional Investments, where he led the team responsible for the growth and retention of institutional assets under management within the Wespath family of commingled investment funds. Before that, he was a senior vice president at Community Capital Management, where he marketed the firm's fixed-income strategies to nonprofit institutional investors and their investment consultants. Derek received a B.S. in Political Science from Florida State University and is a CFA Charterholder.

Tom Stanton – General Counsel and Vice President. Mr. Stanton is the Corporate Secretary and General Counsel of the Issuer and TMF. Mr. Stanton became General Counsel of TMF in 2014. From 2005 through 2016, he served as Chancellor to two Bishops of a United Methodist Church Annual Conference. Mr. Stanton received his bachelor's degree in theology and economics from Georgetown University in 1979 and his Juris Doctorate from the University of Texas School of Law in 1987. He clerked for the Chief Judge of the Western District of Texas Federal Court from 1987 to 1989 and is licensed in the United States Supreme Court, the Fifth Circuit Court of Appeals, and the Western (Federal) District of Texas. Stanton practiced trial law emphasizing commercial and complex litigation and was a sought-after mediator for ten years prior. Stanton has been active for 19 years in resourcing a medical clinic, women's school, seminary, and a small college in the Democratic Republic of Congo ("DRC") with annual trips leading teams of medical, educational, and construction workers into the mission station in rural DRC. In addition to his legal responsibilities, Mr. Stanton resources churches and church-related entities in finding their missional purpose and developing strategies to deepen their cultures of philanthropy and mission.

Compensation of Directors

Directors of TMF do not receive compensation for serving on TMF's Board. However, each director receives reimbursement of reasonable out-of-pocket expenses incurred concerning the director's attendance at TMF's Board of Directors meetings.

Pursuant to TMF's By-Laws, TMF will indemnify its officers and directors for liability incurred in performing their duties on behalf of TMF.

FINANCIAL INFORMATION

The most recent audited financial statement of TMF is available on our website at www.texasmethodistfoundation.org or on request.

TAX MATTERS

The following general discussion sets forth certain anticipated federal income tax consequences of Notes' purchase, ownership, or disposition. The discussion of anticipated federal income tax consequences is based on the Code. The discussion below does not address all aspects of federal taxation that may be relevant to particular Qualified Investors in light of their circumstances or to certain types of Qualified Investors subject to special treatment under the federal tax laws. Moreover, there can be no assurance that the Internal Revenue Service will not take contrary positions to those positions expressed below. Prospective Qualified Investors are advised to consult their tax advisor regarding the federal income tax consequences from the purchase, ownership, or disposition of Notes and any tax consequences arising under the laws of the States of Texas and New Mexico or any local government or any foreign government.

Except for interest earned on Notes held by an IRA, interest earned on Notes will be treated as interest income for federal tax purposes. Therefore, unless the Note holder is exempt from the federal income tax by Section 501(a) (or another Section) of the Code, they must include the interest earned in their income annually.

Unless an exception to the reporting requirement applies, TMF will report annually (or more frequently if required) to the primary owner of record of the Note and to the Internal Revenue Service, and to the extent required by any state, with respect to the interest paid or credited to such primary owner of the Note.

TMF has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code as an organization described by Section 501 (c)(3) of the Code. However, an investment in Notes does not entitle the investor to an income tax deduction and will not qualify as a charitable contribution under Section 170 of the Code.

Under the Code, a Noteholder other than a corporation may, under certain circumstances, be subject to "backup withholding" at a rate of 28% with respect to payments on the Notes. Withholding generally applies if the non-corporate Noteholder;

- (i) fails to furnish TMF such holder's social security number or other taxpayer identification number ("TIN"),
- (ii) provides TMF with an incorrect TIN,
- (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code, or
- (iv) under certain circumstances, fails to provide TMF or such holder's broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such holder is not subject to backup withholding.

Noteholders should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining the exemption. If the holder of Notes sells or otherwise transfers Notes for an amount other than its face value, taxable gain or loss may result, as with any sale or other transfer of an investment.

Because Notes are general unsecured obligations of TMF, Qualified Investors in Notes exceeding \$250,000 in the aggregate may be viewed by the Internal Revenue Service as participating in a

loan subject to Section 7872 of the Code. In the event Section 7872 is determined to apply to such investors and none of the exceptions under Section 7872 apply, interest income will be imputed to (i.e., deemed received by) the investor over and above the actual interest paid by TMF and deemed gifted by the investor to TMF as a charitable contribution. A corresponding charitable contribution deduction may be available to any investor required to impute interest income under Section 7872. Investors should consult their tax advisor concerning the application of Section 7872.

ADDITIONAL INFORMATION

Each Noteholder will be provided with TMF's most recent annual financial statement prepared by an independent public accounting firm upon request. Each Noteholder is encouraged to obtain and review the financial statements in connection with their investment decisions.

Prospective Qualified Investors may obtain additional information regarding TMF, its activities, and any other matter discussed in this Offering Circular by contacting Investor Relations at (800) 933-5502 or (512) 331-9971, or by writing Texas Methodist Foundation at 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808. Information may also be obtained by visiting TMF's website at www.texasmethodistfoundation.org.

INVESTMENT PROCEDURES

To invest in Notes, each interested Qualified Investor other than an IRA should complete the applicable Application for Investment included in this Offering Circular as Appendix C, Appendix D, or Appendix E, as applicable. Individual Qualified Investors wishing to purchase Notes through IRAs must follow the subscription procedures under the heading "**Individual Retirement Accounts**" herein. The completed Application for Investment, including the investor's check for the initial investment and any request for IRA investment materials, should be delivered to:

Investor Relations
Texas Methodist Foundation
11709 Boulder Lane
Suite 100
Austin, Texas 78726-1808

APPENDIX A

BOARD OF DIRECTORS - TEXAS METHODIST FOUNDATION

<p>Mr. Tom Toevs, Chair</p> <p>AMARILLO Judge Ron Enns</p> <p>AUSTIN ** James A. Cox, Jr. Rev. Taylor Fuerst Henry Joyner</p> <p>BRADY Teresa Keese</p> <p>CORSICANA Dr. Leah Hidde-Gregory</p> <p>DALLAS Jim Adams Rev. Richie Butler Robert Dupuy Dr. William Green Rev. Katherine Glaze Lyle Bishop Michael McKee Bishop Ruben Saenz, Jr. Dr. Andrew Stoker Kelvin Walker Julie Yarbrough</p> <p>DAMON Rev. Sharon Sabom</p> <p>DENVER, CO Tom Toevs</p> <p>EL PASO Dr. Eduardo Rivera</p> <p>FORT WORTH ** Hiram Smith</p> <p>GEORGETOWN Dr. Dale Knobel Dr. Ron Swain</p> <p>HARPERS FERRY, WV Randy Stutes</p> <p>HOUSTON John Esquivel Gene Graham Bishop Cynthia Fierro Harvey</p> <p>Dr. Matthew Russell Dr. Deborah Vaughn ** Jim Walzel</p>	<p>INDIANAPOLIS, IN Dr. Colette Pierce Burnette</p> <p>LARKSPUR, CO Barbara Boigegrain</p> <p>LUBBOCK Dr. Todd Salzwedel</p> <p>MANSFIELD Randall Canedy</p> <p>MONTGOMERY Rev. Morris Matthis</p> <p>NACOGDOCHES Dr. Richard White</p> <p>OKLAHOMA CITY, OK Bishop James G. Nunn</p> <p>PEARLAND Rev. Reginald Clemons</p> <p>RICHARDSON Dr. Clayton Oliphint</p> <p>ROUND ROCK Rev. Brad Brittain</p> <p>SAN ANTONIO Nathan Johnson, Jr. Dr. Robert Lopez * Bishop Robert Schnase</p> <p>SEGUIN Rev. Thelma Flores</p> <p>WARRENSVILLE, OH Dr. Maggie Jackson</p> <p>WICHITA FALLS Patricia M. Deal Kathryn Prothro Yeager</p> <p>* Advisory Directors ** Directors Emeritus</p>
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APPENDIX B

APPLICATION FOR INVESTMENT – FOR INDIVIDUALS

Please complete the following application to purchase a Note. IF THE PURCHASE WILL BE MADE THROUGH AN IRA; PLEASE CONTACT TMF FOR THE APPROPRIATE SUBSCRIPTION MATERIALS. If choosing to set up the account as a joint investment the account will be styled as joint tenants with right of survivorship. (Please print)

Please circle – Salutation: Mr. Ms. Mrs. Rev. Dr.

Mr. Ms. Mrs. Rev. Dr.

PRIMARY OWNER: _____ JOINT OWNER: _____

BIRTH DATE: _____ BIRTH DATE: _____

PRIMARY OWNER SOCIAL SECURITY NO.: ____ - ____ - ____ JOINT OWNER SOCIAL SECURITY NO.: ____ - ____ - ____

MAILING ADDRESS: _____
Street City State Zip

TELEPHONE: (____) ____ - ____ FAX: (____) ____ - ____

EMAIL: _____

CHURCH NAME (Optional): _____

AMOUNT OF INVESTMENT: \$ _____ (include check)

**The minimum original investment is \$1,000.00. Please make your check payable to:
TMF, 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808**

TERM: (Please check one)

____ Variable Rate
____ 1 Year – Fixed
____ 2 Year – Fixed
____ 3 Year – Fixed
____ 4 Year – Fixed
____ 5 Year – Fixed

INCOME DISTRIBUTION OPTIONS: (Please check one)

____ REINVEST (Interest to be paid upon written request)
____ SEMI-ANNUAL (Interest to be paid on or about the 1st of January and July)
____ QUARTERLY (Interest to be paid on or about the 1st of January, April, July and October)
____ MONTHLY (Available only if investment is \$10,000 or more, interest to be paid on or about the 1st of each month)

PAYABLE ON DEATH OPTIONS: (Please check one)

____ Yes, I would like to designate a P. O. D. beneficiary(ies).

Beneficiary(ies): (Name, email & phone for each)

____ No, I do not wish to designate a P. O. D. beneficiary at this time.

If yes, please include your designated beneficiaries.

If a second page is necessary to list beneficiaries, please sign that page also.

APPENDIX B continued



APPLICATION FOR INVESTMENT – FOR INDIVIDUALS

Page 2

Fixed Rate Notes have a maturity date determined at the time the investment is made (or, as applicable, at the time of renewal.) Except as provided below, principal may not be withdrawn from this account before the maturity date (including any renewal thereof) without the consent of TMF, and a penalty will be charged for such early withdrawal. The penalty for a Fixed Rate account is four (4) months interest on the principal amount. The penalty will be charged first against any interest then in the account and then from the principal. This early withdrawal penalty will be waived if: (i) the account owner dies or is declared incompetent, or (ii) if the account is an IRA account and the request for withdrawal is made within seven days of establishing the IRA account in which event the entire amount will be returned without payment of interest. Upon maturity a fixed rate account shall be automatically converted to a variable rate investment account unless the funds are withdrawn or another fixed rate investment opportunity is offered to and specifically chosen by the undersigned.

Unless an exception to the reporting requirement applies, TMF will report annually (or more frequently if required) to the primary owner of record of the Note and to the Internal Revenue Service with respect to the interest paid or credited to such primary owner of the Note.

The undersigned hereby makes application for investment in the amount indicated above in the Notes offered by TMF to be applied toward investment in the Master Certificate of Participation as described in TMF's Offering Circular dated September 1, 2023 ("Offering Circular").

The undersigned certifies that a copy of the Offering Circular has been received. The undersigned further certifies that the undersigned is (i) over the age of eighteen (18) years; (ii) not under any disability which would require approval of any third person for this investment; (iii) acquiring the Note for personal investment and not with the intent of transferring the Note; and (iv) a full-time resident of Texas or New Mexico. The undersigned understands and agrees that the undersigned's investment in the Note will be held, governed and administered by TMF under the terms of the Offering Circular.

If an individual is subject to backup withholding, TMF is required to withhold a portion of interest payments under federal law. This will require the Portfolio to withhold a portion of the interest payments under federal law of the undersigned's interest payments unless it has been furnished a correct Social Security Number. To avoid this, please include your Social Security Number and sign the following IRS Certification.

Under penalties of perjury, by signing below, the undersigned certifies that the number shown on this form is my correct Social Security Number. The undersigned further certifies that I am not now subject to Backup Withholding either: (a) because the IRS has not notified me that I am, or (b) the IRS has notified me that I am no longer subject to Backup Withholding.

The undersigned represents to TMF that: (i) he or she has not been designated by any agency or branch of the United States Government as a person with whom persons and entities are prohibited from entering into transactions by the applicable laws and regulations of the United States (e.g. member, sponsor or supporter of a terrorist organization) and (ii) without limitation of the foregoing, he or she has not been designated a "Specially Designated National" by the United States Office of Foreign Assets Control of the United States Department of Treasury.

Primary Owner's Signature

Date

Joint Owner's Signature

Date

APPENDIX C



TEXAS
METHODIST
FOUNDATION

APPLICATION FOR INVESTMENT – FOR TRUSTS

Please complete the following application to purchase a Note. (Please print)

TRUSTEE: _____

TITLE AND DATE OF TRUST INSTRUMENT: _____

TRUST TAX IDENTIFICATION NO.: _____ - _____ - _____

MAILING ADDRESS: _____
Street City State Zip

TELEPHONE: (____) _____ - _____ FAX: (____) _____ - _____ EMAIL: _____

CHURCH NAME (Optional): _____

AMOUNT OF INVESTMENT: \$ _____ (include check)
The minimum investment is \$1,000.00. Please make your check payable to:
TMF, 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808

TERM: (Please check one) <input type="checkbox"/> Variable Rate <input type="checkbox"/> 1 Year - Fixed <input type="checkbox"/> 2 Year - Fixed <input type="checkbox"/> 3 Year - Fixed <input type="checkbox"/> 4 Year - Fixed <input type="checkbox"/> 5 Year - Fixed	INCOME DISTRIBUTION OPTIONS: (Please check one) <input type="checkbox"/> REINVEST (Interest to be paid upon written request) <input type="checkbox"/> SEMI-ANNUAL (Interest to be paid on or about the 1 st of January and July) <input type="checkbox"/> QUARTERLY (Interest to be paid on or about the 1 st of Jan., April, July & Oct.) <input type="checkbox"/> MONTHLY (Available only if investment is \$10,000 or more, interest to be paid on or about the 1 st of each month)
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Fixed Rate Notes have a maturity date determined at the time the investment is made (or, as applicable, at the time of renewal.) Except as provided below, principal may not be withdrawn from this account before the maturity date (including any renewal thereof) without the consent of TMF, and a penalty will be charged for such early withdrawal. The penalty for a Fixed Rate account is four (4) months interest on the principal amount withdrawn. The penalty will be charged first against any interest then in the account and then from the principal. Upon maturity this account shall be automatically converted to a variable rate investment account unless the funds are withdrawn or another fixed rate investment opportunity is offered to and specifically chosen by the Trust.

The trustee(s) named above (collectively the "Trustee") hereby makes application on behalf of the Trust for investment in the amount indicated above in the Notes offered by TMF to be applied toward investment in the Master Certificate of Participation as described in TMF's Offering Circular dated September 1, 2023 ("Offering Circular").

The Trustee certifies that a copy of the Offering Circular has been received. The Trustee further certifies that (i) the Trustee is the trustee of the Trust; (ii) the Trustee has full power and authority to make this investment on behalf of the Trust; (iii) the Trustee is acquiring the Note on behalf of the Trust as investment and not with the intent of transferring the Note; and (iv) the Trust was not organized for the purpose of purchasing a Note. The Trustee understands and agrees that the Trust's investment in a Note will be held, governed and administered by TMF under the terms of the Offering Circular. The Trustee further certifies that the Trustee is a full-time resident of the State of Texas or New Mexico, that each current beneficiary of the Trust is a resident of the State of Texas or New Mexico and that the trust instrument creating the Trust is governed by Texas or New Mexico law. Each rollover of an investment will constitute the Trustee's certification that the foregoing certification remains true at the time of such rollover.

Under penalties of perjury, by signing below, Trustee certifies that the number shown on this form is the correct Tax Identification Number for the Trust. Trustee further certifies that the Trust is not now subject to Backup Withholding either: (a) because the IRS has not notified the Trust that the Trust is, or (b) the IRS has notified the Trust that it is no longer subject to Backup Withholding.

Trustee represents to TMF that: (i) none of the Trust, the Trustee or any beneficiary of the Trust has been designated by any agency or branch of the United States Government as a person or entity with whom persons and entities are prohibited from entering into transactions by the applicable laws and regulations of the United States (e.g. a member, sponsor or supporter of a terrorist organization) and (ii) without limitation of the foregoing, none of the Trust, the Trustee or any beneficiary of the Trust has been designated a "Specially Designated National" by the United States Office of Foreign Assets Control of the United States Department of Treasury.

Trustee Signature _____ Date _____

APPENDIX D



APPLICATION FOR INVESTMENT – FOR PARTNERSHIPS

Please complete the following application to purchase Note. (Please print)

NAME OF GENERAL PARTNER (if a limited partnership): _____

NAME OF PARTNERSHIP: _____

PARTNERSHIP TAX ID NO.: _____

MAILING ADDRESS: _____
Street City State Zip

TELEPHONE: (____) _____ - _____ FAX: (____) _____ - _____ EMAIL: _____

CHURCH NAME (Optional): _____

AMOUNT OF INVESTMENT: \$ _____ (include check)
The minimum investment is \$100,000.00. Please make your check payable to:
TMF, 11709 Boulder Lane, Suite 100, Austin, Texas 78726-1808

<p>TERM: (Please check one)</p> <p>_____ Variable Rate</p> <p>_____ 1 Year - Fixed</p> <p>_____ 2 Year - Fixed</p> <p>_____ 3 Year – Fixed</p> <p>_____ 4 Year – Fixed</p> <p>_____ 5 Year – Fixed</p>	<p>INCOME DISTRIBUTION OPTIONS: (Please check one)</p> <p>_____ REINVEST (Interest to be paid upon written request)</p> <p>_____ SEMI-ANNUAL (Interest to be paid on or about the 1st of January and July)</p> <p>_____ QUARTERLY (Interest to be paid on or about the 1st of Jan., April, July & Oct.)</p> <p>_____ MONTHLY (Available only if investment is \$10,000 or more, interest to be paid on or about the 1st of each month)</p>
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Fixed Rate Notes have a maturity date determined at the time the investment is made (or, as applicable, at the time of renewal.) Except as provided below, principal may not be withdrawn from this account before the maturity date (including any renewal thereof) without the consent of TMF, and a penalty will be charged for such early withdrawal. The penalty for a Fixed Rate account is four (4) months interest on the principal amount withdrawn. The penalty will be charged first against any interest then in the account and then from the principal. Upon maturity this account shall be automatically converted to a variable rate investment account unless the funds are withdrawn or another fixed rate investment opportunity is offered to and specifically chosen by the Partnership. Each rollover of an investment will constitute the Partnership's certification that the foregoing certification remains true at the time of such rollover.

The Partnership hereby makes application for investment in the amount indicated above in the Notes offered by TMF to be applied toward investment in the Master Certificate of Participation as described in TMF's Offering Circular dated September 1, 2023 ("Offering Circular").

The Partnership certifies that a copy of the Offering Circular has been received by the Partnership. The Partnership further certifies that (a) the person executing this application is a partner of the Partnership; (b) said person has full power and authority to make this investment on behalf of the Partnership; (c) the Partnership is acquiring the Note for investment and not with the intent of transferring the Note; and (d) the Partnership was not formed for the purpose of purchasing a Note. The Partnership understands and agrees that the Partnership's investment in a Note will be held, governed and administered by TMF under the terms of the Offering Circular. The Partnership certifies that the Partnership's principal place of business is located in Texas or New Mexico, that all partners of the Partnership are individuals residing full-time in Texas or New Mexico and that the partnership agreement establishing the Partnership is governed by Texas or New Mexico law.

The Partnership represents to TMF that: (i) neither the Partnership nor any of its constituent partners has been designated by any agency or branch of the United States Government as a person or entity with whom persons and entities are prohibited from entering into transactions by the applicable laws and regulations of the United States (e.g. a member, sponsor or supporter of a terrorist organization) and (ii) without limitation of the foregoing, neither the Partnership nor any of its constituent partners has been designated a "Specially Designated National" by the United States Office of Foreign Assets Control of the United States Department of Treasury.

Signature Date