



APOSTOLIC MUTUAL, INC.
5401 Citrus Avenue
Fontana, California, 92336
(909) 987-3013

OFFERING CIRCULAR
\$25,000,000
APOSTOLIC MUTUAL CHURCH LOAN FUND
INVESTMENT CERTIFICATES

We – Apostolic Mutual, Inc., a church extension fund (referred to as “we”, “our”, “us”, or the “Fund”), are offering up to \$25,000,000 in investment certificates (the “Certificates” or “Term Certificates”) to raise money to make loans to churches, agencies and organizations affiliated with Apostolic Assembly of the Faith in Christ Jesus, a religious corporation organized under the laws of the State of California based in Rancho Cucamonga, California (“AAFC”). The Fund will support the mission of AAFC, including churches, districts, schools, colleges, ministries, mission organizations or other organizations affiliated with AAFC. The Fund has been organized as a nonprofit religious corporation under the California Nonprofit Religious Corporation Law to perform the functions of, to carry out the purposes of, and to be supervised or controlled by AAFC and will operate a loan fund that will assist churches, ministries, colleges, agencies, districts, missions and charitable funds sponsored by and affiliated with AAFC.

We will offer and sell the Certificates pursuant to the terms and conditions set forth in this Offering Circular (“Offering”) from April 1, 2019 through March 31, 2020 or such period as may be authorized under permits, authorization or notices granted by applicable state securities laws. No offer may be made, however, in any state which requires that an exemption notice be issued, permit granted or other approval granted before an offer can be made. We may also supplement this Offering Circular from time to time to provide you with updates of material information concerning us or the Certificates. Under this Offering, we will offer Term Certificates for investors. We are offering one-year, three-year and five-year Term Certificates at a fixed interest rate. Interest rates on our one-year, three-year and five-year Term Certificates are shown below, but we reserve the right to adjust the rates on our Term Certificates prospectively. When we provide a supplement to you, such supplement will be made a part of this Offering Circular. Please call us to obtain our current rates or visit our website at <http://apostolicmutual.org/>.

\$25,000,000
INVESTMENT CERTIFICATES

<u>Type of Security Offered</u>	<u>Maturity</u>	<u>Minimum Investment*</u>	<u>Fixed Interest Rate</u>
Term Certificate *	One-Year	\$1,000	1.50%
	Three-Year	\$1,000	1.75%
	Five-Year	\$1,000	2.00%

* The minimum investment amount is \$1,000 for any Term Certificate. Investors may purchase a one-year, three-year or five-year Term Certificate with a minimum purchase of \$1,000 at a fixed interest rate of 1.5%, 1.75% and 2.0%, respectively.

Interest on Term Certificates is compounded at the end of each quarter, unless you choose to have interest paid to you by check. Interest paid when due is paid as simple interest, while interest that is compounded results in a higher yield to maturity than a simple fixed interest rate.

This Offering is subject to certain risks more particularly described on pages 4 - 12 of the Offering Circular. **The Certificates are not FDIC insured, are not a federally insured savings or deposit account or insured by any state or federal agency.** Payment of the Certificates is not guaranteed by Apostolic Assembly of the Faith in Christ Jesus. See also “STATE SPECIFIC INFORMATION” beginning on page iv for information particular to your State.

The date of this Offering is April 1, 2019

The Certificates may not be available for purchase in all states and investors must meet certain eligibility criteria in some states. This shall not constitute an offer to sell or solicitation of an offer to purchase, nor shall there be any sale of Certificates in any state, province or jurisdiction where such offer, solicitation or sale is not authorized. All sales of the Certificates are made solely by the Offering Circular. We reserve the right to terminate or discontinue the Offering of the Certificates at any time.

No sinking fund or trust indenture will be used in connection with this Offering. Investors must rely on the financial condition of the Fund for repayment, the quality of mortgage loan investments made by the Fund, ability of the Fund to attract new investors, the renewal or reinvestment of a significant portion of any maturing Certificates and other risks more particularly described on pages 4-12 of the Offering Circular. All of the Certificates are unsecured debts of the Fund.

SPECIAL DISCLOSURES

We do not use underwriters or outside selling agents to sell the Certificates and we do not pay any direct or indirect commissions for the sale of the Certificates. All sales will be made through our directors, officers and employees. After paying offering expenses, which are expected to be approximately \$45,000, we will receive 100% of the remaining proceeds from the sale of the Certificates. From time to time, we may distribute advertising material through AAFC affiliated churches, districts and agencies, make presentations in such churches, publish information about the Fund and Certificates in AAFC publications and AAFC affiliated agencies and deliver materials to potential investors. No Certificate may be purchased on our website, but investors will be given the option to purchase a Certificate delivering an electronic signature and providing consent to receiving electronic delivery of investment notices, documents and statements. We offer the Certificates only through this Offering Circular. Except for the Offering Circular, amendments or supplements thereto and applicable Rate Sheets that may be published on our website, the information on our website is not part of the Offering Circular.

THESE CERTIFICATES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE FUND. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN CERTAIN STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

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

THESE CERTIFICATES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS OFFERING CIRCULAR AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE CERTIFICATES, OR APPROVED, DISAPPROVED, OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED.

THE CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND, OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE CERTIFICATES IS DEPENDENT UPON THE FUND'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE FUND'S MOST RECENT FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST.

THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, AAFC, OR BY ANY CHURCH, DISTRICT, INSTITUTION, OR AGENCY ASSOCIATED WITH AAFC.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, OR IN ANY SUPPLEMENT THERETO, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY THE FUND.

THESE CERTIFICATES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

YOU ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF CERTIFICATES THAT WOULD BE APPROPRIATE FOR YOU TO PURCHASE IN RELATION TO YOUR OVERALL INVESTMENT PORTFOLIO, RISK TOLERANCE, AND PERSONAL FINANCIAL NEEDS. THE INFORMATION IN THIS OFFERING CIRCULAR IS NOT INTENDED TO BE LEGAL, INVESTMENT, OR PROFESSIONAL TAX ADVICE. EACH INVESTOR'S UNIQUE CIRCUMSTANCES—FINANCIAL AND OTHERWISE—ARE IMPORTANT FACTORS IN DETERMINING THE CONSEQUENCES OF AN INVESTMENT. FOR INFORMATION ABOUT THE LEGAL, INVESTMENT, OR TAX CONSEQUENCES OF INVESTING IN OUR CERTIFICATES, YOU SHOULD CONSULT YOUR OWN ATTORNEY, ACCOUNTANT, OR INVESTMENT ADVISOR.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements about our plans, strategies, objectives, goals and expectations. These forward-looking statements are identifiable by words or phrases indicating that we “expect”, “anticipate”, “plan”, “believe”, or “intend” that a particular event may or will occur in the future or similarly stated expectations.

Forward-looking statements are subject to many factors, including the risk factors beginning on page 4 and other information contained in this Offering Circular that could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

STATE SPECIFIC INFORMATION

PERSONS RESIDING IN THE STATES OF ALABAMA, ARIZONA, ARKANSAS, CALIFORNIA, IDAHO, INDIANA, KANSAS, KENTUCKY, MICHIGAN, MISSOURI, OKLAHOMA, PENNSYLVANIA, SOUTH DAKOTA AND WASHINGTON MAY NOT PURCHASE A CERTIFICATE UNLESS PRIOR TO THE RECEIPT OF THE OFFERING CIRCULAR YOU WERE AN EXISTING INVESTOR OR MEMBER, ADHERENT, OR CONTRIBUTOR TO THE FUND OR CHURCHES AND MINISTRIES AFFILIATED WITH AAFC, OR IN ANY PROGRAM ACTIVITY, OR ORGANIZATION WHICH CONSTITUTES A PART OR HAS A PROGRAMMATIC RELATIONSHIP WITH AAFC. OTHER STATES MAY IMPOSE SIMILAR QUALIFICATIONS ON ELIGIBLE INVESTORS AS A CONDITION TO THIS OFFERING BEING REGISTERED OR QUALIFYING FOR AN EXEMPTION FROM REGISTRATION IN SUCH STATES.

ARIZONA

IN ARIZONA, THE EFFECTIVE TERM FOR THE OFFER, SALE AND RENEWAL OF THE CERTIFICATES IS ONE YEAR, WITH THE OPTION TO RENEW FOR CONSECUTIVE ONE-YEAR PERIODS AS PROVIDED UNDER SECTION 44-1899 OF THE ARIZONA REVISED STATUTES. THE RENEWAL OR AUTOMATIC REINVESTMENT OF ANY CERTIFICATE, AS DESCRIBED ON PAGE 29 OF THE OFFERING CIRCULAR WILL BE CONTINGENT UPON THE CERTIFICATES HAVING A VALID REGISTRATION AT THE TIME OF MATURITY AND RENEWAL.

CALIFORNIA

THE OFFERING OF CERTIFICATES DESCRIBED IN THIS OFFERING CIRCULAR HAVE BEEN AUTHORIZED BY A QUALIFICATION BY PERMIT GRANTED BY THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA. THE CERTIFICATES HAVE NOT BEEN RECOMMENDED OR ENDORSED BY THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA. ANY REINVESTMENT OF CERTIFICATES BY INVESTORS IN CALIFORNIA CAN ONLY BE MADE IF THERE IS A CURRENTLY EFFECTIVE QUALIFICATION.

WE WILL PROVIDE CALIFORNIA INVESTORS WITH AT LEAST 30 DAYS PRIOR WRITTEN NOTICE OF THE MATURITY DATE, THEN-EXISTING INTEREST RATE INFORMATION, AND A COPY OF THE THEN-EXISTING OFFERING CIRCULAR (IF DIFFERENT THAN THIS OFFERING CIRCULAR). YOU MAY ELECT TO NOT RENEW YOUR CERTIFICATE BY PROVIDING US WITH YOUR WRITTEN NOTICE PRIOR TO YOUR CERTIFICATE'S MATURITY DATE. IF WE *RECEIVE* YOUR NOTICE, WE WILL PAY YOU THE FUNDS DUE ON YOUR CERTIFICATE UPON ITS MATURITY. IF WE DO NOT RECEIVE YOUR NOTICE, YOUR CERTIFICATE WILL RENEW AT THE THEN-EXISTING TERMS AND INTEREST RATE.

FLORIDA

THIS OFFERING OF CERTIFICATES IS NOT REGISTERED, AND IS EXEMPT FROM REGISTRATION UNDER SECTION 517.051(9), FLORIDA STATUTES. OFFERS AND SALES OF THE CERTIFICATES IN FLORIDA MAY ONLY BE MADE BY PERSONS REGISTERED WITH THE OFFICE OF FINANCIAL REGULATION, DIVISION OF SECURITIES. WE ARE REGISTERED TO SELL OUR OWN SECURITIES AS AN ISSUER/DEALER IN FLORIDA AND THESE SECURITIES WILL BE OFFERED SOLELY THROUGH OUR CORPORATE OFFICERS AND EMPLOYEES WHO ARE REGISTERED IN FLORIDA AS ASSOCIATED PERSONS.

GEORGIA

THESE CERTIFICATES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF GEORGIA. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF ANY OF THESE CERTIFICATES.

ANY PERSON WHO PURCHASES THE CERTIFICATES OFFERED HEREBY SHALL HAVE THE UNQUALIFIED AND UNWAIVABLE RIGHT TO RESCIND SUCH PURCHASE WITHIN 72 HOURS OF THE EXECUTION OF A WRITTEN AGREEMENT TO PURCHASE ANY SECURITIES OFFERED HEREBY, THE DELIVERY OF A CONFIRMATION OF SALE OR PAYMENT FOR ANY CERTIFICATES OFFERED

HEREBY, WHICHEVER SHALL OCCUR FIRST. RESCISSION MAY BE ACCOMPLISHED BY COMPLETING AND MAILING THE FORM PROVIDED IN EXHIBIT D OF THIS OFFERING CIRCULAR.

IN ORDER TO REMAIN IN COMPLIANCE WITH THE POLICIES ESTABLISHED BY THE GEORGIA DIVISION OF SECURITIES AND BUSINESS REGULATION, AUTOMATIC REINVESTMENT AT MATURITY (AS DISCUSSED ON PAGE 29) WILL NOT BE OFFERED TO GEORGIA INVESTORS. THE FUND WILL REQUIRE WRITTEN NOTICE OF INTENT TO RENEW FROM GEORGIA INVESTORS AT OR PRIOR TO THE MATURITY OF THEIR INVESTMENT, AND IN THE ABSENCE OF SUCH WRITTEN NOTICE, THE CERTIFICATE WILL BE CLOSED AND THE PRINCIPAL OF THE CERTIFICATE, TOGETHER WITH ANY INTEREST PAYABLE, WILL BE RETURNED TO THE INVESTOR.

IDAHO

THIS OFFERING OF CERTIFICATES IS NOT REGISTERED, AND IS EXEMPT FROM REGISTRATION UNDER THE IDAHO UNIFORM SECURITIES ACT (2004), SECTION 30-14-202(14).

OREGON

AUTOMATIC RENEWAL UPON MATURITY OF A CERTIFICATE, AS PROVIDED IN THIS OFFERING CIRCULAR (SEE "DESCRIPTION OF CERTIFICATES - REDEMPTION OF CERTIFICATES AT MATURITY" AT PAGE 29), IS AVAILABLE TO OREGON RESIDENTS ONLY UNDER LIMITED CIRCUMSTANCES. CERTIFICATES MAY BE AUTOMATICALLY RENEWED FOR THE SAME TERM AS THE ORIGINAL CERTIFICATE OR FOR A TERM OF SIX (6) MONTHS, WHICHEVER IS SHORTER. THE INTEREST RATE ON ANY CERTIFICATE RENEWED IN THIS MANNER WILL BE THE RATE IN EFFECT AT THE TIME OF RENEWAL, WHICH MAY BE HIGHER OR LOWER THAN THE PREVIOUS CERTIFICATE'S RATE. IT IS OUR POLICY TO DELIVER TO ALL INVESTORS A MATURITY NOTICE AND CURRENT OFFERING CIRCULAR, TENDERED IN CONNECTION WITH AN OFFERING REGISTERED WITH THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, A FULL THIRTY (30) DAYS IN ADVANCE OF THE MATURITY DATE OF THE ORIGINAL CERTIFICATE. IF YOU DECIDE NOT TO RENEW, YOU MUST SEND US NOTICE IN WRITING PRIOR TO THE MATURITY DATE OF YOUR CERTIFICATE, ALONG WITH YOUR CERTIFICATE (IF APPLICABLE), TO REDEEM YOUR FUNDS.

TEXAS

THESE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE TEXAS SECURITIES COMMISSIONER AND ARE EXEMPT SECURITIES UNDER THE SECURITIES ACT SECTION 581-6J, STATE OF TEXAS. REGISTRATION OR EXEMPTION BY THE TEXAS SECURITIES COMMISSIONER DOES NOT INDICATE AN APPROVAL OR RECOMMENDATION OF THE CERTIFICATES AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE TEXAS SECURITIES COMMISSIONER HAS NOT PASSED ON THE MERITS OF THESE CERTIFICATES, APPROVED OR DISAPPROVED THESE CERTIFICATES OR PASSED ON THE ACCURACY OR ADEQUACY OF THE OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

WASHINGTON

ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST. RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE RETURN OF THE FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION.

TABLE OF CONTENTS

SUMMARY OF THE OFFERING	1
The Fund.....	1
Church Extension Loan Fund	1
Apostolic Assembly of the Faith in Christ Jesus	1
Use of Proceeds	2
The Certificates.....	2
Risk Factors	2
Term of Offering; Distribution Arrangements.....	2
Eligible Investors	3
Selected Financial Data	3
RISK FACTORS	4
Risks Related to the Fund.....	4
Risks Involving our Mortgage Loan Investments.....	6
Risks Related to the Certificates.....	9
Risks Related to the Offering	12
THE FUND	13
History of Issuer	13
Apostolic Assembly of the Faith in Christ Jesus	13
USE OF PROCEEDS	14
OUR LENDING ACTIVITIES	14
General	14
Launch of Loan Fund.....	15
Loan Policies	15
Types of Loans	17
Interest Rates	18
Loan Committee Review and Approval Process	18
Loan Repayment.....	18
Underwriting Requirements.....	18
Liquidity	19
Allowance for Loan Losses	19
Loan Delinquencies	19
Operation of Church Loan Extension Fund	19
Outstanding Loans and Loan Participations	20
FINANCING AND INVESTMENT ACTIVITIES	22
Financing Activities.....	22
Liquidity Policies.....	22
Investment Activities.....	22
DISCUSSION OF FINANCIAL DATA	22
Compliance with NASAA Statement of Policy	23
MANAGEMENT	24
Board of Directors and Executive Officers.....	24
Remuneration.....	26
Committees.....	26
Related Party Transactions	26
DESCRIPTION OF CERTIFICATES.....	27
General	27
Certificates Offered	27
Issuance of Certificates.....	27
Principal, Maturity and Interest	28
Interest Rate	28
Redemption Prior to Stated Maturity.....	28
Redemption of Term Certificates at Maturity.....	29
Institutional Certificates.....	29
Additional Indebtedness	29
Transfer.....	30
Book-Entry for Certificates	30
Electronic Funds Transfer.....	30

Gifting of Certificate	30
Charitable Gifting Opportunities	30
INVESTMENT PROCEDURES	30
General	30
Ownership of a Certificate	31
Additions to Principal	32
Electronic Signatures and Records	32
TAX MATTERS	32
General	32
No Charitable Deduction	33
Interest	33
Sale, Exchange or Redemption	33
Net Investment Income Tax	33
LEGAL PROCEEDINGS AND OTHER MATTERS	34
ADDITIONAL INFORMATION	34
ANNUAL REPORTS	34
PLAN OF DISTRIBUTION	34
PRIVACY NOTICE	35
WEBSITE	35
EXHIBIT A – FINANCIAL STATEMENTS	
EXHIBIT B – APPLICATION TO PURCHASE CERTIFICATE	
EXHIBIT C– CONSENT TO USE OF ELECTRONIC SIGNATURES AND RECORDS	
EXHIBIT D - RESCISSION NOTICES	

SUMMARY OF THE OFFERING

This summary is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Offering Circular, including the cover page and the exhibits, and the documents summarized or described herein. Investors should fully review the entire Offering Circular. The Offering to potential investors is made only by means of the entire Offering Circular, including the exhibits hereto. No person is authorized to detach this summary from the Offering Circular or otherwise to use it without the entire Offering Circular.

The Fund

We are a California not-for-profit corporation that is supervised and controlled by AAFC and have been formed to operate a loan fund that provides financing solutions for AAFC churches, schools, colleges, universities, and other affiliated organizations that are religious organizations exempt under Section 501(c)(3) of the Internal Revenue Code (the “**IRC**”). As a public charity that is affiliated with AAFC, subject to AAFC’s supervision and control and formed for the specific purpose of operating a loan fund that will benefit and support the mission of AAFC affiliated churches, ministries, colleges, agencies and districts, the Fund is included in AAFC’s group exemption letter under the provisions of Section 501(c)(3) of the IRC. AAFC has acknowledged and approved the Fund’s request for inclusion as a subordinate institution that is operated, supervised or controlled by AAFC under its group exemption letter granted by the Internal Revenue Service. As a result, the Fund is entitled to an exemption from federal income tax under Section 501(c)(3) of the IRC as a AAFC affiliated and subordinate entity. Our offices are located at 5401 Citrus Avenue, Fontana, California 92336 and we can be reached at (909) 987-3013.

We are offering the Certificates for the purpose of maintaining a church extension loan fund that will enable AAFC affiliated institutions to finance the acquisition, development, construction, refinancing, expansion or renovation of buildings and facilities and intend to offer such Certificates for sale on a national basis in those states which approve the Offering, grant an exemption under applicable laws to offer such Certificates for sale or issue a permit to offer and sell such Certificates. We generally make loans only to AAFC affiliated institutions located in the United States and our loans generally are secured by a first mortgage or deed of trust on the property being financed. We also assist AAFC affiliated churches, organizations and institutions in the development of capital financing plans that enable them to carry out their building and financing plans.

Church Extension Loan Fund

The purpose of this Offering is to raise capital for our AAFC church extension loan fund the proceeds of which will be used by AAFC affiliated organizations and entities to finance the acquisition of properties, refinance an existing facility, and provide construction funding for expansion or renovation of ministry related facilities, remodeling, repair and maintenance of existing facilities and refinancing of existing debt. As a nonprofit corporation that has been formed for the specific purpose of providing specialized financing solutions for AAFC churches, ministries, educational institutions and other affiliated or related ministries, the Fund has been organized to (i) provide cost effective and advantageous loan arrangements; (ii) reduce administrative costs and assist AAFC churches and religious organizations in carrying out their financing plans; (iii) enhance the financing options of the AAFC institutions that we serve; (iv) act as a supporting organization that will assist in the expansion of and extension of AAFC ministries, churches, districts and agencies; and (v) enable our member churches to lower their financing costs by refinancing an existing loan with a higher interest rate offered by an outside lender with better terms offered by the Fund. The Fund will be managed and operated, at least for its initial year of operations, through two or more employees of AAFC pursuant to a Management Services Agreement entered by and between AAFC and the Fund. Under this Management Services Agreement, the Fund has engaged AAFC to assist it in providing day-to-day oversight and operations assistance in launching the Fund.

Apostolic Assembly of the Faith in Christ Jesus

The Apostolic Assembly of the Faith in Christ Jesus emerged out of the Pentecostal movement that began with the Azusa Street revival in the city of Los Angeles in 1906. Juan Navarro, a participant of that revival, baptized Francisco Llorente in 1912, who later was elected the first Bishop President of the Apostolic Assembly when it was

formed in 1925. The organization became a California corporation on March 15, 1930.

Throughout the humble beginnings of AAFC, its tenacious yet caring leaders ministered primarily to the spiritual needs of a growing number of Spanish speaking people who came to the United States looking for a better life for their families. Since then, AAFC has made great strides in not only serving this community of new families and Spanish speaking generations, but has enabled these families and new arrivals in the U.S. adjust to cultural barriers and provide bilingual ministries in response to the rapid growth of Spanish speaking people in the U.S. We are confident that AAFC will continue to grow, in both financial strength and in membership numbers in the years to come. Because the moral fabric of our society continues to weaken, AAFC, its churches, ministries and fellow believers stand willing to face the challenges of meeting the spiritual needs of hurting people around the world. As of the date of this Offering Circular, AAFC has 784 chartered churches operating in the United States, with over 550 missionary churches and ministries operating in 20 foreign countries, with approximately 5,500 active licensed and ordained ministers and affiliated workers serving its membership and ministries. AAFC also relies upon missionaries and affiliated workers to teach the core principles of its faith and religious tenets, international pastors and affiliated national workers to serve its estimated three million members.

Use of Proceeds

We are offering a total of \$25,000,000 of Certificates in this Offering. We expect to use the cash proceeds from the sale of the Certificates to pay the expenses of the Offering, to make loans to AAFC churches and organizations to acquire, construct, renovate and expand physical facilities. Funds from the proceeds of the Offering may also be used to pay interest and principal on outstanding Certificates, retire outstanding Certificates as they mature or are redeemed, cover our operating expenses and provide funding for our working capital needs. See “Use of Proceeds” on page 14 of this Offering Circular.

The Certificates

We are offering Term Certificates. Under this Offering Circular, Term Certificates are payable at a specified maturity date, each subject to the availability of funds. We are offering one-year, three-year and five-year Term Certificates with a fixed rate of interest, but the interest rate offered on Certificates offered in the future will vary from time to time. Current interest rates may be obtained by calling our offices at (909) 987-3013, emailing us at customerservice@apostolicmutual.org or visiting our website at <http://apostolicmutual.org/>. A copy of our current rates will be made available to all investors in the Fund. Interest will begin to accrue on the Certificates on the date of issuance of the Certificate. The Certificates will automatically renew at maturity into a Certificate equal to the original term, except in certain states where automatic renewal of a Certificate is prohibited by law.

The Certificates are our unsecured debt obligations, are not transferable except in limited circumstances and are subject to a number of “Risk Factors” which are described in further detail commencing on page 4. For a more detailed explanation of the terms and conditions of the Certificates, see “Description of Certificates” on pages 27 – 30 of the Offering Circular.

Risk Factors

Before an investment in the Certificates is made, investors should carefully consider the entire Offering Circular, including the discussion of the risk factors that should be considered in connection with an investment in the Certificates, commencing on page 4 of this Offering Circular.

Term of Offering; Distribution Arrangements

This Offering Circular is intended to be used by investors from April 1, 2019 through March 31, 2020, or until the expiration of the offering periods authorized in various states as may be permitted by applicable law. No offer may be made, however, in any state which requires that an exemption notice be issued, permit granted or other approval granted before an offer can be made. We will offer the Certificates through the efforts of our officers, directors, and employees and will not use an underwriter or outside selling agents to sell the Certificates. We intend to offer the Certificates on a national basis in those states which grant an exemption to offer such Certificates, in states where a permit may be issued or authorization to sell such Certificates is approved or in states where a self-executing

security exemption is available to the Fund to offer and sell such Certificates. No commissions or bonuses will be paid to our officers, directors or employees in connection with this Offering.

Eligible Investors

We intend to offer the Certificates to investors that are members of, contributors to and participants in AAFC ministries and programs that have a desire to assist AAFC organizations, ministries, churches, educational institutions and para-church ministries in making capital available to such AAFC organizations and ministries and for whom the Certificates will constitute a suitable investment. Eligible investors also include persons who are ancestors, descendants or successors in interest to an eligible investor and entities, trusts, retirement accounts or arrangements controlled by or existing for the benefit of such persons. We may also limit the Offering in specific states to a limited group of investors that meet applicable suitability standards in such state. To the extent that such suitability standards apply, we will furnish an investor with a state specific supplement to this Offering Circular. We reserve the right to refuse to offer or sell any Certificate to any person or entity.

Selected Financial Data

The following information as of the fiscal year ended June 30, 2018, has been taken from the Fund's audited financial statements for the fiscal year ended June 30, 2018. Copies of the Fund's audited financial statements for the period ended June 30, 2018 are attached hereto and included as part of Exhibit "A". We have also included the Fund's unaudited financial statements for the six month period ended December 31, 2018 in Exhibit "A".

	<u>June 30,</u> <u>2018</u> <u>(Audited)</u>	<u>December</u> <u>31, 2018</u> <u>(Unaudited)</u>
Cash and Cash Equivalents	\$246,312	\$301,532
Loan Receivables; net	\$1,226,377	\$1,376,454
Loan Delinquencies in excess of 90 days as a percentage of loans, net	0.00%	0.00%
Total Assets	\$1,657,174	\$1,682,839
Net Assets	\$1,657,174	\$1,682,839
Net Change in Net Assets	\$1,657,174	\$1,682,839

We expect the interest and fees received from borrowers that obtain loans from the Fund, revenues from our operations, proceeds from the sale of the Certificates and other available sources of funds will be sufficient to pay the principal and interest on the Certificates and other amounts due and payable under the Certificates. Such expectation is based upon certain assumptions, believed by us to be reasonable, including the expected composition of the loan portfolio in the Fund, projected increases in the Fund, interest rates and anticipated fees, our working capital and operating funds. The actual performance of the loans that the Fund originates or may acquire may not correspond to such assumptions. For example, there can be no assurances given that interest and principal payments from the mortgage loans that are made or acquired by the Fund will be received, as anticipated. In addition, future events over which we have no control may materially adversely affect our actual receipt of revenues from the operation of the Fund.

RISK FACTORS

An investor should consider carefully all of the information contained in this Offering Circular in deciding whether to purchase a Certificate, and in particular, the following:

Risks Related to the Fund

We recently launched our church extension loan fund.

We formed the Fund as a non-stock, not-for-profit religious corporation under California law on January 16, 2018 to operate as a subordinate entity that is affiliated with AAFC and the Fund has a limited operating history. Our guiding mission is to organize and operate a loan fund that will support the purposes and ministries of AAFC and its affiliated entities. As a newly formed loan extension fund, we are subject to all of the risks of a start-up organization, including a limited record of activities and successful operations. Because we have a limited operating history, it is difficult, if not impossible, to predict future operating results, and we are subject to the risks that are inherent in establishing a new church extension loan fund. An investor in the Certificates will necessarily be dependent on the experience, judgment and institutional contacts of our principal executive officers and executive management team.

We rely on the talents and experience of designated AAFC's employees and key personnel in carrying out the Fund's operations.

AAFC, acting by and through certain designated and assigned key employees and management personnel, will assist the Fund launch a church extension loan fund, conduct our operations, underwrite and close new loans, solicit and locate new investors in the Fund and provide oversight and day-to-day operations assistance to the Fund. Our principal executive officers and managers are employees of AAFC. We expect that our Chief Executive Officer, Felipe Lugo, will spend 20% of his time on the Fund's affairs and our Chairman of the Board of Directors, John Fortino, will devote approximately 5% of his time on behalf of the Fund. The Fund's success, in part, will depend on the efforts, experience and capabilities of AAFC's assigned key employees, and Executive Officers when launching the Fund. Until the Fund is able to generate sufficient earnings and revenue from the operations of its loan fund to hire and support one or more full time employees, we will depend on AAFC to assign and designate two or more part-time employees to operate the Fund. If AAFC is unable to locate, keep and identify the necessary employees to perform these services, the Fund would be required to find and hire qualified individuals to serve in these capacities. While the Fund believes that it will be able to train and transition new leadership into these positions, no assurances can be given that the Fund will be able to quickly implement this transition. As of the date of the Offering Circular, the Fund does not carry key person insurance on its executive officers and managers.

We are not required to file annual or periodic reports with the U.S. Securities and Exchange Commission or any regulated trading exchange.

We do not, and are not required to, file annual or other periodic reports with the U.S. Securities and Exchange Commission. Accordingly, there is no publicly available information relating to the Fund. We are not directly supervised or regulated by any federal or state authority or regulatory authority. The Fund is subject, however, to regulatory review by state regulatory authorities that may review this Offering, grant an exemption from registration under the securities laws of such state, issue a permit or authorization to sell securities in such state or require that the Fund and any of its principal officers or employees be registered as an issuer dealer or agent in such state.

We expect to sell Certificates in other offerings.

We expect to sell additional Certificates in other offerings and may issue debt securities in future offerings. The total amount of \$25,000,000 of Certificates to be sold in this Offering is not a limitation on the total amount of Certificates or other debt securities we may sell in future offerings.

We may also offer debt securities in one or more limited offerings that qualify as exempt offerings under federal and state laws that may be offered without a trust indenture. If we breach the terms of any future debt securities we issue, a default under the terms of such debt securities would occur. If we have insufficient funds to

repay such debt securities, we will be forced to borrow additional funds or raise capital to refinance such debt. Even if new financing is made available to us, it may not be available on terms acceptable to us. We cannot provide assurances that our operations will generate sufficient cash flow to fund our debt service obligations under the Certificates in the event that assets of the Fund are insufficient to provide for payment of principal and interest due on the Certificates.

We are dependent on the status of AAFC as a tax exempt charitable entity under Section 501(c)(3) of the IRC to carry out our activities and raise funds in this Offering.

We have been organized as a non-stock, not-for-profit religious corporation under California law that will be exempt from federal income tax under Section 501(a) of the IRC as an organization described by Section 501(c)(3) of the IRC. However, an investment in a Certificate does not entitle the purchaser to a charitable contribution tax deduction. If either we or AAFC, our controlling and supervising entity, were to lose its qualification as a charitable organization under Section 501(c)(3) of the IRC, we may be required to pay federal income tax on the earnings we generate. We are a public charity described in Section 501(c)(3) of the IRC that is operated, supervised, or controlled by AAFC and we are exclusively engaged in providing financing for AAFC churches, districts, agencies and affiliated organizations. We have been included as a tax-exempt organization under Section 501(c)(3) of the IRC under AAFC's group exemption letter ruling issued by the Internal Revenue Service. As a result, the Fund qualifies for an exemption from federal income taxes under Section 501(c)(3). If we lose our qualification as a public charity, we would be unable to rely on the exemption from registration of the Certificates under Section 3(a)(4) of the Securities Act of 1933, as amended, and we would be unable to rely on various state securities laws that provide exemptions for securities offered by a charitable institution.

Our borrowers are AAFC churches, agencies, schools and religious organizations that depend on charitable contributions to fund their operations.

The financial stability of the AAFC entities and institutions that we assist with their financing needs and their ability to make payments of principal and interest on mortgage loans depends upon voluntary contributions of their members and supporters. Because church membership and attendance may be adversely affected by a variety of factors outside their control, including population shifts, tax policy, weather conditions, changing economic conditions and other unpredictable factors, it is possible that such organizations will not receive sufficient voluntary contributions to meet their obligations under a mortgage loan made to it by us. Similarly, public perception of and public interest in churches and religion may affect the finances and membership of churches and other non-profit religious organizations. Churches and other non-profit organizations may experience decreases in both membership and contributions as a consequence of a wide variety of factors, including negative publicity surrounding the organization, loss of popular leaders or a conflict or division within the organization. See "Our Lending Activities" beginning on page 14.

Neither AAFC, nor any of its affiliates or member churches have guaranteed the repayment of the Certificates.

You must rely solely on the Fund for repayment of your Certificate. Neither AAFC, nor any of its affiliates or member churches have guaranteed repayment of the Certificates or any loans we will originate or acquire on behalf of the Fund. See "Description of Certificates" beginning on page 27.

We may sell mortgage loans or participation interests in such loans from time to time for liquidity purposes.

To provide funds for working capital and make payments of interest and principal on our Certificates, we may from time to time assign, sell and transfer one or more of our mortgage loans. We may also sell or assign a participation interest in such loan. While we intend to sell such loans at par, we may sell a loan at a discounted price should our liquidity needs demand such action. We may also pledge Fund assets as a first priority secured loan to provide us with additional liquidity or working capital; provided that any cash advance made on such loan does not constitute more than 10% of our total tangible assets (total assets less intangible assets as defined by GAAP). As a result, the amount of any senior secured indebtedness to which the Certificates will be subordinated will not exceed 10% of our total tangible assets.

We rely on third party vendors and contractors to assist us in operating the Fund.

The Fund uses third party vendors and contractors to prepare loan documentation, provide loan and escrow closing services, title reports, commitments for our mortgage loan investments, electronically submit and store information regarding the Fund's mortgage loan investments and investment Certificates. Third party vendors provide us with software and services to assist us in processing, storing and delivering information regarding our mortgage loan investments, investor records and Certificates. Our investment electronic records include confidential investor information and proprietary information of the Fund. Loss of data, hardware failure, virus or malware infection, data theft or the inability to access information when needed are risks that could adversely affect the Fund.

Risks Involving our Mortgage Loan Investments

Church mortgage loans are usually secured by single purpose facilities.

The real properties securing the loans are generally churches or related facilities. In the event of foreclosure on any real property securing loans, there is no assurance that a purchaser would pay a price equal to or greater than the outstanding balance of the loan or a price equal to the property's stated or appraised value because such facilities are generally single purpose facilities. As a result, the number of entities that would be interested in purchasing or leasing the facilities for other purposes could be extremely limited and the ability to sell or lease the facilities to a third party could be adversely affected. Therefore, there is no assurance that we will realize sufficient proceeds from foreclosures or liquidations on any real property securing such loans and the sale of the facilities thereon to cover scheduled payments on the Certificates.

The real estate collateral that secures our mortgage loans may not be adequate in the event of foreclosure.

Our loans are typically secured by first mortgage loans on the property financed. As a result, in the event of a loan default and foreclosure of a mortgage securing a first mortgage loan, there are no assurances that we will be able to successfully recover an amount sufficient to repay the first mortgage loan secured by such property. Church facilities are generally single-purpose facilities and may face a more limited resale market. In addition, the decline in real estate values in the geographical areas that we serve could also adversely impact the value of the real estate properties that secure our loans. We also intend to offer unsecured loans of \$100,000 or less to qualified borrowers. For these loans, investors will not be able to rely on real estate collateral as security for these loans and the Fund will rely on the financial capacity and resources of the member church to repay the loan.

We cannot be compared to a commercial lender.

We make loans to borrowers that may not be able to get financing from commercial lending sources. Because of our relationship with our borrowers, we may not carry-out our credit and enforcement policies in the same manner or with the same approach that a commercial lender may exercise with respect to its mortgage loan portfolio. See "Our Lending Activities" beginning on page 14.

Our mortgage loans typically have longer terms than our investment Certificates.

Most of the mortgage loan investments we make have a maturity term that is longer than the average term of our Certificates. We expect that the Fund will initially offer mortgage loan terms ranging from two to ten years, as determined by our Loan Policy. The Board of Directors of the Fund reserves the right, however, to make exceptions to this general policy when the borrower is able to satisfy minimum underwriting criteria for a longer term loan. The Fund's financial condition and liquidity may be adversely affected if a significant number of investors in our Certificates demand repayment of their Certificates at maturity, fail to renew a Certificate and the availability of funds from sources other than operating income is reduced. See "Our Lending Activities" beginning on page 14.

Our mortgage loan investments could become geographically concentrated in the future.

Although we have no geographical restrictions within the United States or in North America as to where loans may be made, our loan portfolio could become geographically concentrated in the future. The concentration

of loans in one or more states or regions increases the risk that adverse economic conditions in those areas could adversely affect our ability to repay the Certificates. At December 31, 2018, 45.7% of our loan portfolio was located in two states, including California and Texas. See “Our Lending Activities” beginning on page 14.

Our remedies against a borrower that defaults under a mortgage loan will be limited by the terms of the mortgage agreement relating to the mortgaged property and applicable law.

In most instances, neither the trustees nor any other members of a AAFC church, school or religious entity borrowing from us will be required to personally guarantee any mortgage loan from us. Because there is no established resale market for the loans that we make, we may be unable to find a buyer for a loan in the event that we seek to do so for these loans. Accordingly, there can be no assurance that we will be able to collect the principal and interest coming due on our mortgage loans in the event of a borrower default when we enter into a mortgage loan and do not require individual guarantees of the loan be furnished.

When a loan is made to a local AAFC church, AAFC will have a non-recourse obligation for any loan made by the Fund.

When the Fund enters into a borrowing transaction with a local AAFC church, a loan agreement will be entered into by and among the church, pastor, AAFC and the Fund. Although title to the property securing the loan will be held by AAFC, payments due on the loan will be made solely by the local church. AAFC’s obligation make any payments of principal or interest on the loan will be non-recourse only and limited to the value of the property securing the loan. In the event the church defaults on the mortgage note, AAFC’s sole obligation will be to deliver any documentation to the Fund which will enable the Fund to obtain title to the mortgaged property and exercise its rights as a secured lender under the loan agreement and mortgage documents. As a result, loans made by the Fund may not be underwritten or documented in the manner that a commercial lender may require for a mortgage loan it makes. In order for the Fund to exercise its rights to liquidate a loan in the event of a default by the AAFC church that is granted a loan, it will be required to exercise a limited cause of action against its controlling and supervising entity, AAFC, in foreclosing on the mortgaged property. Thus, some of the remedies available to a commercial lender or bank upon default may not be available to the Fund with respect to these loans due to limited remedies available to us under our standard loan documentation.

Our allowance for loan losses may prove to be inadequate.

The Fund intends to maintain a loan loss allowance based upon a periodic review of our loans and consideration of a variety of factors which affect the collectability of our mortgage loan investments. As of December 31, 2018, the Fund did not maintain an allowance for loan losses. Ultimate losses on our mortgage loan investments may be greater than the Fund’s current allowance for loan losses, which, if significantly greater than anticipated, could adversely affect the Fund’s financial condition. As of the date of this Offering Circular, the Fund has never had a charge-off or initiated foreclosure proceedings in connection with one of our mortgage loan investments.

Applicable bankruptcy and other laws could limit the remedies and actions that we may be able to take as a lender to enforce our rights under our mortgage loans.

Our remedies as a creditor upon default by any of our borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our loan agreements and collateral documents, typically require judicial actions, which are often subject to discretion and delay. Under the U.S. Bankruptcy Code and applicable law, the remedies specified by our loan agreements and collateral documents may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in our loan agreements and collateral documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements and collateral documents.

The real estate collateral for our mortgage loans may also be subject to other claims.

The various security interests established under our mortgages and deeds of trust may be subject to other claims and interests. These potential claims and interests include statutory liens, rights arising in favor of the United States or any agency thereof, constructive trusts or equitable liens imposed or conferred by any state or federal court,

and bankruptcy or receivership laws affecting amounts earned by the borrower after bankruptcy or receivership proceedings have been initiated by or against the borrower.

In the future we may offer construction loans that could subject the Fund to risks associated with a construction project.

Although we do not intend to offer construction loans during the Fund's initial year of operations, we may offer construction loans in the future. In that event, borrowers could use the proceeds of a loan made by us to construct new facilities or renovate existing facilities. The risks of renovation and construction can adversely affect the ability of a church or organization to repay its loan by increasing construction costs or delaying or preventing completion of the project. Construction delays can occur if (i) a contractor is unable to post or present a completion bond; (ii) a shortage of materials, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, or environmental regulations delay the project; or (iii) a dispute occurs between the borrower and its contractor or any subcontractor regarding the project. If any of the construction risks referenced above occur, it could have a material effect on a borrower's ability to repay a construction loan and thereby adversely affect our ability to redeem your Certificate. At December 31, 2018, we did not have any construction loans in our portfolio. See "Our Lending Activities – Types of Loans" on page 17.

We depend on making mortgage loans at interest rates that exceed the interest rate we pay to the holders of our Certificates.

There can be no assurance that the demand for first mortgage loans will be sufficiently strong to allow all of the proceeds to be used for first mortgage loans. To the extent that we accept investment funds in excess of the demand for first mortgage loans, the investment of such excess monies in alternative investments pursuant to investment policies may not be sufficient to cover interest payments to Certificate holders if available investment interest rates are low. While we anticipate that the average return on our mortgage loan investments will exceed the cost of our interest payment obligations, we are subject to interest rate risks that could affect our ability to finance our operations and meet our operating expenses and debt obligations. See "Financing and Investment Activities beginning on page 22.

The performance of the loan fund is dependent, in part, on our ability to acquire profitable loans.

While we impose generally accepted underwriting standards for church mortgage loans in approving the acquisition of a mortgage loan investment, our ability to successfully acquire profitable loans require that each loan undergo a detailed underwriting process. While the Fund has recently begun to originate and underwrite its loans, at the outset the Fund has focused on acquiring loans that have been originated by and acquired by the AAFC Trust Fund. If we fail to successfully monitor these underwriting standards, the Fund's ability to generate earnings to enable us to make required principal and interest payments on the Certificates could be adversely impacted.

We may from time to time face liquidity demands that could impair our ability to timely pay our obligations under the Certificates.

The Fund will rely on payments made by borrowers under mortgage loans that it makes to AAFC organizations, the sale of our Certificates and our cash reserves to fund our operations. In order to provide additional liquidity to meet our obligations on our Certificates, we may, from time to time, sell our mortgage loan investments. The Fund has adopted a policy which requires it to maintain an aggregate operating and reserve liquidity of cash, cash equivalents, readily available funds through a line of credit equal to at least 8% of the Fund's principal balance of all outstanding Certificates. In addition, our Board of Directors has adopted a policy requiring that we maintain sufficient operational reserves, together with short-term borrowing capabilities and expected cash from our lending activities and operating funds, sufficient to permit us to timely pay any interest and principal due on the Certificates. Should these resources be insufficient from time to time, we may seek to sell mortgage loan assets or participation interests in our loans in order to meet our cash flow demands. See "Our Lending Activities – Liquidity" on page 19.

We reserve the right to change our policies and procedures that affect our mortgage loans, liquidity and cash reserves.

We may from time to time revise our liquidity and cash reserve policies and investment criteria for new

loans that our Board has adopted. If we change our policies or procedures, including our loan or investment policies, we may incur an adverse economic effect on our ability to repay or redeem your Certificate. See “Our Lending Activities” beginning on page 14.

We may be subject to the risks associated with loan participations, such as less than full control rights.

In launching the Fund, we have initially relied on loans originated by AAFC with its Trust Fund. We may, however, in the future acquire or sell loan participation interests to another institutional ministry lender. When we purchase a participation interest, we may need the consent of the primary or lead lender to exercise our rights under such loans, including rights with respect to amending the loan documents, initiating enforcement proceedings in the event of default and exercising control over foreclosure proceedings. Similarly, a majority of the participants may be able to take actions to which we object but to which we will be bound if our participation interest represents a minority interest. We may be adversely affected by this lack of full control. See “Our Lending Activities – Operation of Church Loan Extension Fund” on pages 19 - 20.

The loans that we make can be affected by environmental issues.

The properties securing the mortgage loans we make are subject to federal, state and local laws and regulations designed to protect the environment from wastes and emissions of hazardous substances. If hazardous, toxic substances, or petroleum products contamination is found on or near the properties that secure a loan, our security for the loan could be impaired. Under state, federal or local environmental laws and regulations, the current owner or previous owner of such real property may be required to investigate and clean up hazardous or toxic substances released or found at such property, and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs. The costs of such clean-up and remedial efforts can be substantial and the threat of environmental claims with respect to the property may adversely affect the owner’s ability to sell or rent the facilities or to borrow funds using such property as collateral. We can give no assurances that the properties securing our mortgage loans will be free from environmental claims or that no hazardous materials, contaminants or toxic substances are located on such properties.

Church revenues fluctuate and may substantially decrease during times of economic hardship.

Generally, to pay their loans, churches depend largely on revenues from church member contributions. Donations typically fluctuate over time for a number of reasons, including, but not limited to, fluctuations in church membership, local economic conditions including unemployment rates and local real estate and market and credit conditions. From time to time, churches have been impacted by adverse economic conditions in the United States and many churches experienced declines in contributions, gifts and tithes after the economic downturn in 2008. In addition, foreclosure actions initiated against churches throughout the United States sharply increased thereafter, especially in regions of the country that experienced increases in residential and commercial foreclosure actions. A severe deterioration in real estate values and general economic conditions could harm the Fund’s financial condition, income and ability to make principal and interest payments to our investors.

Risks Related to the Certificates

The Certificates are not insured by the Federal Deposit Insurance Corporation or guaranteed by the Federal Reserve Board or any other agency.

The Certificates are not bank instruments, are not insured by the Federal Deposit Insurance Corporation or guaranteed by any governmental agency. Neither AAFC, the Board of Directors of the Fund nor the Fund’s Executive Officers have guaranteed repayment of the Certificates or any loans we will make from the Fund.

The Certificates are unsecured and none of our assets will be pledged as collateral to secure their repayment.

Each investor must rely on our general financial condition, liquidity and operating capital to make principal and interest payments on the Certificates. No collateral will be pledged to secure repayment of the Certificates. See “Description of Certificates” beginning on page 27.

Our ability to redeem a Certificate at maturity or make interest payments is subject to the availability of funds.

If we have insufficient cash and liquid assets to redeem a Certificate when it matures, an investor will not be repaid until we have sufficient cash resources to do so. In addition, (i) if yields on our mortgage loan investments fall below the rates we pay on our investor Certificates; (ii) if demand for new Certificates decreases significantly or ceases altogether; (iii) if there is a significant decrease in the renewal rate of Certificates resulting in a substantial increase in redemptions; or (iv) if a significant number of our church mortgage loans default on their mortgage obligations, the Fund's financial condition could adversely affect its ability to redeem or make required payments on the Certificates. In order to meet our payment obligations on principal and interest on the Certificates, we will rely on the mortgage interest payments we receive from borrowers, origination fees, the sale of Certificates and working capital we maintain. In the event we are unable to make a required principal or interest payment due on the Certificates, investors will have to rely on revenues we generate from the Fund and any security provided by the collateral of the Fund for payment. Nonpayment of a Certificate when due will constitute a default, but only as to that Certificate. In the event of a default in the payment of interest only on the Certificate, you will have no right to accelerate payment of the principal balance of the Certificate. See "Description of Certificates" beginning on page 27.

When an investor renews a Certificate at maturity, the interest rate on the new Certificate may decrease.

Unless otherwise prohibited by state law, our Term Certificates automatically renew at maturity for an additional term if not redeemed by the investor prior to maturity. In that instance, the Certificate will be redeemed for the same term and at the current interest rate then in effect for the Certificate. As a result, the interest rate paid to an investor may decrease without further notice upon automatic renewal of a Certificate. See "Description of Certificates", beginning on page 27.

We are subject to changes in interest rates that may adversely affect our ability to repay our Certificates.

We have no control over fluctuations in interest rates and may be adversely affected if we are unable to maintain a sufficient spread between the interest rates we pay on the Certificates and the interest payments that we receive on our outstanding mortgage loans. The earnings that we realize from lending borrowed funds is primarily determined by the difference, or "spread", between the interest rates we pay on the borrowed funds and the interest rates that our borrowers pay us. To the extent that our borrowing costs effectively reduce the "spread" between our interest earning assets and borrowing costs, our ability to make required payments due on the Certificates could be adversely affected.

No assurance of early redemption if requested.

In general, the Certificates are redeemable prior to maturity upon request, but only in our sole discretion. Thus, holders may not be able to redeem their Certificates prior to maturity, particularly during times when there are a significant number of early redemption requests. In addition, investors will be required to pay an early withdrawal fee if you request an early redemption of your Certificate. See "Description of Certificates – Redemption Prior to Stated Maturity" on page 29 of the Offering Circular.

The Certificates are not rated and there will be no sinking fund for repayment of the Certificates.

We have not obtained a rating for your Certificates from an independent rating agency and we do not intend to request such a rating. Also, there will not be a sinking fund established for the repayment of the Certificates and we must rely on our assets in the Fund and available cash resources to timely repay your Certificates. There is no assurance that we will have adequate cash resources available at the time the Certificates are due.

We have the right to redeem your Certificate.

We have the right to redeem or prepay your investment upon furnishing you with at least thirty days prior written notice. No assurances can be given that you will be able to reinvest your redemption proceeds in other securities having terms and an interest rate as favorable as the redeemed Certificate. See "Description of Certificates – Redemption Prior to Stated Maturity" on page 29 of the Offering Circular.

There is no public market for the Certificates and you may be unable to transfer or sell your interest in the Certificates.

There is no public trading market for the Certificates, and no trading market is ever likely to develop. The transferability of the Certificates is subject to restrictions established by applicable state and federal securities laws. Therefore, an investor may be unable to sell any of the Certificates for an indefinite period of time, and the purchase of a Certificate should be considered as an investment to be held to maturity. The principal amounts, interest rates and maturity dates of the Certificates have been arbitrarily determined. See “Description of Certificates – Transfer” on page 30 of the Offering Circular.

Due to our close relationship with AAFC, we may be subject to conflicts of interest that potentially could be adverse to our investors.

We have entered into an agreement with the AAFC pursuant to which AAFC will provide oversight and management of the day-to-day operations of the Fund. Many of our officers and directors are employees, officers, or directors of AAFC. The AAFC Board of Directors also appoints the Fund’s Board of Directors. From time to time, the Fund expects to enter into transactions and agreements with one or more of its affiliated entities. While the Fund has adopted conflicts of interest procedures to safeguard the interests of the Fund and its investors, it is possible that a related party transaction could, at a later time, prove to be adverse to an investor’s interest. See “Management – Related Party Transactions” on page 26.

The Certificates may be subordinated to senior secured indebtedness.

We may pledge a portion of our mortgage loans or other assets for a senior secured loan that we enter into for liquidity or working capital purposes. It is our policy, however, that neither the senior secured indebtedness nor the amount of collateral pledged may exceed an amount equal to 10% of our total tangible assets (total assets less intangible assets as defined by GAAP). If we enter into a senior secured credit facility, the holders of a Certificate will be subordinate in interest to such senior debt to the extent collateral is pledged to secure said debt. As of the date of this Offering Circular, we have no outstanding senior secured indebtedness.

The book value of our financial instruments and other assets set forth in this Offering Circular and our financial statements may not reflect the actual value we would receive in a sale of these assets.

From time to time, we may sell certain assets to provide liquidity or for other purposes. Since book values of some assets are based upon significant judgments by management and other uncertainties, there is no assurance that assets would be sold for an amount equal to their book value.

Demand for repayment of the Certificates may exceed funds available for repayment.

It is our policy to maintain liquid assets and credit lines equal to at least 8% of the principal balance of our total outstanding Certificates. If the amount of future redemptions and interest payments exceeds new issuances, cash reserves and other liquid investments would be used to fund redemption requests. There is no assurance that we will have adequate liquidity to pay all principal and interest on the Certificates at maturity. See “Discussion of Financial Data” beginning on page 23.

There are no income tax benefits with respect to an investment in the Certificates.

The interest paid or payable is not exempt from federal or state income taxes. The interest paid or payable on the Certificates will be taxable as ordinary income to an investor, regardless of whether the interest is received by the investor or retained and compounded by the Fund, unless you purchased the Certificate through an Individual Retirement Account or other tax deferred account. See “Tax Matters” beginning on page 33.

Investors may not continue to reinvest or renew their Certificates at the rate we have experienced historically.

We depend upon reinvestments and renewals, together with principal and interest payments on our loans, to provide sufficient liquidity to meet current liquidity requirements, including the repayment of principal on our

maturing obligations. If investor requirements for repayment of the Certificates upon demand or at maturity were to exceed prior experience, the timely repayment of our outstanding Certificates and other debt obligations could be affected.

Risks Related to the Offering

Our ability to sell Certificates may be affected by changing laws.

We intend to offer the Certificates in one or more states that exempt debt securities offered and sold by tax exempt public charities. While we intend to comply with the “Blue Sky” laws affecting the offer and sale of debt securities where we offer our Certificates, changes in applicable laws and regulations in such states could affect our ability to offer and sell our Certificates in those states. In that event, investors in such states would be unable to make additional investments or invest in new Certificates.

The ability to add to, renew or reinvest in a Certificate is subject to the securities laws of various states.

While we intent to maintain all required securities registrations, exemptions, permits and qualifications in order to enable our investors to renew their investment or make new investments, we may not continue to be registered or exempt from registration in all states where we currently sell our Certificates. Accordingly, you may not be able to renew or reinvest the proceeds of a maturing Certificate with the Fund if you reside in a state where our Certificates are not registered or exempt at the time you wish to renew, add to or purchase a new Certificate.

No underwriter has made a firm commitment to purchase the Certificates.

This is a “best efforts” offering and no underwriter will make a firm commitment to purchase the Certificates. We are offering the Certificates for sale directly without the assistance of an underwriter. No assurances can be given as to the principal amount of Certificates that may be sold under the Offering or whether the proceeds received from such sales will be sufficient to accomplish the purposes of the Offering. As an offering of debt securities, the Certificates will compete with other investment opportunities which may be of more or less risk, and which may provide higher or lower yields.

You will not be able to rely on the review of an independent underwriter.

When an offering is made through an underwriter, that firm generally takes the responsibility of reviewing and approving the offering in accordance with its professional standards and due diligence procedures. Because we are selling the Certificates directly through our directors, officers and employees, you will not be able to rely on an independent underwriter's review of the Offering.

THE FUND

History of Issuer

The Fund was organized on January 16, 2018 as a non-stock, nonprofit religious corporation. The Fund has been organized as a subordinate organization that is supervised or controlled by AAFC and operates a loan fund that supports, promotes and enhances the mission of AAFC and its affiliated churches, ministries, districts and affiliated organizations. The debts and liabilities incurred by the Fund are independent from AAFC or any districts, subsidiaries or related entities whose members are members of AAFC churches. Financial reporting for the operations, financial position and cash flows of the Fund will be separately accounted for. As a result, neither AAFC, nor any of its agencies will have any legal obligation with respect to the Certificates.

The principal office and mailing address of the Fund is 5401 Citrus Avenue, Fontana, CA 92336. The Fund's telephone number is (909) 987-3013. All loans or financing assistance provided by the Fund to AAFC churches and AAFC affiliated entities will be entirely separate from that provided by any other program, division, agency or district of the AAFC. The Fund's fiscal year ends on June 30. As a separately organized nonprofit corporation under California law, we will maintain independent books and records and will furnish our investors with the Fund's annual audited financial statements and reports.

For the Fund's initial year of operations, the Fund will be managed by AAFC. Under the terms of a Management Services Agreement we entered into with AAFC, we delegated the responsibility and authority to conduct all operations related to the sale and distribution of the Certificates, our investment activities, as well as administering the organization of, acquisition and underwriting of our loans to AAFC. AAFC has agreed to waive assessing a management fee for the years ended June 30, 2019 and 2020 in order to ensure that the Fund meets its capital adequacy and liquidity needs in launching the Fund.

Apostolic Assembly of the Faith in Christ Jesus

The Apostolic Assembly of the Faith in Christ Jesus was organized and formed March 15, 1930. As of the date of this Offering Circular, AAFC has 784 chartered churches operating in the United States, with over 550 missionary churches and ministries operating in 20 foreign countries, with approximately 5,500 active licensed and ordained ministers, missionaries, international pastors and affiliated national workers serving its membership and ministries. The Fund's management believes that the total constituency of AAFC internationally is over three million.

According to its mission statement and logo, AAFC seeks to "carry the whole Gospel to the whole world by the whole church". Emphasizing the distinct oneness of God, the revelation of Christ as the son of God in flesh, the new birth experience as evidenced in Acts 2:38 and the pursuit of inward and outward holiness, the AAFC governing structure is built on the importance of the local church as a governing and autonomous body. Under the AAFC governing structure, the local church elects its pastor and leaders, approves its own budget, establishes and approves its church membership and conducts all necessary business of the church. Elected ministers from each local congregation meet in sectional, district and general conferences to oversee the general operations of the AAFC.

Under the AAFC Constitution, all deeds of conveyance, realty deeds, and documents pertaining to church properties must contain language of trust requiring that that the property be acquired, used, kept, maintained and held in trust for AAFC, as a place of worship for the Apostolic Assembly and deeded to the 'Apostolic Assembly of the Faith in Christ Jesus'. In the event that a local church is divided, dissolved, merged, detached or disaffiliated from AAFC, the deed of the property remains in trust with AAFC and the title will not be altered or changed.

The AAFC administrative offices are located at 5401 Citrus Avenue, Fontana, CA 92336 and its telephone number is (909) 987-3013 and its website address is <http://apostolicmutual.org/>.

USE OF PROCEEDS

The net proceeds that we receive from the sale of the Certificates will be used to pay the expenses of this Offering and provide additional capital for the Fund, which will be used primarily to grant mortgage loans that finance the acquisition, construction or refinancing of facilities used by AAFC churches, schools, colleges, ministries and related ministry projects. Funds from the sale of the Certificates will also be used to repay Certificates as they mature or are redeemed and assist us in meeting our operating expenses. We may also use the proceeds of this Offering to pay fees and deposits in procuring additional capital and funding sources for the Fund. We anticipate, however, that all operating expenses of the Fund will be charged against the Fund's unrestricted net assets, although cash proceeds from the sale of Certificates may be used for operating expenses to the extent that cash flow from other sources is insufficient. Any proceeds from the sale of Certificates that are not immediately used for the purposes set forth above will be invested in interest-earning investments.

There is no minimum amount of Certificates that must be sold in this Offering and there can be no assurance that we will sell all or any of the Certificates. Although the Fund has not identified any specific investments that will be made with the net proceeds of the Offering and our management team will have broad discretion to direct the use of such funds, no proceeds of the Offering may be used for purposes not related to the operation and mission of the Fund as described in this Offering Circular. The amount of proceeds actually used to fund mortgage loans, repay Certificates and provide for operating expenses of the Fund will vary depending on a number of factors, including the amount of Certificates sold to investors, the amount of Certificates redeemed or renewed, demand for new loans and scheduled payments received on our mortgage loan investments.

We will not pay any underwriting fees or selling commissions in connection with the Offering. The following table sets forth the estimated use of proceeds from the Offering:

	<u>Total</u>	<u>Percent</u>
Gross Offering Proceeds ⁽¹⁾	\$25,000,000	100.00%
Less Offering Expenses ⁽²⁾	45,000	0.18%
Net Proceeds Available to Fund after Expenses	\$24,955,000	99.82%
⁽¹⁾ Assumes all of the Certificates are sold and no discounts in the selling price of the Certificates have been made.		
⁽²⁾ These figures are our best estimates of the legal, accounting, printing, filing, and blue sky registration fees that will be incurred in the Offering, all of which will be paid to state agencies, independent professionals and service providers.		

If the actual amount used in any of the categories set forth above is less than the designated amount, any remaining funds may be used for the purposes of this Offering as described in this Offering Circular. All net proceeds available to the Fund will be used to establish and operate the church loan extension fund.

OUR LENDING ACTIVITIES

General

The proceeds of this Offering will be used by the Fund to provide capital funding for use by AAFC organizations and entities to finance the acquisition of properties, refinance existing facilities, and provide funding for expansion or renovation of ministry related facilities. The Fund has been formed to serve as a church loan extension fund that will invest primarily in mortgage loans secured by liens on AAFC churches, affiliated agencies and entities and/or ministry related projects. Our current loan policies provide that the maximum loan granted to any one borrower may not exceed the greater of \$250,000 or 10% of our total assets. From time to time, the Fund may approve exceptions to the Policy; provided that the Board of Directors approves the loan and the church otherwise meets the Fund's underwriting criteria. As of the date of this Offering Circular, we have not established a minimum loan amount for an approved loan. We intend, however, to offer a limited number of small unsecured loans to qualified ministries that seek funding for an amount that will not exceed \$100,000. Our loan policy provides that no more than 10% of our loans will consist of unsecured loans.

Our organizational mission is to provide financing assistance to AAFC churches, affiliated agencies, districts, schools, colleges, ministries and ministry related projects that are affiliated with AAFC churches and ministries. We may invest our working capital in mortgage loans, and other investments which enables us to better serve the AAFC ministries, churches and affiliated agencies that obtain loans from the Fund. For the year ended June 30, 2019, we will not charge a loan origination fee when the loan is granted or upon any renewal or refinancing of the loan. Each borrower is required to pay other direct closing costs such as appraisal, survey, title insurance and title examination fees, environmental reports and document preparation expenses.

Launch of Loan Fund

We have been formed for the specific purpose of providing financing assistance to AAFC churches, agencies and affiliated entities. While the Fund is authorized to act as an originator and underwriter of mortgage loans to AAFC churches, agencies and affiliated entities, the Fund will also consider purchasing whole loans or loan participation interests in loans made by a commercial lender to a AAFC church or affiliated entity. Each whole loan and participation interest we acquire from a commercial lender must meet our lending guidelines and underwriting standards. We may also sell loan participation interests we acquire to unaffiliated parties and commercial lenders on a non-recourse basis for liquidity purposes pursuant to which the acquiring entity assumes the risk of any loss on the participation interest in a loan made to AAFC church or entity. By acquiring a percentage ownership interest in the underlying loan made to a AAFC church or affiliated entity by an originating lender, we will share principal and interest payments received from the borrower in an agreed upon manner.

When we enter into a loan participation agreement in a loan originated by a commercial lender to a AAFC church or affiliated entity, the originating lender will maintain all records, collect all payments and remit monthly to the Fund the appropriate pro rata share of both interest and principal collected on the loan. Our right to take enforcement action with respect to the borrower or collateral on these participation loan interests is subject to cooperative efforts with the lead lender and originator of such loans. We will be responsible for our pro rata share of any extraordinary expenses incurred to preserve the collateral or enforce the lender's rights with respect to such loan in any foreclosure or other collection action.

Loan Policies

Our Board of Directors has adopted a policy that requires all loans authorized by the Fund to be made to AAFC churches, schools, ministry related projects and facilities, colleges, and AAFC affiliated organizations. From time to time, the Fund may approve a loan made to a church, ministry or organization that has an affiliation with AAFC and has a core mission and doctrinal beliefs that align with AAFC's statement of faith; provided, however, that (i) the Fund's Board of Directors determines that approving such a loan will enhance the Fund's operating income; (ii) strengthen its loan portfolio; and (iii) effectively manage the Fund's mortgage loan investments and net interest margin. In most instances, a loan made for the acquisition, construction, refinancing or expansion of a ministry related facility will be secured by a mortgage lien against the real property owned by the borrower. The Fund may also purchase loans from third parties, enter into joint loan agreements with participating lenders and acquire loans from other AAFC affiliated entities.

Our loan policy provides that loans will be made to AAFC churches, districts, agencies and related entities and will be secured by real property located in the U.S. Prior to the launch of the Fund, AAFC operated a Real Estate Trust Fund that was funded by a 5% tithe sent by AAFC churches and from pastors in the Assembly (the "Trust Fund"). The Trust Fund operated under the terms and conditions of an Amended and Restated Declaration of Trust that was entered into in June, 2015. The Trust Fund made loans to AAFC churches and ministries on an unsecured basis through a separate trust fund established under California law for the purpose of enabling AAFC churches acquire property, make improvements, or remodel their facilities. Loans were made for terms ranging from two to ten years. The minimum amount for a loan was \$10,000 and the maximum amount for a loan made under the Trust Fund was \$200,000. All loans made under the Trust Fund were unsecured and the interest rate was set at 4.5%, but from time to time was adjusted depending on the financial condition of the Trust Fund and underwriting analysis of the borrower's financial condition. On February 20, 2018, the Trust Fund contributed cash assets of \$278,268 and loans with an aggregate principal balance of \$1,383,312 to capitalize the Fund.

Our loan policies are adopted and approved by our Board of Directors, reviewed annually and are subject to amendment at any time. We reserve the right to change our loan policies and procedures from time to time in

response to changes in loan demand, interest rates, market conditions and practices of other lenders that provide financing to AAFC affiliated churches, ministries, schools, educational institutions and organizations.

Our Board of Directors determines the loan policies and guidelines we will follow in carrying out the Fund's lending and operational activities and may revise them at any time. Although the policies and guidelines set forth above guide the decision making process that we and the Loan Committee will undertake in reviewing an application, we may approve exceptions from time to time when we review a particular application and consider the amount of the loan, maturity term, interest rate, amortization schedule, fees or other terms of the loan.

To assist us meet our operational and administrative expenses incurred in maintaining the Fund, we reserve the right to assess a loan origination fee. For the year ended June 30, 2019, we will not charge a loan origination fee when a loan is granted, refinanced or renewed. The borrowers will be required to pay all closing costs, third party costs and associated expenses. From time to time, we may also require that the church's members purchase a minimum amount of Certificates, the proceeds of which will go, in whole or in part, towards funding the loan. Most of the loans we currently own have an interest rate of 4.5% and we intend to offer our borrowers rates and loan terms with more favorable terms than are typically offered by commercial lenders.

We have adopted an Apostolic Mutual Loan Policy which governs the types of loans we intend to offer in the Fund. This policies and procedural manual will assist us in deciding which loan applicants will qualify for a loan and the amount of the loan to be approved. Loans we intend to make or acquire for the Fund are typically secured by a first mortgage for a period not to exceed 10 years, but we intend to offer an amortization schedule that will be based upon up to a maximum 25 year term. From time to time, we may also approve a second mortgage or deed of trust on the property if the loan otherwise meets our underwriting criteria. For loans made under the \$100,000 threshold amount, we do not require that deed of trust or mortgage be granted and we intend to rely in that instance on a loan agreement, promissory note and UCC-1 filed under federal and state law.

We may also permit a borrower to pledge our Certificates as collateral for a loan in an amount that ensures that the Fund is adequately secured on its loan. When Certificates are pledged to secure a loan, our underwriting guidelines require that the Fund's security interest in such pledged assets be perfected pursuant to applicable state laws. On a limited basis, we may also make loans of operating funds to AAFC affiliated organizations, provided that the loan complies with our loan policies and procedures. As required by the North American Securities Administrators Association Statement of Policy governing church extension fund securities offerings, the amount of any secured indebtedness to which the Certificates are subordinate may not exceed 10% of the Fund's total tangible assets.

We will acquire, invest in or originate a loan after we complete our investigation of the prospective borrower's financial condition, including review of giving patterns, income and expense statements, capital campaign records and statements and balance sheet information. As of the date of this Offering Circular, our loan policies include the following general requirements:

- monthly loan payments are limited to no more than 30 to 35% of a borrower's average monthly revenues for the year or 12 month period preceding the date of the loan;
- the total secured mortgage debt of any individual borrower shall not exceed three and one half (3 ½) times the borrower's gross revenues for the year or 12 month period prior to the date of the loan;
- the borrower's net cash flow for the year or 12 month period prior to the date of the loan must be equal to or greater than 120% of the proposed annual mortgage payments;
- the loan to value ratio of the mortgage property or collateral after completion of construction may not exceed 70%;
- loan applicants must demonstrate that they will have three years of operating history and financial statements;
- the AAFC church or ministry must have been established for at least five years;

- the church must have at least three months of payments in cash reserves; and
- the church or ministry must be in compliance with AAFC requirements under the AAFC Constitution and policies for member churches.

As part of our review process in reviewing a loan application, we require that the applicant submit a loan application, together with supporting documentation. This assessment will focus on the applicant's debt service coverage ratio (net cash flow divided by proposed annual debt service), loan to value ratio (dividing the mortgage loan by the value of the secured collateral), debt service to income ratio (dividing the proposed annual debt service by unrestricted revenue of the borrower) and debt service plus salary to income ratio (proposed annual debt service plus salary exposure divided by unrestricted revenue of borrowers).

Based upon the financial information and loan assessment undertaken, we prepare a credit grading matrix which is reviewed by the Fund's Loan Committee. The Fund's Loan Committee consists of at least five members that are appointed by the Fund's Board of Directors. Our secured loans typically bear interest that is initially fixed for the term of the loan, as selected by the borrower when the loan is made. As of the date of this Offering Circular, the initial interest rates we charge on our mortgage loans will be set at 4.50%.

Types of Loans

We intend to offer, invest in or acquire the following types of loans on behalf of the Fund:

Permanent Loans. Permanent loans are loans secured by a deed of trust or mortgage for periods ranging from two to ten years, but with amortization periods of up to 25 years. If a borrower chooses to refinance a loan with an outside lender during the first five years of the loan, the Fund reserves the right to assess a prepayment penalty ranging from 1% to 2% depending on the interest rate adjustment period and year in which the prepayment is made.

Construction Loans. For the year ended June 30, 2019, no construction loans will be made. We reserve the right to offer construction loans once we successfully launch the Fund. If we commence offering construction loans, these loans are typically made for a period of up to eighteen (18) months. During the term of the loan, repayment is usually made on an interest-only basis and the loan is secured by a first mortgage or a second mortgage behind a Fund owned related first mortgage loan. Upon completion of construction and issuance of a certificate of occupancy, the construction loan converts to a permanent loan.

Capital Bridge Loans. Capital bridge loans are generally made for a term of up to three years and require the borrower to participate in a multi-year professionally led capital campaign. In most instances, a capital bridge loan provides interim funds during construction or when pursuing a capital improvement effort while the borrower raises additional capital. During the term of the loan, monthly interest-only payments will be required. We will authorize advances on the loan in an amount of up to 70% of all outstanding capital pledges. All capital campaign proceeds will be required to be deposited into a segregated account which can only be drawn down to reduce the outstanding principal balance of the bridge loan. For each capital bridge loan we make, the borrower will be required to provide a first mortgage or a second mortgage behind the first mortgage we hold on secured real estate collateral.

Participation Interests. The Fund may acquire participation interests in qualifying loans made by another commercial lender, to AAFC churches and related agencies and institutions. When the Fund acquires a participation interest, it acquires an ownership interest in the loan originated by the originating lender. Under a participation interest agreement, participating lenders will share principal and interest payments received from the borrower in an agreed upon manner. When we acquire a participation interest, the lead lender will maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the loans. In that instance, the commercial lender will serve as the lead lender and originator of the loan. In each instance, any participation interest we acquire on behalf of the Fund must be made on terms and conditions that comply with our lending policies and guidelines. For any participation interest we acquire, we will require that a first or co-first mortgage or deed of trust be held as collateral for the Fund.

When we acquire a participation interest on behalf of the Fund, we will pay an annual loan fee to the originating and lead lender for the loan as from time-to-time agreed upon when the participation interest is acquired. These participation agreements typically provide that we will share ratably in the collection costs incurred by the lead lender in preserving the collateral or enforcing the lender's rights with respect to the loan.

Interest Rates

We offer loans with fixed interest rates for terms ranging from two to ten years at the option of the borrower, but with payments based upon an amortization schedule for up to 25 years. The terms offered to borrowers regarding interest rates, maturities, and fees are determined from time to time by our Board of Directors based upon risk evaluation, the cost of funds, our operating expenses and expenses incurred in arranging for the loans and general market conditions. As of the date of the Offering Circular, we offer an interest rate of 4.5%.

Loan Committee Review and Approval Process

Each loan applicant submits its loan application to us for review for compliance with the loan guidelines and standards established by our Board of Directors. We have established a Loan Committee, the members of which are appointed by Board of Directors of the Fund. Our Loan Committee reviews the creditworthiness of a borrower and oversees the rates, terms and conditions of each loan. Our Loan Committee meets on a regular basis to review and consider loan requests. Upon recommendation for approval by the Loan Committee and approval by the Board of Directors, we furnish a letter of commitment to the borrower. The Loan Committee has the authority to approve any exceptions to our lending policies, but must report the exception to our Board of Directors for its review.

The review process undertaken by the Loan Committee includes an analysis of the creditworthiness of the borrower, the feasibility of the project and an analysis of the value of the collateral. The Loan Committee relies on financial statements, annual budgets, credit reports, attendance records, contracts with builders and architects, if any, and may require that independent appraisals of the properties to be mortgaged be submitted by the borrower. Once a borrower has accepted and signed a Commitment Letter, a title insurance commitment is ordered and arrangements made for the provision of mortgage title insurance, the services of an appraiser, a professional independent accountant to prepare appropriate financial statements and an environmental consultant may be required in order to close a loan we may authorize.

For mortgage loans we originate, acquire or invest in, we typically require title insurance, fire and extended coverage insurance and we typically use standard mortgage and security documents in the state where the real property collateral is located. We generally require that payment of principal and interest on all loans be made in equal monthly installments. All loans that we originate may be prepaid at any time without penalty. For any loans that we acquire as a participation interest, the originating lender may impose a prepayment penalty of 1% to 3% depending on the time of prepayment and if the prepayment is made with funds from an external lending institution.

Loan Repayment

Loan payments from borrowers ordinarily will be required monthly. However, some loans to borrowers will require weekly or other repayment schedules as determined to be appropriate. Late payments will result in the charging of a fee. No prepayment penalty will be imposed on the loans that we originate. To the extent we acquire a loan participation interest, the lead lender may impose a prepayment penalty of 1% to 3% depending on the time of prepayment and if the prepayment is made with funds from an external lending institution.

Underwriting Requirements

Our lending policies generally require the normal protections afforded by church extension fund lenders. Most loans require title insurance, surveys, appropriate resolutions of the borrower, evidence of the property value, and fire, builder's risk and extended coverage insurance. For certain construction loans, payment and performance bonds also may be required. Mortgage loans are generally limited to 70% of the property value. For the purposes of determining such property value under our current loan policies, the value of the land and existing facilities, as well as the future value of new construction, is considered. Typically, a borrower cannot borrow more than 35% of its average monthly revenues received for its most recent year of operations. We have adopted a loan policy that restricts us from making unsecured loans in excess of 5% of the aggregate balance of the Fund.

Liquidity

We intend to offer the Certificates from time to time to match the demand for loans that we reasonably anticipate and to make mortgage related investments from the Fund as soon as is reasonably practical after receipt of such funds. We expect to operate the Fund on a positive margin based upon the spread between the interest, fees and revenues that we generate and the interest costs that we will pay on the Certificates. Our Board of Directors has also approved policies and procedures to mitigate interest rate risk. We expect that most loans we approve will have a fixed interest rate. By using a fixed interest rate, the Board of Directors will need to review and monitor its current rates to adjust to interest rate fluctuations in the marketplace.

In administering the Fund, we intend to manage the maturities of our loan investments to provide for our expected liquidity needs. Our Board of Directors has adopted a policy requiring that we maintain sufficient operational reserves, together with short-term borrowing capabilities and expected cash from our lending activities and operating funds, sufficient to permit us to timely pay any interest and principal due on the Certificates. Should these resources be insufficient from time to time, we may seek to sell mortgage loan assets or participation interests in our loans in order to meet our cash flow demands.

Allowance for Loan Losses

We maintain a loan loss reserve for contingent loan losses that can be reasonably predicted and for contingent loan losses that may occur at irregular or unpredictable intervals. The amount of the loan loss reserve is estimated based on the following considerations: (i) historical loss experience; (ii) delinquency trends and levels; (iii) non-accrual trends and levels; (iv) loan growth; (v) maturity trends; (vi) loan-to-value ratios; and (vii) credit policy changes. We may also establish a loan loss reserve for a specific loan in an amount to cover the projected loss associated with such loan. The Fund has had no loan charge-offs and has never initiated a foreclosure action since its inception.

Loan Delinquencies

As of December 31, 2018, no loans in our mortgage loan portfolio were ninety days or more past due. Since the Fund has been organized to provide cost-effective financing options to AAFC churches and ministries, we may, but can provide no guarantees or assurances, make accommodations and refinancing arrangements with our borrowers whose payments are not current. In that instance, the Fund offers advice and counsel to our borrowers and may, from time to time, refinance, restructure or provide concessions to the borrower in order to enable the borrower to satisfy their repayment obligation without foreclosure. Since inception, the Fund has had no delinquent or impaired loans and had had no troubled debt restructurings in its loan portfolio. No assurances can be given that the Fund will be willing to refinance, restructure or work out a delinquent loan in the future.

Operation of Church Loan Extension Fund

While the Board of Directors and principal executive officers of the Fund exercise authority over and carry out our lending and investing activities, we generally rely on third party providers to assist us in preparing loan documents, acting as an escrow and closing agent, and we rely upon AAFC to assist us in managing, servicing and administering the loans, processing loan applications, communicating with borrowers and administering our day-to-day operations under a Management Services Agreement. To assist us in identifying qualified borrowers for the Fund, we may enter into independent consulting agreements from time to time with a mortgage loan originator to provide us with qualified loan applicants. Each independent originator will be responsible for finding, evaluating and presenting appropriate loan documentation that will enable our Loan Committee to act upon and review a loan application.

Our principal executive officers and Board of Directors provide oversight to operation and administration of the Fund. These duties generally include (i) serving as loan underwriter and manager of the Fund; (ii) investigating and evaluating lending opportunities that are consistent with the Fund's mission and objectives; (iii) investigating, selecting, and developing relations with prospective borrowers seeking mortgage loans from the Fund; (iv) tracking the borrower's loan performance, financial status and credit quality of the mortgage loan; (v) maintaining proper financing reporting and accounting for the operation of the Fund; (vi) providing oversight of the investments and assets of the Funds; and (vii) reviewing and analyzing monthly financial reports and portfolio status

reports and making adjustments as may be needed to our lending and collection policies to insure the safety of the assets in the Fund and profitability of the Fund.

Management Services Agreement. We have engaged AAFC to provide certain management, loan servicing, underwriting and investment related services on behalf of the Fund for our initial year of operations. AAFC may, in its sole discretion, engage third party service providers to assist it in carrying out its duties under the Management Services Agreement. In carrying out its duties on behalf of the Fund, the AAFC may be asked to assist in the underwriting of any direct loans made by the Fund.

For our initial year of operations, the Fund intends to rely upon the services provided by two or more designated AAFC employees to carry out and perform the day-to-day operations of the Fund, represent and act as agent for the Fund in negotiating with and communicating with prospective borrowers, financial institutions, lenders, consultants, mortgage loan originators, appraisers, title agents, attorneys, accountants, brokers and governmental authorities in implementing the purposes of the Fund. The Fund will appoint a Business Manager and Director of Investor Relations to perform the day to day tasks of the Fund. We expect that the Business Manager will spend approximately 20% of his time when performing his duties on behalf of the Fund and the Director of Investor Relations will spend approximately 40% of her time on behalf of the Fund. Both of these positions will be filled by AAFC employees and will be provided pursuant to the terms and conditions of a Management Services Agreement. For the year ended June 30, 2019, AAFC has agreed to waive payment of a management services fee. The Fund will also be provided office space to conduct its operations under the terms of the Management Services Agreement. From time to time, the Fund may request assistance from the AAFC Real Estate Office to assist in the handling and coordination of closing of a loan or loan participation interest that has been originated by or acquired by the Fund.

The loan processing, underwriting and investment management services provided by AAFC, or any other third-party service provider will be reviewed by the Fund's Board of Directors and Loan Committee at its regularly scheduled meetings. As the Fund expands its operations and generates sufficient increases in its net assets, we may hire a part-time or full-time executive officer that will have supervisory responsibilities for the lending activities of the Fund.

Participation Agreements. The Fund may acquire a loan participation interest from a financial institution that has made a loan to an AAFC church. When we acquire a participation interest from a lead lender, all servicing activities for the loans we acquire will be provided by the lead lender under the terms and conditions of a non-recourse participation agreement. Under the terms of a standard form of participation agreement, the lead lender's duties include, but are not limited to, the following: (i) servicing and administration of the mortgage loans acquired as a participation interest on behalf of the Fund; (ii) collecting and disbursing all mortgage loan payments, escrows and deposits for any participation interest loans; (iii) establishing and maintaining custodial and servicing accounts for any participation interest loans; (iv) enforcing loan terms and borrower's obligations under the loan documents; (v) periodic review of each mortgage loan file; (vi) safeguarding the Fund's interest in the property and rights under each participation interest we acquire and exercising our remedies in connection with defaulted non-performing loans; (vii) foreclosing upon, managing and disposing of properties securing the participation interests; and (viii) maintaining accurate books and records with respect to the participation interests that are made by or acquired from the Fund. As of the date of this Offering Circular, we have no loan participation interest in our loan portfolio.

Any attorneys' fees, collection costs, insurance and other expenses that are incurred in connection with the exercise of our enforcement remedies under the mortgage loan documents are our responsibility, although we are entitled to recoup such expenses from the borrower in the process of pursuing our enforcement remedies.

Outstanding Loans and Loan Participations

As of December 31, 2018, the Fund holds 29 loans (16 mortgage loan investments and 13 small unsecured church loans) in its portfolio. The following table provides additional information regarding our mortgage loan investments:

Number of loans	Outstanding Principal Amount Per Loan	Aggregate Outstanding Principal Amounts	Percent of Loan Portfolio
28	Less than \$150,000	\$ 1,191,273	86.5%
1	\$150,000 - \$299,999	185,181	13.5%
0	\$300,000 - \$749,999	-	0.00%
29	TOTAL	\$ 1,376,454	100%

The following table provides information as of December 31, 2018 pertaining to our mortgage loan investments originated and wholly-owned by the Fund:

State	Maturity Date	Rate
TX	July 1, 2019	4.00%
CA	March 1, 2027	4.50%
CA	October 1, 2025	4.50%
CA	September 1, 2019	4.50%
CA	March 1, 2026	4.50%
CA	July 1, 2027	4.50%
CA	January 1, 2026	4.50%
CA	April 1, 2026	4.50%
CA	February 1, 2025	4.50%
CA	May 1, 2026	4.50%
FL	May 1, 2026	4.50%
IA	August 13, 2043	4.50%
IL	September 1, 2019	4.50%
IL	October 1, 2027	4.50%
IL	January 1, 2026	4.50%
IN	October 1, 2026	4.50%
MO	July 1, 2028	4.50%
NE	February 1, 2026	4.50%
NM	July 1, 2025	4.50%
NV	August 1, 2027	4.50%
NV	March 1, 2026	4.50%
OH	January 1, 2028	4.50%
TX	July 1, 2027	4.50%
TX	November 1, 2019	4.50%
TX	December 1, 2025	4.50%
TX	December 1, 2025	4.50%
WA	April 1, 2021	4.50%
WA	July 1, 2019	4.50%
WI	July 1, 2020	4.50%

FINANCING AND INVESTMENT ACTIVITIES

Financing Activities

The primary method that the Fund will use to finance its lending and operational activities is the sale of Certificates. We also expect to generate cash flow from principal and interest payments received from borrowers on outstanding loans we have made. We may also raise funds from the sale of participation interests or whole loans we have acquired, invested in or originated. Additionally, we expect to receive income from our cash, time deposits and investments in short-term marketable securities.

Liquidity Policies

The Fund has adopted a policy that requires that we maintain minimum liquid assets and available unused line of credit borrowing equal to at least 8% of its outstanding Certificates. See “Our Lending Activities – Liquidity; Allowance for Loan Losses”.

Investment Activities

The Board of Directors of the Fund is responsible for establishing and revising the Fund’s investment policies. To provide funding for loan commitments and redemption requests and to provide for payment of principal and interest due on the Certificates, we intend to maintain an investment portfolio consisting of cash, marketable securities and other liquid assets. Under our investment policy, no more than 5% of the total portfolio may be invested in a single security, with the exception of U.S. Treasury and government securities. The Fund’s President has the responsibility of implementing the policy. Our general policy is to use all reasonable efforts to maintain cash, cash equivalents, time deposits, and marketable securities at a level equal to at least 8% of our outstanding liabilities. If we enter into a short-term credit facility, we will include the unused portion of such facility as a liquidity source, provided that the portion represented by cash, cash equivalents, time deposits and marketable securities must equal at least 6% of our outstanding liabilities.

Our investment policy provides for a mix of short term investments, fixed income securities and, to a limited extent, equity securities. We seek to limit our exposure to significant swings in the securities markets by investing primarily in short-term to intermediate term investment grade fixed-income securities and adopting asset class diversification practices. Fixed-income investments are generally restricted to corporate bonds, preferred stocks, U.S. government agency securities, U.S. government mortgage backed securities and U.S. Treasury securities. Short-term investments are generally made in U.S. Treasury Bills, U.S. Government Agency securities, money market funds, corporate commercial paper, money market accounts and certificates of deposit.

DISCUSSION OF FINANCIAL DATA

The Fund is a not-for-profit corporation affiliated with AAFC and has been organized to provide financing assistance to AAFC churches, schools, colleges, district agencies, missions, ministries and ministry related projects. We established the Fund on January 16, 2018 and our current portfolio, as of December 31, 2018, consists of twenty nine (29) loans (consisting of 16 mortgage loans and 13 small unsecured church loans) with an aggregate principal balance of \$1,376,454, net of the current portion of our loans receivable and allowance for doubtful loans. The average loan size in our portfolio is \$47,464 with interest rates ranging from 4.00% to 4.50%. As of the date of this Offering Circular, we have no loans that are delinquent or non-performing and have never had a charge-off on a loan we have made.

We intend to maintain a loan loss reserve for contingent loan losses that can be reasonably predicted and that may occur at irregular or unpredictable intervals. The amount of the loan loss reserve is estimated based on the following considerations: (i) historical loss experience; (ii) delinquency trends and levels; (iii) non-accrual trends and levels; (iv) loan growth; (v) maturity trends; (vi) loan-to-value ratios; and (vii) credit policy changes. We may also establish a loan loss reserve for a specific loan in an amount to cover the projected loss associated with such loan. Since inception, we have never had a delinquency on any of our mortgage loan investments and we expect that all of the loans in our portfolio will continue to perform in accordance with their mortgage loan agreements.

We manage the maturities of our loan investments to provide for our expected liquidity needs. We may request or submit a request for approval of a short-term line of credit borrowing facility in the future to provide us with additional liquidity and should the need arise, we may seek to sell mortgage loan assets or participation interests in our loans in order to meet our cash flow demands. To the extent that our operating revenues are sufficient to cover the principal and interest payments on our Certificates, provide for a sufficient liquidity reserve and meet our operating expenses, we may make periodic distributions to AAFC ministry causes, church planting projects, ministry projects, missions and other ministries.

Compliance with NASAA Statement of Policy

As an offering of debt securities by a church extension fund, the Fund intends to follow the standards established by the North American Securities Administrators Association’s Statement of Policy (the “**NASAA Policy**”). Under the NASAA Policy, a state securities administrator may apply the policy as a condition for exempting the Certificates from registration or to register the Certificates. Registration or exemption of the offering of the Certificates may be denied or disallowed by the administrator if the proposed offering does not sufficiently comply with the NASAA Policy.

For the year ended June 30, 2019, the NASAA Policy requires that the Fund maintain: (i) net assets equal to 5% or more of its total assets; (ii) liquidity consisting of cash, cash equivalents, readily marketable securities and available unused line of credit facilities (not to exceed 2% of our total assets) as a percentage of total outstanding securities of not less than 8%; (iii) senior secured indebtedness to which the Certificates are subordinated may not exceed 10% of the Fund’s total assets; and (iv) loan delinquencies during the Fund’s most recent fiscal year may not be excessive and shall be at a level that will enable the Fund to satisfy its net capital and satisfy its liquidity requirements. As of the date of this Offering Circular, the Fund is in compliance with each of these standards.

Source of Funds for Payment of Certificates. The Funds anticipates that interest payments due on the Certificates will be made from operating income, including interest received on its mortgage loan investments. Principal payments on the Certificates are expected to be made from the Fund’s assets, including cash investments and payments of principal and income received on its mortgage loan investments. Although the Fund may use the proceeds from the sale of new Certificates for short-term operating expenses, we do not anticipate that these proceeds will be used for operating expenses or to make interest and principal payments on the Certificates.

Capitalization. The following table sets forth our capitalization as of June 30, 2018, as adjusted on a pro forma basis to take into account the following assumptions:

- (a) the sale in this Offering of an aggregate of \$25,000,000 of Certificates, less the amount of Certificates previously sold and outstanding.
- (b) a liquidity reserve of 10% of the proceeds received from the sale of additional Certificates is set aside.
- (c) loan receivable as a result of lending the proceeds from the sale of additional Certificates (as described in (a) above, less a liquidity reserve of 10%).

	As of June 30, 2018		
	Actual	(unaudited) Adjustments	Pro Forma
Cash	\$ 246,312	\$2,253,688	\$2,500,000
Loan Receivables	\$ 1,226,377	\$21,273,623	\$22,500,000
Accrued Interest Receivable	\$ 7,145		\$7,145
Prepaid Expense	\$ 559		\$559
Investments	\$ -	\$ -	\$ -
Total assets	\$ 1,657,174	\$23,350,530	\$25,007,704
Accounts Payable	\$ -		\$ -
Outstanding Investor Certificates	\$ -	\$25,000,000	\$25,000,000
Net assets	\$ 1,657,174	(\$ 1,649,470)	\$ 7,704
Total liabilities and net assets	\$ 1,657,174	\$23,350,530	\$25,007,704

MANAGEMENT

Board of Directors and Executive Officers

As a nonprofit corporation formed to act and serve as a supporting organization for AAFC, our Board of Directors are nominated by the Board of General Presbyters of AAFC. Under our Bylaws, the number of directors is determined by the Board of Directors, provided there is a minimum of five directors at all times. The current Board of Directors consists of seven members appointed by the Board of General Presbyters of AAFC. The Board of Directors meet regularly at least four times a year.

Successor directors are nominated by the Fund's Board of Directors and appointed by the Board of General Presbyters of AAFC to serve for a three year term or until his or her successor is elected and qualified. Each director may serve multiple and successive terms without limitation. A majority vote of the Board of General Presbyters of AAFC at a duly called meeting or acting by written consent in accordance with California law, will elect the individuals who will serve as directors of the Fund. The Fund's policies provide that each director must be an active member of a AAFC church at the time of his or her election and support the core beliefs and mission of the AAFC at all times during his or her term of service. Directors may be removed, with or without cause, by the AAFC Board of General Presbyters or by a vote of at least two-thirds of the entire Board of Directors at a meeting duly called for that purpose.

No compensation will be paid to the directors for serving in this capacity, but they may be reimbursed for expenses reasonably incurred in carrying out their duties as directors. Our Board of Directors elects our executive officers. Each executive officer serves for a term of one-year, or for such other term not exceeding three years or until their successors are elected.

As a loan fund with a limited history of operations, the Fund has no full-time or part-time employees. Once the Fund is able to project adequate profitability in the operation of its church loan extension fund, we may hire a part-time executive officer for lending and operations. Until such time, all of our executive officers will receive no compensation from the Fund. Officers may be re-elected to successive terms. Any officer may be removed at any time by the Board of Directors and any vacancy will be filled by the Board of Directors.

The directors and executive officers of the Fund are as follows:

Name	Age	Position(s)
John Fortino	58	Chairman of the Board of Directors
Felipe Lugo	68	Director, CEO
Eddie Campa	46	Executive Director
Joseph Rodriguez	68	Director, Secretary
Gil Aguilar	57	Director, Treasurer
Jorge Montes	55	Director

Summaries of the experience of our directors and executive officers of the Fund are set forth below:

JOHN FORTINO has served as the Chairman of the Board of Directors since inception and also serves as Bishop President of AAFC. Born on January 4, 1960 in Buenos Aires, Argentina to Italian immigrants, he heard and unreservedly obeyed the apostolic message in his youth, overcoming his family's religious opposition. Immigrating to the United States in the early eighties to study at Fuller Theological Seminary, he was called to be a National Evangelist in 1981 by then Secretary of National Missions, Bishop Roberto Ramírez. As a minister Bishop Fortino helped in the Apostolic Assembly's development in Washington D.C. The Lord called him to plant in 1987 "Fountain of Life" Apostolic Church in Miami, Florida. After twenty-seven years he continues to shepherd this large, flourishing and multicultural church of more than 700 members. His trailblazing leadership was demonstrated when he was elected Bishop Supervisor in 1997 to reestablish the Florida District. He served in this position for seven years. From "Fountain of Life," the church he pastors, he has planted eighteen new congregations. Near the dawn of the new millennium, the 1998 General Convention elected Bishop Fortino as Secretary of National Missions where he spearheaded for eight years the planting of churches all throughout the East Coast and the Heartland of our nation. Bishop Fortino is a prolific author of fifteen books, which include "The Life of the

Redeemer” and “The Spiritual Life”. In the 2010 General Convention he was elected Bishop Vice President and he was the School of Pastors founding director. The 2014 General Convention elected him by overwhelming vote our eleventh Bishop President. Bishop Fortinio obtained a Doctor of Ministry degree from Knox Theological Seminary (Fort Lauderdale, Florida) in May 2013.

FELIPE LUGO has served as the Vice Chairman of our board of Directors since inception and also serves The General Treasurer of AAFC. Born in a Catholic home on September 13, 1950 in Mexico City his parents, seeking the betterment of his life, sent him with family members in Rancho Cucamonga, California when he was thirteen. God called him to ministry in the early eighties and in 1987 Bishop Lugo was appointed Pastor of the Second Church of San Bernardino, California. Though receiving only five members, he deftly led his church to pay off it’s building in the first two years of his pastorate and he has led it toward further growth. After many years of working first as Auxiliary Elder and then eight years as District Treasurer, Bishop Lugo was elected in 2003 as Bishop Supervisor of the Interior District of California. He served for eight years in this capacity, establishing five new churches. In 2014 General Convention elected him General Treasurer. Bishop Lugo graduated with a Bachelor of Science (B.S.) in Administration Accounting Concentration from California State University, San Bernardino (CSUSB) in 1993. In 2012 Bishop Lugo obtained a Master of Arts (M.A.) in Theology from Fuller Theological Seminary in Pasadena, California.

EDDIE CAMPA has serves as Executive Director since inception. In addition to being a pastor, Pastor Campa is a financial accountant and an author. Pastor Campa has over twenty years of accounting experience working both in the non-profit sector and for-profit entities. Pastor Campa has served for ten years as the corporate controller for AAFC as well as fifteen years as the lead pastor for Community Faith Center church in Redlands, CA. Pastor Campa obtained his Bachelor's Degree in Accounting from California State University San Bernardino as well as upper graduate work at the University of La Verne in Finance.

JOSEPH A. RODRIGUEZ has served as a Director since inception. Born October 10, 1950 in Bakersfield, California. Pastor Rodriguez’s paternal grandfather was an early Arizona evangelist. Pastor Rodriguez continued in his grandfather’s calling as a fourth generation Apostolic leader and was ordained to the ministry in 1975 in Oakland, California, where he later became a National Evangelist speaking in revivals throughout the United States. The Lord Jesus called his father, Pastor Joseph G. Rodríguez in 1982 to open San José’s Third Apostolic Assembly. When his father retired in 1992 the Lord placed him as the new Pastor. Combining his professional experience and Apostolic ministry, he is the Pastor at the “Community Christian Church,” a growing bilingual congregation. In his district he was quickly elected for different responsibilities. Pastor Rodriguez first served as Sector Elder for six years and later as District Secretary for eight years. Pastor Rodriguez was elected in 2007 as Bishop Supervisor of California’s North Pacific Coast. The 2014 General Convention elected him Secretary of Social Assistance.

GIL AGUILAR has served as a director and our Treasurer since our inception. Born on January 23, 1961 in Tulare California, Mr. Aguilar’s parents immigrated from Mexico in the mid 1950’s. Mr. Aguilar’s father was a pastor for the Apostolic Assembly for nearly 30 years. Unlike his siblings who followed his father’s footsteps, Mr. Aguilar was called to the accounting profession and where he has been able to help many AAFC churches, pastors and organizations with their accounting and income tax needs. Upon graduation from California State University Fresno, Mr. Aguilar’s career with the Internal Revenue began where he served as both a Revenue Officer then later a Revenue Agent until leaving government service in late 1993. Mr. Aguilar earned his Certified Public Accountant certificate in 1996. In, 1998 Mr. Aguilar became a "principal" in his CPA firm where he has been able to use his God-given talents to help both personal and business clients. In addition to his professional endeavors, Mr. Aguilar also volunteers for numerous boards including: Tulare Kings Hispanic Chamber, Big Brothers and Big Sisters of Tulare County, El Futuro Credit Union and the Tulare County Planning Commission.

JORGE MONTES has served as a director since inception. The principal at Montes & Associates, Jorge Montes, earned a bachelor's degree in journalism in 1985 from Loyola University of Chicago and a doctorate in jurisprudence in 1988 from Loyola School of Law. He has served as supervising litigation attorney at the Cook County State's Attorney's Office; as editor for **Passport**, an American Bar Association publication; and as spokesman for the Office of the Illinois Attorney General. Having received appointments by various governors, he worked for the Illinois Prisoner Review Board for over 16 years, becoming the first Latino and youngest Chairman of the Board in 2004. He worked in that position until 2010, when he resigned to return to law practice. Currently Mr. Montes combines a rich political background and a solid law career to reach creative solutions for his clients' legal problems, particularly in commercial and business matters. Mr. Montes has served on

a number of bar association, college and medical clinic boards. He has been counsel for the Illinois Association of Hispanic State Employees for over 15 years. He is a frequent public speaker and often makes appearances on radio and television programs and is often quoted in newspapers. For his dedication to the legal community and contributions to society, Mr. Montes has earned numerous awards and honors from the Illinois State Bar Association, Chicago Bar Association, Hispanic lawyer's Association of Illinois and its predecessor organization and numerous public interest groups that Mr. Montes has assisted.

Remuneration

Members of the Board do not receive compensation for their service to the Fund but may be reimbursed for expenses incurred in attending Board meetings. Our executive officers receive no compensation for performing their duties on behalf of the Fund, but may receive compensation from AAFC for the services they render to AAFC.

Committees

The Board of Directors of the Fund has established the following committees:

Finance Committee. The Finance Committee shall consist of at least three members appointed by the Fund's Board of Directors. This Committee will coordinate and oversee our financial reporting process, our annual audit process, work with our outside auditor and our Board of Directors in reviewing our annual financial reports. This committee will also review our investment policies, periodic and annual financial statements, capital and operating plans and make recommendations to our Board of Directors regularly on financial reporting and investment policies. The Finance Committee will also review any related party transaction that the Fund may enter into with AAFC, or any officer or director of the Fund.

Loan Committee. The Loan Committee consists of at least three members approved by the Fund's Board of Directors, each of whom shall serve on the Fund's Board of Directors. The primary responsibilities of the Loan Committee include reviewing and implementing the credit and loan policies of the Fund and approving loan applications and investments in accordance with the Fund's loan policies and procedures.

Loan Delinquency Committee. The Loan Delinquency Committee shall consist of at least three members, at least two of whom shall serve on the Fund's Board of Directors. This committee will be responsible for monitoring non-accruing loans, handling any loan modification or troubled debt restructuring arrangements undertaken on behalf of the Fund.

Although the Board of the Directors of the Fund has established each of these committees, as of the date of this Offering Circular, the Board of Directors, acting as a whole, has performed and carried out the respective duties of the Finance Committee, Loan Committee and Loan Delinquency Committee.

Related Party Transactions

As of the date of this Offering Circular, we do not have any agreements with or loans entered into with our officers and directors. We have adopted a conflicts of interest policy that will govern transactions entered into or with our officers or directors or affiliated entities. Under this policy, any transactions between us and an officer or director must be on terms and conditions no less than favorable to us than could be obtained from an unaffiliated third party. We rely upon certain designated AAFC employees to handle the day-to-day operations of the Fund under the terms of a Management Services Agreement.

Administrative Services. We engaged AAFC to provide management, loan servicing, underwriting and investment related services on behalf of the Fund for our initial year of operations. Under a Management Services Agreement, we appointed AAFC to serve as our manager of the Fund. AAFC may, in its sole discretion, engage third party service providers to assist it in carrying out its duties under the Management Services Agreement. In carrying out its duties on behalf of the Fund, the AAFC will originate and underwrite any direct loans made by the Fund and may originate loans, purchase loan participation interests, make loan investments and enter into sales transactions in accordance with instructions and authorizations provided by the Fund.

AAFC will carry out and perform the day-to-day operations of the Fund, represent and act as agent for the Fund in negotiating with and communicating with prospective borrowers, loan servicing agents, financial institutions, lenders, consultants, mortgage loan originators, appraisers, title agents, attorneys, accountants, brokers and governmental authorities in implementing the purpose of the Fund. The Fund has also engaged AAFC to handle and coordinate the closing of all loans or loan participation interests that are originated by or acquired by the Fund and monitor the administration and performance of such loans on a regular basis.

The loan processing, underwriting and investment management services provided by AAFC, or any other third-party service provider will be reviewed by the Fund's Board of Directors and Loan Committee at its regularly scheduled meetings. As the Fund expands its operations and generates sufficient increases in its net assets, we may hire a part-time or full-time executive officer or Business Manager that will have supervisory responsibilities for the lending activities of the Fund.

Staffing. The Fund's executive officers will receive no compensation or salaries from the Fund. Our executive officers also perform services on behalf of AAFC for which they receive salaries or other compensation from AAFC.

Office Space. We will use space provided by AAFC to assist us in maintaining the Fund. No rental payments or other payments will be made to AAFC for use of any necessary office space and property related services but will be included in a fixed fee paid annually to the AAFC once the Fund is successfully launched and successfully capitalized.

Affiliate Contributions. In order to assist the Fund in expanding the size of the Fund and to provide working capital, AAFC made a cash contribution of \$278,268 and contribution of \$1,383,312 in mortgage loans to the Fund on February 20, 2018.

DESCRIPTION OF CERTIFICATES

General

The Certificates we are offering by this Offering Circular will be unsecured debt obligations of the Fund. Each Certificate will be issued with a fixed maturity term. As required by applicable state law, certain provisions that govern the Certificates may be superseded to the extent there is any inconsistency. You should review the state specific information applicable to your state of residence commencing on page (iv) of this Offering Circular. We will issue the Certificates pursuant to this Offering Circular.

Certificates Offered

We are offering Term Certificates with a maturity term of one, three and five years in this Offering. The Fund may issue up to \$25 million of its Certificates during the twelve month period ending September 30, 2019. This amount may be issued in any one or more of the types of Certificates and may be issued to investors throughout the United States to the extent qualified for offer and sale in those jurisdictions.

We also make the Certificates available as an investment option for self-directed IRAs. To make an investment using a self-directed IRA, the investor must establish a self-directed IRA with a third party custodian that has been engaged by the Fund to handle these investments. The Fund has engaged Goldstar Trust Company, a Canyon, Texas financial institution with trust powers ("GoldStar"), to act as custodian for self-directed IRAs, and handle the accounts for individuals who seek to make an investment in the Certificates through a self-directed IRA. GoldStar can assist investors with an IRA rollover, transfers from existing IRAs and when opening a new account.

Issuance of Certificates

The Certificates being offered have a fixed duration, earn a fixed rate of interest and are payable at maturity. We will issue the Certificates only in fully registered form, without coupons, in denominations of and integral multiples of \$1,000. The minimum investment amount to purchase a Term Certificate is \$1,000. The

purchase price of a Certificate is 100% of the principal amount of the Certificate that is being purchased. Payment may be made by personal check, cashier's check, or money order. The terms and conditions of the Certificates will be construed and governed by California law. The Fund will furnish investors with periodic statements indicating the balance of a particular investment including any additions, withdrawals, and interest earned, credited, withdrawn or accumulated.

For investments in excess of \$150,000 in our Certificates, we reserve the right to sell the Certificate at a discount to the par value of the Certificate or with a different interest rate, depending upon then current market rates of interest. When the interest rate and maturity term of a negotiated Certificate in which \$150,000 or more is being invested has been confirmed by us as evidenced by a signed and accepted Application for Investment, the Certificate, its interest rate and maturity terms shall be fixed and no longer subject to change. To qualify for a negotiated Certificate, the investor must commit a minimum of \$150,000 to purchase the Certificate. Unless we supplement the Offering Circular, no change in the interest rates or maturity dates of the Certificates will be made.

Principal, Maturity and Interest

We are offering Certificates with terms of one (1) year, three (3) years and five (5) years. We are also offering Institutional Certificates at a negotiated rate of interest and fixed term to charities, foundations, AAFC affiliated agencies, churches and districts. No more than \$25,000,000 of our Certificates may be issued under this Offering. Interest on the Certificates will accrue from the date of issuance of the Certificate with the principal paid at maturity, if not sooner paid. Each Certificate represents the right of the Certificate owner to be paid the face amount or principal balance thereof plus accrued interest at the interest rate provided. Interest payable on the Certificates will be payable based upon a 360-day year.

Interest Rate

The current interest rates for our Certificates are listed on the facing page of the Offering Circular and will also be posted on our website <http://apostolicmutual.org/> or any supplement issued under our Offering Circular. The interest rate set for a particular Term Certificate on our website, this Offering Circular or any Rate Sheet supplement thereto may change before you purchase a Certificate. Please contact our offices for further information or updated interest rates before you purchase our Certificates.

Interest on the Certificates is accrued daily and compounded quarterly on the last business day of each calendar quarter and will be based on a 360-day year. Each investor may choose to have interest payments made quarterly, annually or added to the principal balance of the Certificate, subject to the availability of funds and terms of the Certificates. No compounding of interest will be made if you choose to receive your interest payments quarterly by check or direct deposit. For investments made through an IRA, interest will be compounded. Except in certain states where prohibited by applicable state law, the Term Certificates will be automatically reinvested at maturity for the term Certificate that matches the original term of the Certificate if you do not request payment at maturity. The interest rates in effect for a one, three or five-year term Certificate at the time the Certificate is automatically reinvested will be the new fixed rate for the reinvested Certificate. Any changes in the interest rate we offer on new Certificates will not affect our issued and outstanding Certificates prior to their stated maturity date, whether in their initial term or any reinvestment term.

Once we receive an executed Application to Purchase a Certificate and appropriate funds, the Certificate will commence accruing interest from the date of issuance. If we receive funds and the executed Application to Purchase on a non-business day or after 12:00 pm on any business day, the date of issuance will be the next day. Interest paid when due will be paid as simple interest, while interest that is allowed to compound will result in a higher yield to maturity.

Redemption Prior to Stated Maturity

The Term Certificates may be redeemed prior to stated maturity only as set forth below. Although we may choose to grant a request from an investor that demonstrates exceptional need or hardship, we have no legal obligation to honor a redemption request.

Our Right to Redeem. We have the right to call any Term Certificates for redemption without premium at any time. If we exercise our discretionary right of redemption, we will give the affected Certificate holders thirty (30) days' notice that we intend to redeem their outstanding Certificates. If a Term Certificate is redeemed, we will be required to pay the face amount or principal balance of the Certificate, as applicable, plus accrued interest (less any interest already paid to you).

Request by Holder. Prior to maturity, you may request that we redeem all or a portion of your Term Certificate. We have no legal obligation to grant your redemption request. If we grant your request for a redemption, we may impose a redemption penalty, in our sole discretion, as follows:

<u>Maturity Date</u>	<u>Redemption Penalty</u>
60 months	Up to 120 days of interest
36 months	Up to 90 days of interest
12 months	Up to 60 days of interest

Redemption of Term Certificates at Maturity

Term Certificates will be redeemed at the expiration of each Certificate's term by the payment of all principal and accrued and unpaid interest on the Certificate subject to the availability of funds. We will furnish you with written notice at least thirty (30) days prior to the maturity of the Certificate. Unless prohibited by applicable state law, the maturity notice we will send you will advise that the Certificate will be automatically reinvested in a Term Certificate equal to the original term unless you notify us in writing prior to or on the maturity date that you do not wish to reinvest in a new Certificate. When we notify you of the maturity date and automatic renewal of your Certificate, we will also notify you of the interest rate that will apply to the reinvested Term Certificate.

We reserve the right to pay you principal and accrued interest due to you at maturity and not permit you to reinvest your Term Certificate. In the event you choose not to reinvest in a new Term Certificate, we will promptly pay the outstanding principal balance plus accrued interest at maturity, subject to the availability of funds. A check in such amount will be mailed on the maturity date of the Term Certificate to the holder of the Certificate.

Institutional Certificates

We also are offering Institutional Certificates to foundations, public charities, churches, district offices and AAFC affiliated entities that have an interest in supporting the mission of the Fund, or otherwise share common tenets of faith that enable such entities to work with and support the respective charitable mission of the institutional investor and the Fund. Institutional Certificates have a minimum investment of \$150,000 and are offered at a negotiated rate of interest and fixed term to the institutional investor, depending on then current market rates of interest for the chosen term. The Institutional Certificates are unsecured and of equal priority with all other indebtedness of the Fund. Our Institutional Certificates will be issued as term Certificates and will be subject to all the terms and conditions of such Certificates.

Additional Indebtedness

Although from time to time we may borrow funds from banks or other lenders, we intend to primarily rely on the sale of Certificates to fund our lending activities. If we grant a security or first lien on up to 10% of our total tangible assets (total assets less intangible assets in accordance with GAAP), your interest as an unsecured investor will have lower priority than the secured debt we incur. Holders of Certificates, including prior certificates and future investors in the Certificates, will have equal ranking ("pari passu") with all existing and future investors in the Certificates and would be entitled to receive a pro rata payment based upon the principal balance of the Certificate held by such investor.

Transfer

Although we do not prohibit the transfer of a Certificate under this Offering Circular, any sale, assignment or transfer of the Certificate is subject to restrictions on transfer that may be applicable under federal or state securities laws. There is no established market for the Certificates and it is unlikely that any will develop in the future. In the case of emergency or hardship, the investor may be required to locate a buyer if the Certificate is to be sold prior to its maturity date. Any buyer, if located, may demand that a discount be given for such a private sale. No assurances can be given that we will be able to assist an investor in locating a buyer.

Book-Entry for Certificates

While our current practice is to provide you with a written form of Certificate evidencing your investment, we will use a book-entry system to track all investments made and accrued balances in your account. Under a book-entry system, we will keep an electronic record of your investment account and will send you written confirmation evidencing your investment in a Certificate. We will also mail or send you by electronic transmission periodic statements showing any subsequent additions, investments, redemptions and the balance of your investment account. We also send periodic statements showing the amount you have invested with us. Our books and records constitute prima facie evidence of the amount outstanding on each Certificate.

Electronic Funds Transfer

You may make periodic investments in our Certificates as well as receive interest payments via electronic transfer. In order to use this electronic fund transfer option, you will need to authorize us to withdraw and deposit funds from or into your bank account or another similar account. You may revoke this authorization at any time if you give us at least fifteen (15) days prior written notice.

Gifting of Certificate

You may elect to gift-over your Certificate to a AAFC designated fund, AAFC member church or affiliated agency or institution upon your death. If you make this election, you are entitled to revoke it at any time prior to your death by furnishing written notice to us. In the event you do not revoke this election, we will transfer ownership of the Certificate to your designated beneficiary. You may also choose to benefit a AAFC church, ministry or fund by designating that any interest earned on the Certificate will be paid to your designated AAFC church, ministry or fund. Cancellation of this gifting election may be made at any time effective thirty days after we receive your written notice of cancellation.

Charitable Gifting Opportunities

Investors in the Certificates will also be given an opportunity to authorize, in writing, a gift of any portion of the amount invested or interest earned to a AAFC church, association, affiliated entity or AAFC, which under most circumstances should qualify as a charitable contribution under the Internal Revenue Code.

INVESTMENT PROCEDURES

General

If you intend to purchase a Certificate, please complete the Purchase Application that is attached hereto as Exhibit "C". The minimum opening investment in a Certificate is \$1,000 for a Term Certificate. Please send your completed and manually signed Purchase Application, together with a check made payable to Apostolic Mutual, Inc. in the amount of the initial investment to the address on the cover page of this Offering Circular. Payment may also be made by wire transfer of funds or electronic funds transfer. If you wish to transfer funds by wire transfer, you should furnish us with wire notification instructions at least two business days before funds are wired. In order to use this electronic fund transfer option, you will need to authorize us to withdraw and deposit funds from or into your bank account or another similar account. You may revoke this authorization at any time if you give us at least

fifteen (15) days prior written notice.

Your purchase of a Certificate will be completed when we (i) receive your completed and signed Purchase Application; (ii) confirm receipt of funds necessary to make your investment; (iii) confirm that you are an eligible investor in the Fund in accordance with the terms of the Offering Circular; and (iv) deliver our written confirmation of your investment in the Fund. We reserve the right to reject any application, or not sell any Certificate to any person and will return your funds to you if we decide not to sell a Certificate to you. All investments made will be confirmed in writing.

Ownership of a Certificate

Certificates may be purchased in your own name, by a AAFC agency, fund, mission or AAFC church or in any of the following ways:

(i) Joint Ownership. If you and another person wish to purchase a jointly-owned Certificate, both of you will be required to complete and sign a Purchase Application. Joint owners will be treated as joint tenants with right of survivorship unless you specifically elect to hold them as tenants-in-common. Unless otherwise instructed, we will make all payments of interest and principal on the Certificates in both of the owners' names. A joint owner may give us instructions, including whether to redeem the Certificate at maturity, but if we receive conflicting instructions from the joint owners, we may refuse to take any requested actions unless ordered to do so by a court of competent jurisdiction. We require that an investment in our Certificates that is to be held by joint owners specify a primary owner. We will report interest earned on a jointly owned Certificate using the social security number of the primary owner.

In the event of death of one of the joint owners of a Certificate, the surviving owner will automatically receive full ownership of the Certificate unless you specifically hold them as tenants-in-common. If a Certificate is held as tenants in common, upon the death of a joint owner, the Certificate would be owned one-half by the surviving joint owner and one half by the estate or legal successor of the deceased joint owner. To effect transfer of the deceased owner's interest to the surviving owner or their estate or legal successors, we will require satisfactory proof of the death of the joint owner and/or required appointments of successors-in-interest as executor, personal representative, trustee or similar successor fiduciary.

(ii) IRA Investments. You may use a self-directed Individual Retirement Account, Roth IRA or Coverdell Education IRA to purchase a Certificate. Under a self-directed IRA arrangement, an investor will need to establish an account with an IRA custodian that will permit the investor to use the funds in the IRA account to purchase the Certificates. Alternatively, if you have an existing self-directed IRA, prospective investors will need to check with their existing IRA trustee or custodian to determine whether your self-directed IRA may invest in the Certificates. We have entered into an agreement with GoldStar, whereby GoldStar has agreed to assist our investors in establishing a self-directed Individual Retirement Account to facilitate the purchase of a Certificate. GoldStar has agreed to assist in establishing IRA arrangements that will accommodate roll-overs from an existing IRA or the opening of a new account. Acting as custodian of this self-directed IRA account, GoldStar will invest IRA funds in accordance with your instructions.

We reserve the right to limit or restrict the amount of roll-overs or transfers from IRA accounts. Any Certificate purchased as an IRA investment will be subject to the same terms, conditions and provisions of any other Certificate having the same term to maturity. Interest on an investment held by a trustee or custodian for an IRA account must be compounded quarterly at the end of each calendar quarter. When you establish an IRA with GoldStar, you will be responsible for the set-up costs in opening the IRA self-directed account. Our current policy provides that we will pay 100% of the annual fee charged by GoldStar to maintain the account, provided that substantially all of the assets in the account are invested in the Certificates. We reserve the right to require that a minimum amount be invested in the Certificates in order to accept an IRA investment in the Certificates and may revise our agreement with GoldStar from time to time. In the event there is a change in our cost sharing arrangement for self-directed IRA accounts, we will furnish the investor with notice of such change at least thirty (30) days prior to the effective date of such change.

(iii) Trusts. Certificates may be purchased in the name of a revocable or irrevocable trust, to be issued in the name of the trustee, in their capacity as trustee of the trust named in the Purchase Application. Unless otherwise

specifically noted on the Purchase Application, the signature of all trustees will be required to redeem a Certificate or take any other action requiring the consent of the Certificate holder.

(iv) *Custodian for Minor*. We will permit investors to hold their Certificates in their capacities as custodians for the benefit of a minor under the California Uniform Transfer to Minor Act (“UTMA”). Under the UTMA, an adult family member will be entitled to invest in a Certificate on behalf of a minor without having to formally establish a trust or guardianship. If ownership is to be held under this arrangement, ownership will be recorded in the name of the adult family member as “custodian for minor under the California Uniform Transfer to Minors Act”. Any decision to transfer, gift over, or purchase a Certificate for or to a minor under the UTMA will be irrevocable as required by law. When the minor reaches 21 years of age, the Certificate will automatically become the unrestricted property of the minor. We urge you to consult with your attorney or financial advisor for more specific information about a purchase or transfer under the UTMA, including potential tax benefits and consequences.

Additions to Principal

You may also add to the principal amount of a Certificate you have purchased in any amount if the interest rate on your Certificate is the same or below the interest rate we would pay if you purchased a new Certificate for the same term. Any principal amount you add to the Certificate you have invested in will earn interest at the rate stated on your Certificate as issued rather than the rate then in effect for a Certificate for the same term. The minimum amount of principal that may be added to your Term Certificate must be at least \$1,000.

Electronic Signatures and Records

Each investor may invest in or receive information regarding a Certificate via electronic delivery only if the investor affirmatively consents to receive the information electronically. Each investor choosing this option will be required to agree to conduct transactions electronically by clicking through legally required disclosures and terms of use to show that they have read the disclosures. As a result, the investor must affirmatively opt into the electronic transaction procedures provided in this Offering. Secure delivery of investment related documents and their completion and execution will be accomplished through the use of a password protected procedure which will enable the investor to click electronic buttons to accept, sign and initial documents confirming his or her decision to invest in the Offering.

Each investor will be able to download, print and store any electronic record made available to the investor by the Fund under our website. By agreeing to the terms of use for delivering an electronic signature or receive records, notices and materials in an electronic format, the investor confirms his or her consent electronically that the investor will be able to access information in an electronic format. The investor will be required to execute a Consent for Use of Electronic Signature and Records.

No written form of Certificate will be issued to an investor and the Fund will use a book-entry system to track all investments made for any Certificate purchased in the Offering. We will maintain electronic records of investments made in the Certificates which will track payments made on the Certificates, any distributions made and the account balance of each Certificates issued under the Offering. The Certificates will be an “uncertificated security”. As the issuer of an “uncertificated security”, the Fund will comply with the instructions originated by the purchaser without further consent by the registered owner.

TAX MATTERS

General

The following discussion is a summary of certain federal income tax considerations relevant to the purchase, ownership and disposition of the Certificates by investors acquiring the Certificates in this Offering, but does not purport to be a complete analysis of all potential tax effects and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. The discussion is based upon the IRC, applicable Treasury Regulations promulgated and proposed there under, rulings and pronouncements and judicial

decisions now in effect, all of which are subject to change at any time by legislative, judicial or administrative action. Any such changes may be applied retroactively in a manner that could adversely affect an owner of the Certificates.

We have not sought and will not seek any rulings from the Internal Revenue Service with respect to the tax considerations relevant to owners of the Certificates. The tax treatment of an owner of Certificates may vary depending on such owner's particular situation or status. Certain owners (such as tax exempt organizations, foreign individuals, IRAs or retirement plans) may be subject to special rules not discussed below. In addition, the discussion does not consider the effect of any applicable state, local or other tax laws.

No Charitable Deduction

Although we are a Section 501(c)(3) organization under the IRC, the purchase of a Certificate is not a donation to a religious organization, but is an investment. Investors will not be entitled to a charitable deduction upon the purchase of a Certificate.

Interest

The interest paid on Certificates is not exempt from federal or state income taxes. Unless you hold your Certificate through an IRA, the interest paid or payable on Certificates will be taxable as ordinary income to the owner in the year it is earned and paid. More specifically, for federal and state income tax purposes, the stated interest paid on the Certificates will be included in the "gross income" of the Certificate owners, and may be subject to federal and state income taxation when paid.

Current federal tax laws and regulations require that all interest earnings be reported to the Internal Revenue Service and to the Certificate owner by sending the Certificate owner a Form 1099 by January 31 for each year stating the interest earned on your Certificate during the previous year. Unless you hold your Certificate through an IRA, the brokerage firm or bank that handles your account will provide a Federal Income Tax Form 1099-INT or the comparable federal form to you by January 31 of each year. You will not be taxed on the return of any principal amount of your Certificate or on the payment of interest that was previously taxed. Payments of interest may also be subject to "backup withholding" of federal income taxes (currently at the rate of 28%) if you fail to furnish a correct social security number or other tax identification number to us, or if the IRS has informed us that you are subject to backup withholding.

Sale, Exchange or Redemption

In general, an owner of a Certificate will recognize gain or loss upon the sale, exchange or redemption of a Certificate measured by the difference between (a) the amount of cash and fair market values of property received in exchange therefore, and (b) the owner's adjusted tax basis in such Certificate. Your adjusted tax basis of a Certificate generally will equal your original cost for the Certificate, increased by any accrued but unpaid interest you previously included in income with respect to the Certificate and reduced by any principal payments you previously received with respect to the Certificate. Any gain or loss will generally be treated as capital gain or loss. This capital gain or loss will be long-term capital gain or loss if the Certificate has been held for more than one year and otherwise short-term capital gain or loss. Any gain or loss on the sale or exchange of a Certificate is subject to applicable state and federal income tax laws. Investors who hold Certificates until their maturity will not be taxed on the return of the principal purchase price.

If you intend to purchase a Certificate through an IRA, there are special tax rules that govern the investment. Accordingly, consultation with a competent tax or financial advisor is recommended.

Net Investment Income Tax

If investors have net investment income, when added to their own modified adjusted gross income, that exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for an unmarried individual filing a separate return, they will be subject to an additional 3.8% Medicare tax on their "net investment income". An investor's net investment income will generally include its

interest income and net gains from the disposition of a Certificate. As a result, certain investors may be subject to an additional 3.8% tax on all or substantially all of their income and gains received from the Certificates.

The foregoing summary does not discuss all aspects of U.S. tax laws that may be relevant to a purchaser of the Certificates. For example, it does not address special rules that may apply if you are a financial institution or tax exempt organization, or if you are not a citizen or resident of the United States. It also does not address the special tax rules that apply in the event that a Certificate is purchased through an IRA, tax qualified retirement plan, SEP, 403(b) plan or other benefit plan.

LEGAL PROCEEDINGS AND OTHER MATTERS

As of the date of this Offering Circular, there were no lawsuits, actions or other legal proceedings or claims pending against us, and we are not subject to any adverse order, judgment or decree of any court, governmental authority or administrative body. None of our officers or directors has, during the last ten years, been convicted in any criminal proceedings, or was the subject of any order, judgment or decree of any court enjoining them from any activities associated with the offer or sale of securities.

Our legal counsel, Bush Ross, P.A., has provided an opinion letter to the Fund stating that, when issued and fully paid, the Certificates will be legally and validly issued by actions properly taken by the Fund.

ADDITIONAL INFORMATION

We may file certain documents with the appropriate agencies of the states in which the Certificates are offered for purchase, including certain exhibits and amendments thereto for the offer and sale of the Certificates offered hereby.

The information contained above is subject to change without notice to the extent allowable by law and no implication is to be derived therefrom or from the sales of the Certificates that there has been no change in our affairs from the date of such information. This Offering Circular is submitted in connection with the sale of Certificates referenced to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Circular involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Circular is not to be construed as a contract or agreement between the Fund and the purchasers or registered owners of any of the Certificates.

ANNUAL REPORTS

While any of our Certificates are outstanding, it is our policy to furnish to our investors our financial statements on an annual basis within 120 days of our fiscal year end. We may also include information on our website about our Certificates.

PLAN OF DISTRIBUTION

We are offering interests in the Certificates on a continuous basis directly through our officers, directors, and employees. No underwriting or selling agreement has been entered into and no commissions will be paid to any persons or organizations in connection with the offer and sale of interests in the Certificates. All sales of Certificates will be made by executive officers of the Fund pursuant to issuer and agent licensing or applicable exemptions therefrom under applicable state securities laws. Any advertising materials we will use as part of our solicitation efforts will be offered only in those states where advertising is permitted and, when required by applicable state laws, after appropriate filings have been made in any states where such filings are required.

Information regarding the Certificates and the Fund may be found on our website, and, from time to time, we distribute brochures, information bulletins and mailings to current and former investors and AAFC organizations. We provide a copy of the Offering Circular to each prospective investor prior to an investment being made. No minimum amount must be sold in order for us to accept any investment application. Our current policy is to furnish existing investors a copy of the revised Offering Circular each year, including annual financial statements, as well as copies of any supplements to the Offering Circular.

We reserve the right to accept or reject an Application to Purchase in our sole discretion and impose limitations on the amount accepted.

PRIVACY NOTICE

The U.S. federal government and certain state governments have taken steps to assure the protection of nonpublic personal information that businesses and organizations obtain from their investors and customers. Protecting your privacy is important to us. We want you to understand what information we collect, how we use it and the steps we take to protect that information.

We collect nonpublic personal information about our investors on the forms we receive from you and in connection with any investment made in the Certificates and financial information regarding such accounts. This information may include, among other things, your first and last name, address, e-mail address, telephone number, social security number, bank account information, and other information that permits us to contact you either electronically or by other means.

We do not disclose any nonpublic personal information about our investors or former investors to anyone outside of the Fund, except as permitted or required by law. We may disclose, when necessary, nonpublic personal information to third parties providing essential services to us who have contracted to maintain the confidentiality and security of the information; or to law enforcement personnel.

We also limit access to nonpublic personal information about our investors and former investors to those employees who need to know that information to perform their job responsibilities and we maintain procedural safeguards to guard the nonpublic personal information of our investors and former investors.

WEBSITE

We have established a website that can be accessed at www.apostolicmutual.org. Unless we post the Offering Circular or any supplement thereto on our website, no information that we place on the website is part of the Offering Circular or any supplement thereto.

EXHIBIT A

FINANCIAL STATEMENTS

The audited financial statements prepared by the Fund for the years ended June 30, 2018 and unaudited financial statements for the six months ended December 31, 2018 are attached hereto as part of this Offering Circular.



Financial Statements

June 30, 2018

Apostolic Mutual, Inc.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	8

To the Board of Directors
Apostolic Assembly
Of the Faith in Christ Jesus
Rancho Cucamonga, California

Independent Auditor's Report

We have audited the accompanying financial statements of Apostolic Mutual, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Apostolic Mutual, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

August XX, 2018
San Bernardino, CA

THIS PAGE INTENTIONALLY LEFT BLANK

Apostolic Mutual, Inc.

**Statement of Financial Position
June 30, 2018**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 246,312
Current portion of loans receivable	177,340
Interest receivable	<u>7,145</u>
Total Current Assets	<u>430,797</u>

OTHER ASSETS

Loans receivable, net of current portion	<u>1,226,377</u>
Total Other Assets	<u>1,226,377</u>

TOTAL ASSETS	<u><u>\$ 1,657,174</u></u>
---------------------	-----------------------------------

The accompanying notes are an integral part of these financial statements.

Apostolic Mutual, Inc.

**Statement of Financial Position
June 30, 2018**

LIABILITIES AND NET ASSETS

LIABILITIES

Total Liabilities \$ -

NET ASSETS

Unrestricted 1,657,174

Total Net Assets 1,657,174

TOTAL LIABILITIES AND NET ASSETS \$ 1,657,174

The accompanying notes are an integral part of these financial statements.

Apostolic Mutual, Inc.

**Statement of Activities
For the Year Ended June 30, 2018**

REVENUES, GAINS AND OTHER SUPPORT	
Contributions	\$ 1,632,683
Interest on loans	<u>25,050</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>1,657,733</u>
EXPENSES	
Management and general	<u>559</u>
TOTAL EXPENSES	<u>559</u>
CHANGE IN UNRESTRICTED NET ASSETS	1,657,174
UNRESTRICTED NET ASSETS, BEGINNING OF PERIOD	<u>-</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u><u>\$ 1,657,174</u></u>

The accompanying notes are an integral part of these financial statements.

Apostolic Mutual, Inc.

**Statement of Cash Flows
For the Year Ended June 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 279,268
Cash paid to suppliers and employees	(559)
Interest received	17,905
	<hr/>
Net Cash Provided by Operating Activities	296,614
CASH FLOWS FROM INVESTING ACTIVITIES	
Issuance of loans receivable	(100,324)
Collection of loans receivable	50,022
	<hr/>
Net Cash Used for Investing Activities	(50,302)
CASH FLOWS FROM FINANCING ACTIVITIES	
	<hr/>
Net Cash Used for Financing Activities	-
Net Increase in Cash and Cash Equivalents	246,312
Cash and Cash Equivalents at beginning of period	-
	<hr/>
Cash and Cash Equivalents at end of period	<u>\$ 246,312</u>

The accompanying notes are an integral part of these financial statements.

Apostolic Mutual, Inc.

**Statement of Cash Flows
For the Year Ended June 30, 2018**

RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

Change in Net Assets	<u>\$ 1,657,174</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Notes receivable contributed	(1,353,415)
(Increase) decrease in assets	
Interest receivable	(7,145)
Increase (decrease) in liabilities	<u>-</u>
Total Adjustments	<u>(1,360,560)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 296,614</u></u>

The accompanying notes are an integral part of these financial statements.

Apostolic Mutual, Inc.

Notes to Financial Statements June 30, 2018

Note 1: Nature of Operations

Nature of Operations

Apostolic Mutual, Inc. (the Organization) is a not-for-profit corporation affiliated through its common religious purposes with the Apostolic Assembly of the Faith in Christ Jesus (the Assembly). The Organization was created to operate various loan programs for financing capital expansion projects, particularly for the purchase, construction or renovation of facilities for worship, education and ministry, along with refinancing of existing loans. The loans are primarily available to the Assembly's churches and institutions. To provide a source of fund to finance the loans, unsecured debt securities will be issued by the Organization to members and adherents of the Assembly and to institutions affiliated with the Assembly.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding financial position and activities according to the following three classes of net assets:

- a) Unrestricted net assets – Net assets that are not subject to grantor or donor-imposed stipulations.
- b) Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time.
- c) Permanently restricted net assets – Net assets subject to grantor or donor-imposed stipulations that they be maintained permanently by the Organization to use all or part of the assets for general or specific purposes.

Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Apostolic Mutual, Inc.

Notes to Financial Statements June 30, 2018

Note 2: Summary of Significant Accounting Policies (continued)

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, accounts payable and short-term debt approximate fair value because of the short maturity of these instruments.

Income Tax Status

The Organization qualifies as a tax-exempt religious corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes has been recorded.

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment or disclosure to the financial statements to comply with the provisions of the accounting guidance for income taxes.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Loans Receivable

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses and any deferred fees or costs.

Interest income on interest-bearing loans is computed daily based upon the principal amount of loans outstanding prior to payments received. Generally, loans are placed on nonaccrual status at the time management determines the interest may not be recoverable, which is generally 150 days, and interest may be reversed and considered a loss, unless the loan is believed to be well secured and in the process of collection.

Loans receivable primarily represent loans made by the Organization to the Assembly and affiliated entities and are generally secured by mortgages on the properties.

(continued)

Apostolic Mutual, Inc.

Notes to Financial Statements June 30, 2018

Note 2: Summary of Significant Accounting Policies (continued)

Allowance for Loan Losses

The allowance for loan losses is based upon the risks inherent in the loan portfolio and is established through a provision for loan losses recorded as a component of the change in net assets. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Apostolic Mutual, Inc.

**Notes to Financial Statements
June 30, 2018**

Note 3: Loans Receivable

Loans receivable represent loans made by the Organization to the Assembly and their affiliated entities. Interest rates ranged from 4.00% to 4.50% on these loans. Loans at June 30, 2018 include:

Mortgage loans	\$ 1,226,377
Unsecured loans	-
Allowance for loan losses	-
	<hr/>
Net loans	<u>\$ 1,226,377</u>

Loans receivable by aging at June 30, 2018, were as follows:

	<u>30-149 Days Past Due</u>	<u>Greater Than 150 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans Receivable</u>
Church loans	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 8,001</u>	<u>\$1,218,376</u>	<u>\$1,226,377</u>

At June 30, 2018 the Organization had no loans that were in nonaccrual status. Activity in the allowance for loan losses is summarized as follows:

Balance, beginning of year	\$ -
Provision for loan losses	-
Charge-offs	-
	<hr/>
Balance, end of year	<u>\$ -</u>

Management believes there are no uncollectible loans at June 30, 2018. The Organization evaluates the allowance for loan loss methodology on an ongoing basis. No significant changes were made to the methodology during the past year.

Apostolic Mutual, Inc.

**Notes to Financial Statements
June 30, 2018**

Note 3: Loans Receivable (continued)

Contractual loan maturities as of June 30, 2018, are as follows:

<u>Year Ending June 30,</u>	
2019	\$ 177,340
2020	147,843
2021	146,436
2022	147,533
2023	154,311
Thereafter	<u>630,254</u>
	<u><u>\$ 1,403,717</u></u>

The Organization had approximately \$XXX,XXX in outstanding commitments to originate mortgage loans at June 30, 2018.

Note 4: Related Party Transactions

The Apostolic Assembly of the Faith in Christ Jesus services loans for the Organization. The Organization has no employees and most of its expenses are paid by the Assembly. The Assembly also provides the necessary infrastructure and management services for which it is paid service fees. The service fees are based on the levels of assets and liabilities of the Organization and are paid monthly. The service fees paid to the Assembly during the year end June 30, 2018 totaled \$XXX,XXX. The amount due to the Assembly at June 30, 2018 was \$XXX.

The entirety of the loans receivable balance as of June 30, 2018 was due from the Assembly. Interest income from these loans was \$25,050.

Note 5: Business Concentrations and Risks

Commitments

Commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. Commitments generally have fixed expirations dates or other termination clauses. Since a portion of the commitments may expire with being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral

(continued)

Apostolic Mutual, Inc.

**Notes to Financial Statements
June 30, 2018**

obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held generally includes first mortgages on the related property.

Apostolic Mutual, Inc.

Notes to Financial Statements June 30, 2018

Note 5: Business Concentrations and Risks (continued)

Credit Risks Relating to Loans Receivable

The Organization extends credit for real estate mortgage loans to Apostolic Assembly of the Faith in Christ Jesus churches and affiliated organization. The Organization evaluates the creditworthiness on a loan-by-loan basis and generally requires collateral in the form of first mortgages on the related property. The loans are expected to be repaid from operations of and/or contributions to the borrowers. The Organization also controls credit risk through regular evaluations and monitoring procedures.

At June 30, 2018, the Organization had loans to borrowers in the States of California and Texas that represented approximately XX% and XX% of the gross loan portfolio, respectively. The Organization did not have aggregate loans in any other state that exceeded 10% of the gross loan portfolio at June 30, 2018.

Deposits Held in Financial Institutions

Financial instruments that potentially subject the Organization to credit risk consist principally of cash and cash equivalents and investments in certificates of deposit. The Organization maintains its cash balances in seven financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor, per institution. These balances may at times exceed the insured limits.

Note 6: Subsequent Events

The Organization has evaluated subsequent events through August XX, 2018, the date which the financial statements were available to be issued.



Financial Statements

Internally Prepared

December 31, 2018

TABLE OF CONTENTS

Introduction	3
Statement of Financial Position	4
Statement of Activities	6

INTRODUCTION

Apostolic Mutual, Inc. (the Organization) is a not-for-profit corporation affiliated through its common religious purposes with the Apostolic Assembly of the Faith in Christ Jesus (the Assembly). The Organization is located at the Apostolic Assembly Corporate Campus on 5401 Citrus Ave, Fontana, CA 92336. The Organization was created to operate various loan programs for financing capital expansion projects, particularly for the purchase, construction or renovation of facilities for worship, education and ministry, along with refinancing of existing loans. The loans are primarily available to the Assembly's churches and institutions. To provide a source of fund to finance the loans, unsecured debt securities will be issued by the Organization to members and adherents of the Assembly and to institutions affiliated with the Assembly.

STATEMENT OF FINANCIAL POSITION

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	301,532
Interest Receivable		<u>4,853</u>

Total Current Assets		<u>306,385</u>
----------------------	--	----------------

OTHER ASSETS

Loan receivableS		<u>1,376,454</u>
------------------	--	------------------

Total Other Assets		<u>1,376,454</u>
--------------------	--	------------------

TOTAL ASSETS		<u><u>1,682,839</u></u>
---------------------	--	-------------------------

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND NET ASSETS

LIABILITIES

Total Liabilities	<u>\$ -</u>
-------------------	-------------

NET ASSETS

Unrestricted	<u>1,682,839</u>
--------------	------------------

TOTAL NET ASSETS	<u>1,682,839</u>
-------------------------	-------------------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>1,682,839</u></u>
---	--------------------------------

STATEMENT OF ACTIVITY

REVENUES, GAINS, AND OTHER SUPPORT

Contributions	\$	-
Interest on Loans		<u>31,606</u>

Total Revenues, Gains and Other Support 31,606

EXPENSES

Management and General		<u>5,939</u>
------------------------	--	--------------

Total Expenses 5,939

CHANGE IN UNRESTRICTED NET ASSETS 25,667

BEGINNING UNRESTRICTED NET ASSETS 1657174

ENDING UNRESTRICTED NET ASSETS 1,682,841

EXHIBIT B

APPLICATION TO PURCHASE CERTIFICATE



APOSTOLIC MUTUAL, INC.

PURCHASE APPLICATION REPRESENTATIONS AND AGREEMENT

1. **Purchase of Certificate.** You have agreed to purchase the Certificate identified in the Purchase Application (for individuals or organizations).
2. **Terms of Certificate.** You have received and have been advised to review the Offering Circular prepared on behalf of the Fund that is dated April 1, 2019, including the financial statements referenced therein. You have also been furnished with an opportunity to ask questions and receive answers regarding the Fund's Offering Circular, the risks of investing in the Certificates and the terms of the Certificate you have agreed to purchase. By signing this Purchase Application, you agree to those terms.
3. **Joint Applicants.** If purchased as a joint applicant, the undersigned primary applicant and joint co-applicant must sign the Purchase Application. The primary applicant and joint applicant shall be jointly and severally liable under the Individual Purchase Application and Agreement. We will be entitled to act on, rely upon and take actions based on the instructions and directions of either applicant in all matters, including any redemption or transfer request.
4. **Authority of Organization.** If the applicant is a church, ministry, agency, corporation, limited liability company or other institution, you represent that you have been duly authorized to purchase the Certificate as designated in the Purchase Application and that the person signing the Application has been duly authorized to sign the Purchase Application on behalf of the organization or entity.
5. **Investment by a Trust.** If a trust is making an investment in a Certificate, each trustee must sign the Purchase Application. By furnishing this Certification of Trust, you represent and certify that the trust powers may be exercised by the persons identified in Part I and that the trust identified in Part I has not been revoked, modified or amended in any manner that would cause this certification of trust to be incorrect or incomplete.

6. **Apostolic Assembly of the Faith in Christ Jesus Affiliation.** As a person that is affiliated with, been a member of or contributor to, or is a participant in the Apostolic Assembly of the Faith in Christ Jesus, the Fund or in any program, activity or organization which is part of the mission of and ministry of Apostolic Assembly of the Faith in Christ Jesus, the applicant has an individual affiliation with or an entity connection to the Apostolic Assembly of the Faith in Christ Jesus or its agencies, churches, ministries and funds.
7. **Beneficiary Designation.** By completing this Purchase Application, you hereby authorize us to pay the outstanding principal and accrued interest on your Certificate to the designated beneficiary named in this Application. You may change or revoke a beneficiary designation at any time prior to your death, but the terms of the designation of beneficiary will be binding on your heirs, successors and assigns.
8. **Electronic Funds Transfer Authorization.** If you elected to use electronic funds deposit to transfer or accept deposits, you are named on the bank account listed in the Purchase Application and can authorize funds to be withdrawn from and deposited into it. You further authorize us to initiate any correcting debit or credit to your account that may be necessary to make the withdrawal or deposit you have elected in this Purchase Application and Agreement.
9. **Investment Purpose.** Purchase of a Certificate is made solely for investment purposes and not for re-sale or further distribution. The Certificates are subject to transfer and re-sale restrictions under applicable U.S. and State securities laws.



FOR OFFICE USE ONLY
 Security Number: _____
 Interest Rate: _____
 Representative: _____

APOSTOLIC MUTUAL, INC.

INDIVIDUAL PURCHASE APPLICATION AND AGREEMENT

Detailed instructions for completing this application may be found at the back of the Offering Circular. If you have additional questions about this application, please call (909) 987-3013. **Please print clearly using a ballpoint pen.**

The offer and sale of Investment Certificates ("Certificates") are subject to the terms of the Apostolic Mutual, Inc. Offering Circular dated April 1, 2019, as may be supplemented, amended and restated ("Offering Circular"), which is incorporated herein by reference. Apostolic Mutual, Inc. reserves the right to refuse your application and not offer or sell any Certificate to you for any reason.

NEW APPLICATION CHANGE OF INFORMATION

PART I: INVESTOR INFORMATION

Primary Applicant

Name	Social Security or Tax I.D. Number
Date of Birth: mo/day/year	Email Address (optional)
Address	City State Zip
()	() ()
Home Phone	Work Phone Mobile Phone

This application is to be used by individual applicants. You may select only one of the following additional ownership categories. If you do not select any of the following options, we will issue the Certificate solely in the name of the primary applicant.

Joint Tenants. If you select this option, we will issue the Certificate to the primary applicant and joint applicant as joint tenants with right of survivorship, unless you elect below to hold this Certificate as tenants-in-common. We will honor the request of either co-owner to redeem a Certificate, effect a transfer or take any other action requiring the consent of the holder of the Certificate.

Joint Applicant (if applicable)

Name	Social Security or Tax I.D. Number
Date of Birth: mo/day/year	Email Address (optional)
Address	City State Zip
()	() ()
Home Phone	Work Phone Mobile Phone

Tenants-in-Common. We elect to hold this Certificate as tenants-in-common, not as joint tenants with right of survivorship.

For joint applications, please indicate the number of signatures required to process a redemption request:

(1) (2)

Trust. If you check this box, the Certificate will be issued in the name of the primary applicant, as trustee of the trust. If there are more than one trustees, each trustee must be identified in the purchase application

Name and Date of Trust

Name of Trustee

Name of Additional Trustee (If Applicable)

Tax I.D. Number of Trust

If there is more than one trustee, will all trustees be required to exercise trust powers? yes no

Custodian. Custodial investments are subject to the California Uniform Gift Transfer to Minor Act ("UTMA"). If this box is checked, we will issue the Certificate to the primary applicant listed above for the minor described below. By law, this election will be irrevocable and the Certificate will become the unrestricted property of the minor when the minor reaches the age of 21. We advise you to contact a qualified attorney or financial advisor for more information regarding the UTMA.

Minor's Name Minor's Social Security Number

Minor's Date of Birth: mo/day/year Relationship to Owner

Transfer investment to Minor at age (cannot exceed age 21)

PART II: TYPE OF CERTIFICATE / INTEREST OPTIONS

One-Year Term Certificate \$_____ Three-year Term Certificate \$_____ Five-year Term Certificate \$_____

TOTAL INVESTMENT: \$_____

PART III: PAYMENT ON DEATH (Please attach a separate sheet for additional beneficiaries)

By completing this section, you authorize us to pay the principal and accrued interest on your Certificate to the named beneficiary, custodian or Section 501(c)(3) tax-exempt organization designated below, after your death (or in the case of joint tenants, after both of your deaths). Please fill-in the name, address and social security number (or Tax I.D. number) of your intended beneficiaries. In the case of multiple beneficiaries, monies will be distributed equally unless you expressly instruct otherwise. Beneficiary designations may be changed or revoked by notice sent to us prior to the death of the Certificate holder. If you would like to designate the Apostolic Assembly of Faith in Christ Jesus or a specific affiliated church, ministry or fund as your designated beneficiary, please fill-in the name of the AAFC or AAFC affiliated church ministry or fund.

Transfer on Death to:

Name	Relationship	Social Security or Tax I.D. Number
------	--------------	------------------------------------

Address _____ City _____ State _____ Zip _____

Name _____ Relationship _____ Social Security or Tax I.D. Number _____

Address _____ City _____ State _____ Zip _____

PART IV: CHURCH AFFILIATION (Please Check all applicable)

I am a member of a Apostolic Assembly of Faith in Christ Jesus affiliated church

Name of Church _____ City _____ State _____

I have an existing relationship with and interest in promoting the work of the Apostolic Assembly of Faith in Christ Jesus and its affiliated agencies and ministries.

Other. Please help us understand what prompted you to invest in the Certificates using the space below:

PART V: ELECTRONIC FUNDS TRANSFER

I desire to have Apostolic Mutual, Inc. process any specific request for electronic transfers received in Apostolic Mutual, Inc.'s office for transfer to and/or from my account at the bank named below:

Bank Name _____

()
Bank Phone _____

Bank Account Number _____ Bank Routing Number _____

Please attach a voided check from the account named here to the Purchase Application

PART VI: DISTRIBUTION OF INTEREST (If none checked, default will be "Accumulate and compound in my investment")

Accumulate and compound in my investment

Pay me quarterly by check

Pay me annually by check

Pay to me by electronic funds transfer (Please complete Part V above and attach a voided check): [] quarterly [] annually

Zero-Interest Rate. If you wish to donate the interest payments to a designated Apostolic Assembly of Faith in Christ Jesus, mission, fund or agency, you may do so by checking this box.

ACKNOWLEDGEMENT (Signatures required)

Each person signing below declares under penalty of perjury that such person(s): 1) meets the definition of "Eligible Investor" set forth in Apostolic Mutual, Inc.'s Offering Circular; 2) has reviewed the Offering Circular and the Pro-forma financial statements reproduced therein;

and 3) agrees to the terms and conditions described in the Offering Circular.

X

Signature

Date

X

Signature

Date

The purchase of Certificates is subject to risks which are described in the Offering Circular. Offers to sell and solicitation of offers to buy Certificates are made only pursuant to the Offering Circular and only in those states where the Certificates may lawfully be offered or sold. The Certificates are not FDIC or SIPC insured nor are they bank deposits.

Interest rates are established according to policies set forth in the Offering Circular and are subject to change. For a complete listing of current investment rates, call (909) 987-3013 or visit <http://apostolicmutual.org>

Georgia Residents: See the Offering Circular for right of rescission.

SPOUSAL CONSENT

For applicants that are married and reside in a community property state, please review the following:

If you are married, reside in a community property or marital property state (listed below) and designate someone other than your spouse as your sole primary beneficiary, your spouse must sign below. (AZ, CA, ID, LA, NV, NM, TX, WA and WI residents only)

I am the spouse of the Certificate Owner named above. I give to the owner any interest I have in the Certificate. Therefore, I agree to my spouse's naming of a primary beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I also acknowledge that I shall have no claim whatsoever against Apostolic Mutual, Inc. for any payment made to my spouse's named beneficiary(ies).

X

Signature of Certificate Owner's Spouse

Date

Spouse of

SUBSTITUTE W-9 FORM

Apostolic Mutual, Inc. (the "Fund") is required to obtain your correct Taxpayer Identification Number (for individuals this is your social security number) in order to report to the Internal Revenue Service (IRS) interest paid to you. The Fund, like any other payer of interest or dividends, must withhold 28% of the interest paid if you fail to furnish the Fund with your correct Taxpayer Identification Number or if you fail to sign the acknowledgement portion of the Purchase Application. This is referred to as "backup withholding". For more information on backup withholding, please visit www.irs.gov.

Under penalties of perjury, I certify that 1) the Social Security Number or the Tax Identification Number shown on this application is correct; 2) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding; and 3) I am a U.S. person (including a U.S. resident alien).

(NOTE: You must cross out item 2) above if you have been notified by the IRS that you are currently subject to backup withholding because you failed to report all interest and dividends on your tax return.)

Name

Social Security or Tax I.D. Number

Address

City

State

Zip

X

Signature

Date

Please mail this Purchase Application with a check payable to Apostolic Mutual, Inc. for the amount of your investment to 5410 Citrus Avenue, Fontana, California 92336, unless you have elected to have funds electronically transferred.



FOR OFFICE USE ONLY

Security Number: _____

Interest Rate: _____

Representative: _____

APOSTOLIC MUTUAL, INC.

ORGANIZATION PURCHASE APPLICATION AND AGREEMENT

Detailed instructions for completing this application may be found at the back of the Offering Circular. If you have additional questions about this application, please call (909) 987-3013. Please print clearly using a ballpoint pen.

The offer and sale of Investment Certificates ("Certificates") are subject to the terms of the Apostolic Mutual, Inc. Offering Circular dated June 1, 2018, as may be supplemented, amended and restated ("Offering Circular"), which is incorporated herein by reference. Apostolic Mutual, Inc. reserves the right to refuse your application and not offer or sell any Certificate to you for any reason.

- NEW APPLICATION CHANGE OF INFORMATION

PART I: APPLICANT AND OWNERSHIP INFORMATION

Investment made on behalf of:

- Section 501(c)(3) ministry, Agency, church or organization Corporation
 Limited liability company Partnership

Name of Organization or Entity

Mailing Address City State Zip

Authorized Officer Employer I.D. Number

() ()

Phone Fax Email Address

Church Affiliation

PART II: TYPE OF CERTIFICATE / TERMS

Enclosed is a check or payment in the amount of \$_____ for investment in the following Certificate:

- One-Year Term Certificate \$_____ Three-year Term Certificate \$_____ Five-year Term Certificate \$_____

We hereby request that interest earned on the Certificate be paid in the following manner:

- Please pay interest directly to us in the form of a check on a quarterly basis
- Please pay interest directly to us in the form of a check on an annual basis
- Compound any interest accrued and add to the principal amount of the Certificate to be paid at maturity.
- Pay by electronic funds transfer (Please complete authorization section below and attach a voided check):
[] quarterly [] annually
- Please pay all interest earned to the Apostolic Assembly of the Faith in Christ Jesus, mission, fund or agency designated in a separate letter of instruction (Please attach letter of instruction in selecting this option)

ELECTRONIC FUNDS TRANSFER

We desire to have Apostolic Mutual, Inc. process any specific request for electronic transfers received in Apostolic Mutual, Inc.'s office for transfer to and/or from our account at the bank named below:

Bank Name

()

Bank Phone

Bank Account Number

Bank Routing Number

Please attach a voided check from the account named here to the Purchase Application

SIGNATURES

We will not process your Purchase Application until you have completed Parts I and II and signed below. If you are signing on behalf of an organization, corporate entity or institution, print your name and title on the provided line. This Purchase Application includes terms printed on the back side of this form

Name (please print)

Title

Name (please print)

Title

Street Address

Street Address

City

State

Zip

City

State

Zip

()

Home Phone

()

Work Phone

()

Home Phone

()

Work Phone

Signature

Date

Signature

Date

Please mail this Purchase Application with a check payable to Apostolic Mutual, Inc. for the amount of your investment to 5410 Citrus Avenue, Fontana, California 92336, unless you have elected to have funds electronically transferred.

EXHIBIT C

CONSENT FOR USE OF ELECTRONIC SIGNATURES AND RECORDS



CONSENT FOR USE OF ELECTRONIC SIGNATURES AND RECORDS

When you invest in a Certificate offered by Apostolic Mutual, Inc. (the “Fund”, “we”, or “us”), we intend to use an electronic process that includes the delivery and use of electronic records and electronic signatures for investors that choose to receive notices, statements and information by electronic delivery. We are required by law to provide you with certain disclosures and information about your investment (“Required Information”). With your consent, we can deliver Required Information to you electronically. Your consent also permits the general use of electronic records and electronic signatures in connection with your investment. You have the ability to print or download the Required Information and keep it for your records. You can withdraw this consent at any time and request that copy of these documents be mailed to you.

In order to invest in a Certificate, the investor hereby consents to receive electronically through the Fund’s website all notices and documentation (including Offering Circulars and investor documents) relating to an investment in the Certificates. Investor further agrees that the Fund may deliver all notices, financial statements, tax reports, valuations, reports, reviews, analyses or other materials, and any and all other documents, information and communications concerning the affairs of the Fund and the website, including, without limitation, information about the investment, required or permitted to be provided to the Investor under the Certificate or hereunder by means of e-mail or by posting on an electronic message board or by other means of electronic communication. Because the Fund operates principally on the Internet, you will be given the opportunity to consent to transact business with us online and electronically. By entering into this Agreement you are granting your consent to receiving certain disclosures electronically, either via the website or to the email address you provide to us. By entering into this Agreement, you consent to receive electronically all documents, communications, notices, contracts, and agreements arising from or relating in any way to your or our rights, obligations, or services under this Agreement.

All investments made in a Certificate are offered by Offering Circular only. You are encouraged to read the Offering Circular, including the terms of the Certificate and Purchase Application and Agreement before investing. You may obtain a paper copy of an investor document, including the Offering Circular, Purchase Application and Agreement and Certificate by downloading these documents and printing them from your computer.

By executing this consent, your consent permits us to obtain your electronic signature if you choose to make an investment in a Certificate, sign the Purchase Application and Agreement or other written authorizations regarding an investment in a Certificate. If you sign electronically, your electronic signature will bind you to the terms and

conditions of a document or communication to the same extent as if you signed the document or communication on paper with an inked signature.

You may withdraw your consent to receiving electronic communication with respect to your investment in a Certificate at any time by contacting us at (909) 987-3013.

Disclosures

You agree to print out or download Required Information when the Fund advises you to do so and keep it for your records. If you have any trouble printing out or downloading any Required Information, you may call the Fund.

You may contact the Fund at (909) 987-3013 if you need to do any of the following:

- Update your e-mail address or other contact information with the Fund,
- Wish to withdraw your consent to electronic disclosures, or
- Wish to obtain a paper copy of the Required Information after submitting your application.

Please contact the Fund immediately if any of your contact information changes.

Electronic Delivery of Documents

You will be notified of the availability of the investment related documents at your primary e-mail address and you will be provided with a link to the material which can be viewed online and printed on your printer. You agree that electronic delivery of these documents will be good delivery to you and be deemed received by you when posted online or sent to you in electronic format, whether you actually access or view any of the documents. You understand that it is your responsibility to promptly and carefully review the documents made available to you electronically and to immediately notify us of any errors.

Maintaining Access

You represent and warrant that you have and will continue to maintain access to the Internet to access these documents. Furthermore, you represent that you have access to a suitable access device with an internet and/or data plan that supports, at your cost, the ability to receive and view e-mail notices and documents in HTML, PDF or other common format, to download PDF files using Adobe Acrobat Reader or other programs as we may advise or as may be required, and to save and (if you desire) print the documents, and that you also have high level browser encryption, PDF file access, Internet, and e-mail access.

Maintaining E-mail Access

You represent and warrant that you have and will continue to maintain the continuous ability to receive and access all e-mail notices sent to you at the e-mail address you provided to us. Maintaining your email address is solely your responsibility. In the event

you no longer have such access or if we are unable to deliver e-mails to your e-mail address, we will make postal delivery of your documents.

Your Duty to Review

You understand and agree that it is your responsibility to access and review the documents upon receipt of an e-mail notice. All terms in the documents are binding just as if they were delivered in paper form. Although the documents may be available online for a period of time, you understand that they are delivered in a manner to allow you immediate access to download and print. You understand that you should download and print the documents so that you may access or maintain them in your personal records or in the event they are temporarily or otherwise unavailable online.

Additional Risks

You understand that certain risks are associated with the transmission of confidential materials, e-mail notices, and other communications through the internet including but not limited to unauthorized access, systems outages, delays, disruptions in telecommunications services and the Internet. E-mail is not private or secure. The e-mail notice sent to you is an unencrypted, automatic alert. Although such e-mail notice is not intended to contain personally identifiable confidential financial information, it may contain, in its design, part or all of your name or other identifier that could be seen or intercepted by others if delivered to your business address or other computers or electronic devices not exclusively under your control. You understand and agree that you will not respond to the e-mail notice by return e-mail, or use it to request information, service, paper copies or other items or to revoke consent. The Fund will not be responsible to act upon requests made in that manner. The Fund does not recommend the e-mailing of any private information as there is no reliable security or encryption method available. The Fund will not assume liability for non-receipt of notification of the availability of electronic communications in the event my e-mail address on file is invalid, my e-mail or Internet service provider filters the notification as "spam" or "junk mail," there is a malfunction in my computer, browser, Internet service and/or software, or for any other reasons beyond the control of the Fund.

Withdrawal of Consent

I may withdraw my consent to receive communications in electronic form by calling the Fund at (909) 987-3013. Any withdrawal of my consent to receive electronic communications will not affect or impact in any way the terms of this Agreement or my agreement to the Terms of Use Agreement for the Fund's website.

EXECUTION BY ELECTRONIC SIGNATURE

I have read the information about the use of electronic records, disclosures, notices, and email, and consent to the use of electronic records for the delivery of Required Information in connection with my investment. I have been able to view this information using my computer and software. I have an account with an Internet Service Provider, and I am able to send e-mail and receive e-mail with hyperlinks to websites and attached files. I also consent to the use of electronic records and electronic signatures in connection with my investment in a Certificate with the Fund in place of written documents and handwritten signatures. I am consenting on behalf of all joint applicants identified in the application. I am authorized to consent on their behalf.

By clicking on the button entitled "I Agree" below, you have electronically signed and intended to sign this electronic records and have agreed to be bound by the foregoing terms. By clicking on the button entitled "I Do Not Agree" below, you have decided you do not wish to proceed with making an investment in the Certificates under the Fund's website using electronic means.

I AGREE to the use of electronic signatures and records for this investment.

I DO NOT AGREE to the use of electronic signatures and records for this investment.

EXHIBIT D
RESCISSION NOTICES

GEORGIA RESIDENTS

If you wish to exercise your right of rescission, you may do so using the following forms:

NOTICE OF RESCISSION

To: Apostolic Mutual, Inc.
5401 Citrus Avenue
Fontana, California 92336

I hereby exercise my right to rescind my purchase of Apostolic Mutual, Inc. debt securities in the amount of \$_____.

This rescission is made within three (3) business days of the earliest of my execution of a written agreement to purchase said shares, the delivery of a confirmation of sale of said shares to me or the payment for such share. I understand that the effective date of this rescission shall be the date of delivery of this Notice or the depositing of same, properly addressed and with adequate postage thereon, in the United States Mail.

DATED, this _____ day of _____, 20__.

Name

Address

City

State

Zip

NOTICE OF RESCISSION

To: Commissioner of Securities
Office of the Secretary of State
Suite 802, West Tower
2 Martin Luther King, Jr. Drive S.E.
Atlanta, Georgia 30334

I hereby exercise my right to rescind my purchase of Apostolic Mutual, Inc. debt securities in the amount of \$_____.

This rescission is made within three (3) business days of the earliest of my execution of a written agreement to purchase said shares, the delivery of a confirmation of sale of said shares to me or the payment for such share. I understand that the effective date of this rescission shall be the date of delivery of this Notice or the depositing of same, properly addressed and with adequate postage thereon, in the United States Mail.

DATED, this _____ day of _____, 20__.

Name

Address

City

State

Zip