

Offering Circular
Offering the Sale of

CERTIFICATES OF PARTICIPATION

UNITED METHODIST FOUNDATION
OF THE TEXAS ANNUAL CONFERENCE

Incorporated under the
Texas Non-Profit Corporation Act

Total Principal Amount: Unlimited
One Year Term
Offered in minimum principal amounts of \$1000.

THE UNITED METHODIST FOUNDATION
OF THE TEXAS ANNUAL CONFERENCE
5215 MAIN STREET
HOUSTON, TEXAS 77002

An investment in Certificates of Participation does not qualify as a deductible charitable contribution under the federal tax laws.

THIS OFFERING IS MADE SOLEY TO RESIDENTS OF THE STATE OF TEXAS.

The date of the Offering Circular is October 30, 2008

SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN MATERIAL FACTORS,
WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN
CERTIFICATES OF PARTICIPATION.

THESE PARTICIPATION INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, THE STATE OF TEXAS, OR ANY OTHER STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS RELATING TO THIS OFFERING ON BEHALF OF THE UNITED METHODIST FOUNDATION OF THE TEXAS ANNUAL CONFERENCE OTHER THAN AS INCLUDED IN THIS OFFERING CIRCULAR. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM MAY BE EMPLOYED IN THE OFFERING OF THE PARTICIPATION INTERESTS OTHER THAN THIS OFFERING CIRCULAR. THIS OFFERING CIRCULAR HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE CERTIFICATES OF PARTICIPATION, AND ANY REPRODUCTION, DISTRIBUTION, OR DISCLOSURE OF ANY OF THE CONTENT OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART WITHOUT THE PRIOR WRITTEN CONSENT OF UNITED METHODIST FOUNDATION OF THE TEXAS ANNUAL CONFERENCE IS PROHIBITED.

THE PARTICIPATION INTERESTS ARE OFFERED WHEN, AS, AND IF ISSUED, SUBJECT TO THE RIGHTS OF THE UNITED METHODIST FOUNDATION OF THE TEXAS ANNUAL CONFERENCE, IN ITS SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION, AND TO CERTAIN OTHER CONDITIONS. CERTIFICATES OF PARTICIPATION CAN BE MADE ONLY BY DELIVERY OF EXECUTED

APPLICATIONS FOR INVESTMENT, A FORM OF WHICH IS ATTACHED TO THIS OFFERING CIRCULAR FOR USE BY PROSPECTIVE INVESTORS.

CERTAIN PROVISIONS OF RELEVANT DOCUMENTS RELATING TO THE CERTIFICATES OF PARTICIPATION HAVE BEEN SUMMARIZED IN THIS OFFERING CIRCULAR. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. COPIES OF SUCH DOCUMENTS ARE AVAILABLE UPON REQUEST TO UNITED METHODIST FOUNDATION OF THE TEXAS ANNUAL CONFERENCE.

UNITED METHODIST FOUNDATION OF THE TEXAS ANNUAL CONFERENCE

SUMMARY OF THE OFFERING

This summary is provided for the convenience of potential investors. It should be read along with the more complete statements made in this Offering Circular.

The United Methodist Foundation of the Texas Annual Conference of the United Methodist Church, Inc., doing business as the United Methodist Foundation, with principal offices at 5215 Main Street, Houston, Texas 77002, is a Texas non-profit corporation and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The United Methodist Foundation of the Texas Annual Conference Certificates of Participation (the "Certificates") are offered for sale to members and friends of United Methodist Churches and United Methodist Agencies within the State of Texas. Proceeds will be used to make loans to United Methodist Churches, Agencies, or Institutions related to the United Methodist Church, for the purchase, construction or improvement of property, buildings and related capital expenditures.

The Certificates are issued as general debt obligations of the United Methodist Foundation of the Texas Annual Conference. These securities are not registered with the Securities and Exchange Commission or the Texas Securities Commission, being exempt under Paragraph (4) Section 3(a) of the Securities Act of 1933, as amended, and Section 6-J of the Texas Securities Act.

No broker-dealer, salesperson or any other person is authorized by the United Methodist Foundation to give any information or to make any representations other than those contained in this circular, nor is any person other than the Foundation and its employees being utilized in the offer or sale of the Certificates. This circular does not constitute an offer to sell or a solicitation of an offer to buy any of the Certificates offered hereby in any jurisdiction or to any person to whom it is unlawful to make such an offer.

These securities are offered and sold only through the officers and employees of the United Methodist Foundation. No underwriting or selling agreements exist, and no direct or indirect commissions or other remuneration will be paid to any person or organization in connection with the offer and sale of these Certificates of Participation.

This offering is subject to certain risk factors described in Section 3 of this Offering Circular

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| The United Methodist Foundation | The Foundation is a Texas non-profit corporation organized to serve the persons and churches of the Texas Annual Conference of the United Methodist Church. |
| Loans to United Methodist Churches | The Foundation will establish a loan fund to provide loans to United Methodists Churches and Institutions for new construction, renovation, property acquisition and development. |
| Participation by United Methodists. | The sale of Certificates of Participation allows United Methodists to help make capital available for loans to build churches and otherwise advance the mission of the United Methodist Church. |
| Certificates of Participation Investments | United Methodists may purchase Certificates of Participation as investments that bear interest at the rate offered from time to time by the Foundation. |
| Interest and Maturity of Certificates | Certificates of Participation mature annually. Interest compounds monthly. Investors may receive interest semi-annually or annually. If the amount of the investment is \$10,000 or greater the investor can elect to receive the interest automatically as frequently as monthly. |
| Tax Aspects | Interest paid to investors is ordinary income for income tax purposes. |
| Repayment to Investors | The proceeds from the sale of Certificates are deposited into a fund to make loans to churches. Repayment to investors depends on the management of the Foundation as well as churches repaying their loans. The Foundation maintains reserve funds to offset the potential of a church defaulting or unusual withdrawal activity by Investors. Risk factors described in more detail Section 3 of this Offering Circular. |
| Risks | There is no assurance that every loan made to churches will be fully repaid. However any loan over 10% of the value of the property involves significant administrative oversight from District and Conference Officials. The financial responsibility of the Texas Conference United Methodist Churches has been excellent, however this investment is not free of risk. Section 3 of this offering circular describes the risk factors in more detail. |

Criteria for Loans

Loans are approved on the basis of repayment ability according to the church's financial history, funds on hand and the collateral to be pledged. Loan amounts are generally limited to 80% of the project costs with repayment periods of 15 years or less.

Financial Condition

The financial records of the United Methodist Foundation are examined in an annual audit by a professional accounting firm. An audited financial statement is included in this offering circular.

Investment Application

After reading the complete Offering Circular, investors may make application to purchase Certificates of Participation by mail or in person at the United Methodist Foundation of the Texas Annual Conference, 5215 Main Street, Houston, Texas 77002.

OFFERING CIRCULAR

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THE UNITED METHODIST FOUNDATION
OF THE TEXAS ANNUAL CONFERENCE
5215 Main Street
HOUSTON, TEXAS 77002
(713) 521-9383 or (800) 521-9617

CERTIFICATES OF PARTICIPATION

1. HISTORY AND ORGANIZATION

The United Methodist Foundation is organized to serve the persons, churches and agencies of the Texas Annual Conference of the United Methodist Church. The Foundation provides investment opportunities for United Methodist Churches and Institutions as well as educational and charitable trust management services.

A twelve member Board of Trustees governs the United Methodist Foundation, sets policies of administration, and engages a President/CEO to conduct the day-to-day operations of the Foundation. The Board of Trustees is elected by the Texas Annual Conference of the United Methodist Church. In addition to the Board of Trustees, Advisory Trustees serve the Foundation in a non-voting advisory capacity.

The Foundation was established in 1978 to promote good stewardship among the members of the Texas Annual Conference of the United Methodist Church. The Foundation's activities include the administration of funds on behalf of local churches; receiving and holding in trust charitable gifts made by donors, testator or trustees; and maintaining a fund for the making of loans to local churches and agencies of the Texas Annual Conference to finance the acquisition and improvement of properties and facilities.

2. LIMITED TO UNITED METHODIST INVESTORS

The sale of Certificates of Participation allows United Methodist investors to help make additional capital available for loans. Proceeds from the sale of Certificates of Participation will be used to make loans to United Methodist churches, agencies or institutions related to the Texas Annual Conference of the United Methodist Church. Investors have the satisfaction of advancing United Methodist causes with the practical benefit of earning interest on their investments.

Investors may purchase Certificates of Participation with a minimum of \$1,000. Certificates are issued by the Foundation as unsecured obligations with a fixed rate of interest and one year maturities. This offering of Certificates of Participation is unlimited in principal amount. The rate of interest paid is determined by the Investment Committee, on or about January 1, April 1, July 1 and October 1 or more frequently, based on market conditions. The rate is set in light of the average rate of return

received by the Fund on its Loans, the prevailing rate of interest being paid to investors on similar investments, and the budgets and goals set by the Foundation's Board of Trustees.

Investment in Certificates of Participation will be in cash unless the Foundation authorizes, at its discretion, other forms of investment that can be easily converted to cash.

Interest on the Certificates of Participation will be compounded monthly. The investor has the option of receiving the interest, annually, semi-annually, or receiving the interest upon written request, but not more often than once per calendar month.

Additionally, if the amount of the investment is \$10,000 or greater, the investor may choose to receive this interest automatically as often as monthly.

The Foundation is offering Certificates of Participation only to qualified investors who intend to acquire the Certificate of Participation solely for an investment and who make the representations contained in the Application for Investment in the form that is attached to this Offering Circular. (See "**Application for Investment - For Individuals.**")

3. RISK FACTORS

The Foundation owns certain funds and assets, which are used in its operation and activities, including loans to United Methodist churches. Within its scope of service, the Foundation manages funds owned by United Methodist churches and agencies. A portion of these managed funds may also be invested in capital pools used to make church loans. See Investment Policies in Section 11 for more information

It is the intent that most of the loans made by the Foundation are secured by a first lien mortgage, but individual investors who purchase Certificates of Participation are lending money to the Foundation for its general purposes in making loans. Investors do not have an actual participation in any specific loans made by the Foundation. The Certificates are not secured by any assets or property of the Foundation and the repayment of the investment, together with the interest thereon, will be dependent on the Foundation collecting the loans made to individual churches and the availability of other non-restricted funds and property of the Foundation. Non-restricted funds are assets owned solely by the Foundation with no restriction or conditions placed on the funds' use.

There is no public market for the Certificates and none will develop, therefore the transferability of the Certificates is limited and restricted. No sinking fund or trust indenture will be used by the Foundation in connection with the issuance of the Certificates. The proceeds from the Certificates will be deposited into an account for the purpose of making loans to United Methodist churches.

Repayment of the proceeds from the sale of Certificates to investors is dependent solely upon the Foundation's financial condition, management, and marketable assets, which may include church loans, cash, investments, real estate and its line of credit with a financial institution. The financial stability of the Borrowers and their ability to make payments of principal and interest on Loans is primarily dependent upon voluntary contributions of their members. Because church membership and attendance may be adversely affected by a variety of factors outside of the control of a Church, it is possible that a Church will not receive sufficient voluntary contributions to allow it to meet its obligations under a Loan made to it by the Foundation. Other securities and programs exist which may provide greater security and little or no risk, and investors are encouraged to examine such investment alternatives before investing in the Certificates.

Since its inception in 1978 the United Methodist Foundation of the Texas Annual Conference made only loans that were fully secured by assets deposited with the Foundation. In 2000, The United Methodist Foundation of the Texas Annual Conference began originating first lien mortgage loans to conference churches and institutions for building programs and has never had to conduct any foreclosure proceedings on any of these loans. For a loan performance record of United Methodist Churches in Texas we look to the Central Texas Foundation, with principal offices in Ft. Worth, Texas, and the Texas Methodist Foundation, with principal offices in Austin, Texas.

The Central Texas Conference reports, "In the Foundation's history of making loans to churches, none have been uncollected and no foreclosure of church properties as security has ever been conducted."

Texas Methodist Foundation reports: "the Foundation has experienced a less than one-quarter of one percent (0.25%) foreclosure rate on the Loans."

Although the loans to United Methodist churches will be for terms of up to 15 years, the Certificates will mature annually. If a significant number of investors fail to renew their Certificates and new investors are not located, the Foundation may experience liquidity shortfalls in repaying all the Certificates that mature at any given time. As a reserve against the potential of withdrawals by Investors, the Foundation maintains liquidity in cash and cash equivalents equal to at least 5% of the principal balance of the outstanding Certificates of Participation. In addition, the Foundation maintains a loan reserve against the potential of default equal to 5% or more of the principal loan balance outstanding as determined to be necessary.

There can be no assurance that the demand for Loans will be sufficiently strong to allow the entire Fund proceeds to be used for Loans. To the extent that the Fund has moneys in excess of the demand for Loans, the investment of such excess moneys in alternative investments pursuant to the Investment Policies may affect the interest return to investors.

4. CRITERIA FOR LOANS

Strict loan guidelines are established by the Foundation's Board of Trustees and a formal loan review process is conducted by the Loan Committee. Loan application requirements include a complete project description and cost, the signature of required church Trustees, approval and signature of the church Pastor, approval and signature of the District Superintendent, and documentation of the Church or Charge Conference approval and the District Board of Church Location and Building, and any other approval specifically required by the Annual Conference or District.

Completed loan application forms are supplemented with the church's financial statements of the two prior years and the current year-to-date financial statements, the legal description of the church's properties, copies of all contracts, plans, estimates and commitments related to the project, copies of any other debt documents, copies of any articles of incorporation and bylaws.

Loans are approved on the basis of repayment ability according to the church's historical annual receipts, the results of any capital fund campaign conducted for the project, and other funds on hand. Loan amounts are generally limited to 80% of the total project cost with a maximum loan repayment period of 15 years. It is generally required that all of the properties of the borrowing church be pledged as collateral and the Foundation may require an appraisal and survey of any property pledged as collateral.

5. REPAYMENT TO INVESTORS

A Certificate of Participation represents a general unsecured deposit with the Foundation that matures one year from the date of issue. Thirty days before the maturity date, each investor is sent written notice of the pending maturity of his/her Certificate and may elect to have payment in full, or, subject to the Foundation's continued offering, to reinvest principal and accrued interest for another one year period at the rate of interest declared for that subsequent term. Subject to the Foundation's continued offering at such time, if no election is made, the Certificate of Participation will automatically renew for another one-year term.

For the initial year of participation, withdrawal of the principal or accrued interest (other than the scheduled interest distributions) prior to maturity is subject to an early withdrawal penalty of 6 months interest. For subsequent terms of participation, there will be a penalty of three month's interest for early withdrawal prior to the maturity date.

Investors may elect to have their interest distributed semiannually or annually at the maturity of their Certificate. Interest on investments of \$10,000 or more qualify for more frequent distributions of interest automatically as often as monthly.

Investors should seek their own tax advice regarding investment in Certificates of Participation in light of their own particular circumstances.

6. TAX INFORMATION

The annual interest, paid or accrued, is reported as ordinary income for investor's tax purposes. Application to purchase a Certificate of Participation must be made on the form furnished by the Foundation and include the tax identification number of the investor(s).

The purchase of Certificates of Participation does not entitle an investor to a charitable gift deduction for tax purposes.

7. METHOD OF OFFERING AND WITHDRAWAL OF SUBSCRIPTION

The Participation Interests are offered only by the Foundation, with a minimum investment of \$1,000, and only to residents of the State of Texas. At the discretion of the Foundation, investments for Participation Interests may be established by property other than cash. Notices or advertisements of this offer may be made in United Methodist publications, by direct mail to United Methodist church members and by presentations or flyers distributed to commissions, boards, committees and conferences of United Methodist members, agencies, institutions and churches.

The Foundation reserves the right at any time to withdraw all or any part of the Certificates offered without notice. There is no minimum amount that must be raised, and if the entire amount of the offering is not needed for the purposes intended, the offering may be withdrawn and the acceptance of subscriptions suspended.

8. EXPENSES OF THE OFFERING

The expenses of the offering include legal fees, printing and postage costs which are provided for in the annual operating budget of the Foundation.

9. INQUIRIES

Inquires may be directed Monday through Friday to the United Methodist Foundation of the Texas Annual Conference, 5215 Main Street, Houston, Texas 77002. The telephone number for the Houston calling area is (713) 521-9383, and the toll free number for calls from other areas in Texas is (800) 521-9617.

10. BOARD OF TRUSTEES AND STAFF

The Foundation is governed by a Board of Trustees. The number of trustees shall never be more than fifteen or less than nine. Trustees are elected for three-year terms by the Texas Annual Conference of the United Methodist Church upon nomination of its Committee on Nominations. The Presiding Bishop of the Texas Annual Conference

shall be a non-voting ex-officio member of the Board of Trustees. The Foundation also has from fifteen to thirty-five non-voting Advisory Trustees

TRUSTEES:

Those whose terms expire **May 31, 2009**

| | | | | |
|----|----------------------|--|------------------------------|--|
| CS | Rev. Carol Bruse | 5215 Main St., Houston, TX 77002 | 713-533-3703 | carol.bruse@txcumc.org |
| SO | Mr. Richard Shankle | 203 Arrowwood St., Lake Jackson, TX 77566-4335 | 979-418-6556 979-297-8656 | n5kv@arrl.net |
| CS | Mr. Royce Thompson | 11906 Kirkbriar Dr., Houston, TX 77089 | 281-481-4387 | planning@flash.net |
| EA | Rev. Richard P White | PO Box 127, Jasper, TX 75951 | 409-384-5735 | white_richard@cmaaccess.com |

Those whose terms expire **May 31, 2010**

| | | | | |
|----|----------------------|--------------------------------------|--------------|--|
| CS | Mr. Les Adams | 4716 Rockwood Dr., Houston, TX 77004 | 713-940-0680 | LeslieWmAdams@aol.com |
| EA | Rev. Darrell Houston | 1715 Sayers St., Lufkin, TX, 75901 | 936-637-3655 | revhou@airmail.net |
| CN | Rev. Nancy Kellond | PO Box 1330, Montgomery, TX 77356 | 936-597-6162 | nkellond@entouch.net |
| NW | Rev. Jack Matkin | PO Box 911, Athens TX 75751 | 903-675-5161 | actionjackson@suddenlinkmail.com |

Those whose terms expire **May 31, 2011**

| | | | | |
|----|---------------------|--------------------------------------|--------------|--|
| EA | Mrs. Harriet Dubose | 6300 Chasse Stone, Orange, TX 77632 | 409-886-0637 | harriet@passassured.com |
| CN | Mr. Oscar Garza | 20603 Sunny Shores, Humble, TX 77346 | 281-812-6717 | olgarza@deloitte.com |
| CN | Mr. Kenneth Riggs | P O Box 1005, Cleveland, TX 77328 | 281-592-7946 | tkmariggs@sbcglobal.net |

United Methodist Foundation Staff

- | | |
|----------------------|---|
| Krystal Brockermeyer | Administrative Assistant |
| Carla Leavelle | Director of Donor Relations and Clergy Services |
| Betty Millard | Loan Officer |
| Barry Morris | Chief Financial Officer |
| Rev. C.J. Taylor | President and CEO |
| Rev. Steve Turner | Development Officer |

11. INVESTMENT POLICY STATEMENT

The Foundation

The United Methodist Foundation (the Foundation) is an agency of the Texas Annual Conference of The United Methodist Church, with offices in Houston, Texas. The Foundation was established in 1978. Responsibility for governing the organization is vested in a Board of Trustees comprised of fifteen (15) persons, who are elected by the Texas Annual Conference of the United Methodist Church.

Purpose

One of the purposes of the Foundation is to receive, manage and distribute funds for United Methodist Churches and Institutions of the Texas Annual Conference. Assets maintained by the Foundation are organized as common funds (the Funds). The Funds are administered according to investment guidelines set forth by the Investment Committee of the Board of Trustees. The guidelines are implemented to meet the investment objectives of each fund within reasonable risk levels and objectives of the individual funds.

Common Funds

The common funds operated by the Foundation include only the assets of charitable trusts and other specified types of assets authorized by law to be jointly invested as well as general endowment funds.

The United Methodist Foundation provides an accounting of its transactions with respect to each account invested in its common funds on a periodic basis, but in no event less often than quarterly. Contributions and withdrawals from each common fund are allowed as permitted by each fund at the calculated net asset value. There are reasonable management fees charged against the funds' earnings or assets.

Common funds maintained by the Foundation are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under The Philanthropy Protection Act of 1995 (P.L. 104-62).

Risk

The Foundation acts solely as custodian and agent of the Church/Institution and does not guarantee the principal amount (except Money Market and Guaranteed Fund), the amount of return from the investment thereof, or the payments of interest or dividends on any security in which the principal sum or its earnings may from time to time be invested. While an objective of the Funds is safety of principal, there is no assurance that such an objective will be met. The Funds invest in financial assets, which may decline in value. The Funds allocate investments among various types of financial assets, but there is no assurance that such allocation will reduce the variability of the return or preserve the assets from loss.

Opportunities

The United Methodist Foundation offers Methodist organizations three important benefits:

1. An opportunity to access professional investment expertise that may not be available to them on their own.
2. The purchasing power of a larger pool of assets.
3. Assurance that the funds are being managed consistent with Methodist principles.

Methodist Social Principles

In an effort to preserve the concept of promoting core values through Methodist Social Principles, no investments (either in equities or fixed income) shall be made in companies that derive a significant percentage of revenue from the following: alcohol, tobacco, firearms or gambling operations.

The Foundation offers a broad range of investment objectives for their clients to select from including:

- * Money Market Fund
- * Guaranteed Fund
- * Diversified Fund
- * Custom Portfolio

Investments will be made for the sole interest and exclusive purpose of providing the maximum return within the constraints described herein. The assets must be invested with the care, skill and diligence that a prudent person acting in this capacity would undertake.

The Foundation has the authority to hire registered investment advisors (who are money managers) to carry out the investment objects of the various funds maintained. These individual managers may be directed by the Foundation to adopt a target asset allocation different than the overall target asset allocations. Specifically, fixed income managers, balanced managers, or equity managers may be hired in any combination thereof to implement the overall asset allocation plan. Under this situation, each manager is guided by an investment policy statement, which gives specific directions for that individual manager.