For the Mission Investment Fund, 2018 was a year of discerning what God is calling us to do as a ministry of this church...and listening for what God is calling us into next. The outcome was our creation of a new, enterprising Strategic Plan that will guide us over the next three years as we invest in the vitality and sustainability of the church we are becoming.

For congregations and other ministries of the ELCA, 2018 was a time of discernment as well, as they, too, considered the future of this church’s ministries. The good news of Jesus Christ shared across sanctuaries on Sunday mornings was embodied in outreach among neighbors. Together, we were challenged to accept God’s call to embrace creative, diverse ways to live out our faith through love and service to God and one another.

MIF’s work in support of these outreach efforts and other projects of our church’s congregations and ministries flourished. We reached a significant milestone: Our active ministry loans grew to more than $550 million. These loans build communities of worship, renew places of faith formation and discipleship, and provide centers of hope and healing for the most vulnerable among us.

We are inspired to be part of the efforts to explore new ways of being church, and we continue to be amazed at the forward-thinking building projects and community outreach efforts that we have the opportunity to fund. It appears that thoughtful visioning for the future—for the members, for the congregation, for the community—always fuels the effort, as it has with the congregations that we lift up in this Annual Report.

Central Lutheran Church in Minneapolis called for a “renewed vessel,” financed by MIF, that combines a great fellowship hall with space for faith formation and caring for those in need. Gloria Dei Lutheran Church in Dana Point, California, envisioned a 24/7 operation, where Sunday worship in a new sanctuary built with the help of an MIF loan will be the start of week-long activities and support for the community. And Shepherd of the Prairie Lutheran Church in Huntley, Illinois, called on MIF as its longtime partner to build a new sanctuary and expanded ministry building for its growing membership and community support.

MIF is humbled to partner with these and so many other congregations and ministries doing God’s work in the world. We are honored to serve you, fulfill your investing and lending needs, and keep building the church in the process. Together, we are reaching out from a place of abundance of love and joy, mirroring our grace-filled faith lives, in service to one another. Thank you for your partnership.

Blessings,

Eva M. Roby
President and CEO
June 2019
In 2018, the Mission Investment Fund experienced the fourth consecutive year of steady growth in loans. Maintaining our excellent capital position, we continued our long-standing tradition as a strong, stable financial institution.

MIF loans to congregations and ELCA-related ministries grew to $556.6 million at December 31, 2018, from $539.1 million at December 31, 2017. The number of loans rose to 917 from 888 at year-end 2017. MIF investment obligations decreased to $499.1 million at December 31, 2018, from $506 million the year prior.

Total assets fell to $705.4 million at December 31, 2018, from $715.7 million the prior year. This decline resulted from the decrease of $6.9 million in investment obligations coupled with a $3.1 million net loss for the year stemming from unrealized investment losses. MIF’s net assets, or equity, decreased slightly to $200.8 million at December 31, 2018, from $203.9 million at year-end 2017. Our capital ratio remained constant at 28.5 percent.

MIF remained dedicated to our close partnerships within the church. As we gave thoughtful consideration to the new Strategic Plan we were creating for 2019-2021, we turned to the ELCA’s Future Directions 2025 for guidance and inspiration. The ELCA’s hope for becoming a thriving church, a welcoming church, a visible church and a sustainable church is our hope, too. The new initiatives we will embark upon in the coming years will focus on helping congregations and ministries realize their vision for mission.

In 2018, we provided $2.8 million in support of the ELCA Churchwide Organization, ELCA congregations and related ministries. We continue to work hand in hand with the ELCA Federal Credit Union, which is now enhancing its product and service offerings as it begins its third year. MIF provides support and guidance for this growing ministry, and we are building a strategic alliance that will ensure even greater value for ELCA congregations, ministries and members.

As MIF looks outward to the church in all its expressions, we are also focusing on our own organizational excellence. We are transforming our workforce, systems and processes to create a superior customer experience, more efficient operations and even deeper partnerships and strategic alliances.
A NEW BUILDING PROMISES RENEWAL IN MINNEAPOLIS

It was time for something new for Minneapolis’ downtown cathedral congregation just over four years ago. The Rev. Peter Nycklemoe had just arrived as the new pastor for Central Lutheran Church, and a visioning process began, with intimate “cottage meetings” in members’ homes.

A commitment to renewal emerged from that discernment process. Members agreed that a mission-focused congregation would focus on worship life, deep faith formation, service to the community and generosity.

With a nod to all four of these key areas, the congregation turned to its physical environment. The campus’ 1950s ministry buildings updated with 1980s additions not only had fallen into disrepair, but more important, these buildings no longer effectively served the needs of the congregation. Central Lutheran draws its 1,100 baptized membership from throughout the entire Twin Cities metro area. City dwellers, folks from 29 different zip codes and many visitors worship in this neo-Gothic cathedral. And the congregation reaches out to its city neighbors.

“We took the time to listen to God and to each other,” Pastor Nycklemoe recalls. As a result, Central’s members made the bold decision to tear down the dated ministry buildings, covering 75,000 square feet, and replace them with a dynamic, new space—a highly efficient and accessible 22,000-square-foot building that would be inviting and inspirational. Congregation members chose the Mission Investment Fund as their lender for this large-scale project.

“MIF’s relational and missional process is most appealing to me,” Pastor Nycklemoe says. “MIF starts out in a relational way and wants to understand our missional goals. And I appreciate that when we choose MIF as our lender, our loan payments go back to help other congregations do what we’re doing.”

As the dated ministry buildings came down, only the glorious sanctuary remained. MIF’s loan assisted some updating there as well, with restoration of stained glass windows and updates to lighting and sound.

But the real work took place immediately adjacent to the sanctuary with the construction of a modern, circular, wraparound building. Today, here stands a great room, with a two-story wall of windows providing a view to downtown Minneapolis—and Central’s neighbors.

“The stately neo-Gothic sanctuary of Central Lutheran Church—and the Minneapolis skyline—rise up over the congregation’s new building, the “renewed vessel,” where faith formation and care for the community take place.”
Indeed, it is. Outreach to the community is deep and varied at Central. The new building houses Central’s Restoration Center, where thoughtful and innovative work takes place for people experiencing homelessness and poverty. Central manages a health care ministry, in partnership with Augsburg University, that provides a host of health services—from checking blood pressure to monitoring for diabetes—with a special focus on foot care, a constant priority for people experiencing homelessness. Central’s Restoration Center also provides a Free Store, a well-stocked boutique of new and gently used clothes, accessories and household items. Another unique service offers emergency rental assistance for individuals and families facing a loss of income and difficulty making the next month’s rent. Another effort, Street Voices of Change, advocates to empower those who have experienced homelessness to work for change.

Central’s new building draws in the community as well as its own membership with a huge, flexible fellowship space. It is here where worship takes place at midday on Mondays, followed by a community meal prepared in the new kitchen. Education rooms house Sunday school and faith formation programs. Exterior courtyards add some of the largest green spaces in downtown Minneapolis.

Says Pastor Nycklemoe: “Our building is open all week for those who are in desperate need. It is our privilege to be there in the city, listening to God’s call to help.”
Beyond the aesthetics, Gloria Dei has seized on an important benefit of the project. “Our original sanctuary now has been repurposed as space for important ministry work that we do,” Pastor Mattson says. Gloria Dei’s hope is to be a “life-changing church” through its caring ministries and service. “Our vision is to be a 24/7 kind of congregation, with our own ministry work taking shape, as well as community groups meeting around the clock in some way, every day, in our facilities. That’s happening, and it is amazing.”

Gloria Dei’s important “We Care” ministry focuses on delivering meals to people in need, providing sack lunches to neighbors experiencing homelessness and offering rides to doctor appointments or other sites for those who need transportation. The congregation also acts as a “covenant church” for Habitat for Humanity, providing financial support as well as volunteers for building sites. And the congregation shares its space with a number of other community groups.

Gloria Dei’s outreach extends beyond Dana Point, all the way across the border. Members make regular visits to the Los Angelitos Orphanage outside Tijuana to provide financial and moral support and, when needed, a little muscle: Gloria Dei members recently built this kitchen (above) and where members come to serve.

Reflecting on Gloria Dei’s major construction project and its impact on the congregation and the community, Pastor Mattson quotes Psalm 145:4: “One generation will praise your works to another.”

“That’s why we built this,” Pastor Mattson says. “At the time, I said, ‘Most of us won’t be around 50 years from now. This is for my children and for the generations to come—and also for those who have never heard the grace of God, the grace of Jesus.’ ”
In 2001, a small Bible study program started up some 50 miles from Chicago in a far northwest suburb, Huntley. Soon, this program evolved into a full-fledged congregation, Shepherd of the Prairie Lutheran Church. At first, congregants worshipped together in an elementary school, then in a cultural arts center.

By 2004, the new-start congregation was ready for a building of its own. It was then that the congregation began a long-term relationship with the Mission Investment Fund. An MIF loan enabled Shepherd of the Prairie to buy property and, four years later, construct a new worship center. The loan funds were the project’s lifeblood; MIF’s counsel throughout the visioning process was indispensable.

“Initially, the congregation imagined a building that would meet all of its needs,” the Rev. Mark Boster, the congregation’s pastor, says. “But that ‘ideal’ space was twice what we could realistically afford. MIF helped refocus our efforts so we didn’t build too much and encumber our ministry.” MIF recommended a smaller, multi-purpose building to serve as the congregation’s new worship home—as well as providing fellowship, education and ministry space.

By 2016, as the church continued to grow in numbers and vitality (“There’s a lot of spiritual horsepower out here,” Pastor Boster maintains), Shepherd of the Prairie needed to expand. This time, the congregation decided to build a true sanctuary. Again, working closely with MIF, the congregation managed to right-size a space to meet current as well as future needs. “The folks from MIF are such a great blessing, especially to new congregations,” Pastor Boster says. “They

BUILDING ON A TRADITION OF SERVANTHOOD WHERE ILLINOIS PRAIRIE MEETS SUBURBAN CHICAGO

helped us build right and build well.” The new building combines stone and wood elements and generous windows in both the light-filled sanctuary and adjacent fellowship space.

Along the way, the congregation has also built on its commitment to mission work. “Early on, the congregation’s former pastor, Ken McKnight, instilled in the members the idea of servanthood and mission,” Pastor Boster says. “That has been a clarion call for us.”

Partnering with Bethany Lutheran Church of Crystal Lake for a homeless ministry called Public Action to Deliver Shelter (PADS), Shepherd of the Prairie volunteers prepare lunches, serve dinners, distribute blankets and more. And the congregation plays an important role in the Grafton Food Pantry, which serves Huntley and four other surrounding communities, regularly delivering cash donations, nonperishable food and toiletries. Members volunteer each week to distribute the items.

Says Pastor Boster: “We work hard each week to lift up what is happening throughout our community and what’s going on in mission and ministry, to celebrate what God is up to outside our doors.”
The Mission Investment Fund’s strong financial position helps assure our ability to meet our obligations and offer security to our investors. In 2018, MIF recorded more than $200 million in net assets, resulting in an equity ratio of 28.5 percent. This solid capital position significantly exceeds regulatory requirements.
## STATEMENTS OF INCOME, EXPENSES AND CHANGES IN NET ASSETS

$ in thousands as of December 31

### INTEREST

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### OPERATING EXPENSES

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<td>AND REAL ESTATE</td>
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<td>TOTAL</td>
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### OTHER OPERATING INCOME

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<td>OTHER OPERATING</td>
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<tr>
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<td>TOTAL</td>
<td>$566</td>
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### INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES

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<td>$2,903</td>
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### NON-OPERATING INCOME (LOSS)

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<tr>
<td>OTHER</td>
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<td>WITHOUT DONOR</td>
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<td>TOTAL</td>
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<td>CHANGE IN NET</td>
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<td>ASSETS WITH DONOR</td>
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<td>TOTAL NET ASSETS</td>
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<td>TOTAL LIABILITIES AND NET ASSETS</td>
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INVESTMENTS

MIF investment products offer flexible terms and highly competitive interest rates. But our investments do more than simply grow your savings; they also help grow our church by providing loans to ELCA congregations and ministries.

TERM INVESTMENTS

FIXED RATE / $1,000 minimum investment. / This account is like a CD with a competitive, fixed rate of return and terms ranging from 6 months to 6 years.

ADJUSTABLE RATE / $1,000 minimum investment. / Competitive rates and terms ranging from 6 months to 7 years, with the option to add to principal for longer-term investments.

TERM INVESTMENT GRAND, FIXED RATE / $250,000 minimum investment. / Enjoy a higher rate with a larger investment. / Terms of 1, 2 and 3 years.

DEMAND INVESTMENTS

WITH CHECK WRITING / $100 minimum investment. / Invest as little as $100 in this account, which offers unlimited check writing and a higher rate of return. A debit card is available to individuals.

NO CHECK WRITING / $100 minimum investment. / Similar to a savings account in its rate of return, this offers an easy way to build your savings. Add to it at any time.

YOUTH MINISTRY / $100 minimum investment. / An easy way for congregations to save for youth events while earning interest.

RETIREMENT SAVINGS ACCOUNT

Reap tax savings when you hold any Term Investment or Demand Investment No Check Writing account as a Traditional or Roth IRA.

MIF4KIDZ INVESTMENT

ADJUSTABLE RATE / $50 minimum investment. / The ideal special-occasion gift, this investment is for children from birth to age 16. It earns a competitive, adjustable rate of return and matures on the child’s 18th birthday.

HEALTH SAVINGS ACCOUNT

WITH CHECK WRITING / $100 minimum investment. / Compatible with High-Deductible Health Plans, this investment pays for health care costs with pre-tax dollars and provides debit-card convenience.

EDUCATION ACCOUNT

Hold any Term Investment or Demand Investment No Check Writing account as a Coverdell Education Savings account. Open the account with as little as $100 and make additions to principal at any time.

LOANS

The Mission Investment Fund uses investors’ dollars to finance capital projects for ELCA congregations and ministries, including new buildings, additions, renovations, accessibility projects, “green” initiatives and land purchases. MIF’s loan rates are highly competitive compared to other financial institutions, leading congregations and ministries to refinance their existing loans with MIF. And MIF is often the only place where mission-start ELCA congregations can obtain the financing they need. Because we are a ministry of the ELCA, we also offer a wealth of expertise in church building, capital campaigns and church finance that other financial institutions simply don’t have.

LOANS FOR ESTABLISHED CONGREGATIONS

ADJUSTABLE-RATE LOAN (ARM)
For loans of $100,000 or more, with an amortization period of up to 25 years and interest-rate adjustments at 1, 3, 5 or 7 years.

FIXED-RATE LOAN
A fixed rate for loans of $100,000 or more, with up to a 10-year amortization.

LOANS FOR SMALLER PROJECTS
An unsecured loan for additions and renovations—smaller-sized projects with loan amounts up to $100,000, with up to a 10-year amortization; fixed and adjustable rates are available.

LOANS FOR NEW-START CONGREGATIONS
Available to ELCA new-start congregations at reduced rates to purchase land or to construct or purchase their first church building, with a 13-year term and 15-year maximum amortization.

LOANS FOR ELCA-RELATED MINISTRIES
For capital projects for seminaries, outdoor ministries, social ministry organizations, colleges and universities, and other ELCA-related ministries, with a maximum amortization of 25 years.

Mission Investment Fund investments are subject to certain risks. See “Risk Factors” in MIF’s Offering Circular. MIF investments are not bank accounts. As securities issued by a nonprofit institution, the investments are not insured by the FDIC or any other federal or state regulatory agency. The securities are sold only by means of the Offering Circular. This is neither an offer to sell or invitation of an offer to buy the securities described here.
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