

CEIF

2009 Information Statement
and Application



No securities commission or similar regulatory authority in Canada has passed upon the merits of the securities offered hereunder nor has it reviewed this Information Statement and any representation to the contrary is an offence. This Information Statement constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. The securities offered under this Information Statement have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exemptions may not be offered or sold within the United States of America, and this Information Statement does not constitute an offer to sell or a solicitation of an offer to buy any such securities within the United States of America. See "Plan of Distribution".



CHURCH EXTENSION INVESTORS FUND LTD.

An Affiliate of the North American Baptist Conference

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 Glen Ellyn, Illinois 60137
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<http://www.ceif.org>

New Issue

May 1, 2009

CHURCH EXTENSION INVESTORS FUND LTD.

Church Extension Investors Fund Ltd. ("CEIF" or the "Company") hereby offers for sale unsecured debt securities (collectively, the "Debt Securities" or individually, a "Debt Security") at par in the following forms:

<u>Type of Debt Security</u>	<u>Maturity</u>	<u>Minimum Investment</u>
Bonds	1 to 5 years	\$1,000
Foundation Bonds	Demand	\$100
Charitable Gift Bonds	1 to 6 years	\$1,000
Institutional Bonds	1 to 5 years	\$100,000

The specific terms of each class of Debt Security available at the date hereof are set forth in the applicable Purchase Application and Agreement accompanying this Information Statement. **The terms of each class of Debt Security are subject to change without notice, other than pursuant to the applicable Purchase Application and Agreement.** See "Details of the Offering".

CEIF also offers for sale units ("Mortgage Units") in one (1) of the mortgages granted to CEIF by a Church Organization (as defined below). Mortgage Units will only be issued to the Church Extension Investors Fund Ltd. Group Retirement Savings Plan (the "Group RSP") and the Church Extension Investors Fund Ltd. Group Retirement Income Fund (the "Group RIF") (collectively, the "Group Plans"). See "Details of the Offering - Other Investment Options - Group Plans" and "Tax Considerations". An estimated aggregate of \$10,000,000 in Debt Securities and Mortgage Units (collectively, the "Securities" and individually, a "Security") are being offered (the "Offering").

The Securities are being offered under exemptions from the requirement to sell securities through a registered person or company and the requirement to provide persons to whom the Securities are offered and sold (collectively, “Investors”) with a prospectus, under the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the *Securities Act* (Manitoba), the *Securities Act* (Ontario) and the *Securities Act* (Saskatchewan), and the regulations and rules thereto (collectively, the “Applicable Securities Legislation”). As a result, the Company is not required to be registered to sell the Securities or to provide an Investor with a prospectus; an Investor will not have any of the civil remedies available under the Applicable Securities Legislation; an Investor may not receive information that would otherwise be required to be provided to it under the Applicable Securities Legislation; and the Company is relieved from certain obligations that would otherwise apply under the Applicable Securities Legislation. See “Plan of Distribution”.

CEIF is organized exclusively for religious purposes and not for profit. The Company’s continued viability depends in part on further financing, as well as on profits it generates internally. Purchasing the Securities offered by this Information Statement will not guarantee the continuation of the Company’s operations. A purchase of the Securities offered by this Information Statement must be considered speculative, and is not a charitable donation for income tax purposes. There is no government or other insurance covering the Securities. A purchaser may lose all of his or her investment. As the Securities are not transferable, an Investor may not sell them. Therefore, Investors should view the purchase of any Security as an investment for the full term thereof. See “Risk Factors” on pages 16 to 19. As there is no market for these securities it may be difficult or even impossible to sell them.

All sales will be made by CEIF’s President or Vice-President and employees working under the supervision of such officers, out of CEIF’s offices, 45 South Park Boulevard, Suite 203, Glen Ellyn, Illinois, 60137-6280; phone 1 (800) 543-2343. To purchase a Debt Security, an Investor must complete and sign the applicable Purchase Application and Agreement accompanying this Information Statement and send it, together with a cheque, bank draft or money order, or authorization for electronic transfer of funds, for the amount of the purchase price in Canadian funds, to CEIF c/o Canadian Western Bank, 2810 – 32nd Avenue N.E., Calgary, Alberta, T1Y 5J4. Solicitation for the sale of Mortgage Units will be accomplished through direct contact with the RSP Trustee and the RIF Trustee (as defined below). The Offering will be open until 4:30 p.m. (Mountain time) on April 30, 2010, or until such earlier or later date as the Company issues an Information Statement superseding this Information Statement. Subscriptions are subject to acceptance, in whole or in part, by the Company, and the Company reserves the right to close the subscription books at any time. The Offering is not subject to a maximum or a minimum aggregate subscription level so that funds received in respect of subscriptions accepted by the Company will be immediately available to the Company. The Offering is made by this Information Statement. An Investor cannot purchase any Security through or by means of the Company’s website. See “Details of the Offering” and “Plan of Distribution”.

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SUMMARY

The following is the summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Information Statement.

- THE OFFERING:** Unsecured debt securities at par in the estimated aggregated amount of \$10,000,000 in the form of Bonds, Foundation Bonds, Charitable Gift Bonds, Institutional Bonds and Mortgage Units. See “Details of the Offering” and “Plan of Distribution”.
- THE COMPANY:** The Company provides financial services to various denominational entities, including the maintenance of a fund to provide financing or refinancing for the acquisition, construction and remodelling of North American Baptist Conference churches, parsonages and other church-related projects. See “The Company” and “Business of the Company”.
- USE OF PROCEEDS:** The estimated net proceeds of the Offering, assuming the issuance of \$10,000,000 worth of Securities, will be \$9,970,000 after estimated expenses of the Offering of \$30,000. The Company intends to expend \$9,795,000 of the estimated net proceeds in loan advances and add the remaining \$175,000 to funds that are maintained to provide a liquid source for repayment of outstanding Debt Securities and payment of interest on Mortgage Units. See “Business of the Company” and “Use of Proceeds”.
- DIRECTORS AND OFFICERS:** The directors and officers of the Company are:
- Rod Stein, Chairman and Director
 - Les Collins, President and Director
 - Robert McClelland, Director
 - Wayne Jorstad, Director
 - John (Iain) Hunter, Director
 - Dennis Gulley, Director
 - Bob Glim, Vice-President and Secretary
 - Gregory Hartzler, Treasurer
- See “Directors and Officers”.
- RISK FACTORS:** A purchase of the Securities offered by this Information Statement must be considered speculative, and is not a charitable donation for income tax purposes. The Debt Securities are unsecured obligations of CEIF. There is no government or other insurance covering the Securities. A purchaser may lose all of his or her investment. Investors must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company. If interest rates rise, Investors do not have the right to redeem a Debt Security prior to its maturity for the purpose of purchasing higher yielding securities, and there is generally no provision for early redemption. The Securities issued under this Offering will not be transferable, so an Investor may not sell them. Therefore, Investors should view the purchase of any Security as an investment for the full term thereof. See “Business of the Company”, “Details of the Offering”, “Directors and Officers” and “Risk Factors”.

THE COMPANY

Overview

The Company was incorporated under Part 9 of the *Companies Act* (Alberta) (the “Act”) on May 2, 1977 as a limited liability company with share capital, pursuant to the filing of the Memorandum of Association and Articles of Association under the Act. The Company’s Objects are set out in the Company’s Memorandum of Association, as follows:

1. Exclusively religious and more particularly to aid in the spreading of the gospel of our Lord Jesus Christ by all proper spiritual and financial means and methods including but not limited to assisting in the financing of churches, chapels and missions;
2. All of the profits or other income of the Company shall be used by the Company in the furtherance of its aforesaid objects; and
3. All distributions and payments made by the Company shall be in the furtherance of its aforesaid objects and under no circumstances shall any part of the net earnings or other income of the Company be distributed to or inure to the benefit of any member or other person having a personal or private interest in the activities of the Company except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered.

The Company fulfils its Objects by providing financial services to various denominational entities, including the maintenance of a fund to provide financing or refinancing for the acquisition, construction and remodelling of North American Baptist Conference (“NAB”) churches, parsonages and other church-related projects, and on a limited basis to provide operating funds to such churches. CEIF is affiliated with the NAB in that CEIF is recognized as an affiliate of the NAB in the NAB’s by-laws. In addition, a director and member of CEIF is the executive director of the NAB. See “The Company - Relationship to North American Baptist Conference” and “Directors and Officers”.

The registered office of the Company is located at 1600, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1.

Continuous Reporting Obligations to Investors

The Company is not a reporting issuer under the Applicable Securities Legislation and will not become a reporting issuer pursuant to this Information Statement. As a result, the Company is not subject to the continuous disclosure requirements of the Applicable Securities Legislation, including the requirement to file its financial statements and publish and file reports on material changes in the Company’s business and operations. However, the Company will update this Information Statement annually and a copy of the most current version of the Company’s Information Statement in respect of its securities, which will contain the most current audited annual financial statements of CEIF, will be mailed to each holder (“Holder”) of previously issued and outstanding Securities (“Investment Obligations”) on completion of same. Additional information regarding CEIF may be obtained from its website, <http://www.ceif.org>. The website is not incorporated by reference in and does not form a part of this Information Statement.

Relationship to Church Extension Investors Fund, Inc.

Church Extension Investors Fund, Inc. (“CEIF, Inc.”) was incorporated on May 29, 1973 under the laws of the state of Illinois as a not-for-profit corporation without share capital. CEIF, Inc. was organized and is operated for the same purposes and has the same stated mission as the Company. No part of its net earnings may inure to the benefit of its members, officers or directors except as reasonable compensation

for services rendered. As a not-for-profit corporation incorporated under the laws of Illinois, CEIF, Inc. has no shareholders.

CEIF, Inc. is affiliated with the NAB in that one of its directors is the executive director of the NAB. In addition, the president of CEIF, Inc. is a member of the NAB General Council. See “The Company - Relationship to North American Baptist Conference”.

Relationship to North American Baptist Conference

The NAB had its beginnings in the middle of the 19th century with the establishment of a number of German Baptist Churches. The NAB currently has approximately 400 churches and approximately 65,000 members.

The work of the denomination is coordinated by the Triennial Conference which meets once every three (3) years to establish general policy and elect NAB officers and various committees for the following three (3) years. North American Baptists, Inc. was incorporated on October 17, 1947 under the laws of Illinois, as the operating corporation of the NAB.

The affairs of the NAB are overseen by its General Council, which meets annually and which is also the governing body for North American Baptists, Inc. The members of the General Council include, among others, the president of CEIF, Inc.

BUSINESS OF THE COMPANY

Lending Activities

CEIF has used the proceeds from previous offerings of securities and intends to utilize the proceeds from this Offering and from future offerings, together with its investment income, to make loans to local congregations, churches, administrative units and other autonomous corporations, primarily those affiliated or identified with the NAB (“**Church Organizations**”) for the purpose of acquiring, constructing or remodelling denominational churches, parsonages or other church-related projects primarily of the NAB or to refinance such loans, and on a limited basis to make loans of operating funds to Church Organizations. Pending the utilization of the funds, CEIF may hold such proceeds as cash or invest such proceeds in interest-bearing accounts and readily-marketable securities (collectively, “**Invested Funds**”). An investment committee, made up of board members and officers, oversees the investment of Invested Funds according to an investment policy established by the Board of Directors. Invested Funds may also be held to maintain certain liquid reserve funds for payout of Investment Obligations on withdrawal, maturation or revocation and pending utilization for loans to Church Organizations.

Loan Policies

Loans are normally only made to Church Organizations. Church Organizations are normally required to have been affiliated or identified with the NAB for at least two (2) years prior to receiving a loan. Church planting projects need to be recognized projects by the NAB before a loan will be made. Normally, the maximum limit of a loan will be the lesser of:

1. 80% of the value of the completed project, being the cost of land and improvements or proposed improvements; or
2. 100% of the borrower’s repayment potential, as determined by CEIF.

Amounts loaned, interest rates, availability of funds, payment schedules and other loan terms are determined at the time loan applications are approved by CEIF's Loan Processing Committee. No single loan to a Church Organization may exceed 25% of the total assets of CEIF at the time such loan is made.

Loans made by CEIF are generally secured by a first mortgage or deed of trust in favour of CEIF. Interest rates charged on the loan will be higher than:

1. the highest interest rate then offered on Securities; and
2. the average interest rate payable on Investment Obligations outstanding at the time of the loan.

Generally, loans are subject to a service charge intended to help defray the expenses incurred by CEIF in connection with the processing and administration of that loan. Loans are subject to acceleration in the event of default or in the event that the borrower's affiliation with the NAB terminates. In some instances, a prepayment penalty is charged.

Terms of the loans are such that required periodic principal and interest payments do not exceed a reasonable percentage of the borrowing organization's average income. In the case of churches, generally no more than 33.3% is considered a reasonable percentage.

CEIF may request that members of a borrowing church purchase Securities, the proceeds of which are utilized as investment support for all or a portion of the loan to that church. The amount a given church is requested to raise will vary from applicant to applicant, and depends upon the availability of CEIF funds at the time of the loan application.

As of the date hereof, CEIF makes loans with an average initial term of three (3) to five (5) years. Repayment of the principal is amortized over not more than 25 years. At maturity, CEIF examines the loan and normally extends it for an additional three (3) to (5) years until the full amount is repaid with interest.

CEIF's loan policies are determined by CEIF's Board of Directors and are subject to revision. Thus, no assurance may be given that the foregoing loan policies, amounts of loan funds available and interest rates offered will not change periodically.

Loan Processing

The Company's Board of Directors acts as the Loan Processing Committee. See "Directors and Officers". The Loan Processing Committee is responsible for the approval, revision or rejection of any loan.

CEIF receives requests for loans from Church Organizations at its principal office in Illinois. Loans are made only after investigation of the giving patterns of the congregation of the prospective borrower and the prospective borrower's resources, and after CEIF has established the borrower's commitment to the program, its potential for future growth and its overall ability to meet principal and interest payments when due.

CEIF generally makes personal contact with the leadership of a Church Organization prior to issuing any loan commitment in order to accumulate, evaluate and discuss pertinent information concerning the Church Organization, and to prepare a forecast of future financial activity in an effort to determine a prudent amount of indebtedness for the borrower and realistically evaluate the borrower's ability to repay. CEIF generally does not obtain independent appraisals as to the value of real property securing the loans

it makes unless otherwise determined by the Loan Processing Committee. See “Risk Factors – Lending Activities”.

No loan proceeds are disbursed by CEIF until the borrower furnishes all required documents, including but not limited to a certified copy of title showing CEIF’s mortgage or deed of trust; evidence of adequate insurance containing an endorsement showing CEIF’s security interest; and, in some cases, duly executed lien waivers.

Outstanding Loans

At December 31, 2008, CEIF had 23 loans outstanding having an aggregate principal balance of \$19,381,419 and an average principal balance per loan of approximately \$842,670. The interest rates on these loans ranged from 4.25% to 7.25% per annum, with a weighted average interest rate of 6.32% per annum. The following table summarizes these loans by outstanding balance:

<u>Loan Balance</u>	<u>Number of Loans</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
Less than \$100,000	5	\$260,559	1.34%
\$100,001 - \$500,000	8	\$1,791,044	9.24%
\$500,001 - \$1,000,000	2	\$1,469,506	7.59%
Greater than \$1,000,000	<u>8</u>	<u>\$15,860,310</u>	<u>81.83%</u>
Total	23	\$19,381,419	100.00%

Each of these loans is secured by church property which management estimates to have a market value equal to or in excess of the principal balance of such loan. The financial records of each such borrower indicate that its revenues are currently sufficient to make payments on its loan or loans in accordance with the loan terms. The largest total indebtedness from any single borrower at December 31, 2008 was \$3,631,113 representing 15.3% of CEIF’s total assets as of December 31, 2008.

At December 31, 2008, the Company had made approximately \$4,122,081 in loan commitments to fund construction in process or real estate mortgages.

Loan Delinquencies

Due to the nature of the relationship with its borrowers, CEIF has been willing to make accommodations with borrowers whose payments were not current or to refinance their outstanding obligations under appropriate circumstances. Therefore, the delinquency experience of CEIF cannot be compared to a commercial lender. See “Risk Factors – Lending Activities”. At December 31, 2008, CEIF had no delinquent or impaired loans. See “Financial Statements” note 2d.

Financing of Lending Activities and Payments on Investment Obligations

CEIF’s primary means of obtaining the funds necessary to conduct CEIF operations is through the receipt of proceeds from the sale of its Securities offered hereby. CEIF also generates funds from principal repayments and interest payments on its loans and investments.

Funds from Sales of Securities

CEIF's outstanding Investment Obligations were sold at par for cash and CEIF offered no financial terms for payment of same over time. Rates of interest on CEIF's outstanding Investment Obligations at December 31, 2008 ranged from 0% to 8.0% per annum.

The following tables summarize CEIF's total sales of securities in the financial year ended December 31, 2008:

New sales of securities	\$2,926,465
Reinvestments by existing Holders and automatic renewals of matured Investment Obligations	<u>\$5,945,092</u>
Total	\$8,871,557

Funds from Outstanding Loans

In addition to the sale of Securities, CEIF generates funds for operations through principal repayments on outstanding loans and interest paid on outstanding loans. At December 31, 2008, the weighted average interest rate earned by CEIF on all of its outstanding loans was 6.32%.

The following table summarizes CEIF's income from interest on loans, as well as principal repayments on outstanding loans, for the periods indicated.

<u>Source of Funds</u>	<u>2008</u>	<u>2007</u>
Interest on Loans (cash basis)	\$ 1,172,437	\$ 950,999
Principal Repayments	<u>1,124,510</u>	<u>510,097</u>
Total	\$ 2,296,947	\$ 1,461,096

Funds from Cash Reserves and Invested Funds

In order to fund interest payments on Investment Obligations and withdrawals, maturations and revocations of Investment Obligations, it is the policy of CEIF to maintain Invested Funds or available lines of credit in an amount equal to the greater of:

1. \$50,000; and
2. the sum of 5% of the aggregate principal balance of outstanding Foundation Bonds, Bonds and Charitable Gift Bonds.

CEIF generally allocates proceeds from sales of such Securities to Invested Funds upon receipt so as to maintain such reserves; however, at times such reserves will be provided through the use of available lines of credit. See "Use of Proceeds" and "Details of the Offering - Priority and Rights of Securities". Management of the Invested Funds is the responsibility of CEIF's investment committee, made up of board members and officers, which oversee the investment of Invested Funds according to an investment policy established by the Board of Directors.

For the fiscal years ended December 31, 2008 and 2007, interest and dividends on Invested Funds were \$279,640 and \$255,634, respectively. The reserves required at December 31, 2008 were met in the form

of amounts available from investments and a bank certificate of deposit. See “Details of the Offering - Priority and Rights of Securities”.

Comparison of Sources and Uses of Funds for Lending Activities and Investment Obligations

The following table summarizes the aggregate principal balances of outstanding Investment Obligations of CEIF at December 31, 2008 based on their maturities.

<u>Maturity</u>	<u>Aggregate Principal Balance</u>
Demand Investment Obligations	\$1,781,283
Investment Obligations maturing in one (1) year or less (other than demand)	\$7,798,750
Investment Obligations maturing in more than one (1) year ⁽¹⁾	<u>9,061,646</u>
Total	\$18,641,679

Note:

- (1) These Investment Obligations mature as follows: \$3,193,548 in 2010; \$2,465,842 in 2011; \$2,455,999 in 2012 and \$946,257 in 2013 and after.

It has been CEIF’s historical experience that only a portion of the principal balance on maturing Investment Obligations is redeemed by the Holder. Of the aggregate dollar amount of Investment Obligations reaching maturity in fiscal 2008, approximately 82% was renewed or reinvested.

The repayment of principal and interest on outstanding Investment Obligations is dependent upon the overall financial condition of CEIF, which is partially dependent upon the financial condition of the various Church Organizations whose loans are outstanding and the timely payment of principal and interest owing on such loans. The following table summarizes the estimated maturity schedule of CEIF’s outstanding loans at December 31, 2008.

<u>Year</u>	<u>Principal Owing at Maturity</u>
2009	\$3,728,289
2010	\$7,327,792
2011	\$7,512,626
2012 and later	<u>\$812,712</u>
Total	\$19,381,419

To the extent that CEIF is dependent upon funds other than operating income to repay principal and interest on outstanding Investment Obligations, and to the extent that Holders do not extend their investments or renew their investments in amounts as substantial as has been CEIF’s prior experience, there may be an effect on CEIF’s financial condition and it may be necessary for CEIF to liquidate certain of its investments or obtain funds from other sources, including sales of Securities and borrowings, to meet current cash needs. However, since its incorporation in 1977, CEIF has never defaulted on any

payment of principal or interest on any of its Investment Obligations. See “Risk Factors – Speculative Nature and Terms of the Securities”.

The following table summarizes the funds available to CEIF from operations and other sources prior to the deduction of interest expenses on Investment Obligations, as compared with Investment Obligation repayments for the periods indicated.

<u>Year</u>	<u>Funds from Operations⁽¹⁾⁽²⁾</u>	<u>Investment Obligation Payments</u>			<u>Funds/Total Payments (%)</u>
		<u>Repayments</u>	<u>Interest (cash basis)</u>	<u>Total</u>	
2008	\$2,469,616	\$2,824,813	\$945,562	\$3,770,375	66%
2007	\$1,586,318	\$3,227,662	\$840,053	\$4,067,715	39%

Notes:

- (1) These funds are comprised primarily of operating income, excluding interest expense on Investment Obligations plus loan principal repayments.
- (2) These funds do not include the sale of new Investment Obligations (\$2,926,465: 2008, \$3,517,144: 2007) which are also available for repayment of principal and interest payments on existing Investment Obligations.

USE OF PROCEEDS

The estimated net proceeds of the Offering, assuming the issuance of \$10,000,000 worth of Securities, will be \$9,970,000 after estimated expenses of the Offering of \$30,000. The Company intends to expend the estimated gross proceeds of the Offering as follows:

	<u>Use of Proceeds⁽¹⁾</u>
Loans	\$9,795,000
Invested Funds	175,000
Estimated Expenses of Offering	<u>30,000</u>
Total	\$10,000,000

Note:

- (1) Assumes the sale of \$10,000,000 worth of Securities under the Offering.

Pending application as set forth above, the net proceeds will be invested temporarily in short-term, high-quality interest-bearing investments.

The sale of the Securities hereunder is primarily related to CEIF’s need for loan funds, while maintaining its requirement of liquidity. See “Business of the Company - Lending Activities”. The principal amount of the loan advances not funded by the sale of Securities under the Offering will be funded by funds on hand.

A portion of the net proceeds will be added to CEIF's Invested Funds, which are maintained to fund interest payments on Investment Obligations and to provide a ready, liquid source for repayment of Investment Obligations in the event of withdrawal, revocation or maturation without renewal. See "Business of the Company - Financing of Lending Activities and Payments on Investment Obligations - Funds from Cash Reserves and Invested Funds". Indebtedness to be retired from Invested Funds has been used by the Company to fund loans to Church Organizations, as described above. CEIF does not presently require, nor does it anticipate that it will require, any proceeds of this Offering to meet interest payments on its Investment Obligations; however, no assurance can be given that some portion of the proceeds from future sales will not at some time in the future be required to meet such interest payments.

If additional funds should be required to accomplish the foregoing purposes, CEIF contemplates raising such additional funds by authorizing and selling additional Securities. If the net proceeds from the Offering and any such sales of additional Securities are less than the amounts set forth above, the shortfall will be met by drawing down on the Line of Credit (as hereinafter defined). See "Details of the Offering - Priority and Rights of Securities".

No underwriters are participating in the distribution of the Securities and no underwriting discounts or commissions will be paid in connection with the Offering. Sales of the Securities will be effected solely by certain officers of CEIF and CEIF employees working under the supervision of such officers, who will not receive any commission or other remuneration in respect of any sale. See "Plan of Distribution".

DETAILS OF THE OFFERING

The Company is offering Bonds, Foundation Bonds, Charitable Gift Bonds and Institutional Bonds under the Offering, subject to the qualifications and conditions described herein. The purchase price of each of these Securities is 100% of the face value. The following table outlines the maturity and minimum investment amount of each class of Debt Security.

<u>Type of Debt Security</u>	<u>Maturity</u>	<u>Minimum Investment</u>
Bonds	1 to 5 years	\$1,000
Foundation Bonds	Demand	\$100
Charitable Gift Bonds	1 to 6 years or upon death of owner (whichever is earlier)	\$1,000
Institutional Bonds	1 to 5 years (available to Church Organizations only)	\$100,000

Description of Debt Securities

The Debt Securities available for purchase and the specific terms of each class of Debt Security available as of the date hereof are set forth in the applicable Purchase Application and Agreement accompanying this Information Statement. **CEIF reserves the right to discontinue its offering of any particular type of Debt Security and change any terms of the Debt Securities offered at any time without notice to potential Investors, other than pursuant to the applicable Purchase Application and Agreement.**

The following is a description of the material attributes and characteristics of each class of Debt Security.

Bonds

Bonds are dated as of the date of issuance and are issued for various terms from one (1) to five (5) years. The minimum purchase amount for Bonds earning the basic interest rate is \$1,000.

Interest rates depend upon the amount invested and the prevailing rates at the time of purchase. Interest rates on Bonds do not vary over the term of the Bond except in the case of Building Fund Bonds. Bonds with a principal (face) amount of over \$100,000 will receive an interest rate increase of one-half of one percent (0.5%) above the rate that would otherwise apply and the Bond will be referred to as a “Jumbo Bond”. If the aggregate principal amount of all Investment Obligations other than Mortgage Units (hereinafter, “Debt Security Investment Obligations”) held by a Holder is over \$100,000, the interest rate on each Debt Security Investment Obligation (other than Jumbo Bonds) will be increased by one-quarter of one percent (0.25%) above the rate that would otherwise apply.

Investors may elect to have interest on Bonds paid out periodically or accrued annually, compounded and paid out at maturity. If the periodic payment option is elected, interest payments will be remitted to the Holder annually, semi-annually, quarterly (only for investments over \$5,000) or monthly (only for investments over \$50,000), as the Holder elects, with any remaining interest owing paid at maturity. No interest payments will be issued for interest amounts of less than \$25. Such interest amounts and interest accruing on Bonds for which the periodic payment option is not elected will be added to the principal amount of the Bond annually and will bear interest thereafter and be paid at maturity. Interest may be paid to the Holder by electronic transfer.

Investors may designate a Bond to be a “New Church Acceleration Bond” by completing the Purchase Application and Agreement for a “New Church Acceleration Investment”. The Investor agrees to donate to CEIF the interest earned on such Bonds, which will be allocated to a common pooled fund account to be used to reduce interest rates and payments on loans to new churches.

Bonds are automatically renewed at maturity without further action by CEIF or the Holder, unless the Holder, prior to or on maturity, demands payment and surrenders the Bond. If renewed automatically, the Bond will have the same maturity period and other provisions as the matured Bond, except that the interest rate will be the then-current interest rate for Bonds having that term. There is no limit on the number of times a Bond may be renewed automatically. CEIF will normally give written notice of maturity and automatic renewal to the Holder at least 30 days before maturity, along with a current Information Statement, unless the Holder has already received the then-current Information Statement.

CEIF sells “Building Fund Bonds” only to NAB churches. They are not available to individual investors or other NAB organizations. Building Fund Bonds mature after three (3) years and have a variable interest rate. This interest rate is the then-current interest rate on Bonds with a three (3) year term. An investing NAB church may fully or partially redeem the principal balance of a Building Fund Bond without penalty for purposes related to that NAB church’s buildings, including improvements to and maintenance of buildings, construction of a new building, or the purchase of a building or land.

Foundation Bonds

The minimum purchase amount for a Foundation Bond is \$100. Foundation Bonds pay higher interest rates for higher minimum balances. **CEIF reserves the right to change the rates of interest for the minimum balance levels at any time without notice to the Holder.** Such interest rate changes may also include modifying the number of interest rate tiers and the minimum balances associated with each.

Investors may elect to have interest on Foundation Bonds either paid out periodically or accrued monthly, compounded and paid out at redemption. If the periodic payment option is elected, interest payments will

be remitted to the Holder annually, semi-annually, quarterly (only for investments over \$5,000) or monthly (only for investments over \$50,000) as the Holder elects, with any remaining interest owing paid at redemption. No interest payments will be issued for interest amounts of less than \$25. Such interest amounts and interest accruing on Foundation Bonds for which the periodic payment option is not elected will be accumulated and credited to the account monthly and will bear interest thereafter and be paid at maturity. Interest may be paid to the Holder by electronic transfer.

Certain optional features of Foundation Bonds may be available, including electronic transfer, or other similar services. If available and selected by an Investor, certain costs for such optional services will be charged to the Foundation Bond in the form of fees and/or adjustments to interest payable on the account. If available, the terms and limitations of such options will be reflected in the Purchase Application and Agreement accompanying this Information Statement.

A Foundation Bond may be redeemed upon notice of demand being given to CEIF in writing or in another manner acceptable to CEIF. If funds are withdrawn from the Foundation Bond account without the Foundation Bond being redeemed, a fee of \$10 per withdrawal will be charged for the fourth and following withdrawal in any given calendar month.

Charitable Gift Bonds

The minimum purchase amount for Charitable Gift Bonds is \$1,000. Charitable Gift Bonds are issued for designated terms of one (1) to six (6) years. Joint ownership on Charitable Gift Bonds, if desired, is limited to the primary Investor's spouse. The other terms of the Charitable Gift Bonds are similar to those of Bonds, except as described below.

Upon issuance of the Charitable Gift Bond, the Investor is deemed, in the case of a Charitable Gift Bond with a six (6) year term, to make a revocable gift of the principal amount of the Charitable Gift Bond to CEIF for the benefit of CEIF upon the Investor's death. The interest rate on Charitable Gift Bonds with a six (6) year term will be at a premium of one-fifth of one percent (0.2%) to the interest rate on Charitable Gift Bonds with a five (5) year term.

In the case of a Charitable Gift Bond with a term of one (1) to five (5) years, the Investor is deemed to make a revocable gift of the principal to CEIF for the benefit upon the Investor's death of CEIF or a designated church or other institution affiliated with the NAB (a "**Qualified Organization**"). In the event that the designated beneficiary is no longer a Qualified Organization at the date of the Investor's death, the contingent beneficiary shall be CEIF or such other Qualified Organization as CEIF, in its sole discretion, shall designate.

If the Investor has elected for interest on the Charitable Gift Bond to be paid at maturity, the gift also includes unpaid accrued interest to the date of payment after death. If the Investor has elected for interest on the Charitable Gift Bond to be paid periodically, the gift does not include any unpaid accrued interest.

The Holder can revoke the gift at any time during the Holder's life. However, in the case of a six (6) year Charitable Gift Bond, if the Holder revokes the gift, the annual interest rate will be automatically reduced by the amount of the interest rate premium on such bonds over Charitable Gift Bonds with a five (5) year term, being one-fifth of one percent (0.2%), effective retroactively to the date of issuance and continuing until maturity or redemption. In such cases, if interest is being paid periodically, interest payments after revocation will be reduced as required until all interest overpayments have been recovered.

Any revocation of the gift must be in writing, must be signed and dated by the Holder, and must be received by CEIF in order to be effective. A revocation of the gift is not a redemption of the Charitable Gift Bond and will not affect the maturity date or automatic renewal features of the Charitable Gift Bond.

The revocation right is personal to the Holder, and may be exercised only during the Holder's lifetime; it is not transferable to or exercisable by the Holder's heirs or the legal representatives of the Holder's estate.

Acceleration of maturity of Charitable Gift Bonds by the Holder also revokes the gift of principal and accrued unpaid interest, and in the case of a six (6) year Charitable Gift Bond, the interest rate is reduced as indicated above. In addition, the regular 2% penalty applicable to acceleration of maturity of Bonds applies to Charitable Gift Bonds. See "Details of the Offering - Redemption of Debt Securities Prior to Maturity".

Institutional Bonds

Institutional Bonds are available to Church Organizations only and are not available to individuals. The terms of these Institutional Bonds are negotiated between the Company and the Church Organization and are dependent upon the amount of and nature of investment. A minimum investment of at least \$100,000 is required.

Institutional Bonds are issued for a term of one (1) to five (5) years. An Investor may redeem up to 20% of the original principal balance of an Institutional Bond annually without the normal 2% penalty for redemption prior to maturity.

Redemption of Debt Securities Prior to Maturity

There is generally no provision for the redemption of Bonds or Charitable Gift Bonds prior to maturity. The Holder of any Bond or Charitable Gift Bond may make written request that CEIF accelerate the maturity date of the Security held; however, CEIF is not obligated to honour such a request. **If interest rates rise, Investors do not have the right to redeem a Debt Security prior to its maturity for the purpose of purchasing higher-yielding obligations. Early redemption, if granted by CEIF, will result in a 2.0% penalty applied to the amount of the principal balance being redeemed.** In the past, CEIF has redeemed Bonds and Charitable Gift Bonds prior to maturity at the request of a Holder, subject to a penalty. No assurance can be given that CEIF will be willing or able to make early redemptions at the request of a Holder in the future.

CEIF reserves the right to repurchase or redeem and thereby terminate any or all Debt Security Investment Obligations on its own initiative at any time by refunding the principal plus unpaid accrued interest to the date of redemption to the Holder, provided at least 30 days notice is given the Holder in advance of the redemption date. In the case of repurchases or redemptions of less than all of a particular class of Debt Security Investment Obligation, the Debt Security Investment Obligations to be repurchased or redeemed will be selected by the Company by lot or in such other manner as the Company deems equitable. Such notice will be given by registered or certified mail, will specify the redemption date, and will advise the Holder that interest will stop accruing on the specified redemption date and that payment of principal and interest will be made when the certificate representing the Debt Security Investment Obligation, if any, is surrendered. No penalty will be levied when a Debt Security Investment Obligation is redeemed on CEIF's initiative.

Book Entry System for Debt Securities

CEIF implemented a book entry system for its Debt Securities in fiscal 2005. As a result, CEIF will no longer issue and deliver to Investors paper certificates evidencing Debt Securities. Rather, upon investment, Debt Securities will be registered in the name of Investors in the book entry system only and Investors will receive a confirmation and receipt of their investment. Thereafter, any additions or redemptions by an Investor with respect to the same account also will be entered in the book entry system

only and the Investor would receive further confirmation and a receipt of such transactions. In addition, an Investor will receive the normal periodic report of status applicable to the particular type of Debt Security purchased. Holders of outstanding Investment Obligations have the right, but not the requirement, to send in to CEIF their existing paper Debt Security certificates and convert their existing accounts to the new system.

Other Investment Options

In addition to investments in the Debt Securities, the Company has provided the opportunity to invest in the Group RSP and the Group RIF. The Company may also provide the opportunity to establish a charitable remainder trust (a “**Trust**”). Investors interested in such investments should contact CEIF for further information.

Group Plans

CEIF has registered the Group RSP and the Group RIF with Canada Revenue Agency under the *Income Tax Act* (Canada). A Canadian financial institution is the trustee of the Group RSP (the “**RSP Trustee**”) and the trustee of the Group RIF (the “**RIF Trustee**”) and is responsible for the administration of each of the Group Plans. Individuals may establish their own plan under one of the Group Plans by applying to become an annuitant in one of the Group Plans and making a contribution to such Group Plan. See “Tax Considerations”.

CEIF is the manager of each of the Group Plans. As manager, CEIF determines the investments to be made with the funds held in the Group Plans, among other things. Currently, all funds held in each of the Group Plans are invested in Mortgage Units in one (1) of the mortgages granted to CEIF (the “**Mortgage**”) by a Church Organization. Each Mortgage Unit represents one dollar (\$1.00) (Cdn.) of the outstanding principal amount owing under the Mortgage.

The Mortgage is the subject of a trust pursuant to which a trustee (the “**Mortgage Trustee**”) holds the Mortgage in trust for the RSP Trustee in trust for the Group RSP, the RIF Trustee in trust for the Group RIF, and CEIF, as their respective interests appear. The Mortgage is registered on the Church Organization’s property in the name of the Mortgage Trustee in trust for the Group RSP, the Group RIF and CEIF. The same Canadian financial institution that is the RSP Trustee and the RIF Trustee is also the Mortgage Trustee and is responsible for the administration of the Mortgage Trust. CEIF is also manager of the Mortgage Trust.

Interest is paid on Mortgage Units held by the Group Plans at a rate set annually by CEIF as manager of the Mortgage Trust. As of the date hereof, the interest rate paid is four and one-half percent (4.50%).

Charitable Remainder Trusts

CEIF may provide the opportunity for a person to establish a Trust. The person establishing a Trust (the “**Settlor**”) receives a charitable donation receipt for the net present value of the capital amount of the Trust at the time the Trust is established. The person receiving the income (the “**Income Beneficiary**”) receives the interest income from the Trust during his or her lifetime. Under the terms of the Trust, the Company would be appointed trustee to administer payment of all net income to the Income Beneficiary. The Company would be the Capital Beneficiary and would receive the remainder of the Trust on termination. Trust assets would consist of Debt Securities issued by CEIF.

Transferability of Securities

Securities issued under this Offering will not be transferable. The Securities issued under this Offering are not transferable and may not be sold. Therefore, Investors should view the purchase of any Security as an investment for the full term thereof. See “Risk Factors – No Transferability of the Securities”.

Priority and Rights of Securities

The Debt Securities will be unsubordinated debts of CEIF, with the result that in the event of liquidation or any distribution of assets upon bankruptcy, reorganization or similar proceedings, all Investment Obligations of CEIF then outstanding will have an equivalent claim to CEIF’s assets, except as otherwise described below. There is no limit on the aggregate amount of any class of Debt Securities that may be issued by CEIF. With respect to any Security, failure of CEIF to pay principal and interest when due will be an event of default by CEIF, but only as to that Security.

The Mortgage Trustee holds the Mortgage in trust for the Group Plans and CEIF as their respective interests appears. Other than the Mortgage Units, CEIF has never issued secured or subordinated Investment Obligations or other securities; however, no assurance can be given that CEIF will not at some future date issue other obligations which will have a higher claim to the assets of CEIF than the Securities (other than the Mortgage Units in respect of the Mortgage). See “Details of the Offering - Other Investment Options - Group Plans” and “Risk Factors – Speculative Nature and Terms of the Securities”.

CEIF may, from time to time, obtain a secured line of credit with a Canadian financial institution for liquidity purposes. As of December 31, 2008, CEIF has established such a line of credit in the maximum amount of \$250,000 (the “**Line of Credit**”). A General Security Agreement has been provided as collateral to secure this banking arrangement. As of the date hereof, there was no outstanding balance on this line. At December 31, 2008, CEIF also had a \$3,500,000 revolving line of credit with a bank. The line was secured by a pledge of investments held in the CEIF investment fund totalling at least \$4,200,000. As of the date hereof, there was no outstanding balance on this line. Any outstanding balances due under any line of credit, when they exist, would have priority over any Investment Obligations then existing, as to the specific property mortgaged or pledged to secure CEIF’s indebtedness. See “Risk Factors – Speculative Nature and Terms of the Securities”.

The purchase of CEIF’s Securities does not entitle a Holder to an equity interest in CEIF or the right to vote on corporate matters. No securities of the Company are entitled to receive dividends or the assets of the Company upon liquidation of the Company. See “The Company - Overview”.

PLAN OF DISTRIBUTION

The Company hereby offers the Securities, subject to approval of certain legal matters on the Company’s behalf by Burstall Winger LLP, Barristers and Solicitors, Calgary, Alberta.

The Securities are being offered under exemptions from the requirement to sell securities through a person or company registered under the Applicable Securities Legislation and the requirement to provide Investors with a prospectus, all under the Applicable Securities Legislation. By purchasing Securities hereunder the Investor acknowledges and agrees that:

- 1. the Company is not required to provide the Investor with a prospectus;**
- 2. the Investor will not have any of the civil remedies available under the Applicable Securities Legislation;**

3. **the Investor may not receive information that would otherwise be required to be provided to it under the Applicable Securities Legislation; and**
4. **the Company is relieved from certain obligations that would otherwise apply under the Applicable Securities Legislation.**

Solicitation for the sale of the Debt Securities will be accomplished through the distribution of advertising materials through NAB Churches, the making of presentations in these Churches, the publishing of advertisements in NAB publications, and the mailing of literature to persons thought to be interested in this Offering. Solicitation for the sale of Mortgage Units will be accomplished through direct contact with the RSP Trustee and the RIF Trustee. All sales will be made by CEIF's President or Vice-President and employees working under the supervision of such officers, out of CEIF's offices, 45 South Park Boulevard, Suite 203, Glen Ellyn, Illinois, 60137-6280; phone 1 (800) 543-2343.

To purchase a Debt Security, an Investor must complete and sign the applicable Purchase Application and Agreement accompanying this Information Statement and send it, together with a cheque, bank draft or money order, or authorization for electronic transfer of funds, for the amount of the purchase price in Canadian funds, to CEIF c/o Canadian Western Bank, 2810 – 32nd Avenue N.E., Calgary, Alberta, T1Y 5J4. Subscriptions are subject to acceptance, in whole or in part, by the Company, and the Company reserves the right to close the subscription books at any time.

In certain instances, Investors may have the option of authorizing periodic payment of the purchase price of Debt Securities from a bank or other similar account. If this option is available, it will be set forth in the Purchase Application and Agreement accompanying this Information Statement. The option of periodic electronic withdrawal, if available and exercised by an Investor, may be revoked at any time upon 15 days written notice to CEIF. At all times while such option is in effect, the Holder shall be furnished with the most current Information Statement in respect of the Debt Securities being purchased pursuant to such option.

The offering of the Securities by the Company hereunder will be open until 4:30 p.m. (Mountain time) on April 30, 2010, or until such earlier or later date as the Company issues an Information Statement superseding this Information Statement. The Offering is not subject to a maximum or a minimum aggregate subscription level so that funds received in respect of subscriptions accepted by the Company will be immediately available to the Company. It is expected that a confirmation and receipt of investment in Debt Securities will be available for delivery within 15 days of receipt and acceptance of any duly completed and signed Purchase Application and Agreement. No paper certificates evidencing Debt Securities will be issued. See "Details of the Offering - Book Entry System for Debt Securities".

The Securities offered under this Information Statement have not been and will not be registered under the *United States Securities Act of 1933*, as amended, and subject to certain exemptions, may not be offered or sold within the United States of America, and this Information Statement does not constitute an offer to sell or a solicitation of an offer to buy any such Securities within the United States of America.

TAX CONSIDERATIONS

To the knowledge of the Company, the Debt Securities offered hereunder are not qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans or deferred profit sharing plans. To the knowledge of the Company, the Mortgage Units offered hereunder are qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans and registered retirement income funds. **Investors are urged to contact their own tax advisers in respect of the tax consequences of an investment in the Securities.**

SHARE AND DEBT SECURITIES

The following table sets forth information regarding the share and debt securities of the Company as at the dates indicated:

<u>Designation of Security</u>	<u>Authorized</u>	<u>Outstanding as at December 31, 2008 (audited)</u>	<u>Outstanding as at December 31, 2008 after giving effect to this Offering⁽¹⁾ (unaudited)</u>
<i>Debt Securities</i> ⁽²⁾ Bonds ⁽³⁾	Unlimited	\$14,770,667	\$23,670,667
Foundation Bonds	Unlimited	\$1,781,283	\$2,081,283
Charitable Gift Bonds	Unlimited	\$964,665	\$1,264,665
Mortgage Units	Outstanding principal amount of Mortgage	\$1,125,064 ⁽⁴⁾	\$1,625,064 ⁽⁴⁾
<i>Share Securities</i> Common shares	\$20,000 (20,000 shares)	\$5.00 ⁽⁵⁾ (100 shares)	\$5.00 ⁽⁵⁾ (100 shares)

Notes:

- (1) Assumes the issuance of \$8,900,000 worth of Bonds, \$300,000 worth of Foundation Bonds, \$300,000 worth of Charitable Gift Bonds and \$500,000 worth of Mortgage Units pursuant to the Offering. Does not include Investment Obligations issued from January 1, 2009 to April 30, 2009.
- (2) See Note 11 to the financial statements included herein for the terms of each class.
- (3) Includes Bonds and Institutional Bonds. The Company had no Institutional Bonds outstanding as at December 31, 2008 and does not anticipate selling any Institutional Bonds pursuant to this Information Statement.
- (4) Includes only Mortgage Units held by the Group Plans.
- (5) Represents the aggregate price for which the outstanding common shares were issued.
- (6) The equity in net assets of the Company at December 31, 2008 was \$1,964,013.

DIRECTORS AND OFFICERS

Directors and Officers

Pursuant to the Articles of Association, the number of directors is set at six (6), as follows:

1. four (4) of the directors are elected by the members of the Company; and
2. two (2) of the directors are those two (2) individuals holding the following offices:
 - (a) the office of Executive Director of the NAB or the successor office to that office; and
 - (b) the office of Director of CEIF, Inc. or the successor office to that office.

The following table sets out the names, municipalities of residence, positions with the Company, and principal occupation of each of the directors and officers of the Company.

<u>Name and Municipality of Residence</u>	<u>Position or Office with the Company</u>	<u>Principal Occupation</u>
Rod Stein Oakville, Ontario	Chairman and Director	Retired from BMO Capital Markets
Les Collins Glen Ellyn, Illinois	President and Director	Director of CEIF, Ltd.
Wayne Jorstad Wetaskiwin, Alberta	Director	Baptist Minister
Robert McClelland Oakbrook Terrace, Illinois	Director	Executive Director of NAB
Dennis Gulley Leduc, Alberta	Director	Baptist Minister
John (Iain) Hunter Sherwood Park, Alberta	Director	Retired Chartered Accountant
Bob Glim St. Charles, Illinois	Vice-President and Secretary	Associate Director of Marketing of CEIF, Inc. and CEIF
Gregory J.A. Hartzler Wheaton, Illinois	Treasurer	Controller and Information Systems Manager of CEIF, Inc. and CEIF

Shareholdings of Directors and Officers

Pursuant to the Company's Articles of Association, certain directors of the Company and the Associate Director of Marketing of CEIF, Ltd. hold all of the outstanding common shares of the Company. As a result, the directors of the Company as a group hold a total of 66 2/3 common shares or 66 2/3% of the total issued and outstanding common shares of the Company, and the directors of the Company and the Associate Director of Marketing of CEIF, Ltd. as a group hold a total of 100 common shares or 100% of the total issued and outstanding common shares of the Company. See "Risk Factors – Control of the Company".

MATERIAL CONTRACTS

The Company has not entered into any material contracts in the two (2) years prior to the date hereof.

RISK FACTORS

Speculative Nature and Terms of the Securities

A purchase of the Securities offered by this Information Statement must be considered speculative, and is not a charitable donation for income tax purposes. There is no government or other insurance covering the Securities. A purchaser may lose all of his or her investment. Investors must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

The Debt Securities are unsecured obligations of CEIF. As a result, principal repayment and interest payments on the Debt Securities are dependent solely upon the financial condition of CEIF. No sinking fund or trust indenture has been or will be established to provide for repayment of the principal amount of the Debt Securities (other than Invested Funds), and no assets have been or will be pledged as security for repayment of principal. The Debt Securities will be of equal rank with all outstanding Debt Security Investment Obligations.

The Mortgage Trustee holds the Mortgage in trust for the Group Plans and CEIF as their interests appear. Other than the Mortgage Units, CEIF has never issued secured or subordinated Investment Obligations or other securities and does not now contemplate that any subsequent offering of its Securities or other securities will be secured obligations of CEIF senior to the Securities offered hereby. However, no assurance can be given that CEIF will not at some future date issue other obligations which will have a higher claim to the assets of CEIF than the Securities (other than the Mortgage Units in respect of the Mortgage). As of the date hereof CEIF has no secured debt outstanding, except for secured lines of credit. Any such lines of credit balances, when they exist, will have a higher priority over the Investment Obligations of CEIF as to the specific property pledged (other than the Mortgage Units in respect of the Mortgage). See “Details of the Offering - Priority and Rights of Securities”.

Interest rates may vary in the future. Each Investor should be aware that if interest rates rise, the Investor does not have the right to redeem a Debt Security prior to its maturity for the purpose of purchasing higher yielding obligations, and that there is generally no provision for early redemption. Further, early redemption of a Debt Security, if requested by an Investor and granted by CEIF, will result in a 2.0% penalty applied to the principal balance being redeemed. CEIF retains the right to redeem or repurchase any or all Investment Obligations at any time without the consent of the Holder, but only upon notice to the Holder. See “Details of the Offering - Redemption of Debt Securities Prior to Maturity”.

To the knowledge of the Company, the Debt Securities offered hereunder are not qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education saving plans or deferred profit sharing plans. Investors are urged to contact their own tax advisers in respect of the tax consequences of an investment in the Securities. See “Tax Considerations”.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may adversely affect the Company. A number of governments, including the United States and Canada have taken, and may continue to take, unusual measures to address current economic conditions. Such measures could include changes in government expenditures and tax rights, and changes in interest rates. Such measures may adversely affect the value of the Company’s Securities.

“No Transferability of the Securities

The Securities issued under this Offering will not be transferable, so an Investor may not sell them. Therefore, Investors should view the purchase of any Security as an investment for the full term thereof. See “Details of the Offering - Transferability of Securities”.

Business of the Company

CEIF is organized exclusively for religious purposes and not for profit. The Company’s continued viability depends in part on further financing, as well as on profits it generates internally. Purchasing the

Securities offered by this Information Statement will not guarantee the continuation of the Company's operations.

CEIF's loans are made primarily to Church Organizations affiliated with the NAB. The ability of such organizations to repay principal and interest on such loans when due will depend upon contributions they receive from their members and other participants. Both the number of members and other participants and the amount of contributions may fluctuate. Further, in view of the relationship of CEIF with its borrowers, CEIF may have different lending policies than commercial lenders and may be willing in certain instances to accommodate late payments. No assurance can be given, however, that CEIF will be able or willing to refinance, accommodate or restructure delinquent loans in the future. Significant increases in loan delinquencies or in the restructuring or accommodation of such delinquencies could impair the ability of CEIF to pay interest on its Investment Obligations when due and repay its Investment Obligations on maturity. In certain instances, Regional Associations of the NAB have been willing to give financial assistance to local churches whose loans are delinquent. See "Business of the Company - Lending Activities - Loan Delinquencies".

Mortgage loans to Church Organizations are generally secured by first mortgages in favour of CEIF. In many instances, as determined by the Loan Processing Committee, CEIF does not obtain independent appraisals in connection with the mortgaged properties. There is no assurance that the foreclosure sale value of the mortgaged properties will be adequate to fully repay any defaulted loan. If a default and foreclosure occur, there may be substantial periods of time during which CEIF will receive no payments on such mortgaged property. If this occurs with respect to a significant number of mortgage loans, it could impair CEIF's ability to pay interest on its Investment Obligations when due and repay its Investment Obligations on maturity. However, CEIF Ltd. has never had to foreclose on any property. See "Business of the Company - Lending Activities".

Financing Payments on Investment Obligations

CEIF attempts to substantially equate the maturity of recent sales of Securities to the maturity of loans made. However, some mortgage loans to be made (or advances to be made on loans previously approved) with proceeds from the sale of the Securities offered hereby may mature at a point after the Securities themselves have matured. While most Debt Securities are automatically renewable (see "Details of the Offering - Description of Debt Securities") and while CEIF intends to encourage such renewals, no assurance can be given that net withdrawals of Securities at maturity will not exceed net additions through new purchases of Securities. Of the aggregate dollar amount of Investment Obligations reaching maturity or otherwise redeemable in the financial year ended December 31, 2008, 82% was renewed or reinvested. If this renewal or reinvestment percentage were to decrease significantly in the future, it could adversely affect CEIF's ability to pay interest on its Investment Obligations when due and repay its Investment Obligations on maturity.

In fiscal 2008, the principal and interest payments received on CEIF's mortgage loans plus CEIF's increase in net assets were sufficient to meet interest and principal requirements on its Investment Obligations. In order to provide funds in the event that such amounts are not sufficient to meet interest and principal requirements on Investment Obligations, CEIF generally allocates a specified portion of the proceeds from the sale of certain Debt Securities to maintain liquid reserve funds (see "Use of Proceeds"). Historically CEIF has never failed to make any interest or principal payments on its Investment Obligations when due. However, no assurance can be given that withdrawals of Investment Obligations at maturity will not exceed new purchases of Securities by an amount beyond such Invested Fund resources. In such event, CEIF may have to draw on the Line of Credit, borrow from commercial sources or liquidate some or all of its assets, including its mortgage loan portfolio, in order to meet such obligations. No assurance can be given that net proceeds from such borrowing or liquidation would be adequate to fully meet all such obligations.

Management of the Company

The success of the business and plans of the Company will be largely dependent upon the management and key personnel of the Company. Loss of such management or personnel could have an adverse effect on the business operations and prospects of the Company in the short term. There is no keyperson insurance in place in respect of such management and personnel.

Control of the Company

Pursuant to the Articles of Association, all of the issued and outstanding common shares of the Company are held by certain directors of the Company and the Associate Director of Marketing of CEIF, Inc. See “Directors and Officers - Shareholdings of Directors and Officers”. As a result, these individuals will be able to solely influence all matters requiring shareholder approval, including the election of directors and significant corporate transactions.

Association with the NAB

While CEIF is separately incorporated, it is affiliated with the NAB. It is possible that claims could be made against CEIF with respect to matters involving NAB or its other affiliated entities.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company, but will be devoting such time as is required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in other properties or businesses on their own behalf or on behalf of others. See “Directors and Officers”.

Holukoff Chiarella

CHARTERED ACCOUNTANTS

Wayne H. Chiarella, B.A., C.A.
Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Sam Holukoff, C.A. (Retired 2005)

101 - 1180 Pembina Highway
Winnipeg, Manitoba R3T 2A4
Telephone (204) 452-6449
Fax (204) 452-3397

May 1, 2009

Church Extension Investors Fund Ltd.
1 South 210 Summit Avenue
Oakbrook Terrace, Illinois USA
60181-3994

Attention: Board of Directors

Dear Sirs:

Re: Church Extension Investors Fund Ltd. (the "Company") - Information Statement

We have read the Information Statement of the Company dated May 1, 2009 (the "Information Statement") relating to the issue and sale of Debt Securities of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the Information Statement of our report to the shareholders of the Company on the balance sheet of the Company as at December 31, 2008 and the statements of operations and net assets, and cash flows for the year ended December 31, 2008. Our report is dated March 20, 2009.

Yours truly,

HOLUKOFF CHIARELLA



Kevin Masse, CA

KM/gb

Holukoff Chiarella

CHARTERED ACCOUNTANTS

Wayne H. Chiarella, B.A., C.A.
Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Sam Holukoff, C.A. (Retired 2005)

101 - 1180 Pembina Highway
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Telephone (204) 452-6449
Fax (204) 452-3397

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Church Extension Investors Fund Ltd.
Oakbrook Terrace, Illinois

We have audited the balance sheet of Church Extension Investors Fund Ltd. as at December 31, 2008 and the statements of operations and net assets, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Church Extension Investors Fund Ltd. as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Holuboff Chiarella

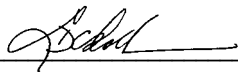
CHARTERED ACCOUNTANTS

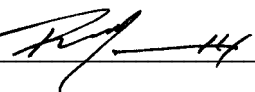
WINNIPEG, MANITOBA
March 20, 2009

CHURCH EXTENSION INVESTORS FUND LTD.
BALANCE SHEET
AS AT DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and cash equivalents, Note 3	\$ 146,703	65,773
Receivables	141,023	98,869
Due from Affiliate, Note 9		169,476
Investments, Note 4	4,216,775	5,325,779
Real estate mortgage loans, net of loan loss reserve, Note 5	<u>19,181,419</u>	<u>16,698,693</u>
	\$ <u>23,685,920</u>	<u>22,358,590</u>
<u>LIABILITIES</u>		
Revolving line of credit, Note 6	\$ 1,950,000	830,000
Payables, Note 7	224,606	224,449
Due to Affiliate, Note 9	200,617	
Deferred revenue, Note 8	705,000	650,000
Interest bearing obligations, Note 10	<u>18,641,679</u>	<u>18,313,690</u>
	<u>21,721,902</u>	<u>20,018,139</u>
<u>NET ASSETS</u>		
Share capital, Note 11	5	5
Net assets	<u>1,964,013</u>	<u>2,340,446</u>
	<u>1,964,018</u>	<u>2,340,451</u>
	\$ <u>23,685,920</u>	<u>22,358,590</u>

APPROVED BY THE BOARD:

 _____ DIRECTOR

 _____ DIRECTOR

CHURCH EXTENSION INVESTORS FUND LTD.
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
REVENUE		
Interest on mortgage loans	\$ 1,175,425	965,022
Income on investments, Note 4	279,945	255,634
Loan fees and early re-payment fees	26,280	17,770
Contributions	<u>20,431</u>	<u>40,339</u>
	<u>1,502,081</u>	<u>1,278,765</u>
EXPENSES		
Interest	946,638	877,900
Professional fees	19,639	20,199
Administration	<u>137,336</u>	<u>182,222</u>
	<u>1,103,613</u>	<u>1,080,321</u>
NET INCOME FROM OPERATIONS	398,468	198,444
NON-OPERATING REVENUE (EXPENSES)		
Grants distributed, Note 12	(21,760)	(29,700)
Grant from CEIF Inc., Note 9	366,840	425,000
Net investment losses, Note 4	<u>(1,119,981)</u>	<u>(531,242)</u>
INCREASE (DECREASE) IN NET ASSETS DURING YEAR	(376,433)	62,502
NET ASSETS, BEGINNING OF YEAR	<u>2,340,446</u>	<u>2,277,944</u>
NET ASSETS, END OF YEAR	\$ <u>1,964,013</u>	<u>2,340,446</u>

CHURCH EXTENSION INVESTORS FUND LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets during year	\$ (376,433)	62,502
Adjustments to reconcile change in net assets to net cash provided by operations		
- Unrealized losses on investments, Note 4	1,119,979	311,545
- realized losses in investments, Note 4	2	
Changes in:		
- Receivables	(42,154)	(29,940)
- Due from Affiliate	370,093	(250,442)
- Payables	<u>157</u>	<u>6,882</u>
	<u>1,071,644</u>	<u>100,547</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal payments received from real estate mortgages	1,124,510	510,097
Real estate mortgages disbursed	(3,607,236)	(4,277,871)
Purchases of investments		(1,524,384)
Proceeds from sales of investments		3,619,295
Investment cash transferred to cash	<u>(10,977)</u>	
	<u>(2,493,703)</u>	<u>(1,672,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest-bearing obligations issued	2,926,465	3,517,144
Interest added to interest-bearing obligations	226,337	429,507
Interest-bearing obligations repaid	(2,824,813)	(3,227,662)
Deferred revenue, Note 8	55,000	
Proceeds from bank line of credit	2,650,000	3,106,429
Principal payments on bank line of credit	<u>(1,530,000)</u>	<u>(2,276,429)</u>
	<u>1,502,989</u>	<u>1,548,989</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	80,930	(23,327)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>65,773</u>	<u>89,100</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>146,703</u>	<u>65,773</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid in cash, net of interest added to interest bearing obligations	\$ <u>720,301</u>	<u>418,500</u>
Interest-bearing obligations matured and reinvested	<u>5,945,092</u>	<u>5,993,426</u>
Interest received on mortgage loans	<u>1,172,437</u>	<u>950,999</u>
Interest received from investments	<u>127,983</u>	<u>69,605</u>
Dividends received from investments	<u>151,657</u>	<u>186,029</u>

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. NATURE AND PURPOSE OF ORGANIZATION

Church Extension Investors Fund Ltd. (CEIF Ltd.) was incorporated May 2, 1977 under the Companies Act (Alberta), as a not-for-profit company for the purpose of spreading the gospel of the Lord Jesus Christ by way of assisting in the financing of churches, chapels and missions.

CEIF Ltd. is affiliated with the North American Baptist Conference (NABC), an unincorporated Association of churches, located in Oakbrook Terrace, Illinois, and with Church Extension Investors Fund, Inc. (CEIF Inc.), an Illinois not-for-profit corporation which performs functions in the United States similar to those performed by CEIF Ltd. in Canada. The operating corporation of NABC in Canada is North American Baptists Inc. Canada (NABCA) and in the United States is North American Baptists, Inc. (NAB), both not-for-profit entities. CEIF Ltd., CEIF Inc. and NABC are not considered commonly controlled organizations as the majority of Directors on each respective organization's Board are not Directors of the other respective organizations and each organization's Board of Directors operates autonomously of the other. Accordingly, each organization reports its activities separately, as it does not meet the criteria for consolidation or financial statement disclosure. CEIF Inc. operated in the same offices as CEIF Ltd. and is reimbursed by CEIF Ltd. for management, accounting and administrative services as well as office related expenses.

CEIF Ltd. primarily provides loans to NABCA churches and other denominational entities for the acquisition, construction and remodelling of churches, parsonages and other church-related projects. Funds for loans are provided by issuance of investment bonds to individuals and organizations associated with the Conference.

The issuance of securities by CEIF Ltd. is exempt from registration and prospectus requirements of applicable securities laws in the jurisdictions in which it issues securities. Business is conducted in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. CEIF Ltd. maintains its registered Canadian office in Calgary, Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles, the more significant of which are as follows:

a) Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

The more significant estimates included in these financial statements are in respect of the determination of fair value of investments, the amount of loan loss provisions and the cost of the organization's overhead. CEIF Ltd. shares office space with CEIF Inc. and is allocated a share of costs in respect of management, accounting and administrative services (Note 9) as agreed upon by both organizations. These estimates are subject to measurement uncertainty and may differ from actual results.

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES, continued

b) Cash and Cash Equivalents

For purposes of the statements of cash flows, CEIF Ltd. considers all highly liquid debt instruments and certificates of deposit purchased with an original maturity of three months or less and investments in money market and short-term mutual funds to be cash equivalents. Certain items that meet the definition of cash equivalents but are intended for long-term use are included in investments. Uninvested cash held in the investment account and advances on the line of credit are not included in cash and cash equivalents.

c) Investments

All investments in marketable securities, including bonds, common stock, preferred shares and mutual funds are classified as available for sale and are recorded at fair market value. As these investments are traded publicly, fair market value is determined by reference to published stock market quotes at the year end. Changes in the fair market value of investments are reported in the statement of operations and net assets and included in the calculation of the change in net assets for the year. Unrealized holding gains and losses related to available for sale investments are excluded from income from operations and reported as non-operating revenue (expenses) on the statement of operations and net assets.

d) Real Estate Mortgage Loans and Allowance for Loan Losses

Mortgage loans are collateralized by church buildings and land. Mortgage loans are classified as held to maturity and are therefore stated at their principal amounts outstanding less allowances for loan losses. Loans are amortized over twenty-five years and interest rates are subject to review and renegotiation to current market rates every three or five years.

Management has recorded an allowance for loan losses that, in its judgement, is adequate to absorb potential loan losses. The amount is based on an analysis of the overall real estate mortgage loan portfolio and how it may be affected by general financial conditions affecting borrowers. Among the factors considered are the economy, direction of real estate values and their potential effect on security and trends in cash flow and payment history. This provision is not identifiable with any particular real estate mortgage loan or group thereof.

e) Interest Bearing Obligations

Interest bearing obligations are classified as held to maturity and are therefore stated at amortized cost.

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES, continued

f) Revenue Recognition

Interest on mortgage loans

Interest income is recorded on an accrual basis except that interest does not continue to accrue on impaired loans. Loans are determined to be impaired when there has been a failure by the mortgagor to perform all contractual terms as required for more than 90 days, and it is probable that CEIF Ltd. will be unable to collect all amounts due according to the contractual terms of the loan agreement. An exception may be made where management determines that the loan is well secured and in the process of collection, and the collection efforts are reasonably expected to result in either repayment of the loan or restoring it to current status. Subsequent payments received on an impaired loan are applied firstly to accrued interest and secondly as a reduction of the principal of the loan.

Investment income

Dividends and interest on investments are reported as income when earned. Realized gains and losses, and unrealized gains and losses occurring when adjusting investments to their fair market value, are included in net investment income.

Contributions and deferred revenue

CEIF follows the deferral method of accounting for contributions under which unrestricted contributions are reported in the year when received. Contributions received which are subject to externally imposed restrictions are reported as deferred revenue; when the restrictions are satisfied the deferred revenue is reported in income.

Loan fees

Loan fees are not considered to be an integral part of the return earned on the particular mortgage loans. These fees relate to the direct costs of issuing the loans and are recorded as other income in the statements of operations in the year received.

g) Income Taxes

CEIF Ltd. is registered as a charitable organization and is not subject to Federal or Provincial income taxes.

3. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of the following:

	<u>2008</u>	<u>2007</u>
Cash in bank	\$ <u>146,703</u>	<u>65,773</u>

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. CASH AND CASH EQUIVALENTS:, continued

Available reserves

Management has adopted an investment policy to ensure that a portion of its assets is kept in liquid form to provide for daily operating needs. The liquid portion of the organization's investment portfolio is calculated as the greater of \$50,000 or five percent of interest-bearing obligations. Based on the formula, liquid assets required to be available at December 31, 2008 amounted to approximately \$930,000 (2007: \$915,000). Liquid assets available to satisfy this guideline include cash and cash equivalents, investments, amount due from (to) affiliate and borrowing capacity available on its line of credit (Note 7). The amount required by the policy was satisfied by liquid assets on hand at December 31, 2008.

4. INVESTMENTS

In order to effectively manage cash surpluses that occur from time to time, management has engaged the services of an investment broker to assist with investing the surpluses to maximize investment return until such surpluses are required for approved mortgages.

Investments reported at fair market values consist of the following:

	<u>2008</u>	<u>2007</u>
Uninvested cash	\$ 8	387
Medium term notes and deposits (variable rate)	48,270	
Corporate bonds due beyond three years (4.95% - 7.50%)	2,031,113	2,199,709
Common and preferred shares	726,395	1,632,537
Mutual funds	<u>1,410,989</u>	<u>1,493,146</u>
	\$ <u>4,216,775</u>	<u>5,325,779</u>

The fair market value of investments of \$4,216,775 includes net investment losses for the year ended December 31, 2008 of \$(1,119,981) which consists of realized losses of \$(2) and unrealized losses of \$(1,119,979). Investment income earned on this portfolio of \$279,946 is included in total income from investments of \$279,946 as reported in the statement of operations and net assets.

5. REAL ESTATE MORTGAGE LOANS

Real estate mortgage notes are summarized as follows:

<u>Interest Rate</u>	<u>2008</u>	<u>2007</u>
4.25% - 6.25%	\$ 6,143,504	854,628
6.5% - 6.75%	7,843,610	13,759,231
7.00% - 7.25%	<u>5,394,305</u>	<u>2,284,834</u>
	19,381,419	16,898,693
Loan loss reserve	<u>(200,000)</u>	<u>(200,000)</u>
	\$ <u>19,181,419</u>	<u>16,698,693</u>

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

5. REAL ESTATE MORTGAGE LOANS, continued

There were no impaired loans at year-end.

Maturities of real estate mortgage loans as of December 31, 2008 are as follows:

2009	\$ 3,728,289
2010	7,327,792
2011	7,512,626
2012	<u>812,712</u>
	\$ <u>19,381,419</u>

Loan balance analysis stratified by amount outstanding and by province, are as follows:

<u>Loan Balance</u>	<u>Number of Loans</u>	<u>Amount Outstanding</u>	<u>Percent of Loan Portfolio</u>
Less than \$100,000	5	\$ 260,559	1.34%
\$100,001 - \$250,000	5	710,850	3.67%
\$250,001 - \$500,000	3	1,080,194	5.57%
\$500,001 - \$1,000,000	2	1,469,506	7.59%
Greater than \$1,000,000	<u>8</u>	<u>15,860,310</u>	<u>81.83%</u>
	<u>23</u>	\$ <u>19,381,419</u>	<u>100.00%</u>

<u>Province</u>	<u>Number of Loans</u>	<u>Amount Outstanding</u>	<u>Percent of Loan Portfolio</u>
Alberta	13	\$ 16,596,846	85.63%
British Columbia	5	1,954,470	10.09%
Ontario	3	800,334	4.13%
Saskatchewan	<u>2</u>	<u>29,769</u>	<u>.15%</u>
	<u>23</u>	\$ <u>19,381,419</u>	<u>100.00%</u>

Although CEIF Ltd. has a geographically diverse portfolio of loans, concentrations of credit risk exist with respect to individually significant loans which are defined as those exceeding five percent of the total loan balance. CEIF Ltd. had significant loans with seven churches (2007 - seven) totalling approximately \$15,860,000 in 2008 (2007 - \$13,210,000). In order to reduce its credit risk on one loan totalling approximately \$2,400,000, a guarantee to a maximum of \$1,450,000 has been provided by another NABCA organization.

Total mortgages of \$19,381,419 include one mortgage of \$2,251,936 (2007: \$2,314,000) which is pledged under a mortgage trust agreement (Note 10).

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

6. REVOLVING LINE OF CREDIT

At December 31, 2008 CEIF Ltd. had access to a \$250,000 bank overdraft facility with a bank, bearing interest at 1% over prime rate. A General Security Agreement has been provided as collateral to secure this banking arrangement. At December 31, 2008 and 2007, the bank overdraft balance was \$ NIL.

At December 31, 2008 CEIF Ltd. also had a \$3,500,000 committed revolving line of credit with a major Canadian bank, bearing interest at the bank's prime rate (3.5% at December 31, 2008). The line has no expiration date, but may be withdrawn at the bank's option. This line is secured by a pledge of investments held in the CEIF Ltd. investment fund with the bank totalling to at least \$4,200,000, and all account balances held by CEIF Ltd. at the bank. At December 31, 2008 the outstanding balance on the line was \$1,950,000 (2007 - \$830,000).

A priority agreement exists that administers the order of claim by the above noted banks.

7. PAYABLES

	<u>2008</u>	<u>2007</u>
Accrued interest on interest bearing obligations	\$ 221,606	220,531
Other payables	<u>3,000</u>	<u>3,918</u>
	\$ <u>224,606</u>	<u>224,449</u>

8. DEFERRED REVENUE

Under the terms of four irrevocable charitable remainder trusts, CEIF Ltd. has been appointed trustee to administer investment of the assets contributed to the trust and payment of all net income of the trusts to the income beneficiaries on a quarterly basis. CEIF Ltd. is also the capital beneficiary and will receive all of the assets of the trust on the death of the income beneficiaries.

Changes in the balance of deferred revenue are as follows:

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 650,000	650,000
Contributions received	<u>55,000</u>	<u> </u>
Balance at end of year	\$ <u>705,000</u>	<u>650,000</u>

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

9. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties are reported at their cost amount and have been undertaken on the same terms and conditions as would have occurred with non-related parties.

The following is a summary of the related party balances and transactions occurring during the year:

	<u>2008</u>	<u>2007</u>
Interest bearing obligations payable to NABCA having varying maturities up to 2012 bearing interest varying from 1.5% to 4.25%	\$ 1,248,784	1,164,583
Interest bearing obligations payable to North American Baptist Foundation (Canada) on demand to 2009 with interest from 1.5% to 4.5%	237,230	
Interest bearing obligations payable to CEIF Inc., payable upon demand and bearing interest at 1.5%	800,722	
Grant received from CEIF Inc. of \$300,000 USD (2007 - \$425,000 USD). The amount of grants provided are determined on an annual basis solely by the board of CEIF Inc. without any obligation to do so.	366,840	425,000
Due to (from) CEIF Inc., non-interest bearing without fixed payment terms.	200,617	(169,476)
Grant received from NAB through CEIF Inc. as its allocated share of the Side By Side program, included in total contributions		1,265
Management accounting and administrative services provided by CEIF Inc., at agreed upon share of costs included in Administration expense of \$180,000 USD (2007 - \$180,000 USD)	192,943	180,000

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

10. INTEREST BEARING OBLIGATIONS

The major source of funds used by CEIF Ltd. is funds received from the issuance and sale to investors of unsecured interest-bearing obligations. Proceeds from the issuance of interest-bearing obligations are principally used to extend first mortgage loans to churches and denominational entities at an interest rate higher than that being paid on the interest bearing obligations. Interest bearing obligations fall into the following four categories:

	<u>2008</u>		<u>2007</u>	
	<u>Weighted Average Rate</u>	<u>Amount</u>	<u>Weighted Average Rate</u>	<u>Amount</u>
Demand Agreements	2.51%	\$ 1,781,283	1.87%	\$ 1,039,580
Bonds	4.63%	14,770,667	4.70%	15,167,622
Mortgage Units	4.35%	1,125,064	4.74%	1,215,750
Revocable Charitable Gift Bonds	5.07%	<u>964,665</u>	5.94%	<u>890,738</u>
		\$ <u>18,641,679</u>		\$ <u>18,313,690</u>

Demand Agreements and Bonds

The Demand Agreements are payable on demand. Bonds mature in one to ten years and are automatically renewed at maturity unless the bondholder requests payout within a prescribed time period in advance of the maturity date. CEIF may repurchase or redeem the bonds on its own initiative at any time.

Mortgage Units

In 2002, CEIF created the Church Extension Investors Fund Ltd. Group Retirement Savings Plan ("RSP") and the Church Extension Investors Fund Ltd. Retirement Income Fund ("RIF"), to enable investors to invest in Interest Bearing Obligations of CEIF through their registered retirement savings plan or registered retirement income fund. The RSP and RIF are limited to investing in mortgages administered by CEIF. A Mortgage Declaration of Trust provides that a pledged mortgage be divided into mortgage units having a fair value of \$1 each. CEIF has pledged one specific mortgage having a carrying value at December 31, 2008 of approximately \$2,265,000 (2007: \$2,327,000) to secure the mortgage units issued. Each of these group plans allows investors to subscribe for mortgage units. At December 31, 2008 812,862 mortgage units (2007 - 916,048) had been issued out of a maximum of 1,900,000 (2007 - 1,900,000) units available. The interest rate payable on the mortgage units of 4.5% (2007 - 4.5%) is reviewed and set annually in February. An independent Trustee has been appointed to oversee the affairs of the Trust.

Revocable Charitable Gift Bonds

The Revocable Charitable Gift Bonds are automatically renewable at maturity. At any time prior to death or at bond maturity, the Gift bondholders may revoke the gift at their discretion. Upon death of a Gift bondholder, the Gift bonds become a charitable donation to CEIF Ltd. or are distributed to an NABC affiliated organization as designated by the bondholder.

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

10. INTEREST BEARING OBLIGATIONS, continued

Maturities of interest bearing obligations as of December 31, 2008 are as follows:

Demand	\$ 1,781,283
2009	7,798,750
2010	3,193,548
2011	2,465,842
2012	2,455,999
2013 and after	<u>946,257</u>
	\$ 18,641,679

Maturities above are based on the year in which the term bonds are scheduled to mature. The holder may make written request to accelerate the maturity date; however, CEIF Ltd. is not obligated to honour such a request. Early redemption, if granted, generally will result in a 2% penalty of the amount of the principal withdrawn.

Investors stratified by balance are as follows:

<u>Bond Balance</u>	<u>Number of Investors</u>	<u>Aggregate Balance</u>	<u>Percent of Bonds Outstanding</u>
Greater than \$500,000	13	\$ 6,887,924	37.0%
\$300,001 - \$500,000	3	1,104,405	4.2%
\$200,001 - \$300,000	14	2,563,246	15.3%
\$100,000 - \$200,000	34	4,082,822	22.0%
Less than \$100,000	<u>409</u>	<u>4,003,282</u>	<u>21.5%</u>
	<u>473</u>	\$ <u>18,641,679</u>	<u>100.0%</u>

Investor concentrations as stratified by province are as follows:

<u>Province</u>	<u>Number of Bonds</u>	<u>Aggregate Balance</u>	<u>Percent of Bonds Outstanding</u>
Alberta	259	\$ 10,554,885	56.5%
British Columbia	50	1,738,106	9.3%
Manitoba	38	917,556	4.9%
Ontario	61	2,299,048	12.4%
Saskatchewan	50	829,647	4.5%
Other (including NABCA, Note 9)	<u> </u>	<u>2,302,437</u>	<u>12.4%</u>
	<u>458</u>	\$ <u>18,641,679</u>	<u>100.0%</u>

CHURCH EXTENSION INVESTORS FUND LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

11. SHARE CAPITAL

Authorized
 20,000 Common shares without nominal or par value

	<u>No. of Shares Issued</u>			<u>2008</u>	<u>2007</u>
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
Common shares	100	100	\$	<u>5</u>	<u>5</u>

The Articles of Association provide for distributions and payments only for the furtherance of the objects of CEIF Ltd.; under no circumstances shall any part of the net earnings or other income of CEIF Ltd. be distributed to or inure to the benefit of any member or person having a private interest.

12. GRANTS DISTRIBUTED

	<u>2008</u>	<u>2007</u>
In support of NAB organizations	\$ <u>21,760</u>	<u>29,700</u>

13. FINANCIAL INSTRUMENTS

a.) Credit Risk

CEIF Ltd. does not have significant exposure to any individual customers or other parties other than as disclosed in notes 5 and 10 above. Loans are generally secured by a first mortgage or trust deed. Terms of the loans are such that required periodic principal and interest payments do not exceed a reasonable percentage of the borrowing organization's average income. CEIF Ltd. may request that members of a borrowing church purchase interest-bearing obligations, the proceeds of which are utilized as investment support for all or a portion of the loan to the church. Management's policy is to extend mortgage loans up to 80% of the value of the underlying property. This policy is evaluated and applied on a case by case basis.

b.) Fair Values of Financial Assets and Liabilities

All assets and liabilities included in the organization's balance sheet are financial assets or liabilities. Unless otherwise stated, it is management's opinion that the carrying value of these financial assets and liabilities approximate their fair values.

14. COMMITMENTS

In the normal course of business, CEIF Ltd. makes commitments to extend mortgages and mortgage backed lines of credit to meet the financing needs of NABC churches and denominational entities. At December 31, 2008 CEIF Ltd. had commitments to fund mortgage loans and lines of credit totalling approximately \$4,122,081.

CERTIFICATE OF THE COMPANY

Dated: May 1, 2009

This Information Statement contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

“Gregory J.A. Hartzler”

Gregory J.A. Hartzler, Treasurer

“Robert Glim Jr.”

Robert Glim Jr., Vice-President/Secretary

On behalf of the Board of Directors

“Robert McClelland”

Robert McClelland, Director

“Les Collins”

Les Collins, Director



CEIF LTD. PURCHASE APPLICATION AND AGREEMENT

Part I: Investor Information

Section A: Applicant/Joint Applicant.

In the case of joint ownership, unless Church Extension Investors Fund Ltd. ("CEIF Ltd." or "CEIF") is otherwise instructed, the bond will be registered as joint tenants with right of survivorship. CEIF reports interest to the Canada Revenue Agency using the primary owner's Social Insurance Number.

Primary Applicant's Name (First, M.I., Last or Name of Applying Institution)

Birth Date

Social Insurance Number*

Joint Applicant's Name (First, M.I., Last)

Birth Date

Social Insurance Number*

*Or applicable Business Number

Section B: Mailing Address and Telephone.

Provide the address to which you would like CEIF to send all correspondence.

Street Address/Rural Route/P.O. Box

City, Province, Postal Code

()

Daytime Phone

()

Fax (optional)

e-mail Address (optional)

Church Attending

Part II: Subscription Information

Section A: Type of Security. Check the box next to the type of Security you agree to purchase and write the amount you agree to invest. Please complete a separate Application and Agreement for each Security you purchase. See the Information Statement for specific descriptions of available Securities.

TERM BONDS \$ _____
Term (years): 5 4 3 2 1

REVOCABLE GIFT BOND \$ _____
Term (years): 6* 5 4 3 2 1

* A six-year term is available only if you select CEIF as beneficiary.

Name of Beneficiary Church or Organization

Address of Beneficiary

City, Province and Postal Code

CHURCH BUILDING FUND BOND \$ _____

FOUNDATION BOND \$ _____

- Electronic Funds Withdrawal.** By checking this box, you authorize us to withdraw \$ _____ on the ___ day of each month from the bank account you list in Part III(5) and add this amount to your Foundation Bond. **You must complete Part III(5) and enclose a voided check for your bank account.**

Section B: Payment Period. Indicate how often you want to receive interest payments on your Security. Mark only one box. All interest earned and not paid to you will be added to the principal amount of your Security monthly for Foundation Bonds and annually for all other Bonds.

- Let my interest accumulate** on my Security without paying me until I redeem it.
- Pay me interest annually**
- Pay me interest semi-annually**
- Pay me interest quarterly** (\$5,000 minimum investment)
- Pay me interest monthly** (\$50,000 minimum investment)
- New Church Acceleration Investment.** By checking this box, you donate to CEIF the interest earned on your Security to reduce the rates on loans to new churches or to assist a new church with loan payments during slow times in its congregation's giving cycle. CEIF will not pay directly to you any interest on your Security if you check this box.

Section C: Payment Method. Complete this Section C only if you have chosen to have interest paid to you annually, semi-annually, quarterly or monthly.

- By Cheque.** If you check this box, CEIF will send you a cheque at the end of each payment period you have selected.
- Electronic Funds Deposit.** By checking this box, you authorize CEIF to deposit your interest payments into the bank account you list in Part III(5) at the end of the payment period you selected. **You must complete Part III(5) and enclose a voided cheque from your bank account.**

Part III: Representations and Agreement

BY SIGNING BELOW, YOU REPRESENT AND AGREE TO THE FOLLOWING:

1. **Terms of Security.** You have received and read the CEIF Information Statement dated May 1, 2009 and the CEIF financial statements included in it. The terms of the Security for which you are applying are described in the Information Statement and this Purchase Application and Agreement. You understand and agree to these terms.

2. **Interest rates** are listed on the accompanying rate sheet, which is attached to and forms part of this Purchase Application and Agreement. The applicable interest rate depends on the type of investment (e.g., Bond or Foundation Agreement), the term of the investment (e.g., one (1) year or five (5) years) and the amount invested. The interest rates on the rate sheet are current as of the date on the rate sheet and are subject to change without notice to you.

3. **Liability of Joint Applicants.** The undersigned Applicant and Joint Applicant shall be jointly and severally liable under this Purchase Application and Agreement. CEIF is authorized to act upon the instructions and directions of either Applicant in all matters, including redemption requests by cheque or otherwise.

4. **Church Investment Obligations.** Your investment counts toward investment obligations of constituents of the following church with a building project financed by CEIF:

Name of Church

5. **EFT Authorization.** If you selected either "Electronic Funds Withdrawal" in Part II(A) or "Electronic Funds Deposit" in Part II(C), you are named on the bank account listed below and can authorize funds to be withdrawn from and deposited into it. **You authorize CEIF to initiate any correcting debit or credit to your account** that may be necessary to make the withdrawal or deposit you have selected in this Purchase Application and Agreement.

Account Number

Routing Number (from lower left hand corner of cheque)

Name of Financial Institution where you maintain the account

6. **Beneficiary Designation and Spousal Consent.** If you have selected a Charitable Gift Bond, you request that CEIF designate the church or organization listed in Part II(A) as beneficiary to receive the principal and any unpaid accrued interest on your Bond at your death. You may change or revoke this beneficiary designation at any time. The terms of this beneficiary designation, your Charitable Gift Bond and this Purchase Application and Agreement shall be binding on your heirs, beneficiaries and legal representatives. **In addition, you represent either (i) that you are unmarried, or (ii) that your spouse has signed either this Purchase Application and Agreement as an Applicant, or the following Spousal Consent:**

I am the spouse of the Primary Applicant or Joint Applicant identified in Part I(A) of this Purchase Application and Agreement. I give to my spouse any interest I have in the funds to be invested in the Bond applied for in this Purchase Application and Agreement and agree to my spouse naming a beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I shall have no claim against CEIF or the beneficiary identified in Part II(A) of this Purchase Application and Agreement for any payment made to the beneficiary.

Signature of spouse of Primary Applicant

Date

Signature of spouse of Joint Applicant

Date

Signatures. CEIF will not issue you a Security until you have completed Parts I and II and signed below.

Primary Applicant's Signature

Date

Joint Applicant's Signature

Date

This Purchase Application and Agreement requires you to provide certain personal information to CEIF. Such information is being collected by CEIF for the purposes of issuing Securities to you and providing reports to you regarding the Securities you purchase. Your personal information may be disclosed by CEIF to tax or other regulatory authorities, CEIF's bank or the trustee for certain Securities, and any other party involved in the foregoing, including legal counsel. By executing this Purchase Application and Agreement, you consent to the foregoing collection, use and disclosure of your personal information.

Please mail this Purchase Application and Agreement together with a cheque payable to "CEIF Ltd." for the amount you wish to invest to Canadian Western Bank, 2810 – 32nd Avenue N.E., Calgary, Alberta, T1Y 5J4.

For CEIF use only:

Accepted this ____ day of _____, 20 ____

CHURCH EXTENSION INVESTORS FUND LTD.

Per: _____

Name

Title

CEIF Ltd. CWB Deposit Account 10-6967657