

# CAPSTONE STEWARDSHIP EXTENSION FUND

Q4 Newsletter

DECEMBER 31, 2024

The Capstone Stewardship Extension Fund (CSEF) helps facilitate the work of Canadian Christian churches, charities, schools, and non-profit organizations by raising capital to provide mortgage financing. In partnership with Christian Stewardship Services (CSS) and the Christian Reformed Church Extension Fund Inc. (CRCEF), Capstone Asset Management is continuing a powerful legacy of Kingdom Impact Investing through mortgages for ministry.

As of December 31st, CSEF has a total asset value of \$98 million, and this value continues to grow as clients transition from CSS and CRCEF. While the distribution rate is not currently at the target yield, it is important to note that as a newly established fund, the legal and administrative costs are more impactful while the size of the Fund is smaller. However, as the Fund continues to grow over the coming year, we expect to reach some economies of scale on costs and thus see an increase in yield directed to investors. Between current interest rates and the projected growth of the Fund, the target yield for investors is expected to be 4%+ over the next year, with a fixed price of \$10 per trust unit.

CSEF provides mortgage funding for churches and other ministry centres with a vision for how to grow the Kingdom of God in their local communities. Churches often go through multiple build phases, as their needs and expectations change. The following is an example of a church mortgage that was acquired by the Capstone Stewardship Extension Fund this past year.

In 2006, ten families with roots in Southeastern Europe began a church with the goal of bridging the generations. They intended to move forward as a cohesive, yet multicultural community that would include the first immigrants, their children and grandchildren. After years of renting a building, the need for a more permanent space was evident by the growth they experienced. Plans were quickly put into motion, first to buy land near a growing residential development and major thoroughfare, and then to build. In 2019, the church celebrated the grand opening of Phase 1 (10,000 ft<sup>2</sup>), which included a sanctuary and classrooms.

Not long after the building was complete, the church sought to refinance several debts related to the original construction project of their current building.



With the consolidation of the debt at a reasonable interest rate and the repayment of loans to current members complete, the church was free to look forward to the future. The church had hopes of expanding their ministry in a way that served their youth and the broader community. With this vision, fundraising began again, and by 2022 sufficient funds were on hand.

Phase 2 of the project saw an additional 4887 ft<sup>2</sup> build, which included a gym—a much-anticipated addition to their space. Once again, a mortgage to provide funding to cover a portion of the venture was attained and this project is now finished. At present, these facilities are being actively used throughout the week.

*The congregation has expanded from the original founders to include younger generations and new members from different cultural backgrounds. The church's new challenge is that they require additional seating in the foyer and basement to accommodate their growth as a community. This begs the question – is it time for Phase 3?!*

