

January 2007



Investor News

**A NEWSLETTER FOR CHURCH EXTENSION FUND &
ABC DISTRICT INVESTMENTS LTD. INVESTORS**

Church Extension Fund – 1921 – 2006

From the first missionaries and congregations in Alberta and British Columbia, God grew a group of churches that formed the ABC District in 1921. ABC District CEF was formed at the same time and during the past 85 years and has seen growth and change and has also helped develop opportunities and strengths that have shaped our District.

Church Extension Fund, by God's blessing, has enhanced the Gospel outreach ministry of so many congregations in the ABC District. We thank



God for the vision and faith He has provided to our forefathers. We thank Him for the commitment and faithfulness of His people today as they continue to make resources available for the mission and ministry of our District and its congregations.

Today more than 5,000 people make CEF possible. With more than \$100 million in assets today, CEF is presently assisting over 60 congregations, schools and

entities throughout Alberta and British Columbia with loans to help expand the Kingdom.

Our goal is to anticipate and be responsive to the ministry needs of the future and to continue to provide service, resources, leadership and vision to meet those needs. We will continue to assist congregations to reach the lost, disciple the saved and care for people locally and globally as we identify new and creative ministry opportunities throughout the Alberta-British Columbia District.

Joint Newsletter – Separate Mailing

As in June, this is a joint newsletter for our CEF and ABC District Investments Ltd. investors. However, please note, the statements are not being mailed out together, because of the



addition of receipts and / or T4's for our

RRSP / RRIF investors and T5's for our CEF investors.

On page 4, please find an explanation of your CEF and ABC District Investments Ltd. statement.

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"The mission of Church Extension Fund is to provide opportunity for making funds and services available in support of the Great Commission through Lutheran Church-Canada, the Alberta-British Columbia District."

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It's RRSP Season...

RRSP "season" continues through close of business on March 1, 2007. An official receipt will be issued for any RRSP contributions received during the first 60 days of 2007 which may be filed with your 2006 tax return.

The annualized rate of return on RRSP and RRIF investments

during 2006 was 5.13%. Most importantly, with an RRSP or RRIF investment in ABC District Investments Ltd., you receive the added joy of knowing that your tax-deferred dollars are being put to work within our District congregations.

Finding it Difficult to Manage your RRSP Contribution?

Want to contribute to an RRSP but can't seem to fit it into your budget?

Tired of trying to come up with a large lump sum every February?

Worried that you're missing out on tax breaks today and retirement savings in the future?

Contact us about setting up a monthly electronic funds transfer (EFT) contribution today!



Total Invested in CEF and ABC District Investments Ltd.:
\$95 Million

Total currently loaned to congregations, schools and other entities:
\$71 million

Financial Update: Investments and Loans

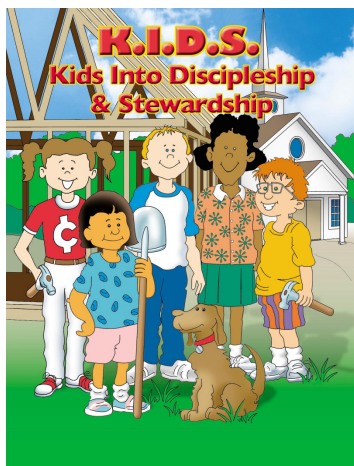
At the end of December 2006, loans (from CEF and ABC District Investments Ltd.) to congregations, schools and other LCC entities now total over \$71 million. Investments in CEF and ABC District Investments Ltd. were just over \$95 million on

December 31, 2006.

Three loans are currently been drawn on and two others have been approved, but haven't begun drawing. We are also in discussion with 10 congregations about their building / renovation

projects.

Additionally, we are looking at other ways that Church Extension can partner with our congregations and its members in the Alberta-British Columbia District.



K.I.D.S. Savings Stamp Program

In case you haven't heard, Tracky has retired and we have begun a new stamp savings program called K.I.D.S. — Kids Into Discipleship & Stewardship. If your congregation doesn't currently have this pro-

gram running for the children (& young-at-heart), please consider becoming a K.I.D.S. Coordinator.

Information about K.I.D.S. is available on the website — www.lccabc.ca or by contacting our office.

This program provides a fun and exciting way for children to learn about discipleship, stewardship and saving money, while helping at the same time to build God's Kingdom.

Under Construction...Your Investments at Work



Immanuel Lutheran Church in Tomahawk, AB contacted CEF about borrowing funds to replace their parsonage. Pastor Hennig and his family recently moved in to the new parsonage. The old parsonage has been sold and moved off the church site.

Church Extension is pleased to partner with St. John's Lutheran Church, Vegreville, AB as they strive for their goal of developing a barrier free access to their community meeting rooms.



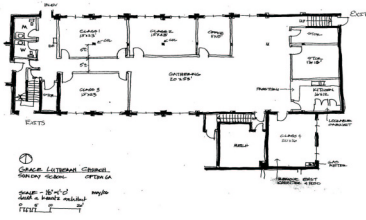
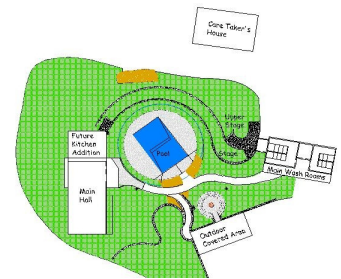
The congregation is also expanding their narthex for sanctuary overflow, putting a full basement under the addition, upgrading and making washrooms handicapped accessible and repairing the existing roof. The groundbreaking was held October 22, 2006.



Okanagan Camp & Retreat Centre representatives approached CEF to provide funds to help make improvements to the camp. Some of those upgrades are heated washrooms, hall and kitchen addition; playing field improvement; winterization of existing buildings and cabins; completion of the swimming pool installation and landscaping.



All of these improvements are being made so that camps for seniors, family, youth, and the physically and mentally challenged can be offered. Some of our Lutheran Churches and Lutheran Schools already take advantage of the camps offered. Information on the camp will be coming out this winter.



Grace Lutheran Church in Edmonton is just starting their renovation project on their basement. Church Extension is pleased to assist with the financing of this project.



The project is beginning with the removal of asbestos from their basement ceiling. Further work will be done to reconstruct their Sunday School area.

ABC District Website – Update



Financial Software Update

We continue to make improvements to the ABC District website—including the Church Extension and ABC District Investments Ltd pages. We encourage you to visit the site: www.lccabc.ca. (use name—'investor' and password 'jil'). Your feedback on what you would like included in these pages would be appreciated. Please send your comments / suggestions to jruf@lccabc.ca.

There has been a delay in implementing our new financial software system and therefore the CEF and ABC District Investments Ltd. statements are printed in the old format. We appreciate your patience as we work at implementing this new system in order to serve you better.

Your Church Extension / ABC District Investments Ltd. Statement



Explanation of your ABC District Investments Ltd. Statement:

The RRSP/RRIF statement is self-explanatory. If you made a contribution to your RRSP from March 2–December 31, 2006 a receipt is included. If you withdrew from your RRSP or RRIF a T4 is included. For further assistance or additional information, please do not hesitate to contact us either by phone, fax or email:

Toll Free: 1-888-474-0063 Fax: (780) 477-9829 Email: finances@lccabc.ca

Explanation of your Church Extension Fund Statement:

The enclosed statement shows the maturity date, the term in months, the interest rate for that investment, accrued interest and the actual value without the accrued interest as at the statement date. Your *account number* is thirteen digits comprised of the nine digit number located just below your name and address towards the middle of the page, plus the *INV #* (investment number) located along the left hand side of the page.

Interest is accrued monthly on all accounts. However, interest is compounded, or added to your investment at varying times, and at various rates, depending on the length and type of investment:

- Savings Account - interest is compounded on June 30 and December 31 of each year;
- 12 Months (1 Year) Term Deposit - the closing balance does not include interest earned as it is compounded only at maturity;
- 24 - 60 Months (2 - 5 Years) Term Deposit - interest is compounded on December 31 of each year and at maturity; and
- Bonds (investment # 50, 51, 52, 70, 71 or 72) - interest is paid in accordance with the "Bond Information Sheet" sent to you with your confirmation of investment.

Interest Paid in the Current Year reflects the amount of interest that has been compounded or added to your account.

Accrued Interest reflects the amount of interest that has been earned, but not added (compounded) to your investment as of the statement date.

Actual Value includes the principal plus compound interest added. This amount does not include the accrued interest.

If interest earned on your account(s) totaled \$50.00 or more, a T5 is enclosed for your income tax return.