



HERITAGE INVESTMENT SERVICES FUND

*Investing for a Higher Purpose
Matthew 16:18*

HERITAGE INVESTMENT SERVICES FUND, INC.

3 Kacey Court, Suite 101, Mechanicsburg, PA 17055, (717) 796-9784
or toll-free at 1-866-219-0820 www.hisfund.com

PROSPECTUS

\$100,000,000 UNSECURED PROMISSORY NOTES

<u>Type of Instrument</u> ⁽¹⁾⁽²⁾⁽³⁾	<u>Offering Price</u>	<u>Commissions and Underwriting Expense</u>
Demand (Plus 30 days)	100% of Principal	None
Term Notes ⁽⁴⁾	100% of Principal	None

⁽¹⁾ See "DESCRIPTION OF SECURITIES."

⁽²⁾ The Notes will be offered and sold to a limited class of persons. See "DESCRIPTION OF SECURITIES."

⁽³⁾ The interest rate on Term Notes will be the rate in effect at time of sale for the selected maturity; the interest rate on Demand Notes may vary. See "DESCRIPTION OF SECURITIES."

⁽⁴⁾ The Term Notes are offered in varying maturities. See "DESCRIPTION OF SECURITIES."

For current interest rates, please call HIS Fund at 1-866-219-0820 or visit HIS Fund's website, www.hisfund.com.

The securities described in this Prospectus will be sold without the payment of any commission, with all expenses of such offering being borne by Heritage Investment Services Fund, Inc. Net proceeds of the offering after estimated expenses of \$105,000 are anticipated to be \$99,895,000 if the full \$100,000,000 of securities would be sold.

THE SECURITIES DESCRIBED HEREIN ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES.

THE SECURITIES DESCRIBED HEREIN MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THIS PROSPECTUS HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THE FACT THAT THESE SECURITIES HAVE BEEN REGISTERED IN CERTAIN STATES, OR THAT THEY MAY BE EXEMPT FROM REGISTRATION IN OTHER STATES, DOES NOT MEAN THAT THE APPLICABLE ADMINISTRATOR OF THE STATE SECURITIES LAWS NOR THE SECURITIES AND EXCHANGE COMMISSION ("SEC") HAS PASSED IN ANY WAY UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH HEREIN, NOR THAT SUCH ADMINISTRATOR OR THE SEC HAS PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED, ENDORSED OR GIVEN APPROVAL TO, THE ISSUER, THE SECURITIES, OR THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES WILL BE OFFERED AND SOLD ONLY TO PERSONS WHO ARE, PRIOR TO OR AT THE TIME OF RECEIVING A PURCHASE APPLICATION, MEMBERS OF, CONTRIBUTORS TO OR PARTICIPANTS IN THE GENERAL COUNCIL OF THE ASSEMBLIES OF GOD, THE PENNSYLVANIA-

The date of this Prospectus is April 24, 2021 and is to be used by investors from April 24, 2021 through April 23, 2022.

DELAWARE DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, OR IN ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE GENERAL COUNCIL OR THE DISTRICT COUNCIL, OR IN OTHER CHURCH ORGANIZATIONS THAT HAVE A PROGRAMMATIC RELATIONSHIP WITH THE GENERAL COUNCIL OR THE DISTRICT COUNCIL, AND INDIVIDUAL RETIREMENT ACCOUNTS OF SUCH PERSONS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE SET FORTH IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN, AND INFORMATION OR REPRESENTATIONS NOT HEREIN CONTAINED, IF GIVEN OR MADE, MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION TO BUY ON BEHALF OF THE ISSUER IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED BY APPLICABLE LAW OR EXEMPT FROM REGISTRATION. NEITHER DELIVERY OF THIS PROSPECTUS NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS PROSPECTUS CONTAINS ESSENTIAL INFORMATION ABOUT THE ISSUER AND THE SECURITIES BEING OFFERED HEREBY. PROSPECTIVE INVESTORS ARE ADVISED TO READ THIS PROSPECTUS CAREFULLY PRIOR TO MAKING ANY DECISION TO PURCHASE THE SECURITIES OFFERED HEREBY. THIS OFFERING IS SUBJECT TO SIGNIFICANT RISKS. SEE PAGE 3 - "RISK FACTORS."

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND, THE SECURITIES INVESTOR PROTECTION CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE OBLIGATIONS OF HERITAGE INVESTMENT SERVICES FUND, INC. AND ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE PENNSYLVANIA-DELAWARE DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, THE ASSEMBLIES OF GOD, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE ASSEMBLIES OF GOD OTHER THAN HERITAGE INVESTMENT SERVICES FUND, INC.

THE SECURITIES DESCRIBED HEREIN ARE NOT NEGOTIABLE AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THESE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD WITHOUT THE WRITTEN APPROVAL OF THE ISSUER AND AS PERMITTED UNDER THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

STATE SPECIFIC INFORMATION:

CALIFORNIA RESIDENTS: THE OFFERING OF SECURITIES DESCRIBED HEREIN IS AUTHORIZED BY A PERMIT GRANTED BY THE DEPARTMENT OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA. THE DEPARTMENT DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES NOR HAS THE DEPARTMENT PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THE SECURITIES DESCRIBED IN THE PROSPECTUS OF HERITAGE INVESTMENT SERVICES FUND, INC.

AUTOMATIC INVESTMENT RENEWAL AT MATURITY AS DESCRIBED IN THIS PROSPECTUS IS NOT AVAILABLE IN CALIFORNIA. HIS FUND WILL NOTIFY EACH REGISTERED OWNER IN CALIFORNIA AT LEAST THIRTY (30) DAYS BEFORE HIS OR HER NOTE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY HIS FUND OF HIS OR HER INTENTION TO RENEW THE INVESTMENT. HIS FUND DOES NOT RENEW NOTES OWNED BY CALIFORNIA RESIDENTS UNTIL RECEIVING AN AFFIRMATIVE RESPONSE FROM THE HOLDER OF THE NOTE. UPON MATURITY, THE MONEY WILL BE HELD AS A CASH BALANCE AND WILL NOT EARN INTEREST UNTIL HIS FUND RECEIVES A REQUEST FOR REINVESTMENT OR WITHDRAWAL FROM THE DEPOSITOR.

ANY RENEWALS BY CALIFORNIA RESIDENTS WILL ONLY BE ACCEPTED BY HIS FUND IF AT THE TIME OF RENEWAL THERE IS A CURRENTLY EFFECTIVE QUALIFICATION IN CALIFORNIA (WHICH MAY OR MAY NOT BE GRANTED.)

FLORIDA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA.

IDAHO RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT.

INDIANA RESIDENTS: THE INDIANA SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

KENTUCKY RESIDENTS: THE DEBT SECURITIES OF HERITAGE INVESTMENT SERVICES FUND, INC. ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

LOUISIANA RESIDENTS: THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF ANY OF THESE SECURITIES.

MARYLAND RESIDENTS: ANY SECURITIES SOLD IN MARYLAND WILL BE SOLD PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MARYLAND SECURITIES ACT. THE DIVISION OF SECURITIES OF THE OFFICE OF THE ATTORNEY GENERAL OF MARYLAND HAS NOT REVIEWED THE INFORMATION IN THIS DOCUMENT NOR PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NEW YORK RESIDENTS: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE ISSUER'S MANAGEMENT HAS EXAMINED THIS PROSPECTUS AND BELIEVES THAT IT CONTAINS A FAIR SUMMARY OF THE DOCUMENTS REFERRED TO HEREIN, AND THAT THIS PROSPECTUS DOES NOT OMIT ANY MATERIAL FACT AND DOES NOT CONTAIN ANY MISSTATEMENT OF THE MATERIAL FACT.

OHIO RESIDENTS: THE COMMISSIONER OF SECURITIES OF THE STATE OF OHIO DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES.

PENNSYLVANIA RESIDENTS: A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES. THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES HAS NOT PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, NOR APPROVED OR DISAPPROVED THE OFFERING, NOR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE REGISTRATION STATEMENT AND THE EXHIBITS FILED THEREWITH ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, 17 NORTH SECOND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA 17101-2290, (717) 787-1854 OR 1-800-722-2657 (TOLL FREE IN PENNSYLVANIA), DURING REGULAR BUSINESS HOURS (MONDAY-FRIDAY, 8:30 A.M. TO 5 P.M.) OR FROM HERITAGE INVESTMENT SERVICES FUND, INC.

It is the position of the Pennsylvania Department of Banking and Securities that indemnification in connection with violations of the securities laws is against public policy and void.

EVERY PURCHASER OF THE SECURITIES DESCRIBED IN THIS PROSPECTUS HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE AS PROVIDED BY SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO A PROSPECTUS WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS) TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.

OF THE \$100,000,000 OF DEBT SECURITIES BEING OFFERED HEREBY, \$100,000,000 WILL BE OFFERED TO PENNSYLVANIA RESIDENTS.

SOUTH CAROLINA RESIDENTS: THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT OF 2005 IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 35-1-201(7) THEREOF AND RULE 13-202 PROMULGATED THEREUNDER. DEMAND NOTES AS DESCRIBED IN THE PROSPECTUS ARE NOT AVAILABLE IN SOUTH CAROLINA. IF YOU WERE A RESIDENT OF THE STATE OF SOUTH CAROLINA WHEN YOU PURCHASED A NOTE, YOU MAY DECLARE AN EVENT OF DEFAULT ON YOUR SECURITY ONLY IF ONE OF THE FOLLOWING OCCURS:

- WE DO NOT PAY OVERDUE PRINCIPAL AND INTEREST ON THE SECURITY WITHIN THIRTY (30) DAYS AFTER WE RECEIVE WRITTEN NOTICE FROM YOU THAT WE FAILED TO PAY THE PRINCIPAL OR INTEREST WHEN DUE; OR
- A SOUTH CAROLINA RESIDENT WHO OWNS A SECURITY OF THE SAME ISSUE AS YOUR SECURITY (i.e., THE SAME INITIAL TERM, INTEREST RATE AND PROSPECTUS UNDER WHICH THE SECURITY WAS OFFERED AND SOLD) HAS RIGHTFULLY DECLARED AN EVENT OF DEFAULT AS TO HIS OR HER SECURITY.

TO DECLARE AN EVENT OF DEFAULT, YOU MUST SUBMIT A WRITTEN DECLARATION TO US. THE RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT AS TO ANY ONE SECURITY OF AN ISSUE CONSTITUTES AN EVENT OF DEFAULT ON THE ENTIRE ISSUE IN SOUTH CAROLINA. UPON A RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT ON A SECURITY:

- THE PRINCIPAL AND INTEREST ON YOUR SECURITY BECOMES IMMEDIATELY DUE AND PAYABLE;
- IF YOU REQUEST IN WRITING, WE WILL SEND YOU A LIST OF NAMES AND ADDRESSES OF ALL INVESTORS IN THE STATE OF SOUTH CAROLINA WHO OWN A SECURITY OF THE SAME ISSUE AS YOUR SECURITY; AND
- THE OWNERS OF 25% OR MORE OF THE TOTAL PRINCIPAL AMOUNT OF SECURITIES OF THE SAME ISSUE OUTSTANDING IN THE STATE OF SOUTH CAROLINA CAN DECLARE THE ENTIRE ISSUE IN THE STATE OF SOUTH CAROLINA DUE AND PAYABLE.

VERMONT RESIDENTS: ANYTHING IN THIS PROSPECTUS TO THE CONTRARY NOTWITHSTANDING, VERMONT INVESTORS MAY NOT BE ENROLLED IN AN AUTOMATIC REINVESTMENT, RENEWAL, OR ROLLOVER PLAN UNLESS THE INVESTOR AFFIRMATIVELY AND IN WRITING “OPTS-IN” TO PARTICIPATE IN SUCH PLAN. HIS FUND WILL NOTIFY EACH VERMONT INVESTOR AT LEAST THIRTY (30) DAYS BEFORE THE INVESTOR’S NOTE MATURES, AT WHICH TIME THE INVESTOR WILL HAVE THE OPPORTUNITY TO NOTIFY HIS FUND OF HIS OR HER INTENTION TO REDEEM OR RENEW THE NOTE INVESTMENT OR OTHERWISE ENROLL IN AN AUTOMATIC REINVESTMENT OR RENEWAL PLAN. IF THE INVESTOR DOES NOT NOTIFY HIS FUND OF THE INVESTOR’S ELECTION TO EITHER REINVEST OR REDEEM THE REMAINING BALANCE OF THE NOTE UPON MATURITY, THE NOTE PROCEEDS WILL BE HELD AS A CASH BALANCE AND WILL NOT EARN INTEREST UNTIL HIS FUND RECEIVES A REQUEST FOR REINVESTMENT OR REDEMPTION FROM THE INVESTOR.

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APPENDICES

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FOR 2020 AND 2019:

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SUMMARY INFORMATION

The following is a brief summary of certain information contained elsewhere in this Prospectus. This summary is not intended to be complete and is qualified in its entirety by reference to more detailed information contained elsewhere in this Prospectus, including the Appendices hereto. **ALL PROSPECTIVE INVESTORS ARE URGED TO REVIEW THE ENTIRE PROSPECTUS, INCLUDING THE APPENDICES, CAREFULLY.**

Heritage Investment Services Fund, Inc.

Heritage Investment Services Fund, Inc. (“**Heritage Investment Services Fund**” or “**HIS Fund**”) is a Pennsylvania nonprofit corporation established by the Pennsylvania-Delaware District Council of the Assemblies of God (the “**District**” or “**District Council**”) on September 17, 2007, to be the successor to the assets, liabilities and operations of the church extension loan fund operated by the District Council since 1981. All of the assets, liabilities and operations of the loan fund previously operated by the District Council were transferred to HIS Fund effective July 1, 2008.

HIS Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and also qualified to receive tax deductible bequests, transfers or gifts. The mission of HIS Fund is to assist, further and support the religious work and ministries of the Assemblies of God throughout the territories served by the District Council and, to the extent approved by HIS Fund’s Board of Directors, outside the geographical boundaries of the District Council. HIS Fund’s principal activity is operating a church extension loan fund.

The principal office of HIS Fund is 3 Kacey Court, Suite 101, Mechanicsburg, Pennsylvania 17055. HIS Fund’s telephone number is (717) 796-9784 (or toll-free at 1-866-219-0820) and its website address is www.hisfund.com.

Pennsylvania-Delaware District Council of the Assemblies of God

The District Council is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania. The District Council is the corporate entity having jurisdiction over affiliated churches of the Assemblies of God in Pennsylvania and Delaware. The District Council is exempt from federal income tax pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The principal office of the District Council is 4651 Westport Drive, Mechanicsburg, Pennsylvania 17055, and its telephone number is (717) 795-5921. The District Council and HIS Fund are separate legal entities and the District Council has no direct or indirect liability for the Notes offered and sold by HIS Fund.

Management of HIS Fund

Heritage Investment Services Fund is managed under the direction of its Board of Directors, comprised of between 3 and 9 members. The Superintendent and Secretary-Treasurer of the District Council are ex officio voting members of the HIS Fund Board. Persons to fill vacancies on the HIS Fund Board will be elected by the then current HIS Fund directors.

Description of Securities

The debt securities offered hereby are unsecured promissory notes (the “**Notes**”) in the aggregate principal amount of \$100,000,000. Notes will be issued by Heritage Investment Services Fund. Notes are issued as either demand notes, payable upon demand with 30 days prior written notice (“**Demand Notes**”), or notes with various fixed maturities established from time to time by HIS Fund (“**Term Notes**”). The minimum investment amount of all Notes is \$500, except for jumbo five year Term Notes (“**Jumbo Notes**”), which have a minimum investment amount of \$100,000. **Investors do not have any rights of early withdrawal.** Restrictions on withdrawal and transfer apply. Demand Notes pay interest at a variable interest rate, which is subject to change from time to time. At least thirty (30) days prior to any decrease in the interest rate of a Demand Note, the holders of Demand Notes will be notified of such change. Currently, no notice is provided to investors if the interest rate payable on Demand Notes increases other than a posting of the increased interest rate on HIS Fund’s website. Term Notes pay interest at a rate fixed at the time of issuance. Notes are redeemable at any time in the discretion of HIS Fund. If not redeemed, Notes (other than Demand Notes) automatically renew upon maturity for an equal number of months as the original maturity, at the interest rate then being offered for Term Notes of like maturity, unless, prior to the maturity date, the holder of a Note notifies HIS Fund in writing that such renewal is not desired or the holder reinvests (rolls over) into a Note with a different maturity. HIS Fund may establish, from time to time, higher rates of interest that would apply to Term Notes with higher initial investment amounts or as an incentive to new investors. The Notes are issued in book entry form. Upon issuance of a Note, HIS Fund will send the investor written confirmation of issuance, but a physical note will not be issued. See “DESCRIPTION OF SECURITIES.”

For current interest rates, please call HIS Fund at 1-866-219-0820 or visit HIS Fund’s website, www.hisfund.com.

Financial Information

For selected financial information of HIS Fund and a five-year summary of financial information of HIS Fund, please see pages 11 and 12, respectively, of this Prospectus. Audited financial statements of HIS Fund, including the notes thereto, are included as Appendix A to this Prospectus.

Use of Proceeds

Notes	\$100,000,000
Estimated Expenses	\$105,000
Net Proceeds	\$99,895,000

It is estimated that HIS Fund will incur aggregate accounting, legal, printing and other costs in connection with this offering of approximately \$105,000 with all expenses being borne by HIS Fund. The net proceeds from the sale of the Notes offered hereby will be used to carry on the activities of Heritage Investment Services Fund, principally loan fund operations. See “USE OF PROCEEDS.”

RISK FACTORS

The debt securities offered hereby involve risks to investors. The following factors should be considered by prospective investors before making a commitment to purchase any of the securities offered hereby:

1. **The Notes are not secured.** The Notes to be issued are unsecured debt obligations of HIS Fund. Repayment of principal and interest on the Notes issued by HIS Fund will be entirely dependent on the financial condition of HIS Fund. No assets of HIS Fund have been or will be pledged as security for repayment of principal on the Notes. The securities offered hereby will be of equal rank with all other previously outstanding and future unsecured debt obligations and liabilities of HIS Fund. So long as any of the securities issued or assumed by HIS Fund remain outstanding, the amount of any senior secured obligations of HIS Fund shall in no event exceed ten percent (10%) of the tangible assets of HIS Fund. See “DESCRIPTION OF SECURITIES.”

2. **The Notes are not insured.** The Notes are the unsecured obligations of HIS Fund and monies invested are not insured against loss. The Notes are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), any state insurance fund or any other governmental agency.

3. **The assets of HIS Fund related to loan fund activities are not protected from the debts of HIS Fund.** The assets of HIS Fund, including any assets related to loan fund activities, would be available, if necessary, to meet the obligations of HIS Fund arising from any source, including any that may be unrelated to loan fund operations.

4. **There is no sinking fund or trust indenture to protect investors.** No sinking fund or trust indenture will be established by HIS Fund in connection with the offering of the Notes and the absence thereof may adversely affect its ability to repay the Notes. Although cash or cash equivalents and liquid assets are maintained to serve as a source of funds to make repayments to investors, such reserves are less than the total amount of outstanding Notes. If a large number of investors requested to withdraw funds at any one time, HIS Fund could experience a cash flow shortage. Reserves are neither a sinking fund nor a segregated fund pledged to protect investors. See “DESCRIPTION OF SECURITIES - Liquidity Reserves.”

5. **The Notes are not guaranteed by the District Council.** HIS Fund is a separate legal entity from the District Council and is not owned by the District Council. The District Council has no direct or indirect liability for, nor does it guarantee, the Notes offered and sold by HIS Fund or any other liabilities of HIS Fund.

6. **The Coronavirus (COVID-19) pandemic may adversely affect our business activities, financial condition and/or operations.** On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a pandemic. Many Assemblies of God organizations and affiliated organizations, which are HIS Fund’s primary borrowing entities, have been forced to temporarily cancel or limit in-person gatherings to stop the spread of the virus. Additionally, the COVID-19 pandemic and the corresponding warnings, guidance, and mandates issued by governmental authorities have resulted in financial market volatility, economic disruption, increased unemployment, shuttered businesses, and low interest rates, all of which could adversely affect HIS

Fund. As a result of the ongoing COVID-19 pandemic, HIS Fund's borrowers may experience declines in charitable contributions thereby impairing their ability to repay their loans, which may increase loan delinquencies, impairments or losses or result in HIS Fund's borrowers increasing requests for loan deferrals, modifications or other borrower accommodations; demand for our securities could be negatively affected; holders of our securities could request early redemption or decline to renew their securities at maturity; or HIS Fund's liquidity or access to available capital could decrease. The occurrence of any of the foregoing could have an adverse impact on HIS Fund's business activities, financial condition and/or operations in 2021, which could negatively affect our ability to repay the securities. We cannot reasonably estimate the length or severity of the COVID-19 pandemic and also cannot estimate with any certainty the effect COVID-19 will have on our ongoing business activities, financial condition, and/or operations. See "Response to COVID-19 Pandemic" on page 30 for more information regarding HIS Fund's response to the COVID-19 pandemic and the impacts of the virus on HIS Fund's operations.

7. **Managers are not professionally trained investment managers.** HIS Fund is managed by members of the HIS Fund Board of Directors who are not trained professionally and who have little, if any, experience in fund management other than the ongoing operations of HIS Fund and prior operation of the predecessor loan fund for the District Council. See "MANAGEMENT".

8. **The financial condition of HIS Fund is the only protection for investors.** There is no guarantee that HIS Fund will not experience declines in net assets in current or future years. HIS Fund last experienced a decline in net assets in 2011. See "FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS" and "USE OF PROCEEDS."

9. **The investment assets of HIS Fund may decrease.** Available funds that are not used for loans or other expenses of HIS Fund may be invested in investments that are subject to fluctuation in market value. A decrease in market value of these investments would reduce the assets that are available to repay investors. HIS Fund incurred net security gains (losses) of \$131,742, \$711,444, \$(281,030), and \$163,479 for 2020, 2019, 2018, and 2017, respectively. There is no assurance that future decreases in the value of the investments will not occur.

10. **HIS Fund may invest a significant portion of the proceeds generated through the annual offer and sale of debt securities in unsecured debt and other obligations of affiliates.** HIS Fund may invest a significant portion of the proceeds generated through the annual offer and sale of debt securities in unsecured debt and other obligations or equity of other Assemblies of God related organizations and in other unsecured investment vehicles making or investing directly or indirectly in loans to faith-based ministries and churches. There is no public market for these unsecured investments. As of December 31, 2020 and December 31, 2019, the aggregate amount of such unsecured investments totaled \$1,843,537 and \$1,888,391, respectively, representing approximately .7% and .8%, respectively, of HIS Fund's total assets as of such date. Any losses on such investments negatively affect HIS Fund's total assets and such losses could adversely affect the ability of HIS Fund to pay interest on Notes and/or to honor withdrawals. See "USE OF PROCEEDS – Investments" and Note 2 to the Financial Statements included as Appendix A to this Prospectus.

11. **Variable interest rate on Demand Notes subject to change.** The rate of interest to be paid on Demand Notes is subject to decrease, from time to time, in the discretion of HIS Fund at the beginning of a calendar month. At least thirty (30) days prior to any decrease in the interest rate of a

Demand Note, HIS Fund will notify the holder of such change. See “DESCRIPTION OF SECURITIES.”

12. **A significant percentage of the outstanding Notes are either payable on demand or mature in 2021.** As of December 31, 2020, \$98,352,067 of the \$234,901,475 outstanding Notes were either payable on demand (\$28,495,261) or scheduled to mature in 2021 (\$69,856,806). See “DESCRIPTION OF SECURITIES – Outstanding Debt Obligations.”

13. **There is no right to early withdrawal and an interest penalty, a request processing fee and other withdrawal conditions may be imposed on early withdrawal.** The holder of a Term Note does not have the right to have a Term Note redeemed prior to maturity of the Note. **HIS Fund may, in its discretion, refuse to permit any or all early withdrawals.** The holder of a Demand Note does not have the right to have a Demand Note redeemed prior to expiration of 30 days after written notice of a request for redemption by the holder is received by HIS Fund. If HIS Fund permits early withdrawal, HIS Fund, in its discretion, may impose an interest penalty, and a request processing fee not to exceed \$15.00, on voluntary redemptions prior to maturity of Term Notes or, in the case of Demand Notes, prior to expiration of the 30-day prior notice period; provided that if HIS Fund permits early withdrawal as a result of the death of a Note holder, no interest penalty or request processing fee will be imposed on such early withdrawal. If HIS Fund permits early withdrawals, HIS Fund reserves the right to require advance notice and other conditions to early withdrawal at its discretion, including, but not limited to, in the case of permitted early withdrawal of Jumbo Notes at the request of the holder, if such early withdrawal lowers the investment balance of a Jumbo Note below the \$100,000 minimum investment amount, HIS Fund may require, as a condition of permitting an early withdrawal, that the entire balance of the Jumbo Note be redeemed and reinvested in another Note with a lower minimum investment amount. Interest is not compounded on a quarterly basis unless interest remains on deposit. See “DESCRIPTION OF SECURITIES - General” and “- Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption.”

IN ORDER TO PROTECT THE INTEREST OF ALL INVESTORS, HIS FUND RESERVES THE RIGHT TO SUSPEND REDEMPTIONS OR POSTPONE THE DATE OF REPAYMENT FOR ANY PERIOD, NOT TO EXCEED THIRTY (30) DAYS, DURING WHICH AN EMERGENCY EXISTS AS DETERMINED BY HIS FUND, EITHER BECAUSE OF EXCESSIVE REDEMPTIONS OR OTHERWISE.

14. **Term Notes are subject to automatic renewal upon maturity unless redeemed by HIS Fund.** Automatic renewal will be at the then current rate of interest, for another term equal to the initial term unless the Noteholder notifies HIS Fund prior to the maturity date not to renew the Note.

15. **There is no market for the Notes.** There is no market for the Notes and no expectation that one will develop.

16. **There are restrictions on transfer of the Notes.** Notes may not be transferred or assigned without the consent of HIS Fund. See “DESCRIPTION OF SECURITIES - Limitations on Withdrawal and Transfer; Penalty and Fee on Voluntary Redemption.”

17. **Securities are redeemable.** Any or all of the Notes may be redeemed by HIS Fund at any time, including prior to stated maturity of Term Notes or at maturity, and from time to time, by paying the unpaid principal and accrued interest through the date of redemption of the Note or Notes redeemed. See “DESCRIPTION OF SECURITIES - General.”

18. **Interest on the Notes is taxable income.** Interest paid or payable on the Notes will normally be taxable as ordinary income to the holder regardless of whether interest is paid or allowed to accumulate, unless the holder is a tax-exempt organization. If interest paid is below the market interest, the Internal Revenue Service may impute income up to the market interest level. See “DESCRIPTION OF SECURITIES - Tax Considerations.”

19. **Purchase of Notes does not entitle an investor to claim a charitable deduction.** The purchase of a Note is not a charitable contribution to HIS Fund and investors may not claim a charitable deduction for federal income tax purposes as a result of purchasing Notes. See “DESCRIPTION OF SECURITIES – Tax Considerations.”

20. **A default on loans could decrease income needed to pay the Notes.** Not all loans made to borrowers have been or will be secured by mortgages or other collateral. Even if a loan is secured, there is no assurance that, in the event of default by a borrower, the foreclosure value of the mortgaged property will be adequate to fully cover the indebtedness on the loans, especially in light of the limited market for buildings constructed for church use. If a default occurs, there may be substantial periods during which payments of interest on the mortgaged property would not be made. This could adversely affect the ability to pay interest on the Notes and/or to honor withdrawals. See “LENDING ACTIVITIES.”

21. **Churches and church-related organizations that borrow are dependent on contributions.** The ability of a church or a church-related entity to repay principal and interest on a loan when due depends upon contributions it receives from its members and others. Both the number of members of a church borrower and the amount of voluntary contributions received by the church borrower may fluctuate. A decline in contributions to a church or church-related entity that has borrowed may adversely affect the ability of the borrower to repay its loan. This, in turn, could adversely affect HIS Fund’s ability to repay the Notes.

22. **HIS Fund’s loan policies may be more lenient than those of commercial lenders.** Because of the relationship between HIS Fund and its borrowers, HIS Fund may be more willing to consider accommodations when payments fall behind or to consider refinancing loans than commercial lenders would be and loan policies, including loan underwriting and enforcement of loan terms in the event of delinquency, are generally less stringent than loan policies of commercial lenders. HIS Fund would seek to aid its borrowers in every instance to meet loan obligations without foreclosure. This could have an adverse impact on HIS Fund’s revenue and adversely affect the ability of HIS Fund to repay the Notes.

23. **There are risks related to geographic concentration of loans.** As of December 31, 2020, the majority of HIS Fund’s loans based on outstanding principal balances were to borrowers in Florida, Georgia, New Jersey, North Carolina and Pennsylvania. Changes in economic conditions or natural disasters affecting those states or significant parts of them could affect the ability of a number of borrowers in those states to repay their loans.

24. **There are risks related to competition from other potential lenders to the churches and church-related entities that HIS Fund serves.** Competitors include banks, other church extension loan funds and other lenders which from time to time may be active in specific loan markets where a borrower or potential borrower from HIS Fund is located. HIS Fund uses revenues from loans to make payments to investors in its debt securities. Competition could have the adverse effect of

reducing HIS Fund's revenue by reducing loans outstanding or putting pressure on HIS Fund to lower interest rates on loans in order to make its loans more attractive to borrowers.

25. **There is potential environmental liability associated with the loans HIS Fund makes.** HIS Fund does not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, HIS Fund's security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations and this could impair both the value of the collateral and the borrower's ability to repay HIS Fund. This, in turn, could adversely affect HIS Fund's ability to repay the Notes.

26. **State Regulation of Sales of Securities.** Changes in state laws, rules or regulations, or the applications thereof, regarding the sale of debt obligations of religious, charitable or other nonprofit organizations may make it more costly and difficult or impossible for HIS Fund to offer and sell its debt obligations in the future. Such changes could affect the financial stability HIS Fund.

27. **Relative Risk of Investment.** Risks of investment in the Notes may be greater than implied by relatively low interest rates on the Notes.

FORWARD-LOOKING STATEMENTS

Throughout this Prospectus, we may make statements about possible future events or occurrences. These forward-looking statements are identifiable by words or phrases indicating that particular events "may" or "will" occur or that we "expect," "anticipate," "project," "plan," "believe" or "intend" that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the above Risk Factors and the other information contained in this Prospectus that could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Prospectus.

USE OF PROCEEDS

Notes	\$100,000,000
Estimated Expenses	\$105,000
Net Proceeds	\$99,895,000

It is anticipated that the expenses of this offering will be approximately \$105,000, including auditing, legal, and printing, filing fees and other costs, with all expenses being borne by HIS Fund. No underwriters are participating in the distribution of the Notes and no underwriting discounts or commissions will be paid in connection with this offering. The net proceeds from the sale of the Notes will be used to carry out the activities of HIS Fund, principally loan fund activities. HIS Fund makes loans to Assemblies of God church congregations or affiliated organizations for the purpose of acquiring, constructing or remodeling churches, parsonages or other church related projects and for financing other church-related needs within the District, including needs of the District Council itself. Loans may be made outside the District to the extent approved by the HIS Fund Board.

The sale of the Notes is primarily related to HIS Fund's need for loan funds while maintaining sufficient liquidity to pay interest and repay maturing Notes. HIS Fund does not presently require, nor does HIS Fund anticipate that it will require, any proceeds of this offering to meet interest payments on outstanding Notes; 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.

Investments

HIS Fund may invest its available funds that are not needed for loans or other expenses either directly or through mutual funds in cash and cash equivalents, certificates of deposit, money market funds, fixed income investments, equity securities and other investments it deems suitable. Investment composition was as follows at December 31, 2020, 2019, and 2018:

	2020		2019		2018	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
Equity securities	\$1,299,600	41.35%	\$1,636,484	31.49%	\$2,825,299	37.82%
Interest in net assets of affiliate	\$1,843,537	58.65%	\$1,888,391	36.33%	\$1,940,284	25.97%
Mutual Funds – Fixed income	-	0.00%	-	0.00%	\$88,364	1.18%
Money market	-	0.00%	\$1,672,418	32.18%	\$2,616,274	35.02%
	<u>\$3,143,137</u>	<u>100%</u>	<u>\$5,197,293</u>	<u>100%</u>	<u>\$7,470,221</u>	<u>100.00%</u>

Aggregate realized and unrealized gains (losses) for 2020, 2019, and 2018, were \$131,742, \$711,444, and \$(281,030), respectively.

HIS Fund may invest, directly or indirectly, and from time to time, in various secured and unsecured debt or other obligations issued in connection with programs operated by other Assemblies of God related organizations or other faith-based organizations. HIS Fund has invested and may invest in the future in investment vehicles investing in church loans, including, without limitation, a special

purpose trust operating a loan program serving international and domestic faith-based ministries and churches, and in a limited partnership investing in church-related loans. From time to time, investment in these other programs may be attractive due to their favorable interest rates and the relatively low returns offered by other investments. See Risk Factor #10 under “RISK FACTORS.”

As of December 31, 2020 and December 31, 2019, outstanding unsecured investments in connection with other programs (“interest in net assets of affiliate” in the above table) totaled \$1,843,537 and \$1,888,391, respectively, representing approximately .7% and .8%, respectively, of HIS Fund’s total assets as of such date. Such amounts were invested through a special purpose trust (referred to as “interest in net assets of affiliate”) of which HIS Fund is now effectively the sole beneficiary that makes loans to overseas churches, international para-church ministries, micro-economic development projects and some domestic church and church-related loans. The trustee of this trust is Wisdom Over Wealth, LLC.

As of December 31, 2020 and December 31, 2019, HIS Fund had accounts through the Assemblies of God Credit Union (“cash and cash equivalents” in the Financial Statements included as Appendix A) that totaled \$23,682,986 and \$5,999,719, respectively, representing approximately 9.2% and 2.6%, respectively, of HIS Fund’s total assets as of such date.

For further information on investments, see the Financial Statements included as Appendix A, especially Notes 2 and 9 to the Financial Statements. See also Risk Factors #9 and #10 under “RISK FACTORS.”

The principal persons responsible for investment decisions of HIS Fund are its President, Philip Bongiorno, and its Chairman, Chief Executive Officer and Chief Financial Officer, Michael T. Bongiorno. Neither of these individuals has any experience in fund or investment management other than their work on behalf of HIS Fund and the predecessor loan fund of the District Council. For additional information on these individuals and the other managers of HIS Fund, see “MANAGEMENT.”

CAPITALIZATION

	December 31, 2020 <u>Actual</u>	December 31, 2020 <u>Pro Forma</u>
Short and Long-Term Borrowings:		
Investment Notes and other Obligations	\$234,901,475	\$234,901,475
Anticipated Sales of New Notes ¹	-	\$37,900,000
	\$234,901,475	\$272,801,475
Net Assets:		
Net Assets Without Donor Restrictions	\$22,917,863	\$22,917,863
Net Assets With Donor Restrictions	-	-
	\$22,917,863	\$22,917,863
Total Capitalization	<u>\$257,819,338</u>	<u>\$295,719,338²</u>

1. Based on historical experience, of the total \$100,000,000 of Notes offered nationwide, approximately \$37,900,000 of the total offered will be sold as new sales of Notes providing new cash. This does not include transfers from one note to another.

2. Represents the sum of Net Short and Long-Term Borrowings (including anticipated sales of new Notes), Total Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

The above table assumes the anticipated new sales from the offering occurred at one time as of December 31, 2020 and does not take into account the anticipated redemption of demand and maturing Term Notes during the 12 month period, which are anticipated to be approximately \$26,300,000 based on historical experience. In addition to Term Notes, HIS Fund had outstanding Demand Notes totaling \$28,495,261 at December 31, 2020.

SELECTED FINANCIAL INFORMATION

The following historical information is derived from HIS Fund’s audited financial statements for 2020, 2019, 2018, 2017, and 2016, and should be read in conjunction with information set forth elsewhere in this Prospectus, including the financial statements included as Appendix A to this Prospectus. See “GENERAL.”

Year Ended December 31,

	2020	2019	2018	2017	2016
Cash, Cash Equivalents and Readily Marketable Securities (combined)	\$47,231,065	\$13,965,383	\$20,478,416	\$23,735,373	\$34,822,891
Total Loans Receivable, net	\$207,695,397	\$217,089,022	\$192,327,765	\$168,195,457	\$137,750,322
Loan Delinquencies (principal or interest delinquent 90 days or more) as Percentage of Loans Receivable	1.28%	4.04%*	0.59%	0.00%	0.00%
Amount and Percent of Unsecured Loans Receivable	\$73,574 0.04%	\$61,618 0.03%	\$85,744 0.04%	\$67,412 0.04%	\$28,214 0.02%
Total Assets	\$258,488,562	\$234,878,661	\$216,326,710	\$195,885,549	\$177,027,529
Total Notes Payable	\$234,901,475	\$214,417,519	\$199,838,839	\$181,497,590	\$164,714,501
Amount of Notes Redeemed During the Fiscal Year	\$31,732,881	\$24,170,339	\$23,095,676	\$16,735,359	\$16,248,058
Net Assets	\$22,917,863	\$19,857,051	\$15,913,588	\$13,863,628	\$12,300,722
Change in Net Assets	\$3,060,812	\$3,943,463	\$2,049,960	\$1,562,906	\$1,427,129

* The increase in loan delinquencies as a percentage of loans receivable as of December 31, 2019 in the table above was in large part due to two (2) delinquent loans held by one (1) borrower having an aggregate outstanding principal balance of \$6,687,611 as of December 31, 2019, which represented 3.04% of the total loans receivable as of December 31, 2019. See “Loans” on page 15 and “Allowance for Loan Losses” in Note 3 of the Audited Financial Statements included as Appendix A in the Prospectus. As of December 30, 2020, these two delinquent loans were brought current and were in normal repayment status, resulting in a decrease in HIS Fund’s loan delinquencies from 4.04% in 2019 to 1.28% in 2020.

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION

A summary of revenues and gains, expenses and losses, and other net increase (decrease) in net assets for the years 2016 through 2020 is set forth below. This information is derived from HIS Fund's audited financial statements for the period included as Appendix A to this Prospectus.

	<u>Revenues and Gains</u>	<u>Expenses and Losses</u>	<u>Change in Net Assets</u>	<u>Net Assets at Year End</u>
2020	\$12,768,271	\$9,707,459	\$3,060,812	\$22,917,863
2019	\$13,232,958	\$9,289,495	\$3,943,463	\$19,857,051
2018	\$10,695,120	\$8,645,160	\$2,049,960	\$15,913,588
2017	\$9,393,364	\$7,830,458	\$1,562,906	\$13,863,628
2016	\$8,576,136	\$7,149,007	\$1,427,129	\$12,300,722

HERITAGE INVESTMENT SERVICES FUND, INC.

\$100,000,000 UNSECURED PROMISSORY NOTES

GENERAL

Heritage Investment Services Fund, Inc.

Heritage Investment Services Fund, Inc. (“**Heritage Investment Services Fund**” or “**HIS Fund**”) is a Pennsylvania nonprofit corporation established by the Pennsylvania-Delaware District Council of the Assemblies of God (the “**District Council**” or the “**District**”) on September 17, 2007 to be the successor to the assets, liabilities and operations of the church extension loan fund operated by the District Council since 1981. On July 1, 2008, HIS Fund succeeded to all of the predecessor loan fund’s assets and liabilities, and assumed operation of this loan fund from the District Council. HIS Fund’s registered office and principal place of business is at 3 Kacey Court, Suite 101, Mechanicsburg, Pennsylvania 17055. HIS Fund’s telephone number is (717) 796-9784 (or toll-free at 1-866-219-0820) and its website is www.hisfund.com.

HIS Fund is a separate legal entity from the District Council and is not owned by the District Council. The District Council has no direct or indirect liability for nor does it guarantee the Notes offered and sold by HIS Fund or any other liabilities of HIS Fund.

HIS Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and also qualified to receive tax deductible bequests, transfers or gifts. The mission of HIS Fund is to assist, further and support the religious work and ministries of the Assemblies of God throughout the territories served by the District Council and, to the extent approved by HIS Fund’s Board of Directors, outside the geographical boundaries of the District Council. Its principal activity is operating a church extension loan fund.

Heritage Investment Services Fund is managed under the direction of its Board of Directors, comprised of between 3 and 9 members. The Superintendent and Secretary-Treasurer of the District Council are ex officio voting members of the HIS Fund Board. Persons to fill vacancies on the HIS Fund Board will be elected by the then current HIS Fund directors.

Normally, approval by a majority of the directors present at a meeting will be necessary for the HIS Fund Board to take action. However, amendment of the Bylaws or Articles of Incorporation or a merger or similar fundamental transaction will require the affirmative vote of 2/3 of the directors in office, plus the consent of the Executive Presbytery of the District Council.

Under the HIS Fund Bylaws, the Executive Presbytery of the District Council has the right to receive an annual financial report from HIS Fund and such other reports and information as it may reasonably request from time to time.

Pennsylvania-Delaware District Council

The Pennsylvania-Delaware District Council of the Assemblies of God (the “**District Council**” or the “**District**”) is a Pennsylvania nonprofit corporation with offices in Mechanicsburg, Pennsylvania. The District Council was initially incorporated under the laws of the Commonwealth of Pennsylvania on June 12, 1935 under the name “Eastern District Council of the Assemblies of God.” The geographic territory of the District Council includes the State of Delaware and the Commonwealth of Pennsylvania.

The District Council is organized and operated exclusively for religious purposes. It does not have or issue stock or have shareholders; pays no dividends; and no part of the income of the District Council may be distributed to its members, officers or directors, except as reasonable compensation for services rendered. The Internal Revenue Service has determined that the District Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The governing form of the District Council is basically Presbyterian and Congregational. The churches come under the Congregational form of government. The ministers are controlled by the Presbyterian form of government. Governance within the Assemblies of God denomination is accomplished at three levels: nationally, through the General Council of the Assemblies of God (the “**General Council**”), with headquarters in Springfield, Missouri; regionally, at the district council level; and locally, at the local congregational level. The ultimate authority of the church in policy and doctrine is vested in the General Council which is comprised of General Presbyters which are representative of all the various segments of the church. The basic unit of local government is the congregation which has self-governing privileges in accordance with the District Council’s authority.

To facilitate and keep uniform church policy and doctrine, the denomination is divided into regional conferences or districts each of which is independent and distinct from the other in regard to its regional territory and local congregations. Each district council is a separate, distinct and autonomous nonprofit corporation. Generally, the purpose of each district council is to develop new congregations, help find suitable pastors, certify the standing of ministers and aid pastors and congregations in achieving their own purposes in accordance with church policy and doctrine. The Pennsylvania-Delaware District Council is the district council for the State of Delaware and the Commonwealth of Pennsylvania.

The District Council meets on an annual basis and is made up of ordained ministers, licensed ministers and Christian workers, local assemblies and the voting constituency of the District Council (i.e., all persons present and registered at the District Council annual meeting holding credentials from the District Council or who are accredited delegates from affiliated Assemblies of God churches). The general oversight of the activities of the District Council is the responsibility of the Executive Presbytery, which is made up of the officers of the District Council which are a superintendent (president), assistant superintendent (vice president), secretary/treasurer and sectional Presbyters. The Executive Presbytery functions as the District Council’s Board of Directors.

The Executive Presbytery is elected by the District Council for terms of one year and the terms of approximately twelve of the Executive Presbytery expire each year. The executive officers (superintendent, assistant superintendent, secretary/treasurer) are elected to four year terms. Vacancies on the Executive Presbytery are filled by election. Although an Executive Presbyter is elected for a term of one year, an Executive Presbyter may be removed at any time for cause by a vote of the Executive Presbytery.

District Council participation statistics for the available past five years are as follows:

<u>Year</u>	<u>Number Of Churches</u>	<u>Average Aggregate Attendees</u>	<u>% Increase (Decrease) Over Prior Year</u>
2015	434	123,703	8.80%
2016	434	129,708	4.90%
2017	430	109,198	(15.81%)
2018	405	110,914	1.6%
2019	399	102,206	(7.85%)

LENDING ACTIVITIES

HIS Fund conducts church extension loan activities to assist, further and support the religious work and ministries of the Assemblies of God, in the territories served by the District Council and outside of those territories to the extent approved by the HIS Fund Board. See “GENERAL – Heritage Investment Services Fund, Inc.” The following discussion of lending activities relates to the church extension lending activities of HIS Fund, excluding HIS Fund’s investments in loan fund programs of other organizations or in investment vehicles making or investing in church-related loans. See “USE OF PROCEEDS – Investments” and Note 3 to HIS Fund’s audited financial statements included as Appendix A.

Loans

In addition to the sale of the Notes, HIS Fund generates funds for operations through interest received with respect to outstanding loans and interest and investment income from cash reserves and other investments. The term of loans, including applicable interest rate, are established at the discretion of HIS Fund. In the years ending December 31, 2020 and 2019, income from interest on loans was \$12,245,697 and \$12,136,401, respectively, while its income on cash and other investments was \$340,638 and \$328,239, respectively. In 2020 and 2019, loans were made in the aggregate principal amount of \$16,443,111 and \$35,184,627, respectively. At least ninety percent (90%) of HIS Fund’s outstanding loans will be secured by real or personal property or guaranteed by third parties. As of December 31, 2020, \$210,148,745 or 99.97% of the \$210,222,319 outstanding loans were secured by real or personal property or guaranteed by third parties.

As of December 31, 2020, HIS Fund had outstanding 283 loans. Of these loans, only four (4) were unsecured loans with an aggregate principal balance of \$73,574 as of December 31, 2020, all but one (1) of which were under \$25,000.

In the years ended December 31, 2020 and December 31, 2019, principal repayments on loans were received by HIS Fund in the aggregate amount of \$ 25,750,832 and \$10,043,545, respectively.

The following is a summary of the scheduled aggregate principal repayments of outstanding loans as of December 31, 2020:

Year	Scheduled Principal Repayments at 12/31/20
2021	\$10,176,222
2022	\$7,785,168
2023	\$5,391,590
2024	\$4,982,969
2025	\$5,550,283
2026 and after	\$176,336,087
Allowance for Loan Losses	\$(2,312,450)
Deferred Origination Fees, net	\$(214,472)
Net Loans Receivable	\$207,695,397

The following table shows the range of outstanding principal balances of loans outstanding as of December 31, 2020 (separate loans to the same borrower are not aggregated for purposes of this table):

Outstanding Principal Balance 12/31/2020	Number of Loans	Aggregate Principal Balance 12/31/2020
Under \$25,000	15	\$244,456
\$25,000 - \$99,999	28	\$1,779,045
\$100,000 - \$499,999	118	\$30,364,651
\$500,000 - \$999,999	64	\$46,928,873
\$1,000,000 - \$2,999,999	47	\$70,618,535
\$3,000,000 - \$4,999,999	6	\$24,428,561
\$5,000,000 and above	5	\$35,858,198
	<u>283</u>	<u>\$210,222,319</u>

HIS Fund is dependent on loan fund operations as a source of funds for the repayment of principal and interest on the Notes. Repayment of loans by borrowers depends on the financial condition of the borrowers. To the extent HIS Fund is dependent upon funds other than operating income to repay principal and interest on outstanding obligations, and to the extent that existing investors do not extend their investments or renew their investments in amounts as substantial as has been the case in the past, there may be an effect on HIS Fund's financial condition and it may be necessary to redeem certain of its investments or obtain funds from other sources, including borrowings to meet current cash needs. It may be noted, however, that since the Loan Fund's organization in 1981, a payment of principal or interest by HIS Fund (or its predecessor loan fund) on any of the Notes has never been missed.

In attracting borrowers, HIS Fund competes with banks, other church extension loan funds and other lenders which from time to time may offer a borrower or potential borrower from HIS Fund more attractive loan terms than HIS Fund. See Risk Factor #24 under "Risk Factors." Borrowers are

generally free to repay loans prior to maturity without penalty, unless otherwise provided in loan documentation at the time a loan is made.

As of December 31, 2020 and December 31, 2019, there were three (3) and four (4) outstanding loans, respectively, made by HIS Fund (including the predecessor loan fund) that were delinquent (i.e., more than 90 days overdue) in agreed upon payment of either interest or principal. See “Allowance for Loan Losses.” HIS Fund frequently adjusts loan terms for its borrowers who are having difficulty making otherwise scheduled payments. Because of the nature of its ministry, HIS Fund is frequently willing to consider agreeing to revised loan terms or refinancing on revised terms when a borrower encounters difficulties meeting loan obligations. So long as the borrower meets the revised loan terms it is not considered to be in default. As of December 31, 2020 and 2019, there were three (3) and three (3) outstanding loans, respectively, that HIS Fund considered “impaired”. A loan is considered impaired when, based on current information and events, it is probable that HIS Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan. See “Allowance for Loan Losses” in Note 3 of the Audited Financial Statements included as Appendix A in the Prospectus.

In response to the COVID-19 pandemic, HIS Fund provided loan relief to its borrowers on a case by case basis during 2020. See “Response to COVID-19” on page 30.

It is the purpose of HIS Fund to aid its borrowers in every instance to meet their obligations without foreclosure. HIS Fund may also work with units of the church, which, although not obligated to do so, may be willing to aid a financially distressed church to repay its indebtedness. No assurance can be given that HIS Fund will be able or willing to refinance or accommodate all borrowers who may in the future become delinquent.

Loan Policies and Processing

Terms of loans, including applicable interest rates and amortization schedule, are established at the discretion of HIS Fund. Interest rates may be variable or fixed. Interest rates of loans are determined in the discretion of HIS Fund. The term of most new loans ranges from 15 to 30 years. Some loans may be interest only for all or part of their term. Some loans may have a balloon payment due at the end of the stated amortization period or term.

Generally, loans will be made to a congregation only after investigation of the organization’s giving pattern and resources has established to HIS Fund’s satisfaction the congregation’s commitment to the program, potential for future growth, and its overall ability to meet principal and interest payments when due. Secured loans generally do not exceed approximately 80% of the appraised value of the completed project, although where a congregation has demonstrated exceptional commitment to its building program, as for example, written pledges from most of its members sufficient to cover the increased giving required or there is a guarantee, an exception may be made. Generally, loans to borrowers above \$50,000 will be secured by a mortgage or deed of trust in favor of the issuer in real property with a fair market value appraised at not less than the full amount of the loan. In addition, with respect to real property secured loans, HIS Fund generally requires customary lender protection for loans to third-party borrowers over \$50,000, such as title insurance or an opinion of counsel as to the validity of title and an adequate property insurance policy.

All of these requirements may be established, amended and waived from time to time by HIS Fund in its discretion. At times loans have been made which are not secured by a mortgage on the real

property of the borrower or by other collateral, including a guarantee. Such unsecured loans had aggregate outstanding balances of \$73,574 and \$61,618 at December 31, 2020 and December 31, 2019, respectively. The \$73,574 in unsecured loans outstanding as of December 31, 2020 represented a total of four (4) loans, all but one (1) of which was under \$25,000. In the discretion of HIS Fund, some loans may require ratification by the Executive Presbytery of the District Council or another Assemblies of God district.

HIS Fund receives loan requests from churches and other organizations at its principal offices in Mechanicsburg, Pennsylvania. HIS Fund may engage individuals to serve as local loan representatives to promote HIS Fund's loans to churches and to assist local churches in the preparation of loan applications. After loan applications are properly filed, HIS Fund will review applications and documentations, and issue commitments for loans, subject to the approval and ratification by HIS Fund's Board of Directors.

Allowance for Loan Losses

The allowance for loan losses represents management's estimate of losses inherent in the Loan portfolio at the end of each year. As of December 31, 2020 and 2019, HIS Fund management estimated its allowance for loan losses on loans it or its predecessor loan fund made at \$2,312,450 and \$2,200,278, respectively. The allowance as of December 31, 2020 consists of a general component that covers all loans not considered impaired and a specific loan component of \$0.

The determination of an allowance for loan losses is based on the risk characteristics of the portfolio of loans, past experience, HIS Fund's ability to work with delinquent borrowers through other units of the Church, and other factors considered relevant. See "Allowance for Loan Losses" in Note 1 and Note 3 to the Financial Statements included as Appendix A.

DESCRIPTION OF SECURITIES

General

The Demand Notes and Term Notes offered hereby are unsecured obligations of Heritage Investment Services Fund. HIS Fund does not anticipate that it will have any material activities other than loan fund-related activities and investment activities. HIS Fund makes unsecured and secured loans to Assemblies of God congregations and affiliated organizations for the purpose of financing the acquisition, construction, remodeling and/or furnishing of churches, parsonages or other capital projects or needs of the Assemblies of God and affiliated institutions, agencies, organizations and congregations throughout the territories served by the District and, to the extent approved by HIS Fund's Board of Directors, outside the geographical boundaries of the District. See "GENERAL – Heritage Investment Services Fund, Inc." and "LENDING ACTIVITIES."

The purchase price of the Notes is one hundred percent (100%) of the face value. The minimum initial investment for any Note is \$500, except for Jumbo Notes, which have a minimum initial investment of \$100,000. The management of HIS Fund reserves the right to decrease the minimum initial investment amount for the Notes in its discretion, from time to time. The Notes are offered for cash and no financing terms are offered. HIS Fund does not currently allow investors to request an early withdrawal of any Note in order to invest the early withdrawn funds in a Jumbo Note. In the discretion of HIS Fund, there may be periods of time when Jumbo Notes are not offered.

The initial interest rate on all Notes will depend on effective interest rates at the time of purchase. The current interest rates for all Notes are available by contacting HIS Fund or visiting HIS Fund's website at www.hisfund.com. Notes with the following maturities were available for purchase as of April 24, 2021:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Minimum Principal Amount</u>
Demand Plus 30 Days	Variable	\$500
6 Month Term Note	Fixed at time of sale	\$500
1 Year Term Note	Fixed at time of sale	\$500
2-1/2 Year Term Note	Fixed at time of sale	\$500
4 Year Term Note	Fixed at time of sale	\$500
5 Year Term Note	Fixed at time of sale	\$500
Jumbo 5 Year Term Note	Fixed at time of sale	\$100,000

All Notes offered to individual investors are also available as investments for self-directed IRAs of individual investors. In order to purchase Notes for a self-directed IRA, the individual investor must first establish a self-directed IRA with a third-party custodian engaged by HIS Fund for such purpose. Although investors have the option to use any third-party custodian authorized to invest funds with HIS Fund, HIS Fund's preferred third-party custodian is GoldStar Trust Company, a financial institution located in Canyon, Texas, with trust powers authorized to act as custodian of self-directed IRAs. Upon direction of individual investors, GoldStar Trust Company is authorized to invest funds with HIS Fund. An individual investor must also complete a self-directed IRA note purchase application along with certain other documents necessary to authorize GoldStar Trust Company, as custodian, to purchase Notes to be held in the individual investor's IRA. Please be aware that a processing fee may be assessed on IRA investments by GoldStar Trust Company for wire transfers, termination of an IRA account, and various other services. Detailed information about this arrangement is available either through HIS Fund or GoldStar Trust Company, in the latter case addressed to GoldStar Trust Company, 1401 4th Avenue, Canyon, TX 79015. HIS Fund is not affiliated with Goldstar Trust Company in any way. Any information provided by Goldstar Trust Company is solely the responsibility of Goldstar Trust Company.

Demand Notes pay interest at a variable interest rate, which is subject to change, from time to time, in the discretion of HIS Fund. At least thirty (30) days prior to any decrease in the interest rate of a Demand Note, HIS Fund will notify the holder of such change. Currently, no notice is provided to investors if the interest rate payable on Demand Notes increases other than a posting of the increased interest rate on HIS Fund's website. Term Notes pay interest at a rate fixed at the time of issuance. HIS Fund may establish, from time to time, higher rates of interest that would apply to Term Notes with higher initial investment amounts or as an incentive to new investors. Interest rates are reviewed from time to time in the discretion of HIS Fund. HIS Fund has the responsibility for setting interest rates and does so based on its judgment of market conditions at a particular time. **For current interest rates, please call HIS Fund at 1-866-219-0820 or visit HIS Fund's website, www.hisfund.com.**

Investors may allow interest to remain on deposit or they may request monthly, quarterly (every three months), semi-annual (every six months) or annual (every 12 months) distribution of interest. Notes pay simple interest unless the investor has elected to have interest remain on deposit with HIS Fund, in which case interest is compounded on a quarterly basis (every three months) on the basis of a 365-day year. The interest payment or compounding period is currently based on the specified number

of months (1, 3, 6 or 12 months, as applicable) from the end of the month of purchase with the first interest payment or redeposit occurring as of the end of the month of purchase. HIS Fund reserves the right to adjust this method in its discretion. HIS Fund may, in its sole discretion, redeem any Note, at any time, including prior to the stated maturity of a Term Note or at maturity, by paying the outstanding principal balance thereof and all accrued interest.

Investors with an outstanding Demand Note must provide HIS Fund with a 30-day prior written notice of withdrawal. Investors with an outstanding Demand Note may deposit additional principal at any time. For Term Notes, investors may deposit additional principal to the Term Note at any time so long as at the time of the addition HIS Fund is offering new Term Notes of the same maturity and with an interest rate equal to the interest rate on the Term Note to which the addition is to be made. The minimum amount of any additional deposit to a Term Note is \$100, which may be decreased by the management of HIS Fund, in its discretion, from time to time. An investor may only make an additional deposit to an outstanding Note if the investor is eligible to invest in HIS Fund Notes at the time of the additional deposit. HIS Fund may decline additional deposits at any time in its discretion.

Investors with a large number of Notes impose an added administrative burden on HIS Fund. Therefore, HIS Fund, in its discretion, may limit the number of Notes an investor may hold. Any limitation will be applied separately to Notes purchased for an IRA.

The historical rates of interest on the Notes as of the specified dates during the last two years are set forth below. Rates for Term Notes are the rates effective for Term Notes issued on the indicated date.

Historical Interest Rates

<u>Issue Date</u>	<u>Demand plus 30 days</u>	<u>6 months</u>	<u>1 year</u>	<u>2-1/2 years</u>	<u>4 years</u>	<u>5 years</u>	<u>Jumbo (5 years)</u>
4/1/21	2.25%	2.50%	2.75%	3.00%	3.25%	3.75%	4.00%
1/1/21	2.25%	2.50%	2.75%	3.00%	3.25%	3.75%	4.00%
10/1/20	2.25%	2.50%	2.75%	3.00%	3.25%	3.75%	4.00%
7/1/20	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25%
4/1/20	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25%
1/1/20	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25%
10/1/19	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25%
7/1/19	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25%
4/1/19	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	4.25% ⁽¹⁾
1/1/19	2.25%	2.75%	3.00%	3.25%	3.50%	4.00%	-

(1) The initial interest rate for the five-year Jumbo Note became effective on April 24, 2019, the effective date of the 2019 Prospectus.

In the discretion of HIS Fund, there may be periods of time when certain maturities specified above are not offered.

Upon expiration of the maturity period of a Term Note and unless HIS Fund redeems the Note, a holder may either redeem the Term Note for the face amount thereof, plus accrued interest, renew the Note for an additional like term at the then current rate of interest being offered for such maturity, or reinvest (roll over) the Note to a new Note with a different maturity and interest rate. There is no limit to the number of times a Term Note may be renewed or reinvested. At least thirty days prior to the maturity date of the Term Note, HIS Fund will notify the holder of the maturity date, the proposed renewal terms, and provide the holder with the most current Prospectus. If the holder of a maturing Term Note notifies HIS Fund in writing on or prior to the maturity date that the holder elects not to extend or roll over the Note, then at maturity, HIS Fund shall promptly repay the principal and interest accrued thereon.

The Notes are subject to restrictions on withdrawal and transfer and HIS Fund, in its discretion, may impose penalties, request processing fees and other withdrawal restrictions as a condition to agreeing to an investor's request to redeem a Note prior to maturity or, in case of a Demand Note, prior to expiration of the 30-day notice period prior to withdrawal. **An investor does not have the right to require HIS Fund to agree to an early withdrawal.** See "Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption."

The Notes are issued in book entry form. Upon issuance of a Note, HIS Fund will send the investor written confirmation of issuance, but a physical note will not be issued.

HIS Fund routinely makes all payments to investors (principal and interest) by direct deposit to an account at a financial institution designated by the investor. HIS Fund reserves the right to make payments by check in its discretion or upon agreement with the investor.

Holders of the Notes offered hereby will be unsecured creditors of HIS Fund. The Notes are not secured by any specific assets and payment is made from operating revenues of HIS Fund. Failure of HIS Fund to pay principal and/or interest when due as required will be an event of default by HIS Fund, but only as to that Note. Since the establishment of the predecessor loan fund in 1981, there has never been a default in payment of principal or interest on any Note. In the event of liquidation or any distribution of assets upon bankruptcy, reorganization or similar proceedings with respect to HIS Fund, all unsecured debt obligations of HIS Fund issued to the investors, including the Notes, will have an equivalent claim to HIS Fund's assets.

HIS Fund may from time to time offer additional evidences of indebtedness without notifying or obtaining the consent of the holders of the Notes offered hereby. HIS Fund does not contemplate that any subsequent offering to investors of its evidences of indebtedness will be secured obligations and hence senior to the securities offered hereby. No assurance can be given, however, that HIS Fund will not at some future date issue secured obligations which will have a prior claim to the assets of HIS Fund than the Notes. As of December 31, 2020, HIS Fund had no outstanding mortgage loans or mortgage notes payable, or other outstanding secured indebtedness, which had a superior claim to HIS Fund's assets over the Notes; however, as of December 31, 2020, HIS Fund had a \$13 million line of credit with Fulton Bank that is secured by a pledge of certain of HIS Fund's loan or note receivables and related documentation. This line of credit did not have any amount outstanding as of December 31, 2020. See Note 6 "Line of Credit" to the Financial Statements included as Appendix A.

So long as any of the Notes issued or assumed by HIS Fund remain outstanding, senior secured indebtedness of HIS Fund shall in no event exceed ten percent (10%) of HIS Fund's tangible assets.

The notes are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, any state bank insurance fund or any other governmental agency. The Notes issued by HIS Fund are not obligations of, nor guaranteed by, the District Council, the Assemblies of God or by any other church, conference, institution or agency affiliated with the Assemblies of God other than HIS Fund.

HIS Fund may call and thereby redeem any or all of the Notes at any time by paying the principal amount and accrued interest thereon. Election by HIS Fund to call a Note shall be deemed given when written notice of said election is deposited in the United States mail addressed to the Note holder at such holder's last known address of record with HIS Fund, certified or registered mail, return receipt requested, and postage prepaid. Such written notice of election will state a date of redemption for the Note(s) called by HIS Fund. If a Note is called, the principal and all accrued interest shall be paid on the date of redemption stated in the written notice.

The purchase of the Notes does not entitle the purchaser to an equity interest in HIS Fund or the right to vote on corporate matters brought before HIS Fund or its Board.

It is the current policy of HIS Fund to limit the number of joint tenants to whom a Note is registered to two (e.g., the primary account owner and one other person). See the Personal Note Purchase Application attached as Appendix B-1.

Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption

The holder of a Note does not have a right to require HIS Fund to redeem a Note (i.e., permit early withdrawal) prior to the stated maturity date of a Term Note or, in the case of a Demand Note, prior to expiration of the Demand Note's required 30-day prior notice from the investor.

HIS Fund may, in its sole discretion, refuse to permit any or all early withdrawals. In the case of the voluntary early withdrawal of Jumbo Notes at the request of the holder, if HIS Fund permits early withdrawal, HIS Fund, in its discretion, may impose an interest penalty of up to three month's interest, not to exceed total interest earned, and a request processing fee not to exceed \$15.00. In the case of the voluntary early withdrawal of all other Term Notes or Demand Notes at the request of the holder, if HIS Fund permits early withdrawal, HIS Fund, in its discretion, may impose an interest penalty of up to one month's interest, not to exceed total interest earned, and a request processing fee not to exceed \$15.00. If HIS Fund permits early withdrawal for any Term Notes or Demand Notes as a result of the death of a Note holder, no interest penalty or request processing fee will be imposed. If HIS Fund permits early withdrawals, HIS Fund reserves the right to require advance notice and other conditions to early withdrawal at its discretion, including, but not limited to, in the case of permitted early withdrawal of a Jumbo Note at the request of the holder, if such early withdrawal lowers the investment balance of a Jumbo Note below the \$100,000 minimum investment amount, HIS Fund may require, as a condition of permitting an early withdrawal, that the entire balance of the Jumbo Note be redeemed and reinvested in another Note with a lower minimum investment amount.

For Term Notes held in an IRA, HIS Fund will waive any early withdrawal penalty for one withdrawal per year per IRA account owner made to fund a required minimum distribution for an account owner age 72 or older. HIS Fund does not have an obligation to waive the early withdrawal penalty for any other withdrawals from Term Notes held in an IRA and any such waiver is in the sole

discretion of HIS Fund. Therefore, an investor investing through an IRA anticipating the need to make a withdrawal from the IRA for reasons other than a required minimum distribution should invest in a Demand Note rather than a Term Note.

IN ORDER TO PROTECT THE INTEREST OF ALL INVESTORS, HIS FUND RESERVES THE RIGHT TO SUSPEND REDEMPTIONS OR POSTPONE THE DATE OF REPAYMENT FOR ANY PERIOD, NOT TO EXCEED THIRTY (30) DAYS, DURING WHICH AN EMERGENCY EXISTS AS DETERMINED BY HIS FUND EITHER BECAUSE OF EXCESSIVE REDEMPTIONS OR OTHERWISE.

HIS Fund may suspend or delay withdrawals from, or redemptions of, Notes or reject any application for a Note in the event that any such Note, the holder thereof or any applicant is subject to an ongoing investigation by HIS Fund, any governmental authority or any financial institution regarding identity theft or fraud or there is a dispute relating to the legal ownership of any such Note. Under such circumstances HIS Fund maintains the right to require, as applicable, (A) additional information to verify an investor's identity and disclose the same to government agencies as may be required by law, (B) intervention by judicial or other binding legal authority to determine and/or rule on the proper legal ownership of such Notes or the finality of any investigation relating to the legal owner of such Notes or the identity of the purchase applicant or (C) mutual agreement of all interested parties as to the agreed upon ownership rights of such Notes. Holders of Notes acknowledge and agree that HIS Fund shall not be held liable regarding the suspension or delay of withdrawals under Notes pending any determinations of or investigations regarding ownership or other legal rights as set forth above.

Notes are non-transferable, other than by will or inheritance, without the prior written approval of HIS Fund. In addition to other conditions HIS Fund may impose, in its discretion, before approving the transfer of a Note, HIS Fund may require the transferee to provide satisfaction to HIS Fund that the transferee is a person whose primary interest in acquiring the Note is to assist in the objectives of HIS Fund, and at such transfer the transferee must acknowledge in writing that such transferee has received this or the then current Prospectus. Transfers other than by will or inheritance must be to persons who are, at the time of transfer, members of, contributors to or participants in the General Council of the Assemblies of God, the District Council or in any program, activity or organization which constitutes a part of the General Council, or the District Council or in other church organizations that have a programmatic relationship with the General Council or the District Council, and self-directed individual retirement accounts (including both regular and Roth individual retirement accounts, "IRAs") of such persons.

Tax Considerations

Generally, purchasers of the Notes offered hereby will recognize neither gain nor loss for federal income tax purposes upon redemption of such securities, whether at or prior to maturity, nor will they receive a charitable deduction upon the purchase of a Note. Generally, for federal income tax purposes the interest paid or payable by HIS Fund on the Notes will be taxable as ordinary income to the holder, unless the holder is a tax-exempt organization. If interest is accrued over the life of the Note and is paid at withdrawal or termination, the holder must nevertheless report such interest as income on his or her federal income tax returns and state income tax returns, if applicable, ratably over the life of the security as it accrues.

Any Notes which would bear interest at "below-market" rates may fall within the imputed interest provisions of Section 7872 of the Internal Revenue Code, which, in some cases, impose tax

liability on purchasers for the difference between market rates and the interest actually paid. The Internal Revenue Service has issued temporary and proposed regulations interpreting these provisions. The temporary regulations state that certain loans carrying “below market” rates of interest will be exempted from the imputed interest provisions of the Code. The exemptions include a gift loan to a charitable organization (described in Code section 170(c)) if, at no time during the taxable year, the aggregate outstanding amount of loans by the lender to that organization exceeds \$250,000.

IRA account holders directing the investment of their IRA account assets in the Notes will generally not be taxed on the interest earned during the period a Note is held in the IRA account. The holder will be taxed at the time of the withdrawal. IRA account holders should consult applicable provisions of the Internal Revenue Code and related regulations.

Under the backup withholding rules, a holder of any Note may be subject to backup withholding at a rate of 24% with respect to reportable payments (including interest, dividends, original issue discount and proceeds of certain sales), unless such a holder (a) is a corporation, exempt from tax under Section 501(a) of the Internal Revenue Code, an IRA or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a certified taxpayer identification number, certifies that the holder is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A holder of a Note who does not provide HIS Fund with his or her correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. Backup withholding is not an additional tax. Any amounts so withheld may be credited against the federal income tax liability of the person subject to such withholding.

PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE ACTUAL TAX CONSEQUENCES TO THEM OF A PURCHASE AND HOLDING OF A NOTE, INCLUDING THE TAXABILITY OF THE NOTES UNDER STATE AND LOCAL TAX LAWS AND, IF APPLICABLE, INTERNAL REVENUE CODE PROVISIONS AND RELATED REGULATIONS RELATED TO IRA ACCOUNTS.

Outstanding Debt Obligations

HIS Fund’s primary means of obtaining the funds necessary to conduct its loan fund operations is through receipt of proceeds from the sale of debt obligations, including the Notes offered hereby. HIS Fund will also generate income from interest on the loans to borrowers and investments of assets.

As of December 31, 2020 and December 31, 2019, HIS Fund had outstanding Notes in the aggregate principal amount of \$234,901,475 and \$214,417,519, respectively.

As of December 31, 2020 and December 31, 2019, the District Council held \$6,134,960 and \$7,015,957, respectively, in aggregate principal amount of Notes issued by HIS Fund, representing 2.61% and 3.27%, respectively, of the aggregate principal amount of Notes then outstanding.

The following tables show the distribution of outstanding Notes by year of maturity and initial maturity, respectively.

Notes Payable by Year of Maturity

<u>Remaining Maturity</u>	<u>Principal Outstanding as of 12/31/20</u>
On demand	\$ 28,495,261
2021	69,856,806
2022	31,955,384
2023	31,751,156
2024	31,037,874
2025	41,804,994
Total	<u>\$ 234,901,475</u>

<u>Initial Maturity</u>	<u>As of 12/31/20</u>		<u>As of 12/31/19</u>	
	<u>Principal Amount</u>	<u># of Notes</u>	<u>Principal Amount</u>	<u># of Notes</u>
Demand	\$28,495,261	465	\$21,391,549	391
6 months	\$4,965,978	112	\$3,301,980	109
12 months	\$15,461,624	540	\$14,539,594	477
30 months	\$4,816,775	250	\$4,871,026	249
48 months	\$2,899,597	261	\$3,006,088	267
60 months	<u>\$178,262,240</u>	4,601	<u>\$167,307,282</u>	4,568
Total	<u>\$234,901,475</u>	<u>6,229</u>	<u>\$214,417,519</u>	<u>6,061</u>

Sales in 2020 and 2019

For 2020 and 2019, total sales of Notes, including renewals and reinvestments (rollovers) of matured obligations and reinvested interest, were \$64,548,822 and \$44,242,516, respectively. Of the total sales during 2020 and 2019, \$41,411,670 and \$24,602,322, respectively, was purchased by individuals, \$20,599,014 and \$14,876,905, respectively, was purchased by churches, and \$2,538,138 and \$4,763,288, respectively, was purchased by other church-related units. Of the total sales of Notes in 2020, \$45,440,572 represented new sales (including new deposits to existing Notes), and \$19,108,250 represented renewals and reinvestments (rollovers) of maturing obligations and reinvested interest. Of the total sales of Notes in 2019, \$32,464,321 represented new sales (including new deposits to existing Notes), and \$11,778,195 represented renewals and reinvestments (rollovers) of maturing obligations and reinvested interest.

Liquidity Reserves

Since the inception of the predecessor loan fund, sufficient funds have been generated from all sources to make all principal and interest payments required on outstanding Notes. The funds available from operations and other sources, prior to the deduction of interest expense, for the years ending December 31, 2020 and 2019 totaled \$89,248,554 and \$60,389,967, respectively. This primarily is composed of operating income or loss (net of interest expense), loan principal repayments and the receipt of funds from sale of Notes. For the years ending December 31, 2020 and 2019, repayment of Notes (excluding renewals of matured obligations and compound interest) totaled \$31,732,881 and

\$24,170,339, respectively, and interest expense on Notes totaled \$8,220,073 and \$7,653,940, respectively.

As of December 31, 2020 and December 31, 2019, the aggregate cash, cash equivalents and fair value of marketable securities available were \$47,231,065 and \$13,965,383, respectively. As of December 31, 2020, HIS Fund had available additional liquidity from a \$13 million secured line of credit with Fulton Bank. This line of credit did not have any amount outstanding as of December 31, 2020. See “USE OF PROCEEDS – Investments.”

See the Financial Statements included in this Prospectus as Appendix A.

Method of Sale

The Notes are offered and sold only through the Prospectus. The Notes are offered directly by HIS Fund and no direct or indirect commissions or other sales-based compensation will be paid to any individual or organization in connection with the offer and sale of the Notes. HIS Fund’s Chief Executive Officer has primary responsibility for the offer and sale of the Notes. Other officers, employees and agents may participate in the offer and sale of the Notes to the extent permitted under applicable state laws.

Prospective investors may obtain a Prospectus for the Notes by contacting the HIS Fund office or visiting HIS Fund’s website at www.hisfund.com. HIS Fund will then transmit the Prospectus to the prospective investor. Prospectuses may also be distributed from time to time to churches and Assemblies of God affiliates at church meetings and denominational conferences. If the investor wishes to purchase a Note, the investor completes the purchase application form accompanying the Prospectus for the appropriate maturity of the Note and sends the purchase application with a check in the amount of the purchase to HIS Fund in Mechanicsburg, Pennsylvania. If HIS Fund accepts the offer to purchase, the investor will receive, by mail or e-mail (if elected by the investor), written confirmation that the Note was issued in book entry form, dated the date of acceptance.

The Notes will be offered and sold only to persons who are, prior to or at the time of receiving a purchase application, members of, contributors to or participants in the General Council of the Assemblies of God, the District Council or in any program, activity or organization which constitutes a part of the General Council or the District Council, or in other church organizations that have a programmatic relationship with the General Council or the District Council, and IRAs of such persons.

Investors who purchase or direct the purchase of Notes for their IRA are responsible for any fees or other amounts charged by their account custodians. HIS Fund is not eligible to serve as an IRA custodian. Helpful information on how to establish an IRA can be found on the HIS Fund website (www.hisfund.com).

HIS Fund reserves the right, in its sole discretion, to reject a request to purchase a Note by any person or entity, to limit the amount which may be invested by any person or entity, and to limit the number of Notes that one investor may hold.

MANAGEMENT

HIS Fund Directors and Officers

The HIS Fund Board of Directors and officers manage HIS Fund. Directors of HIS Fund, other than ex officio directors, serve one-year terms unless another term is specified at the time of election, with no limit on the number of consecutive terms. The Superintendent and Secretary/Treasurer of the District Council are ex officio directors of HIS Fund. Except for ex officio directors, persons to fill vacancies on the HIS Fund Board will be elected by the then current HIS Fund directors.

Listed below is information on the current HIS Fund directors, with officer positions, if any, indicated in bold after a director's name.

<u>Name and Address</u>	<u>Term Expires</u>	<u>Principal Occupation(s) Last Five Years</u>	<u>Education</u>
Michael T. Bongiorno (HIS Fund Chairman, Chief Executive Officer and Chief Financial Officer) 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Chief Executive Officer of HIS Fund since inception; Executive Director of the Loan Fund 2000-2008; Special Assistant to the Superintendent 1997-2000	Associate Degree in Business Administration, 1980 – Harrisburg Area Community College
Philip Bongiorno (HIS Fund President) 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Retired, Superintendent/President of District Council 1978-2002	Ministerial Degree, 1955 – Northeast Bible Institute (now University of Valley Forge)
David P. Crosby, Sr. (HIS Fund Secretary) 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Retired, Secretary/Treasurer of District Council 2001-2013	Master of Arts, 1985 – International Seminary
Robert S. Harris 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Retired; Senior Pastor Shrewsbury Assembly of God in Shrewsbury, PA from 1980-2012	Ministerial Diploma, 1954 – Zion Bible College
Donald J. Immel (HIS Fund Vice Chairman) 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	<u>ex-officio</u>	Superintendent of District Council June 2018 to present; Secretary/Treasurer of District Council 2013 to June 2018; Lead Pastor New Stanton Assembly of God 2007-2013	Studies in Pastoral Psychology and Counseling, 1982-84 – Ashland Theological Seminary; Bachelor of Science in Bible, 1982 – Valley Forge Christian College (now University of Valley Forge)
Thomas E. Rees 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Assistant to the Superintendent 2000 to present; Director, U.S. Missions and Church Development; Dir., Men's Ministries	Master of Science in Education, 1993 – Temple University
R. Shane Wilson 3 Kacey Court, Ste. 101	2022	Lead Pastor Christian Life Assembly, Camp Hill, PA July	Bachelor of Theology Degree, 1993 – Central Bible

Mechanicsburg, PA 17055		2014 to present; Executive Pastor Christian Life Assembly, Camp Hill, PA 2009 to July 2014	College
Jeffrey A. Marshall 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	<u>ex-</u> <u>officio</u>	Secretary/Treasurer of District Council May 2018 to present; Lead Pastor New Day Assembly of God, Upper St. Clair, PA 2014 to present	Bachelor of Arts in Human Services 1982 – Asbury University (previously Asbury College); Masters of Educational Leadership, 1997 – Regent University; Supplemental Bible Classes – Global University
Theresa A. Decker 3 Kacey Court, Ste. 101 Mechanicsburg, PA 17055	2022	Administrator/Executive Pastor Morning Star Fellowship, Quakertown, PA 2004 to present	Studied at Southeastern University; Ordained Minister with the Assemblies of God

The above-named individuals are ordained ministers of the Assemblies of God. None of the HIS Fund Directors has professional experience, training or education in administering a loan fund or in financial management other than the prior operation of the predecessor loan fund for the District Council and the ongoing operation of HIS Fund’s loan fund activities.

In addition to the executive officers of HIS Fund who are directors and listed above, Robert J. Marzano, Jr. serves as Chief Operating Officer. As the Chief Operating Officer, he is responsible for activities related to the general operations of HIS Fund, including financial analysis for loan applications, oversight and training related to all communication and information systems of HIS Fund and management of HIS Fund’s facilities. Prior to joining HIS Fund in 2011, Mr. Marzano served as the Administrator to the Treasurer of the New Jersey District Council of the Assemblies of God from August 2007 through August 2011.

As of the date of this Prospectus, no petition under the Bankruptcy Act or any State insolvency law has been filed by or against any of the directors or officers of HIS Fund and no receiver, fiscal agent, or similar officer was appointed by a court for the business or property of any such director or officer or of any partnership in which he was a general partner or of any corporation or business association of which he was an executive officer. None of the directors or officers of HIS Fund has ever been convicted or pleaded nolo contendere in a criminal proceeding (excluding minor traffic violations and other minor offenses) or is the subject of a criminal proceeding which is pending as of the date of this Prospectus. Moreover, none of the directors or officers of HIS Fund has ever been held liable in a civil action (or, as of the date of this prospectus, is a defendant in any civil action) involving allegations of fraud for violations of any securities or franchise law, embezzlement, fraudulent conversion, misappropriation of property, theft or restraint of trade.

As of the date of this Prospectus, (1) none of the directors or officers of HIS Fund are or have been the subject of any order, judgment or decree of any court of competent jurisdiction or administrative or self-regulatory agency permanently or temporarily enjoining him from, or revoking or suspending his registration necessary for, any of the following: (i) acting as an investment advisor, investment advisory representative, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, banks, savings and loan association or insurance

company, (ii) engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security or commodity futures related contract, (iii) representing an issuer offering or selling securities, (iv) acting as promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities or of a person who controls or is controlled by such issuer; or (v) relying upon an exemption from registration for securities; and (2) none of the directors or officers of HIS Fund are or have been the subject of any order, judgment or decree of a federal or state authority or administrative or self-regulatory agency barring or suspending the right of any such director or officer to be engaged in any activity described in (1)(i)-(v) above, censuring such director or officer for any activity, ordering such director or officer to effect a rescission offer to persons who purchased securities of an issuer with whom such director or officer is or was controlled by or otherwise affiliated or connected with, imposing an administrative assessment, or adjudging such director or officer in contempt of any stop order, cease advertising order, cease and desist order, or order requiring return of sales compensation. None of the directors or officers of HIS Fund has within the past five years filed a registration statement or application for exemption from registration that is currently subject to a stop order under a state's securities law.

Remuneration and Other Transactions

No member of the Board of Directors of HIS Fund receives any compensation from HIS Fund for being a Director. Members of the Board of Directors of HIS Fund receive reimbursement for actual expenses incurred in attending meetings of the Board or any committee. The members of the Board holding District Council offices may receive compensation from the District Council for services to the District Council as determined by the Executive Presbytery.

The following table sets forth the amount of annual direct and indirect remuneration paid to the executive officers of HIS Fund in 2020 and scheduled compensation for 2021 (there are no employment contracts):

	<u>2020</u>			<u>2020 Aggregate Remuneration</u>	<u>2021</u>
	<u>Cash Compensation</u>	<u>Insurance¹</u>	<u>Retirement</u>		<u>Scheduled Base Compensation</u>
Michael T. Bongiorno CEO/CFO/Chairman	\$174,961	\$37,191	\$16,389	\$228,541	\$170,814
All Other Executive Officers and Directors	<u>\$113,295</u>	<u>\$43,399</u>	<u>\$60,783</u>	<u>\$217,477</u>	<u>\$143,223</u>
All Executive Officers and Directors as a Group	<u>\$288,256</u>	<u>\$80,590</u>	<u>\$77,172</u>	<u>\$446,018</u>	<u>\$314,037</u>

¹ Includes health, dental, vision and long-term disability insurance premiums.

HIS Fund contracts with unaffiliated third parties for data processing and other technology services. The District Council and the officers and directors of HIS Fund may also invest from time to time in HIS Fund Notes on the same terms as other investors. Except for the foregoing and as set forth above under "LENDING ACTIVITIES – Loans," during 2020 there have been no material transactions or agreements between HIS Fund and any of the directors of HIS Fund, or any company directly or indirectly controlled by any such person or persons.

RESPONSE TO COVID-19 PANDEMIC

HIS Fund has remained operational throughout the COVID-19 pandemic, which began impacting the United States in March 2020. In response to government-mandated stay-at-home orders and business closures, HIS Fund implemented remote working capabilities for all of its employees and operational systems and has continued business operations with little interruption. As of the date of this Prospectus, HIS Fund has fully returned to in-person operations in accordance with applicable governmental guidance. HIS Fund does not anticipate any material impact on its ability to maintain its operational systems and controls considering the measures HIS Fund has taken to implement remote working capabilities.

Central to HIS Fund's purpose is the ability to aid its borrowers in every instance to meet their obligations, if possible, to avoid loan default. In order to assist its borrowers through the COVID-19 pandemic, beginning in April 2020 HIS Fund provided loan payment deferrals in the form of interest only payments or no loan payments on a case by case basis for 67 of its loans, representing an aggregate outstanding principal balance of approximately \$75,604,137, which represents approximately 36% of the total principal balance of HIS Fund's outstanding loans receivable as of December 31, 2020. As part of the payment deferral relief, each modified loan was granted a specified period to repay deferred loan amounts; none of the modified loans were granted an extension of maturity date; and interest continued to accrue on all outstanding principal loan balances under original loan terms. Most of the 67 modified loans were granted payment deferrals ranging between two (2) and three (3) months, while three (3) loans were granted payment deferrals of up to six (6) months. Additionally, one (1) loan was temporarily provided a nine (9) month interest rate reduction. As of December 31, 2020, all of the loans that were granted loan relief in response to COVID-19 had either returned to repayment status under pre-COVID-19 loan terms or were performing in current repayment status under modified loan terms.

DESCRIPTION OF PROPERTIES

HIS Fund owns real estate and two contiguous buildings in Mechanicsburg, Pennsylvania. HIS Fund's offices are located in one building and HIS Fund leases a dentist office to an unrelated third party. HIS Fund owns no other buildings or property other than office furniture and equipment. See the Financial Statements of HIS Fund at Appendix A.

EMPLOYEES

HIS Fund has seven paid employees, the President, the Chairman/Chief Executive Officer/Chief Financial Officer, the Chief Operating Officer, an Administrative Assistant, an Investor Relations Specialist, an Operations Specialist and an Operations Support Specialist. See "MANAGEMENT - Remuneration and Other Transactions" for information on compensation of HIS Fund directors and executive officers.

FINANCIAL STATEMENTS

The financial statements for HIS Fund as of December 31, 2018, 2019 and 2020, included in Appendix A, have been audited by BKD, LLP, as stated in their report thereon.

LEGAL PROCEEDINGS

There are no pending or threatened material legal proceedings known to be contemplated by government authorities, administrative bodies or other persons, to which HIS Fund, including the Loan Fund, is a party or to which any of its property is or may be subject.

LEGAL OPINION

Penwell Bowman + Curran LLC, Harrisburg, Pennsylvania, securities legal counsel to HIS Fund, has issued an opinion to the HIS Fund Board of Directors that the securities offered hereby, when issued, will be legally issued and outstanding, fully paid and non-assessable and will constitute valid and binding debt obligations of HIS Fund.

ANNUAL MEETING

HIS Fund is not required to hold an annual meeting. Holders of the debt securities offered hereby are not entitled to notice of meetings of the HIS Fund Board and have no voting rights by reason of investment in the Loan Fund.

FURTHER INFORMATION

HIS Fund has filed certain documents with the appropriate agencies of the various states including certain exhibits and amendments thereto related to the offer and sale of the Notes offered in this Prospectus. The Prospectus may not contain all the information so filed, and reference is hereby made to the information so filed for further information, with respect to HIS Fund and its Notes. Such additional documents are available for inspection at the offices of the applicable state agencies. This Prospectus speaks as of its effective date.

FINANCIAL REPORTS TO INVESTORS

Copies of HIS Fund's audited financial statements will be distributed to then current investors within 120 days after the close of HIS Fund's fiscal year.

Heritage Investment Services Fund, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2020 and 2019

Independent Auditor's Report

Board of Directors
Heritage Investment Services
Fund, Inc.
Mechanicsburg, Pennsylvania

We have audited the accompanying financial statements of Heritage Investment Services Fund, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for each of the years in the three year period ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Heritage Investment Services
Fund, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heritage Investment Services Fund, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for each of the years in the three year period ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Springfield, Missouri
March 1, 2021

Heritage Investment Services Fund, Inc.
Statements of Financial Position
December 31, 2020 and 2019

Assets

	2020	2019
Cash	\$ 45,931,465	\$ 10,656,481
Investments	1,299,600	3,308,902
Interest in net assets of affiliate	1,843,537	1,888,391
Loans, net of allowance for loan losses; 2020 – \$2,312,450 and 2019 – \$2,200,278	207,695,397	217,089,022
Accrued interest receivable	676,477	853,274
Property and equipment, net	1,041,442	1,082,591
Other	644	-
Total assets	\$ 258,488,562	\$ 234,878,661

Liabilities and Net Assets

Liabilities

Notes payable	\$ 234,901,475	\$ 214,417,519
Interest payable	660,116	603,621
Other liabilities	9,108	470
Total liabilities	235,570,699	215,021,610

Net Assets

Without donor restrictions		
Undesignated	22,917,863	19,857,051
Total liabilities and net assets	\$ 258,488,562	\$ 234,878,661

Heritage Investment Services Fund, Inc.
Statements of Activities
Years Ended December 31, 2020, 2019, and 2018

	Without Donor Restrictions		
	2020	2019	2018
Revenues, Gains, and Other Support			
Interest on loans	\$ 12,245,697	\$ 12,136,401	\$ 10,482,734
Interest on investments	340,638	328,239	435,353
Net gains (losses) on investments	131,742	711,444	(281,030)
Rental income	50,194	49,698	49,744
Other revenue	-	7,176	8,319
	<u>12,768,271</u>	<u>13,232,958</u>	<u>10,695,120</u>
Expenses and Losses			
Interest on notes payable	8,220,073	7,653,940	7,114,170
Provision for loan losses	131,298	408,792	362,486
Other program expenses	799,958	758,109	719,533
Management and general	556,130	468,654	448,971
	<u>9,707,459</u>	<u>9,289,495</u>	<u>8,645,160</u>
Change in Net Assets	3,060,812	3,943,463	2,049,960
Net Assets, Beginning of Year	<u>19,857,051</u>	<u>15,913,588</u>	<u>13,863,628</u>
Net Assets, End of Year	<u>\$ 22,917,863</u>	<u>\$ 19,857,051</u>	<u>\$ 15,913,588</u>

Heritage Investment Services Fund, Inc.
Statements of Cash Flows
Years Ended December 31, 2020, 2019, and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Activities			
Change in net assets	\$ 3,060,812	\$ 3,943,463	\$ 2,049,960
Items not requiring (providing) cash			
Depreciation	41,149	39,783	37,566
Provision for loan losses	131,298	408,792	362,486
Amortization of deferred loan fees	(45,394)	(28,967)	(19,518)
Net (gains) losses on investments	(131,742)	(711,444)	281,030
Net loss on sale of property and equipment	-	-	349
Changes in			
Accrued interest receivable	176,797	(330,601)	(39,759)
Accrued interest payable	56,495	37,042	53,961
Other assets	(644)	-	8,946
Other liabilities	8,638	(7,234)	(4,009)
	<u>3,297,409</u>	<u>3,350,834</u>	<u>2,731,012</u>
Net cash provided by operating activities			
	<u>3,297,409</u>	<u>3,350,834</u>	<u>2,731,012</u>
Investing Activities			
Purchase of property and equipment	-	(64,802)	(29,049)
Purchases of investments	(6,391,160)	(3,929,991)	(3,923,976)
Proceeds from the sales of investments	8,577,058	6,914,363	2,832,741
Originations of loans receivable	(16,443,111)	(35,184,627)	(32,619,399)
Principal payments received on loans receivable	25,750,832	10,043,545	8,144,123
	<u>11,493,619</u>	<u>(22,221,512)</u>	<u>(25,595,560)</u>
Net cash provided by (used in) investing activities			
	<u>11,493,619</u>	<u>(22,221,512)</u>	<u>(25,595,560)</u>
Financing Activities			
Proceeds from line of credit	-	3,105,322	700,000
Repayment of line of credit	-	(3,105,322)	(700,000)
Proceeds from issuance of notes payable	52,216,837	38,749,019	41,436,925
Repayment of principal on notes payable	(31,732,881)	(24,170,339)	(23,095,676)
	<u>20,483,956</u>	<u>14,578,680</u>	<u>18,341,249</u>
Net cash provided by financing activities			
	<u>20,483,956</u>	<u>14,578,680</u>	<u>18,341,249</u>
Increase (Decrease) in Cash	35,274,984	(4,291,998)	(4,523,299)
Cash, Beginning of Year	<u>10,656,481</u>	<u>14,948,479</u>	<u>19,471,778</u>
Cash, End of Year	<u>\$ 45,931,465</u>	<u>\$ 10,656,481</u>	<u>\$ 14,948,479</u>
Supplemental Cash Flows Information			
Interest paid	\$ 1,383,796	\$ 1,342,470	\$ 1,278,216
Interest reinvested by note holders	\$ 6,779,782	\$ 6,284,698	\$ 5,773,719

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Heritage Investment Services Fund, Inc. (HIS Fund) was incorporated as a Pennsylvania nonprofit corporation in September 2007. Formed at the direction of the Pennsylvania-Delaware District Council of the Assemblies of God (District Council), HIS Fund's mission is to assist in, further, and support the religious work and ministries of the Assemblies of God denomination throughout the territories served by the District Council. From 1981 through June 30, 2008, the District Council operated an unincorporated church extension loan fund, known as the Penn-Del Loan Fund. Effective July 1, 2008, HIS Fund assumed operational responsibility as the successor organization to the Penn-Del Loan Fund. HIS Fund's principal activity is continuing the church extension loan fund operations of the Penn-Del Loan Fund. HIS Fund may also engage in activities furthering and supporting the religious work and ministries of the Assemblies of God denomination outside the geographic boundaries of the District to the extent approved by its board of directors.

HIS Fund is a related party to the District Council, as the District Council's Superintendent and Secretary/Treasurer are ex-officio voting members of HIS Fund's board of directors. However, beyond this representation, the District Council does not appoint any members (and thus does not make a voting majority of board appointments) to HIS Fund's board of directors.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses. In connection with the determination of the allowance for loan losses, management typically obtains independent appraisals for significant properties.

Cash

Cash includes funds held in banks for operating purposes. HIS Fund does consider uninvested cash held in investment accounts as cash. At December 31, 2020, HIS Fund's cash accounts exceeded federally insured limits by approximately \$42,692,000.

Investments and Net Investment Return

HIS Fund measures securities, other than investments that qualify for the equity method of accounting at fair value.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Interest in Net Assets of Affiliate

HIS Fund is the sole beneficiary of the Penn-Del International Loans Special Purpose Trust (the "Trust"), trustee by Wisdom Over Wealth, LLC, which consists of domestic loans receivable, secured by real estate recorded at cost. HIS Fund's interest in the net assets of the affiliate is accounted for in a manner similar to the equity method. Changes in the interest are included in the change in net assets without donor restrictions within investment income. HIS Fund's interest in the net assets of the Trust was \$1,843,537 and \$1,888,391 at December 31, 2020 and 2019, respectively.

Loans

Loans, primarily from Assemblies of God affiliated churches, that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses, and any deferred fees or costs on originated loans. Generally, these loans are collateralized by first mortgages on the primary buildings and facilities owned by the borrowers.

Interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and amortized as a level-yield adjustment over the respective term of the loan.

The accrual of interest on loans is generally discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows or collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from HIS Fund's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that HIS Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Property and Equipment, Net

Land is carried at cost. Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	10 - 40 years
Land improvements	10 - 40 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Long-Lived Asset Impairment

HIS Fund evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2020, 2019, and 2018.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions as of December 31, 2020 and 2019.

Functional Allocation of Expenses

Functional expenses (*Note 11*) presents the natural classification detail of expenses by function. Certain costs have been allocated among the program and supporting services based on usage and other methods.

Exemption from Income Taxes

HIS Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as an integrated auxiliary of a church. However, HIS Fund is subject to federal income tax on any unrelated business taxable income.

Note 2: Investments

Investments consisted of the following at December 31:

	2020	2019
Money market mutual funds	\$ -	\$ 1,672,418
Equity securities	1,299,600	1,636,484
	<u>\$ 1,299,600</u>	<u>\$ 3,308,902</u>

Net gains (losses) on investments are comprised of the following:

	2020	2019	2018
Net realized gains (losses)	\$ 394,208	\$ (555,870)	\$ 11,592
Net unrealized gains (losses)	<u>(262,466)</u>	<u>1,267,314</u>	<u>(292,622)</u>
Total net gains (losses)	<u>\$ 131,742</u>	<u>\$ 711,444</u>	<u>\$ (281,030)</u>

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 3: Loans Receivable and Allowance for Loan Losses

Classes of loans at December 31, 2020 and 2019, include:

	2020	2019
Church loans secured by real estate	\$ 186,761,322	\$ 196,608,625
Church unsecured loans	73,574	61,618
Other secured real estate	23,387,423	22,899,517
	210,222,319	219,569,760
Net deferred loan fees	(214,472)	(280,460)
Allowance for loan losses	(2,312,450)	(2,200,278)
	\$ 207,695,397	\$ 217,089,022

The following tables present HIS Fund's loan portfolio aging analysis of the investment in loans as of December 31, 2020 and 2019:

2020						
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Church loans secured						
by real estate	\$ 884,220	\$ 2,667,013	\$ 3,551,233	\$ 183,210,089	\$ 186,761,322	\$ 2,667,013
Church unsecured loans	-	-	-	73,574	73,574	-
Other secured by real estate	-	-	-	23,387,423	23,387,423	-
	\$ 884,220	\$ 2,667,013	\$ 3,551,233	\$ 206,671,086	\$ 210,222,319	\$ 2,667,013
Total	\$ 884,220	\$ 2,667,013	\$ 3,551,233	\$ 206,671,086	\$ 210,222,319	\$ 2,667,013

2019						
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Church loans secured						
by real estate	\$ 3,385,820	\$ 8,878,859	\$ 12,264,679	\$ 184,343,946	\$ 196,608,625	\$ 8,878,859
Church unsecured loans	-	-	-	61,618	61,618	-
Other secured by real estate	-	-	-	22,899,517	22,899,517	-
	\$ 3,385,820	\$ 8,878,859	\$ 12,264,679	\$ 207,305,081	\$ 219,569,760	\$ 8,878,859
Total	\$ 3,385,820	\$ 8,878,859	\$ 12,264,679	\$ 207,305,081	\$ 219,569,760	\$ 8,878,859

HIS Fund had \$2,423,907 classified as nonaccrual at December 31, 2020, and no loans classified as nonaccrual at December, 31 2019.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

The following tables present the activity in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of and for the years ended December 31, 2020 and 2019:

	2020			
	Church Loans Secured by Real Estate	Church Unsecured Loans	Other Loans Secured by Real Estate	Total
Allowance for Loan Losses				
Balance, beginning of year	\$ 1,970,188	\$ 617	\$ 229,473	\$ 2,200,278
Provision for loan losses	103,317	192	27,789	131,298
Charge-offs	(19,126)	-	-	(19,126)
Recoveries	-	-	-	-
	<u>2,054,379</u>	<u>809</u>	<u>257,262</u>	<u>2,312,450</u>
Balance, end of year	<u>\$ 2,054,379</u>	<u>\$ 809</u>	<u>\$ 257,262</u>	<u>\$ 2,312,450</u>
Ending balance:				
Individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collectively evaluated for impairment	<u>\$ 2,054,379</u>	<u>\$ 809</u>	<u>\$ 257,262</u>	<u>\$ 2,312,450</u>
Loans				
Ending balance	<u>\$ 186,761,322</u>	<u>\$ 73,574</u>	<u>\$ 23,387,423</u>	<u>\$ 210,222,319</u>
Ending balance:				
Individually evaluated for impairment	<u>\$ 4,844,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,844,832</u>
Collectively evaluated for impairment	<u>\$ 181,916,490</u>	<u>\$ 73,574</u>	<u>\$ 23,387,423</u>	<u>\$ 205,377,487</u>
	2019			
	Church Loans Secured by Real Estate	Church Unsecured Loans	Other Loans Secured by Real Estate	Total
Allowance for Loan Losses				
Balance, beginning of year	\$ 1,575,201	\$ 31,039	\$ 185,246	\$ 1,791,486
Provision for loan losses	394,987	(30,422)	44,227	408,792
Charge-offs	-	-	-	-
Recoveries	-	-	-	-
	<u>1,970,188</u>	<u>617</u>	<u>229,473</u>	<u>2,200,278</u>
Balance, end of year	<u>\$ 1,970,188</u>	<u>\$ 617</u>	<u>\$ 229,473</u>	<u>\$ 2,200,278</u>

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

	2019			
	Church Loans Secured by Real Estate	Church Unsecured Loans	Other Loans Secured by Real Estate	Total
Ending balance:				
Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	\$ 1,970,188	\$ 617	\$ 229,473	\$ 2,200,278
Loans				
Ending balance	\$ 196,608,625	\$ 61,618	\$ 22,899,517	\$ 219,569,760
Ending balance:				
Individually evaluated for impairment	\$ 4,653,194	\$ -	\$ -	\$ 4,653,194
Collectively evaluated for impairment	\$ 191,955,431	\$ 61,618	\$ 22,899,517	\$ 214,916,566

The following table presents the activity in the allowance for loan losses based on portfolio segment and impairment method as of and for the year ended December 31, 2018:

	2018			
	Church Loans Secured by Real Estate	Church Unsecured Loans	Other Loans Secured by Real Estate	Total
Allowance for Loan Losses				
Balance, beginning of year	\$ 1,283,675	\$ 567	\$ 144,758	\$ 1,429,000
Provision for loan losses	291,526	30,472	40,488	362,486
Charge-offs	-	-	-	-
Recoveries	-	-	-	-
Balance, end of year	\$ 1,575,201	\$ 31,039	\$ 185,246	\$ 1,791,486

Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection. At December 31, 2020, HIS Fund had \$4,844,832 in church loans secured by real estate that were modified in troubled debt restructurings and impaired. On February 4, 2021, \$725,588 of the troubled debt restructuring was paid in full.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

At December 31, 2019, HIS Fund had \$2,708,034 in church loans secured by real estate that were modified in troubled debt restructurings and impaired.

The following summarized impaired loans at December 31, 2020, 2019, and 2018:

	2020				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Church loans secured by real estate	\$ 4,844,832	\$ 4,844,832	\$ -	\$ 4,749,013	\$ 82,072
Total impaired loans	<u>\$ 4,844,832</u>	<u>\$ 4,844,832</u>	<u>\$ -</u>	<u>\$ 4,749,013</u>	<u>\$ 82,072</u>
	2019				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Church loans secured by real estate	\$ 4,653,194	\$ 4,653,194	\$ -	\$ 2,388,894	\$ 254,165
Total impaired loans	<u>\$ 4,653,194</u>	<u>\$ 4,653,194</u>	<u>\$ -</u>	<u>\$ 2,388,894</u>	<u>\$ 254,165</u>
	2018				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Church loans secured by real estate	\$ 124,594	\$ 124,594	\$ -	\$ 200,445	\$ 14,585
Loans with a specific valuation allowance					
Church unsecured loans	30,325	30,325	30,325	15,163	3,657
Total impaired loans	<u>\$ 154,919</u>	<u>\$ 154,919</u>	<u>\$ 30,325</u>	<u>\$ 215,608</u>	<u>\$ 18,242</u>

As part of the ongoing monitoring of the credit quality of HIS Fund's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. Impaired loans by category are shown above; all other loans are considered by management to be unimpaired.

HIS Fund evaluates the loan risk grading system definitions and allowance for loan loss methodology on an ongoing basis. No significant changes were made to either during the past year.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 4: Property and Equipment

Property and equipment at December 31 are comprised of the following:

	2020	2019
Land and land improvements	\$ 176,400	\$ 176,400
Buildings and improvements	1,114,713	1,114,713
Furniture and equipment	51,857	51,857
Vehicles	29,049	29,049
	1,372,019	1,372,019
Less accumulated depreciation	330,577	289,428
	\$ 1,041,442	\$ 1,082,591

Note 5: Notes Payable

HIS Fund issues six types of unsecured notes payable. Notes are issued as either demand notes, payable upon demand with 30 days' prior written notice (Demand Notes), or notes with various fixed maturities established from time to time (Term Notes), currently 6-month, 1-year, 2½-year, 4-year, and 5-year terms.

While HIS Fund may change the interest rate paid on newly issued notes from time to time or discontinue the issuance of a particular note, the principal terms of these instruments at December 31, 2020, along with the outstanding balances at December 31, 2020 and 2019, are as follows:

Original Term	2020 Interest Rate	2020	2019
Demand	2.25%	\$ 28,495,261	\$ 21,391,549
6 months	2.50-2.75%	4,965,978	3,301,980
1 year	2.75-3.00%	15,461,624	14,539,594
2 1/2 years	3.00-3.25%	4,816,775	4,871,026
4 years	3.25-3.50%	2,899,597	3,006,088
5 years	3.75-4.25%	178,262,240	167,307,282
		\$ 234,901,475	\$ 214,417,519

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

At December 31, 2020, the scheduled maturities of notes payable are as follows:

Demand	\$ 28,495,261
2021	69,856,806
2022	31,955,384
2023	31,751,156
2024	31,037,874
2025	41,804,994
Total	\$ 234,901,475

At December 31, 2020, investors were concentrated in the following states:

	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Pennsylvania	5,230	\$ 138,071,477	59%
New Jersey	320	17,170,491	7%
Florida	183	11,670,237	5%
Georgia	145	10,129,567	4%
North Carolina	81	7,952,861	3%
	5,959	\$ 184,994,633	78%

Note 6: Line-of-Credit Demand Note

HIS Fund maintains a line-of-credit demand note arrangement with Fulton Bank, N.A. (the “Bank”) in the amount of \$13,000,000. The line is due upon demand by the Bank and is subject to annual review for renewal at the Bank’s sole option. Each advance made on the line is subject to the Bank’s approval. The line is collateralized by an assignment of HIS Fund’s loans receivable. Interest varies with the one-month LIBOR Market Index Rate plus 2.75 percent, which was 2.89 percent and 4.45 percent on December 31, 2020 and 2019, respectively, and is payable monthly. At December 31, 2020 and 2019, HIS Fund did not owe any principal amounts under the line of credit.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 7: Commitments and Credit Risk

Commitments to Originate Loans

Commitments to originate loans are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but typically includes real estate owned by churches and nonprofit organizations.

HIS Fund had outstanding commitments to originate loans aggregating approximately \$4,171,000 and \$5,486,000 at December 31, 2020 and 2019, respectively. HIS Fund had outstanding commitments to fund construction loans aggregating approximately \$2,524,000 and \$9,834,000 at December 31, 2020 and 2019, respectively. The commitments extended over varying periods of time with the majority to be disbursed within a one-year period.

Lines of Credit

Lines of credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies but may include church properties. Management uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments.

At December 31, 2020, HIS Fund had granted unused lines of credit to borrowers aggregating approximately \$4,083,000. At December 31, 2019, unused lines of credit to borrowers aggregated approximately \$2,221,000.

Credit Risk

HIS Fund's loans are made exclusively to churches, conferences, and other affiliates of the church. The vast majority of loans are made to churches. The repayment of loans by churches may affect HIS Fund's ability to meet its obligations. In most instances, the ability of churches to repay their loans will depend upon the contributions they receive from their members. Both the number of members of a church and the amount of contributions may fluctuate. In addition, a church facility may be a single-purpose building and the marketability of such a specific facility may be limited, potentially diminishing the value of such collateral in the event of foreclosure. Finally, because of the relationship of HIS Fund with its borrowers, HIS Fund has in the past been willing under certain circumstances to accommodate late payments or to extend or otherwise modify the terms of a loan. Should borrowers not be able to repay their principal and interest as scheduled, HIS Fund's ability to make principal and interest payments on its notes may be impaired.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Impact of COVID-19

In March 2020, the COVID-19 coronavirus was identified as a global pandemic and began affecting the health of large populations around the world. As a result of the spread of COVID-19, economic uncertainties arose which can ultimately affect the financial position, results of operations, and cash flows of HIS Fund as well as the HIS Fund's customers. In response to economic concerns over COVID-19, HIS Fund extended certain payment modifications to loan customers in need. As of December 31, 2020, all loans that received payment modifications during 2020 related to COVID-19 have since returned to normal repayment status.

Note 8: Retirement Plan

HIS Fund employees participate in the Ministers Benefit Association Retirement Program. HIS Fund contributes an amount based on 10 percent of the compensation of the Chief Executive Officer and 6 percent of the compensation of eligible full time "exempt professional" and "nonexempt hourly" employees in accordance with the Ministers' Benefit Association Service Agreement. In addition to the contributions made by HIS Fund, the participants may also make voluntary contributions. For the years ended December 31, 2020, 2019, and 2018, the costs of this plan, which are funded currently amounted to \$32,790, \$22,433, and \$41,855, respectively. An additional \$47,593, \$53,550, and \$43,584 was contributed on behalf of the President for the years ended December 31, 2020, 2019, and 2018, respectively.

Note 9: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

	2020			
	Fair Value	Fair Value Measurements Using		
Level 1		Level 2	Level 3	
Equity securities	1,299,600	-	-	
	\$ 1,299,600	\$ -	\$ -	

	2019			
	Fair Value	Fair Value Measurements Using		
Level 1		Level 2	Level 3	
Money market mutual funds	\$ 1,672,418	\$ -	\$ -	
Equity securities	1,636,484	-	-	
	\$ 3,308,902	\$ -	\$ -	

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2020.

Investments

Where quoted market prices are available in an active market or investments could be redeemed at cost, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market accounts with brokers, mutual funds, and equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. HIS Fund does not have any investments classified as Level 2 or Level 3.

Nonrecurring Measurements

There were no assets or liabilities measured at fair value on a nonrecurring basis at December 31, 2020 and 2019.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses are reflected in *Note 3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 7*.

Borrower Concentrations

At December 31, 2020 and 2019, there were no borrowers with an outstanding loan balance greater than 5 percent of total assets.

Investments in Marketable Securities

HIS Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 11: Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building expenses, which are based on a percentage of total expenses, as well as interest, provision for loan losses, salaries and benefits, professional fees, and other, which are allocated on the basis of estimates of time and effort. The tables below present expenses by both their nature and their function.

Natural Classification	December 31, 2020		
	Functional Classification		
	PROGRAM Lending and Investments	Management and General	Total
Interest on notes payable	\$ 8,220,073	\$ -	\$ 8,220,073
Provision for loan losses	131,298	-	131,298
Salaries and employee benefits	362,751	228,994	591,745
Professional fees	156,225	8,222	164,447
Building expenses	101,815	5,359	107,174
Other operating expenses	179,167	313,555	492,722
Total expenses	<u>\$ 9,151,329</u>	<u>\$ 556,130</u>	<u>\$ 9,707,459</u>

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

December 31, 2019			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on notes payable	\$ 7,653,940	\$ -	\$ 7,653,940
Provision for loan losses	408,792	-	408,792
Salaries and employee benefits	325,595	165,991	491,586
Professional fees	145,208	7,643	152,851
Building expenses	96,474	5,077	101,551
Other operating expenses	190,832	289,943	480,775
Total expenses	\$ 8,820,841	\$ 468,654	\$ 9,289,495

December 31, 2018			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on notes payable	\$ 7,114,170	\$ -	\$ 7,114,170
Provision for loan losses	362,486	-	362,486
Salaries and employee benefits	322,655	171,577	494,232
Professional fees	132,233	6,960	139,193
Building expenses	105,777	5,567	111,344
Other operating expenses	158,868	264,867	423,735
Total expenses	\$ 8,196,189	\$ 448,971	\$ 8,645,160

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 45,931,465	\$ 10,656,481
Investments	1,299,600	3,308,902
Interest receivable	676,477	853,274
Scheduled loan principal amounts due in the next year	<u>10,176,222</u>	<u>10,089,367</u>
Total financial assets	58,083,764	24,908,024
Internal designations		
Commitments to fund construction loans	(2,524,000)	(9,834,000)
Unused lines of credit	<u>(4,083,000)</u>	<u>(2,221,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 51,476,764</u>	<u>\$ 12,853,024</u>

HIS Fund follows the financial standards included in the Statement of Policy Regarding Church Extension Fund Securities issued by the North American Securities Administrators Association, Inc. for liquidity status. The standards state that HIS Fund's cash, cash equivalents, readily marketable securities, and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding notes payable, except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes payable. To help manage unanticipated liquidity needs, HIS Fund has a line-of-credit demand note arrangement in the amount of \$13.0 million, see *Note 6* for additional information on the note, which requires bank approval on each advance.

HIS Fund owes \$28,495,261 in principal to holders of Demand Notes and \$69,856,806 in Term Notes that are scheduled to mature during 2021. See *Note 5* for the scheduled maturities of all notes. Demand Notes may be redeemed in whole or in part, subject to the availability of funds, at the option of the registered holder upon at least 30 days' prior written notice to HIS Fund. Similarly, Term Notes may be redeemed, subject to the availability of funds, at the option of the registered holder upon at least 30 days' prior written notice to HIS Fund, but subject to early redemption penalties, unless redeemed at maturity.

In addition to funding note redemptions, HIS Fund must also fund its outstanding loan commitments. Outstanding commitments to originate new loans totaled approximately \$4,171,000 as of December 31, 2020, the majority of which are expected to require funding during 2021. Historically, HIS Fund has been able to meet the loan funding requirements through a combination of existing cash and investments on hand and cash generated from loan repayments and the sale of notes.

Heritage Investment Services Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 13: Related Party Transactions

At December 31, 2020, 2019, and 2018, HIS Fund held \$6,134,960, \$7,015,957, and \$7,578,242, respectively, of notes payable for the District Council. Interest paid on these notes was \$236,893, \$275,562, and \$278,899, for the years ended December 31, 2020, 2019, and 2018, respectively.

Note 14: Subsequent Events

Subsequent events have been evaluated through March 1, 2021, which is the date the financial statements were available to be issued.



HERITAGE INVESTMENT SERVICES FUND
Investing for a Higher Purpose
 Matthew 16:18

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 MECHANICSBURG, PA 17055
 E-MAIL: invest@hisfund.com
 TOLL FREE: (866) 219-0820
 PHONE: (717) 796-9784
 FAX: (717) 795-9568
 www.hisfund.com

PERSONAL NOTE PURCHASE APPLICATION

Please complete and sign this application to open a new investment for non-IRA accounts.

Type of Account (Choose one): Individual (one account name only) Joint Tenants with Right of Survivorship UTMA Custodial Account for Minor

Primary Account Owner or Minor Information if UTMA Account			Joint Owner or UTMA Custodian Information (if applicable)		
First Name	MI	Last Name	First Name	MI	Last Name
Social Security Number		Date of Birth (mm/dd/yyyy)	Social Security Number		Date of Birth (mm/dd/yyyy)
Mailing Address			Mailing Address		
City	State	Zip	City	State	Zip
Email			Email		
<input type="checkbox"/> This is my new address, please update your records accordingly.			Relationship of Joint Account Owner/UTMA Custodian to Primary Account Holder/Minor:		

Electronic Delivery Agreement: (Check the box to go paperless). In lieu of receiving a mailed copy of HIS Fund's Prospectus, Financial Statements and all other HIS Fund documents (i.e. periodic investment statements, deposit receipts and confirmation of purchase issuance letters), I request HIS Fund to send me, via email, notification that the Prospectus, Financial Statements and other HIS Fund documents are available for review through or on HIS Fund's website. I understand I may revoke this request at any time or change the delivery address by contacting HIS Fund.

Amount of Purchase: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

Please find the enclosed check, made payable to HIS Fund (*Heritage Investment Services Fund, Inc.*)

Please debit the bank account from my existing _____ (bank name) bank account on file ending in ____ (last three digits)

Please debit my new _____ (bank name) bank account ending in ____ (last three digits) (Attach a Direct Deposit Authorization Form)

Investment Instruction: (Enter the dollar amount for each type of Note in which you want to invest):

Demand Note (not available in South Carolina)	\$	6 Month Note	\$
1 Year Note	\$	2 ½ Year Note	\$
4 Year Note	\$	5 Year Note	\$
5 Year Jumbo Note (minimum of \$100,000)	\$		

INVESTOR HAS NO RIGHT OF WITHDRAWAL PRIOR TO MATURITY. If HIS Fund, in its discretion, permits early withdrawal, an interest penalty, processing fee and other withdrawal conditions may apply. Restrictions on transfer apply. See "DESCRIPTION OF SECURITIES – Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption" in the Prospectus.

Interest Options: (Please check either "Compound Interest" or the "Pay Interest" section below. If "Pay Interest" is selected, payment will be made only by ACH (electronic funds transfer). If no ACH information is on file or if no option is selected below, interest will compound.

<input type="checkbox"/> Compound Interest (redeposit quarterly)	OR	Pay Interest: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually (not available with 2 ½ Year Note) <input type="checkbox"/> Use existing ACH instructions on file <input type="checkbox"/> Establish new ACH by completing a Direct Deposit Form
--	-----------	--

The undersigned hereby applies to purchase a Note in accordance with this Application and the provisions of the current Prospectus, receipt of which is hereby acknowledged. The undersigned represents that the undersigned is a member of, contributor to or participant in the General Council of the Assemblies of God, the Pennsylvania-Delaware District Council of the Assemblies of God, or in a program, activity, or organization which constitutes a part of the General Council or the District Council, or in a church organization that has a programmatic relationship with the General Council or the District Council.

_____ Primary Account Owner/UTMA Custodian Signature	_____ Date
_____ Joint Account Owner (if applicable)	_____ Date

How did you hear about us? *Check any that apply:*
 District Council Conference Pastor From a friend Other: _____

Acceptance of this Application by HIS Fund will be evidenced by a written confirmation. HIS Fund reserves the right to reject any application for any reason in its discretion.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES DESCRIBED IN A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 P.S. §1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS), TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.



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 FAX: (717) 795-9568
 www.hisfund.com

CHURCH OR AFFILIATED ORGANIZATION/TRUST NOTE PURCHASE APPLICATION

Legal Name of Church, Organization or Trust	
DBA Name of Church and/or Organization (if applicable)	
Name of Trustee(s) (if applicable)	
Federal Employer Identification Number (FEIN)	Social Security Number (for use with Trusts w/o a FEIN)
Physical Address	Mailing Address
Street	Street
City State Zip Code	City State Zip Code
Telephone Number	Email Address

Electronic Delivery Agreement: (*Check the box to go paperless*). In lieu of receiving a mailed copy of HIS Fund’s Prospectus, Financial Statements and all other HIS Fund documents (i.e. periodic investment statements, deposit receipts and confirmation of purchase issuance letters), I request HIS Fund to send me, via email, notification that the Prospectus, Financial Statements and other HIS Fund documents are available for review through or on HIS Fund’s website. I understand I may revoke this request at any time or change the delivery address by contacting HIS Fund.

Amount of Purchase: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

Please find the enclosed check, made payable to HIS Fund (*Heritage Investment Services Fund, Inc.*)

Please debit the bank account from my existing _____ (bank name) bank account on file ending in _____ (last three digits)

Please debit my new _____ (bank name) bank account ending in _____ (last three digits) (Attach a Direct Deposit Authorization Form)

Investment Instruction: (*Enter the dollar amount for each type of Note in which you want to invest*):

Demand Note <i>(not available in South Carolina)</i>	\$ _____	6 Month Note	\$ _____
1 Year Note	\$ _____	2 ½ Year Note	\$ _____
4 Year Note	\$ _____	5 Year Note	\$ _____
5 Year Jumbo Note <i>(minimum of \$100,000)</i>	\$ _____		

INVESTOR HAS NO RIGHT OF WITHDRAWAL PRIOR TO MATURITY. If HIS Fund, in its discretion, permits early withdrawal, an interest penalty, processing fee and other withdrawal conditions may apply. Restrictions on transfer apply. See “DESCRIPTION OF SECURITIES – Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption” in the Prospectus.

Interest Options: (Please check either "Compound Interest" or the "Pay Interest" section below. If "Pay Interest" is selected, payment will be made only by ACH (electronic funds transfer). If no ACH information is on file or if no option is selected below, interest will compound.)

<input type="checkbox"/> Compound Interest (redeposit quarterly)	OR	Pay Interest: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually (not available with 2 ½ Year Note) <input type="checkbox"/> Use existing ACH instructions on file <input type="checkbox"/> Establish new ACH by completing a Direct Deposit Form
--	-----------	--

The undersigned hereby applies to purchase a Note in accordance with this Application and the provisions of the current Prospectus, receipt of which is hereby acknowledged. The undersigned represents that the undersigned is a member of, contributor to or participant in the General Council of the Assemblies of God, the Pennsylvania-Delaware District Council of the Assemblies of God, or in a program, activity, or organization which constitutes a part of the General Council or the District Council, or in a church organization that has a programmatic relationship with the General Council or the District Council.

1.		
Print Name & Title	Signature	Date
2.		
Print Name & Title	Signature	Date

Churches/Organization are required to provide TWO Authorized Signatures unless otherwise specified on your Church/Organization Resolution.

Trusts are required to provide their Trust document along with this purchase application.

How did you hear about us? *Check any that apply:*

District Council
 Conference
 Pastor
 From a friend
 Other: _____

Acceptance of this Application by HIS Fund will be evidenced by a written confirmation. HIS Fund reserves the right to reject any application for any reason in its discretion.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES DESCRIBED IN A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 P.S. §1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS), TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.



HERITAGE INVESTMENT SERVICES FUND
Investing for a Higher Purpose
Matthew 16:18

3 KACEY COURT, SUITE 101
 MECHANICSBURG, PA 17055
 E-MAIL: invest@hisfund.com
 TOLL FREE: (866) 219-0820
 PHONE: (717) 796-9784
 FAX: (717) 795-9568
 www.hisfund.com

SELF-DIRECTED IRA NOTE PURCHASE APPLICATION

Please complete and sign this application and return it, along with your check, to the above address. A separate purchase application must be completed and submitted for each Note you desire to purchase. Heritage Investment Services Fund, Inc. (HIS Fund), in its discretion, may limit the number of Notes an investor may hold (any limitation will be applied separately to Notes purchased for an IRA). Checks from IRA owners should be made payable to your IRA custodian, who will be responsible for delivering the amount of the purchase price to HIS Fund. By signing this Application, the IRA account owner is instructing the custodian or trustee of the IRA to purchase the Note indicated below.

TYPE OF IRA

(Choose one):

Roth IRA

Traditional IRA

Simple IRA

SEP IRA

Self-Directed IRA Account Owner				Custodian/Trustee Information			
First Name	MI	Last Name		IRA Custodian			
Social Security Number			Date of Birth (mm/dd/yyyy)		GoldStar Trust Company, P.O. Box 719, Canyon, TX 79015-0719		
Mailing Address:				If your IRA custodian or trustee is not as indicated above, please cross out the name typed above and provide correct information below:			
City				State	Zip	Custodian Name	
Telephone No.				City		State	Zip
Email				Telephone No.			
<input type="checkbox"/> This is my new address, please update your records accordingly.				Email:			

Electronic Delivery Agreement: *(Check the box to go paperless).* In lieu of receiving a mailed copy of HIS Fund's Prospectus, Financial Statements and all other HIS Fund documents (i.e. periodic investment statements, deposit receipts and confirmation of purchase issuance letters), I request HIS Fund to send me, via email, notification that the Prospectus, Financial Statements and other HIS Fund documents are available for review through or on HIS Fund's website. I understand I may revoke this request at any time or change the delivery address by contacting HIS Fund.

Amount of Purchase: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

Checks should be made payable to your Custodian/Trustee

Investment Instruction *(Enter the dollar amount for each type of Note in which you want to invest):*

Demand Note (not available in South Carolina)	\$	6 Month Note	\$
1 Year Note	\$	2 ½ Year Note	\$
4 Year Note	\$	5 Year Note	\$
5 Year Jumbo Note (minimum of \$100,000)			

INVESTOR HAS NO RIGHT OF WITHDRAWAL PRIOR TO MATURITY. If HIS Fund, in its discretion, permits early withdrawal, an interest penalty, processing fee and other withdrawal conditions may apply. Restrictions on transfer apply. See “DESCRIPTION OF SECURITIES – Restrictions on Withdrawal and Transfer; Penalty, Fee and Other Conditions on Voluntary Redemption” in the Prospectus.

Interest Options

- Compound Interest (redeposit quarterly) **OR** Pay Interest:
- Monthly Quarterly Semi-Annually Annually (not available with 2 ½ Year Note)
- Use existing ACH instructions on file
- Establish new ACH by completing a Direct Deposit Form

The undersigned hereby applies to purchase a Note in accordance with this Application and the provisions of the current Prospectus, receipt of which is hereby acknowledged. The undersigned represents that the undersigned is a member of, contributor to or participant in the General Council of the Assemblies of God, the Pennsylvania-Delaware District Council of the Assemblies of God, or in a program, activity, or organization which constitutes a part of the General Council or the District Council, or in a church organization that has a programmatic relationship with the General Council or the District Council.

<p>_____</p> <p><i>Self-Directed IRA Account Owner Signature</i></p>	<p>_____</p> <p><i>Date</i></p>
--	---------------------------------

How did you hear about us? *Check any that apply* –

District Council Conference Pastor From a friend Other: _____

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