

March 31, 2019 (Unaudited)

Church Capital Fund



Semi-Annual Report

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website www.churchcapitalfund.com and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you.

SEMI-ANNUAL REPORT

CHURCH CAPITAL FUND (XCBFX)

LETTER TO SHAREHOLDERS
MARCH 31, 2019 (UNAUDITED)

This is the Semi-Annual Report of the Church Capital Fund (“Fund”) for the six months ended March 31, 2019. The Fund is an investment company that was designed to focus on investing in Church mortgage bonds and church mortgage loans (“Church Securities”). The Semi-Annual Report includes detailed information about the Fund, including performance information, portfolio holdings, financial statements and comments from the portfolio manager regarding the Church Securities market and outlook.

The Fund produced a 5.25% total return for the six months ended March 31, 2019. The Barclays Capital U.S. Government/Credit Index returned 4.76% for the same period.

ECONOMY

The U.S. economy continues to show strength in the 114th month of expansion. Unemployment in the U.S. in April 2019 was 3.6%, down from 3.8% in March. This was the lowest U.S. unemployment rate since December, 1969. U.S. consumer spending has also been strong, hitting a record in the first quarter of 2019. The FED has raised rates 7 times since 2017 and the Fed Funds rate is now at 2.50%. Although these increases represent a 300% increase since the rate increases began, interest rates are still at historically low levels. All of these economic measures point to a strong U.S. economy. Recently there has been a lot of rhetoric about a trade war with China. Although the talks started in 2018, they ratcheted up in recent months. The U.S. has increased tariffs on many Chinese imports. The Chinese have stated they will retaliate with tariffs on U.S. goods. This has led to a lot of volatility in the financial markets. Trade wars are usually destructive to the countries that participate in them. Considering the amount of trade between the U.S. and China, it is difficult to imagine a winner.

CHURCH BOND MARKET

The church bond market has been adversely impacted by rising interest rates in the U.S. Many bond prices have fallen with rising rates. Higher rates have also made it more costly for churches to refinance. Higher rates may impact the underlying real estate positively but values in many cases have not recovered to their levels in 2008-2009. While some churches have benefitted from the improving economy and have paid down or paid off their debt, several have been unable to do so. The Church Capital Fund has had investments in both types of churches. Usually the churches that have not been able to make headway against their obligations are those that incurred too much debt or simply could not recover from the Great Recession or both.

CHURCH CAPITAL FUND

The Church Capital Fund continues to struggle with distressed securities that are having difficulty meeting their obligations. The churches in the most difficulty are either in the process of being foreclosed on or have been foreclosed on. Once the foreclosure process is complete, the property is put up for sale. Since our last letter, one restructured bond, United Pentecostal has been sold. Three other churches, Cascade Christian, Victory

SEMI-ANNUAL REPORT

CHURCH CAPITAL FUND (XCBFX)

LETTER TO SHAREHOLDERS (CONTINUED)
MARCH 31, 2019 (UNAUDITED)

Baptist and Manifestations Worldwide, paid off all their debt early. The fund still has two churches that have been listed for sale and two that are going through the bankruptcy process. All of the issuers in the fund except one are paying something on their obligations. In some cases, the proceeds received from the sales of properties have been less than the outstanding mortgage amounts.

The Church Securities markets continue to be challenging. We continue to work closely with the trustees of the Church Securities, who control the foreclosure process. For the foreseeable future, liquidity will continue to be a challenge for Church Securities because of the sector's lack of opportunities to obtain financing. Moreover, the improving economy of the U.S. has resulted in rising interest rates. As interest rates have risen, Church Security prices have been negatively affected.

We value your business and continue to work on your behalf to provide the best possible value for the Fund's shareholders. If you would like more information about the Fund, we invite you to contact us at 713-624-2312.



Edward L. Jaroski
President
Church Capital Fund



Claude C. Cody IV
Portfolio Manager
Church Capital Fund

CHURCH CAPITAL FUND

STATE SECTOR DIVERSIFICATION MARCH 31, 2019 (UNAUDITED)

The table below sets forth the diversification of the Church Capital Fund investments by State.

State Diversification - Bonds and Mortgages	Percent*
California	12.56%
Florida	11.90%
Georgia	4.48%
Illinois	1.28%
Indiana	3.35%
Louisiana	3.55%
Maryland	0.23%
Massachusetts	1.50%
Nevada	0.77%
North Carolina	0.08%
Rhode Island	3.71%
Tennessee	3.69%
Texas	2.49%
Total Bonds and Mortgages	49.59%
Other	
Exchange Traded Fund	46.60%
Short-Term Investments	3.54%
Other	0.27%
	100.00%

* Percentages indicated are based on total net assets as of March 31, 2019.

CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
CHURCH MORTGAGE BONDS ^(a)		
California		9.46%
594,433	Sonrise Baptist Church of Clovis ^{(c) (d) (e) (i)} 3.50%, 01/01/2026	\$ 509,964
111,000	Trinity Southern Baptist Church of Livermore, California 7.30%, 03/18/2030	97,558
128,000	7.30%, 09/18/2030	111,450
143,000	7.30%, 03/18/2032	122,222
		<u>331,230</u>
	Victory Christian Center of the Desert, Inc. ^{(c) (d) (i)}	
16,991	8.40%, 10/15/2020	16,991
17,557	8.40%, 04/15/2021	17,557
18,124	8.40%, 10/15/2021	18,124
19,257	8.40%, 04/15/2022	19,257
19,823	8.40%, 10/15/2022	19,823
20,389	8.40%, 04/15/2023	20,389
21,522	8.40%, 10/15/2023	21,522
22,655	8.40%, 04/15/2024	22,655
23,221	8.40%, 10/15/2024	23,221
24,354	8.40%, 04/15/2025	24,354
25,487	8.40%, 10/15/2025	25,487
26,619	8.40%, 04/15/2026	26,619
27,186	8.40%, 10/15/2026	27,186
28,885	8.40%, 04/15/2027	28,885
30,018	8.40%, 10/15/2027	30,018
31,150	8.40%, 04/15/2028	31,150
32,283	8.40%, 10/15/2028	32,283
33,982	8.40%, 04/15/2029	33,982
35,115	8.40%, 10/15/2029	35,115
36,814	8.40%, 04/15/2030	36,814
38,513	8.40%, 10/15/2030	38,513
39,646	8.40%, 04/15/2031	39,646
41,911	8.40%, 10/15/2031	41,911
43,044	8.40%, 04/15/2032	43,044
45,310	8.40%, 10/15/2032	45,310
47,009	8.40%, 04/15/2033	47,009
49,274	8.40%, 10/15/2033	49,274
50,973	8.40%, 04/15/2034	50,973
39,080	8.40%, 10/15/2034	39,080
		<u>906,192</u>

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
Florida		11.90%
1,337,868	Abyssinia Missionary Baptist Church Ministries, Inc. ^{(e) (i)} 2.00%, 06/01/2027	\$ 544,512
251,757	Bethel Baptist Institutional Church, Inc. ^{(e) (i)} 0.00%, 01/01/2022 ^(f)	25
1,586,982	4.50%, 01/01/2022	<u>1,065,341</u>
		1,065,366
117,368	Iglesia Cristiana La Nueva Jerusalem, Inc. ^{(e) (i)} 7.00%, 11/5/2019	106,898
778,852	Philadelphia Haitian Baptist Church of Orlando, Inc. ^{(c) (d) (e) (i)} 5.25%, 07/01/2036	397,215
308,054	Truth For Living Ministries, Inc. ^{(c) (d) (e) (i)} 4.00%, 11/15/2022	83,205
Illinois		1.28%
19,843	First Baptist Church of Melrose Park ^{(c) (d) (i)} 7.80%, 06/12/2019	8,624
20,976	7.80%, 12/12/2019	9,116
20,976	7.80%, 06/12/2020	9,116
22,677	7.80%, 12/12/2020	9,856
23,244	7.80%, 06/12/2021	10,102
23,811	7.80%, 12/12/2021	10,348
25,512	7.80%, 06/12/2022	11,087
28,347	7.90%, 12/12/2023	12,319
28,913	7.90%, 06/12/2024	12,566
30,614	7.90%, 12/12/2024	13,305
31,748	7.90%, 06/12/2025	13,798
24,378	7.90%, 06/12/2030	10,595
48,756	7.90%, 12/12/2030	21,189
13,606	7.90%, 12/12/2033	5,913
63,496	7.90%, 06/12/2034	27,595
66,331	7.90%, 12/12/2034	28,827
25,512	8.00%, 12/12/2022	11,087
27,213	8.00%, 06/12/2023	<u>11,827</u>
		237,270
Indiana		3.35%
1,628,194	Madison Park Church of God, Inc. ^{(e) (i)} 5.50%, 01/01/2033	618,877

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
Louisiana		3.55%
	Living Way Apostolic Church, Inc.	
103,000	7.90%, 10/20/2030	\$ 93,462
15,000	7.90%, 10/20/2031	13,437
91,000	7.90%, 04/20/2032	81,882
121,000	7.90%, 10/20/2032	107,956
126,000	7.90%, 04/20/2033	112,505
136,000	7.90%, 04/20/2034	120,877
141,000	7.90%, 10/20/2034	124,757
		654,876
Maryland		0.23%
	Ark of Safety Christian Church, Inc. ^{(c) (d) (e) (i)}	
46,508	4.50%, 05/15/2027	43,433
Massachusetts		1.50%
	Harvest Ministries of New England, Inc.	
95,000	7.30%, 02/20/2033	81,026
114,000	7.30%, 08/20/2033	96,911
118,000	7.30%, 02/20/2034	100,123
		278,060
North Carolina		0.08%
	Accumulated Resources of Kindred Spirits ^{(c) (d) (i)}	
54,794	7.75%, 12/01/2009	14,909
Rhode Island		3.71%
	The Cathedral of Life Christian Assembly ^{(c) (d) (i)}	
23,000	7.50%, 08/15/2020	13,253
23,000	7.50%, 02/15/2021	13,253
25,000	7.50%, 08/15/2021	14,405
25,000	7.50%, 02/15/2022	14,405
35,000	7.60%, 08/15/2026	20,167
37,000	7.60%, 02/15/2027	21,319
39,000	7.60%, 08/15/2027	22,472
40,000	7.60%, 02/15/2028	23,048
41,000	7.60%, 08/15/2028	23,624
43,000	7.60%, 02/15/2029	24,777
45,000	7.60%, 08/15/2029	25,929
46,000	7.60%, 02/15/2030	26,505
48,000	7.60%, 08/15/2030	27,658
50,000	7.60%, 02/15/2031	28,810
52,000	7.60%, 08/15/2031	29,962

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
53,000	7.60%, 02/15/2032	\$ 30,539
58,000	7.60%, 02/15/2033	33,420
60,000	7.60%, 08/15/2033	34,572
62,000	7.60%, 02/15/2034	35,724
65,000	7.60%, 08/15/2034	37,453
67,000	7.60%, 02/15/2035	38,605
70,000	7.60%, 08/15/2035	40,334
62,000	7.60%, 08/15/2036	35,724
58,000	7.60%, 02/15/2037	33,420
7,000	7.60%, 08/15/2037	4,033
26,000	8.00%, 08/15/2022	14,981
28,000	8.00%, 02/15/2023	16,134
		684,526
Tennessee		3.69%
	Grace Christian Fellowship Church, Inc. ^{(c) (d) (i)}	
38,000	8.40%, 07/18/2021	14,698
39,000	8.40%, 10/18/2021	15,085
40,000	8.40%, 01/18/2022	15,472
41,000	8.40%, 04/18/2022	15,859
41,000	8.40%, 07/18/2022	15,859
42,000	8.40%, 10/18/2022	16,246
44,000	8.40%, 01/18/2023	17,019
44,000	8.40%, 04/18/2023	17,019
45,000	8.40%, 07/18/2023	17,406
46,000	8.40%, 10/18/2023	17,793
47,000	8.40%, 01/18/2024	18,180
47,000	8.40%, 04/18/2024	18,180
34,000	8.40%, 07/18/2024	13,151
50,000	8.40%, 10/18/2024	19,340
51,000	8.40%, 01/18/2025	19,727
52,000	8.40%, 04/18/2025	20,114
54,000	8.40%, 10/18/2025	20,887
56,000	8.40%, 01/18/2026	21,661
56,000	8.40%, 04/18/2026	21,661
58,000	8.40%, 10/18/2026	22,434
60,000	8.40%, 01/18/2027	23,208
35,000	8.40%, 10/18/2028	13,538
30,000	8.40%, 01/18/2029	11,604
52,000	8.40%, 04/18/2029	20,114
20,000	8.40%, 07/18/2029	7,736
75,000	8.40%, 10/18/2029	29,010

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CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
77,000	8.40%, 01/18/2030	\$ 29,784
78,000	8.40%, 04/18/2030	30,170
81,000	8.40%, 07/18/2030	31,331
81,000	8.40%, 10/18/2030	31,331
21,000	8.40%, 04/18/2031	8,123
38,000	8.40%, 07/18/2031	14,698
88,000	8.40%, 10/18/2031	34,038
100,000	8.40%, 04/18/2033	38,680
		681,156
Total Church Mortgage Bonds (Cost \$12,694,925)		38.75% <u>7,157,689</u>
CHURCH MORTGAGE LOANS ^(b)		
California		3.10%
819,889	Mount Olive Missionary Baptist Church of Fresno ^{(e) (i)} 3.50%, 08/01/2022	571,791
Georgia		4.48%
924,706	God First Breakthrough Ministries, Inc. ^{(e) (i)} 3.00%, 03/01/2020	826,687
Nevada		0.77%
237,872	Iglesia Christiana Verbo De Dios, Inc. ^{(e) (i)} 4.00%, 04/01/2023	142,771
Texas		2.49%
758,626	Pleasant Grove Baptist Church ^{(e) (i)} 4.00%, 08/01/2023	459,348
Total Church Mortgage Loans (Cost \$2,741,093)		10.84% <u>2,000,597</u>
EXCHANGE TRADED FUNDS ^(h)		
Exchange Traded Funds		
39,600	Invesco Senior Loan ETF	896,544
8,600	iShares 0-5 IG Corporate Bond ETF	433,870
8,000	iShares Intermediate-Term Corporate Bond ETF	441,120
8,200	iShares Short Term Corporate Bond ETF	433,124
17,500	PIMCO 1-3 Year US Treasury ETF	883,052
9,000	PIMCO Investment Grade Corporate Bond ETF	933,660

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Shares/Principal Amount		Fair Value
11,000	Vanguard Intermediate-Term Bond ETF	\$ 923,230
14,200	Vanguard Intermediate-Term Treasury ETF	915,616
10,800	Vanguard Intermediate-Term Corporate Bond ETF	938,196
11,400	Vanguard Short-Term Bond ETF	907,326
11,300	Vanguard Short-Term Corporate Bond ETF	901,288
Total Exchange Traded Funds (Cost \$8,484,255)		8,607,026
 SHORT TERM INVESTMENT		 3.54%
 Money Market Fund ^(h)		
	Federated Gov't Obligations Fund-Inst'l Shares - 2.30% ^(g)	
653,386	(Cost \$653,386)	653,386
 Total Investments - (Cost \$24,573,659)		 99.73% 18,418,698
 ASSETS IN EXCESS OF LIABILITIES		 0.27% 49,741
 Net Assets		 100.00% <u>\$18,468,439</u>

(a) The Issuer has the right to redeem the Bonds on any quarterly anniversary of the issue date, in whole or in part, without premium or penalty. The Issuer does not have the right to extend the terms of the offering. The Bonds are generally considered to be illiquid due to the limited, if any, secondary market.

(b) The Mortgagee has the right to prepay the Loans at any time. The Loans are generally considered to be illiquid due to the limited, if any, secondary market. The Fund participates in the principal and interest payments from the Mortgagee with the Church Loan Assets Master LLC. See Note 3.

(c) Represents non-income producing security.

(d) Security is in default or is delinquent on interest or principal payments. As a result, further action towards the issuer is being taken by the trustee on behalf of bondholders, in the form of a demand letter, foreclosure, forbearance, liquidation of the underlying collateral or bankruptcy of the issuer.

(e) The trustee of the issuer has completed restructuring of the bond and/or mortgage. The restructured terms reduced the interest rate and/or shortened the maturity period.

(f) Issuer of security, as a part of the restructure of the bond, will receive an annual credit of ten percent (10%) of the principal for each year the Issuer fulfills its obligations under the restructuring agreement with the trustee. The zero coupon bonds are priced to reflect the portion of principal the Fund believes it will receive.

(g) Rate shown represents the 7 day effective yield as of March 31, 2019, is subject to change and resets daily.

(h) Mutual funds and exchange traded funds are priced at their NAV as of March 29, 2019.

(i) Security is fair valued by management as of March 31, 2019. See Note 3.

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

STATEMENT OF ASSETS AND LIABILITIES MARCH 31, 2019 (UNAUDITED)

Assets:	
Investments in Securities, at Fair Value (Cost \$24,573,659)	\$ 18,418,698
Cash	-
Interest and Dividends Receivable	88,509
Prepaid expenses and other	12,421
	<u>18,519,628</u>
Liabilities:	
Accrued Service Fees	763
Accrued Custody Fees	1,041
Accrued Audit Fees	36,667
Accrued Legal Fees	1,604
Accrued Miscellaneous Fees	7,290
Accrued Compensation	229
Accrued Printing Expenses	2,469
Accrued Transfer Agent Fees	1,126
Total Liabilities	<u>51,189</u>
Net Assets	<u>\$ 18,468,439</u>
Net Assets Consist of:	
Paid In Capital	\$ 32,960,944
Undistributed Net Investment Income	(94,256)
Accumulated Realized Loss on Investments	(8,243,288)
Unrealized Depreciation in Fair Value of Investments	(6,154,961)
Net Assets, for 1,497,651 Shares Outstanding (6,200,000 Shares Authorized)	<u>\$ 18,468,439</u>
Net Asset Value per share (\$18,468,439/1,497,651 shares)	<u>\$ 12.33</u>

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

STATEMENT OF OPERATIONS

For the six months ended MARCH 31, 2019 (UNAUDITED)

Investment Income:	
Interest	\$ 254,267
Dividends	101,795
Total Investment Income	<u>356,062</u>
Expenses:	
Audit Fees	34,405
Service Fees	2,344
Transfer Agent and Accounting Fees (Note 4)	18,449
Compensation & Benefits (Note 4)	127,763
Miscellaneous Fees	14,760
Insurance Expense	9,473
Registration Fees	674
Printing and Mailing Fees	6,432
Custody Fees	4,787
Trustees' Retainer and Meeting Expenses	14,460
Legal Fees	21,192
Total Expenses	<u>254,739</u>
Net Investment Income	<u>101,323</u>
Realized and Unrealized Gain/(Loss) on Investments:	
Realized Loss on Investments	(478,869)
Net Change in Unrealized Appreciation on Investments	1,314,390
Realized and Unrealized Gain on Investments	<u>835,521</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 936,844</u>

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

STATEMENTS OF CHANGES IN NET ASSETS

	(Unaudited) Six Months Ended March 31, 2019	Year Ended September 30, 2018
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 101,323	\$ 453,656
Net Realized Loss on Investments	(478,869)	(843,270)
Change in Unrealized Appreciation on Investments	1,314,390	1,601,550
Net Increase in Net Assets Resulting from Operations	936,844	1,211,936
Distributions to Shareholders:		
Distributions	(313,384)	(451,714) *
Total Dividends and Distributions Paid to Shareholders	(313,384)	(451,714)
Capital Share Transactions:		
Shares Issued on Reinvestment of Dividends	66,523	101,795
Cost of Shares Repurchased	(90)	(936,634)
Net Increase from Shareholder Activity	66,433	(834,839)
Net Assets:		
Net Increase (Decrease) in Net Assets	689,893	(74,617)
Beginning of Period	17,778,546	17,853,163
End of Period	\$18,468,439	\$17,778,546 **
Share Transactions:		
Shares Issued on Reinvestment of Dividends	5,545	8,732
Shares Repurchased	(8)	(78,645)
Net Increase in Shares	5,537	(69,913)
Outstanding at Beginning of Period	1,492,114	1,562,027
Outstanding at End of Period	1,497,651	1,492,114

* For the prior year ended September 30, 2018, total distributions consisted of net investment income of \$451,714.

** As of September 30, 2018, Accumulated Undistributed Net Investment Income was \$117,805.

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

STATEMENT OF CASH FLOWS

For the six months ended MARCH 31, 2018 (UNAUDITED)

Cash flows from operating activities:	
Net increase in net assets resulting from operations	\$ 936,844
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Proceeds from disposition of long-term investment securities	3,119,031
Purchases of long-term investment securities and accretion	(2,813,700)
Sales of short-term investments, net	(174,124)
Decrease in prepaid expenses	(12,375)
Increase in interest and dividends receivable	37,296
Decrease in accrued expenses	(10,500)
Increase in distribution payable	-
Net change in unrealized depreciation on investments	(1,314,390)
Realized loss on investments	478,869
Net cash provided by operating activities	<u>\$ 246,951</u>
Cash flows provided by/(used for) financing activities:	
Distributions paid in cash	(246,861)
Payments for shares repurchased	(90)
Net cash provided by (used for) financing activities	<u>(246,951)</u>
Net increase/(decrease) in cash	\$ -
Cash (excluding short-term investments):	
Beginning balance	-
Ending balance	<u>\$ -</u>

Supplemental disclosure of cash flow information:

Noncash financing activities not included herein consist of reinvestment of dividends of \$66,523

CHURCH CAPITAL FUND

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period.

	(Unaudited) Six Months Ended March 31,					
	2019	Years Ended September 30,				
		2018	2017	2016	2015	2014
Net Asset Value, at Beginning of Period ^(a)	\$ 11.92	\$ 11.43	\$ 11.48	\$ 16.89	\$ 17.66	\$ 17.55
Income From Investment Operations:						
Net Investment Income ^(b)	0.07	0.29	0.32	0.20	0.54	0.84
Net Gain/(Loss) on Securities (Realized and Unrealized)	<u>0.55</u>	<u>0.49</u>	<u>(0.19)</u>	<u>(0.21)</u>	<u>(0.75)</u>	<u>0.12</u>
Total from Investment Operations	0.62	0.78	0.13	(0.01)	(0.21)	0.96
Distributions:						
Net Investment Income	(0.21)	(0.29)	(0.18)	(0.19)	(0.56)	(0.85)
Return of Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5.21)</u>	<u>-</u>	<u>-</u>
Total from Distributions	(0.21)	(0.29)	(0.18)	(5.40)	(0.56)	(0.85)
Repurchase Fees	-	-	-	-	-	-
Net Asset Value, at End of Period ^(a)	\$ 12.33	\$ 11.92	\$ 11.43	\$ 11.48	\$ 16.89	\$ 17.66
Market Value ^(c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Return ^(d)	5.25% ^{**}	6.89%	1.09%	(1.84)%	(1.28)%	5.60%
Ratios/Supplemental Data:						
Net Assets at End of Period (Thousands)	\$ 18,468	\$ 17,779	\$ 17,853	\$ 18,804	\$ 29,047	\$ 31,743
Before Reimbursements, Waivers and Recoupments						
Ratio of Expenses to Average Net Assets	2.83% [*]	2.54%	2.45%	1.72%	1.56%	2.23%
Ratio of Net Investment Income to Average Net Assets	1.13% [*]	2.49%	2.79%	1.13%	3.01%	4.64%
After Reimbursements, Waivers and Recoupments						
Ratio of Expenses to Average Net Assets	2.83% [*]	2.54%	2.45%	1.62%	1.46%	2.13%
Ratio of Net Investment Income to Average Net Assets	1.13% [*]	2.49%	2.79%	1.23%	3.11%	4.74%
Portfolio Turnover	16.32% ^{**}	10.60%	14.55% ^(e)	0.24% ^(e)	28.78% ^(e)	3.60%

^(a) Price does not include sales charge.

^(b) Amount calculated based on average shares outstanding throughout the period.

^(c) There is no established secondary market for the Fund's shares.

^(d) Total return is computed assuming shares are purchased and redeemed at the Fund's net asset value and excludes the effect of sales charges and repurchase fees. Dividends are assumed to be reinvested at the Fund's net asset value. Effective January 24, 2013, the Fund was closed to new share sales.

^(e) Portfolio turnover figure includes the restructures of long-term investment securities.

* Annualized.

** Not annualized.

The accompanying notes are an integral part of these financial statements.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019 (UNAUDITED)

(1) ORGANIZATION

The Church Capital Fund, formerly Capstone Church Capital Fund, (the "Fund") is a non-diversified closed-end management investment company. The Fund was organized as a Delaware statutory trust in October 2004, and is registered with the Securities and Exchange Commission ("SEC"). The Fund's principal business has been managing its assets which were invested primarily in mortgage bonds and mortgage loan obligations issued by churches and other Christian non-profit organizations that have a stated Christian mission ("Borrowers"). Due to pressures stemming from the financial crisis that began in 2008, the Fund has found it increasingly advisable to temporarily cease purchases of new church mortgage bonds and church mortgage loans ("Church Securities") and to reduce its holdings of these securities when opportunities were found to sell at prices deemed advantageous to the Fund and its shareholders. Concurrently, because these extraordinary market conditions have continued to have a negative effect on the value of the Fund's holdings of Church Securities, the percentage of the Fund's holdings of Church Securities has been decreasing while the Fund's holdings of cash and liquid securities have been increasing, both as a result of the Fund's sales of Church Securities and from a conscious effort by the Fund's management to assure that the Fund will have sufficient liquid assets available for expenses, to make required distributions of dividends and capital gains and to honor its legal obligation to make an annual repurchase offer. At its meeting on May 11, 2016, the Board of the Trustees ("Board") of the Fund authorized a special distribution to shareholders which decreased the amount and percentage of cash and other liquid securities held by the Fund. As of March 31, 2019, investments in cash and other liquid securities, which may reduce the Fund's overall portfolio maturity and the Fund's yield, constituted 50% of the Fund's portfolio. To the extent consistent with the Fund's need to maintain sufficient liquid assets available for expenses, to make required distributions of dividends and capital gains and to honor its legal obligation to make an annual repurchase offer, the Fund may invest a portion of its liquid assets in securities, including Church Securities, in an effort to generate additional income.

The Board, at a meeting held September 15, 2016, established a new arrangement whereby the Board assumed direct responsibility for management of the Fund. The new arrangement is designed to benefit the Fund and its shareholders by eliminating certain Fund contractual expenses, including investment advisory, administration and compliance services expenses. (See Note 4.) Because the Fund is no longer selling its shares, its assets are being steadily reduced through its annual repurchase offers, and there are limited opportunities for the Fund to invest in new Church Securities, the Board believes those services are no longer essential to the Fund's management and that direct management by the Board will provide better value for shareholders.

(2) INVESTMENT OBJECTIVE

The Fund's investment objective is to provide a high level of current income.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) 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 income and expenses during the reporting period. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Fund.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance under GAAP.

Security Valuation

The Fund’s investments in Church Securities are generally considered to be illiquid due to the limited, if any, secondary market for these bonds. In the absence of such secondary market, the Fund values investments in Church Securities on the basis of readily available market quotations, if available. Lacking such quotations, the Fund values such Church Securities using a pricing service when such prices are believed to reflect fair value. Church Securities with no readily available market quotations or pricing service valuations are fair valued using policies approved by and under the general oversight of the Board.

In determining fair value, all relevant qualitative and quantitative factors available are considered. These factors are subject to change over time and are reviewed periodically. The fair valuation process used by the Fund has been reviewed and refined by the Fund’s management no less than monthly and has been subject to quarterly review and approval from the Fund’s Board.

For performing Level 3 bonds and mortgages for which there is an available valuation published by an independent pricing service, the inputs are developed by the pricing service using various valuation methodologies such as matrix pricing, broker quotations and market transactions. Inputs may include price information, specific and broad credit data, corporate yield curves, yields of new issue church bonds, information related to principal and interest payments, as well as other factors. Certain inputs used by the pricing service are not observable and may be considered proprietary.

When a price from an independent pricing service was unavailable, the Fund’s management has used the Market or Income Approach, whichever was appropriate.

Under the Fund’s valuation process, fair value may be determined using a matrix formula (Market Approach) that derives a price based on relevant factors, including principal amount, interest rate, term, credit quality and spreads. The Market Approach is sensitive to changes in the benchmark yield curve and spreads that reflect the credit, liquidity, and

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

refinancing risks of the individual security. A reduced yield causes the price to increase while an increased yield causes the price to decrease.

The relevant inputs that the Fund could consider when using the Market Approach may include, but have not been limited to:

- the BB yield curve
- the issuer's payment history, including the consideration of default on interest payments and/or delinquency of sinking fund payments and/or balloon payments; as well as conditions for accrual of interest and consideration of the collectability of accrued interest. has any late or missed payments, maturity extensions
- the viability of the local refinancing market
- the size of the issuer
- the size of any trades that occurred in the open market
- the maturity date
- the estimated value of the underlying collateral

In addition, the fair value procedures have specific provisions for treatment of defaulted bonds and mortgages. When it has become more than a remote possibility that foreclosure proceedings are probable, the Fund management has taken an Income Approach to the valuation of the securities. The relevant inputs that Fund management could consider in using the Income Approach to determine a fair value include, but have not been limited to:

- any current independent appraisal values or independent broker opinion of value of the property securing the bonds and mortgages
- any current listing price or related data
- index adjusted appraisal values or broker opinion of value based on published real estate sources
- estimated costs associated with the disposition of the property
- risk adjusted discount rate
- estimated time to sell in years
- probability of foreclosure
- broker opinion of values of the property securing the church securities

The Income Approach is sensitive to changes in property value, costs associated with the disposition of property, discount rates, estimated time to sell and the probability of foreclosure. An increase in a property value causes the fair value to increase, conversely a decrease in a property value or other estimate of the value of the underlying real estate, causes fair value to decrease. Such movements in the property value would be deemed to have the most significant impact on fair value under the Income Approach. An increase in costs associated with disposition of property, discount rates, estimated time to sell and the probability of foreclosure cause the fair value to decrease. An increase in time to sell causes an increase in the discount rate and the costs associated with the disposition of the property. A decrease to the aforementioned types of changes cause the fair value to increase.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

The Fund could also incorporate a probability analysis into its valuation approach for certain defaulted bonds and mortgages, whereby the value of the bond or mortgage is derived from a weighted assessment by the Fund of the potential options for the resolution of the issuer's debt (restructuring, foreclosure, payoff at par, etc.), and the Fund's consideration of the likelihood of each outcome. In determining the fair value of Church Securities, the Fund has also considered the potential results of the trustee's actions, including restructuring, refinance, and acceleration of payments or other liquidation of property collateralizing the bond or mortgage. For Church Securities that have been restructured, the Fund has valued such bonds or mortgages under the Income Approach until additional information is available as to the church's ability to perform under the revised terms, in which case the Market Approach may be utilized.

Additionally, the Fund's investments in church mortgage loans represent participations in the principal and interest payments from the Mortgagee with the Church Loan Assets Master LLC ("Loan Fund"). The trustee of the investments held by the Loan Fund (including the participations in church mortgage loans with the Fund) is actively seeking to liquidate and/or restructure all of the Loan Fund's investments.

Because of the inherent uncertainty of valuations determined by utilizing the above procedures, the estimated fair values may differ significantly from the values that another party might estimate or that would have been used had a ready market for the investments existed. The differences could be material. The estimated fair values may also be influenced by various market trends and can fluctuate significantly. As a result, it is reasonably possible that the Fund's estimate of fair value may have significant changes in the near term.

U.S. Treasury Obligations, if any, held in the Fund's portfolio may be valued on the basis of prices furnished by one or more pricing services that determine prices for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders. In certain circumstances, portfolio securities are valued at the last sale price on the exchange that is the primary market for the securities, or the mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales during the day. Short-term obligations held by the Fund that mature in 60 days or less are valued at the amortized cost if their original term to maturity when acquired by the Fund was 60 days or less, or are valued at amortized cost using their value on the 61st day prior to maturity if their original term to maturity when acquired by the Fund was more than 60 days, unless in each case this is determined not to represent fair value. Repurchase agreements are valued at cost plus accrued interest. Securities for which there exist no price quotations or valuations and all other assets are valued at fair value as determined in good faith by or on behalf of the Trustees. The Level 1 investments in exchange traded funds and money market funds are generally priced at the respective fund's ending Net Asset Value ("NAV").

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

In determining fair value, the Fund uses various valuation approaches. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1- Quoted prices in active markets for identical assets or liabilities and NAV for exchange traded funds and money market funds and ETF's.

Level 2- Other significant observable inputs, including, but not limited to, quoted prices in markets that are not active, quoted prices for similar securities, interest rates, prepayment speeds and credit risks.

Level 3- Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

Pursuant to these valuation policies, Church Securities are generally categorized as Level 3. For Level 3 securities the Fund uses a pricing service (a) only for those securities that are performing and; (b) only when such pricing service prices are believed to reflect fair value of the securities.

The following table presents information about the Fund's assets measured at fair value as of March 31, 2019:

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2019
Church Mortgage Bonds	\$ -	\$ -	\$ 7,157,689	\$ 7,157,689
Church Mortgage Loans	-	-	2,000,597	2,000,597
Exchange Traded Fund	8,607,026	-	-	8,607,026
Short Term Investments	<u>653,386</u>	-	-	<u>653,386</u>
	<u>\$ 9,260,412</u>	<u>\$ -</u>	<u>\$ 9,158,286</u>	<u>\$ 18,418,698</u>

It is the Fund's policy to recognize transfers between levels at the end of the reporting period. There were no transfers between levels during the six months ended March 31, 2019.

See the Schedule of Investments for state classification of Church Securities.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

	Church Mortgage Bonds	Church Mortgage Loans	Total
Balance as of 10/1/2018	\$ 9,599,333	\$ 2,021,873	\$ 11,621,206
Accrued Accretion/(Amortization)	(751)	-	(751)
Unrealized Appreciation/(Depreciation)	1,093,011	41,198	1,134,209
Realized Gain/(Loss)	(477,347)	-	(477,347)
Gross Sales and Paydowns	(3,056,557)	(62,474)	(3,119,031)
Gross Restructures	-	-	-
Transfers In/(Out) of Level 3	-	-	-
Balance as of 3/31/2019	<u>\$ 7,157,689</u>	<u>\$ 2,000,597</u>	<u>\$ 9,158,286</u>

The total change in unrealized appreciation/(depreciation) for the six months ended March 31, 2019 included in the Statement of Operations attributable to Level 3 investments still held at March 31, 2019, includes:

	Change in Unrealized Appreciation/(Depreciation)
Church Mortgage Bonds	\$116,733
Church Mortgage Loans	<u>24,627</u>
Total	<u>\$ 141,360</u>

The following is a summary of quantitative information about significant unobservable valuation inputs approved by the Fund's management in accordance with procedures adopted by the Board for Level 3 Fair Value Measurements for investments held at March 31, 2019:

Type of Assets	Fair Value at March 31, 2019	Valuation Approach	Significant Unobservable Input(s)	Range
Church Mortgage Bonds and Loans	\$ 4,336,250	Income Approach	Disposition costs Discount rate Time to sell	7.5% - 31.95% 4.1% - 6.3% .25 - 4.5 years
Church Mortgage Bonds and Loans	3,557,870	Market Approach	Credit Spread Refinancing Spread Liquidity Spread	2.25% - 8.0% 0% - 8.0% 2.0% - 5.0%
	<u>7,894,120</u>			
Church Mortgage Bonds	1,264,166	Vendor Pricing		
Total	<u>\$ 9,158,286</u>			

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Security Transactions and Investment Income

For financial reporting purposes, portfolio security transactions are recorded on the trade date. Net realized gains and losses from security transactions are reported on an identified cost basis for both financial reporting and federal income tax purposes. Interest income, adjusted for accretion of discounts and amortization of premiums using the effective interest method, is recorded on the accrual basis. Debt obligations are placed in a non-accrual status and related interest income reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful as identified by the Fund management as part of the valuation process. Debt obligations that have been restructured or have been previously placed on a non-accrual status will resume interest accruals once the Fund has received two consecutive payments on time and have no indication from the trustee that the restructured debt obligor is delinquent. The treatment of such accruals and receivables may be different for federal income tax purposes.

Purchases (including restructures) and sales of investment securities (excluding paydowns, short-term investments, U.S. government and U.S. government agency securities) aggregated \$2,812,949 and \$3,056,557, respectively, for the six months ended March 31, 2019.

Dividends and Distributions

Dividends are declared and paid quarterly. Distributions from net realized capital gains, if any, will be declared and distributed at least annually.

Income dividends and capital gains distributions are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP, primarily due to timing differences in the recognition of income, gains and losses by the Fund. These book and tax accounting differences primarily relate to the tax recognition of interest income which is different from book interest income. This differential between book and tax results in a required increase in distributions from net investment income. To the extent that these differences are attributable to permanent book and tax accounting differences, the components of net assets have been adjusted.

Federal Income Taxes

The Fund intends to qualify as a regulated investment company under Sub-chapter M of the Internal Revenue Code and accordingly will generally not be subject to federal and state income taxes or federal excise taxes to the extent that the Fund intends to make sufficient distributions of net investment income and net realized capital gains. For the six months ended March 31, 2019, the Fund qualified under these provisions and accordingly, no provision for federal income tax has been made.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

As of and during the six months ended March 31, 2019, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Fund's Statement of Operations. During the six months ended March 31, 2019, the Fund did not incur any interest or penalties. The Fund is subject to examination by U.S. federal tax authorities for tax years ending September 30, 2014, and after. For all open tax years, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Further, management of the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of any unrecognized tax benefits will significantly change over the next fiscal year.

(4) AGREEMENTS

The Board appointed Officers of the Fund which for the six months ended March 31, 2019, were compensated for their management and administrative services to the Fund in the amount of \$127,763. The compensation and benefits expense is comprised of salary, payroll taxes and health insurance.

Mutual Shareholder Services, LLC ("MSS") serves as the Fund's transfer agent and fund accountant. Under the terms of the Shareholder Servicing Agreement, MSS will be paid annual per account fees. Under the terms of the Accounting Agreement, MSS is entitled to a monthly fee calculated at the annual rate of \$21,000 on average net assets up to \$25 million in addition to fees related to transfer agency services and certain other out of pocket expenses. For the six months ended March 31, 2019, the Fund incurred transfer agent and accounting fees and expenses of \$18,449.

(5) REPURCHASE OFFERS

Pursuant to the Fund's fundamental policy (Note 1), the Board authorized the Fund to offer to repurchase 5% of its outstanding shares on August 31, 2018. In accordance with SEC guidelines, the Fund's Board can authorize an additional 2% of the shares outstanding if tendered shares exceed the offered amount. The Board did not authorize such additional 2% for the August 31, 2018 repurchase offer. During the year ended September 30, 2018, the Fund repurchased shares as follows:

Repurchase request deadline	8/31/2018
Repurchase pricing date	9/7/2018
Shares repurchased	78,504
Percentage of Fund shares outstanding	5.00%

The Fund will, under normal circumstances, price such shares that are repurchased in connection with a repurchase offer at the Fund's NAV determined after the close of business not more than 14 calendar days following the Repurchase Request Deadline (or on the next business day if the fourteenth day is not a business day). Applicable regulations provide that a repurchase offer may be suspended only under limited specified circumstances.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

(6) FEDERAL INCOME TAXES

As of September 30, 2018, the cost of investments, gross unrealized appreciation and depreciation of investment securities and components of distributable earnings on a tax basis were as follows:

Cost of Investments	\$ 25,307,605
Gross unrealized appreciation	\$ -
Gross unrealized depreciation	(7,593,221)
Net unrealized depreciation	\$ (7,593,221)
Accumulated other losses	(7,764,419)
Accumulated undistributed net investment income	241,675
Total distributable earnings	<u><u>\$ (15,115,965)</u></u>

As of September 30, 2018, the difference between total distributable earnings on a book basis and tax basis is due primarily to timing differences in recognizing certain organizational expenses related to the commencement of operations. The difference between the cost of investments on a book basis and tax basis is due primarily to the differing treatment for the recognition of interest income, and post-October loss deferral.

As of September 30, 2018, the Fund had a capital loss carryforward totaling \$6,551,198. Of that amount \$1,240 expires on September 30, 2019 and is treated as short-term capital loss. The remaining \$6,549,956 has no expiration and is treated as long-term capital loss.

The tax character of distributions paid for the year ended March 31, 2019, was as follows:

Ordinary income	\$ 313,384
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The tax character of distributions paid for the year ended September 30, 2018, was as follows:

Ordinary income	\$ 451,714
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(7) SIGNIFICANT RISKS

Concentration Risk. Because the Fund's portfolio includes significant amounts of church-related obligations that are collateralized by interests in real property, it can be adversely affected by negative developments impacting church-related institutions, as well as by negative developments impacting real property generally. Such developments could include changes in tax or zoning laws, changes in government policies toward church-related institutions, and interest rate and other general economic changes, as well as changes affecting particular neighborhoods.

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

Church Securities. There is less readily available, reliable information about most Church Securities than is the case for many other types of securities. In addition, there is no nationally recognized independent rating organization that evaluates or provides ratings for Church Securities or for borrowers.

Illiquidity. Church Securities are not listed on any national securities exchange or automated quotation system and no active trading market exists for these instruments. As a result, Church Securities are generally illiquid, meaning that the Fund may not be able to sell them quickly at a fair price. The risks of illiquidity are particularly important when the Fund's operations require cash, and may in certain circumstances require that the Fund borrow to meet short-term cash requirements. The market for illiquid securities is more volatile than the market for liquid securities. To the extent that a secondary market does exist for Church Securities, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. The Fund has no specified limitation on the amount of its assets that may be invested in securities that are not readily marketable or that are subject to restrictions on resale. The fact that a substantial portion of the Fund's assets are invested in Church Securities may restrict the ability of the Fund to dispose of its investments in a timely fashion and at a fair price, and sales of these investments could result in capital losses to the Fund and a decline in the value of shares. An economic downturn, adverse developments affecting real estate or churches, or a substantial increase or decrease in interest rates will adversely affect the value of the Fund's portfolio instruments, and thus of its shares, and will further limit the ability of the Fund to dispose of portfolio securities. The economic downturn and adverse developments affecting real estate in recent years have had such negative effects on the Fund. Illiquid securities are also difficult to value, meaning that the Fund's calculated net asset value may not accurately reflect the value that could be obtained for its assets upon sale.

Risk of Subordination. Church Securities are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate these instruments to presently existing or future indebtedness of the borrower or take other action detrimental to holders of the bonds or loans. Such court action could under certain circumstances include invalidation of bonds or loans.

Borrower Credit Risk. Church Securities, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Church Securities results in a reduction in income to the Fund, a reduction in the value of the Church Securities and a decrease in the Fund's net asset value per share. The risk of default increases in the event of an economic downturn, adverse developments affecting real estate or churches, or a substantial increase in interest rates. The economic downturn and adverse developments affecting real estate in recent years have had such negative effects on the Fund

In the event of bankruptcy of a particular issuer, the trustee with respect to a particular obligation may have discretion as to whether to liquidate the underlying collateral unless

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

otherwise requested by the holders of a specified percentage of the outstanding unpaid principal amount of the obligation. There is no assurance that the trustee will decide to liquidate, or that the Fund will, alone, satisfy any applicable percentage test to require liquidation. There is also no assurance that the court will give the trustee the full benefit of its senior positions. In the event the trustee decides, or is required, to liquidate the collateral for a Church Security, there is no assurance that a buyer will be found or that the sale of the collateral would raise enough cash to satisfy the borrower's payment obligation. If the terms of a Church Security do not require the borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the borrower's obligations under the Church Security.

General Credit Risk. The Fund's investments in Church Securities and other securities may have speculative characteristics and changes in economic conditions or other circumstances may lead, and in recent years have led, to a weakened capacity to make principal and interest payments relative to obligations deemed of higher quality.

Interest Rate and Maturity Risk. When interest rates fall, the values of already issued fixed income securities generally increase. When interest rates rise, the values of already issued fixed income securities generally decline. Because the Fund has not recently been purchasing Church Securities, the stated maturity of the performing securities has continued to decline over time. It is impossible to speculate when any non-performing securities may mature or have a partial prepayment. When securities have a prepayment, are refinanced or mature, the Fund has been reinvesting the money in liquid, public corporate bonds, and in other funds that invest in such bonds and money market instruments, which typically earn lower rates of interest than Church Securities. Investors should be aware that the longer the maturity of a fixed rate instrument, the greater the risk. Risks include a greater risk of borrower or issuer default and greater risk that interest rates will rise, which will negatively impact the value of the Fund's portfolio investments and the Fund's shares. Due to the illiquidity of the Church Securities markets, the Fund may be limited in its ability to turn over its investments to obtain instruments with more attractive rates of return.

Non-Diversified Status. The Fund has registered as a "non-diversified" investment company. This means that it may invest more than 5% of the value of its assets in the obligations of any single issuer, including obligations of a single borrower and thus is likely to have more of its assets invested in fewer issuers than if it were operated as a diversified investment company. The Fund does intend, however, to satisfy tax diversification requirements necessary to enable it to be taxed as a regulated investment company.

Cash Investment Risk. Under normal market conditions, the Fund may invest up to 20% of its net assets, plus the amount of any borrowings for investment purposes, in high-quality short-term debt securities, including money market funds, and open-end bond investment companies, and may invest up to 100% of its assets in such instruments for

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

temporary defensive purposes. Because of adverse market conditions in the Church Securities market and gradual liquidation of its Church Securities holdings, as noted earlier, the Fund has been invested more heavily in such non-Church Securities instruments in recent years. Under applicable regulatory requirements, the Fund also, for specified periods, is required to maintain liquid assets sufficient to satisfy its repurchase offers. (See Note 5.) "Repurchase Offers," above.) The Fund also needs cash to cover expenses and to pay out dividend income and capital gains, in accordance with applicable law. Such liquid investments are likely to include such short-term debt securities. These instruments are normally lower yielding than the Fund's Church Securities investments and, thus can reduce the Fund's yield and overall portfolio maturity. Additionally, if the Fund's cash flow from payments on Fund portfolio securities is insufficient to replenish its cash reserves to the extent required by applicable regulations to satisfy its repurchase obligations, it will be forced to borrow funds or seek regulatory or other solutions that may increase Fund expenses. See also, "Investment in Other Investment Companies".

Real Estate Risk. Because the Fund's Church Securities are backed by real estate, these investments are vulnerable to factors that affect the particular real estate and the local and national real estate markets. These factors include changes in local or national economic or employment conditions, which factors have negatively affected the value of the Fund's Church Securities since 2009. Other factors affecting the value of real estate investments include, but are not limited to, changes in interest rates or in zoning or tax laws, overbuilding, environmental problems, maintenance problems, operating costs and population changes. Such factors affect not only the value of the collateral backing the Borrowers' obligations, but also the ability of Borrowers to raise cash to meet these obligations by selling real estate. Property tax liens would also affect the availability of cash to pay other creditors in the event of a sale of the real estate, through foreclosure or otherwise. Furthermore, in the case of Church Securities, the property backing the securities may have limited suitability for other purposes.

Prepayment Risk. The maximum maturity of the performing securities in the Church Capital Fund is 15 years. It is impossible to speculate when any nonperforming securities may mature or have a partial prepayment. In the event of prepayment, which can come from refinancing, a call or early payment of principal, in a lower or falling interest rate environment, the Fund would be required to reinvest the prepayment proceeds in lower-yielding obligations.

Valuation Risk. Because of the inherent uncertainty of valuations of Church Securities determined by utilizing the Fund's procedures, the estimated fair values may differ significantly from the values that another party might estimate or that would have been used had a ready market for the investments existed. The differences could be material.

Discount Risk. There is no active trading market for Fund Shares. Therefore, a shareholder who wishes to sell his or her Shares and does not wish to participate in, or wait for, an annual repurchase offer or any discretionary repurchase offer or is not successful in having those Shares repurchased in an annual repurchase offer or in a

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

discretionary repurchase offer, if any, will have difficulty selling the Shares in the secondary market and there is a significant risk that any such sale would be at a significant discount from the net asset value of the Shares.

Investment in Other Investment Companies. The Fund may invest in shares of other investment companies ("funds"). The Fund bears a proportional share of the expenses of such other funds, which are in addition to those of the Fund. For example, the Fund will bear a portion of such other funds' investment advisory fees, although the costs to the Fund of managing its assets will not be proportionally reduced.

(8) CONTINGENCIES AND COMMITMENTS

Under the Fund's organizational documents its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain various representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims against the Fund and is presently unknown. However, the Fund considers the risk of loss from such potential claims to be remote.

(9) OTHER MATTERS

As disclosed in the preceding footnotes, the Fund has certain obligations in the upcoming year, including the repurchase of shares from Fund shareholders in accordance with the Fund's annual repurchase offer, requiring specific timely payments. These obligations, along with the cash flow required to meet the Fund's expenses of continued operation, require the Fund to be able to timely liquidate certain holdings, or enter into borrowings, in order to meet these obligations. Management of the Fund believes that at this time the Fund has sufficient liquidity, without borrowing, to satisfy its obligations for at least the next 24 months.

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date these financial statements were available to be issued. There were no such events that required adjustment or disclosure for the period subsequent to March 31, 2019, through the date of issuance of these financial statements.

(11) NEW ACCOUNTING PRONOUNCEMENT

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. The amendments in the ASU shorten the amortization period for certain callable debt securities, held at a premium, to be amortized to the earliest call date. The ASU does not

CHURCH CAPITAL FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED) MARCH 31, 2019 (UNAUDITED)

require an accounting change for securities held at a discount; which continues to be amortized to maturity. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management is currently evaluating the impact, if any, of applying this provision.

In August 2018, FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management is currently evaluating the impact these changes will have on the Fund’s financial statements and disclosures.

On October 4, 2018, the SEC amended Regulation S-X to require certain disclosure requirements to conform them to US Generally Accepted Accounting Principles for investment companies. Effective November 4, 2018, the Fund adopted disclosure requirement changes for Regulation S-X and these changes are reflected throughout this report. The Fund’s adoption of those amendments, effective with the financial statements prepared as of March 31, 2019, had no effect on the Fund’s net assets or results of operations.

CHURCH CAPITAL FUND

ADDITIONAL INFORMATION

MARCH 31, 2019 (UNAUDITED)

PROXY VOTING GUIDELINES

A description of the policies and procedures that Church Capital Fund uses to determine how to vote proxies is available free of charge by calling 713-624-2312 or 1-800-595-4533. Information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, 2018, is available free of charge on the SEC's website at <http://www.sec.gov>.

The Fund did not vote any proxies during the 12-month period ended June 30, 2018.

PORTFOLIO HOLDINGS DISCLOSURE POLICY

The Fund files a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-Q. The Fund's first and third fiscal quarters end on December 31 and June 30. The Form N-Q filing must be made within 60 days of the end of the quarter. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov, or they may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 713-624-2312 or 1-800-595-4533.

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Church Capital Fund

HOW TO GET MORE INFORMATION

Further information about the Fund is contained in:

The Statement of Additional Information (“SAI”). The SAI contains more detail about some of the matters discussed in this Prospectus. The SAI is incorporated into the Prospectus by reference.

Annual and Semi-Annual Reports about the Fund describe its performance and list its portfolio securities. They also include letters from Fund management describing the Fund’s strategies and discussing market conditions and trends and their implications for the Fund.

You may obtain free copies of the SAI or reports, or other information about the Fund or your account by calling 1-800-595-4533 or 713-624-2312.

You may also get copies of the SAI, reports, or other information about the Fund directly from the Securities and Exchange Commission (“SEC”) by:

- visiting the SEC’s public reference room. (Call 1-202-942-8090 for information or email publicinfo@sec.gov).
- sending a written request, plus a duplicating fee, to the SEC’s Public Reference Section, Washington, D.C. 20549-0102.
- visiting the SEC’s website — <http://www.sec.gov/>

The Fund’s Investment Company Act File Number with the SEC is: 811-21662.

Church Capital Fund
3375 Westpark Drive, #472
Houston, Texas 77005
1-800-595-4533