

UMF COLLECTIVE FUNDS OF MICHIGAN LLC

OFFERING CIRCULAR

COLLECTIVE INVESTMENT FUNDS

**BALANCED FUND
STOCK FUND
BOND FUND**

AND

COLLECTIVE MONEY MARKET INVESTMENT ACCOUNT

UMF Collective Funds of Michigan LLC
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July 1, 2018

COLLECTIVE INVESTMENT OFFERINGS

UMF Collective Funds of Michigan LLC ("**UMF Funds**") has been formed by the United Methodist Foundation of Michigan (the "**Foundation**") for the purpose of offering the following four investment options:

- The Balanced Fund (the "**Balanced Fund**")
- The Stock Fund (the "**Stock Fund**")
- The Bond Fund (the "**Bond Fund**")
- A collective money market investment account (the "**Money Market Investment Account**" or "**MMIA**").

The Balanced Fund, Stock Fund, Bond Fund (together referred to as the "**Funds**") and the MMIA are available exclusively for the collective investment and reinvestment by United Methodist churches and congregations and other charitable organizations located in the State of Michigan. Individuals may not open a participant account or otherwise contribute funds to the MMIA or the Funds.

The Foundation is the sole member of UMF Funds and, in that capacity, serves as the administrator of the Funds and the MMIA.

THE FUNDS AND THE MMIA ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER THE PHILANTHROPY PROTECTION ACT OF 1995. REGISTRATION STATEMENTS RELATING TO THE FUNDS AND THE MMIA HAVE NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR THE SECURITIES DIVISION OF THE CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU ("CSCLB"), WHICH IS PART OF THE MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS. NEITHER CSCLB NOR THE SEC HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NEITHER UMF FUNDS, THE FOUNDATION, THE FUNDS NOR THE MMIA IS REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940 OR AS AN INVESTMENT ADVISER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

This Offering Circular contains information that you should know before deciding to participate. You should read and retain this Offering Circular for future reference.

PARTICIPATION IN THE FUNDS OR THE MMIA IS SUBJECT TO CERTAIN RISK FACTORS DESCRIBED IN THIS OFFERING CIRCULAR.

INVESTMENTS IN THE FUNDS OR THE MMIA ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

No person has been authorized to give any information or to make any representation not contained in this Offering Circular in connection with the Funds and the MMIA and, if given or made, such information or representations must not be relied upon as having been authorized by the UMF Funds. This Offering Circular does not constitute an offering by UMF Funds in any jurisdiction in which such offering may not lawfully be made.

Each person who solicits contributions from participating organizations is a volunteer or is engaged in the overall fund-raising activities of the Foundation. Neither the Foundation nor UMF Funds pays commissions or other special compensation to any person to solicit participating organizations. Likewise, neither the Foundation nor UMF Funds pays commissions or other special compensation to any person based on the number or the value of contributions collected. UMF Funds buys, holds and sells securities on behalf of the Funds and their participating organizations solely through the corporate officers, employees and volunteers of the Foundation or through brokers or dealers registered with the Securities and Exchange Commission.

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RISK FACTORS

Successor Funds

UMF Funds was formed on May 26, 2011, and began accepting investments in the Funds and the MMIA on September 22, 2011. The Stock Fund, Bond Fund, Balanced Fund and MMIA are successors to the UMF Stock Fund, UMF Bond Fund, UMF Balanced Fund and MMIA, administered by the Foundation prior to the formation of UMF Funds.

General Investment Risks

The risk inherent in opening a participant account for the Funds or the MMIA includes the risk common to any investment. The value of the participant account will fluctuate in response to changes in economic conditions, interest rates and the national securities market's perception of the investments held by the Funds or the MMIA.

No assurance can be provided that any of the Funds will achieve their investment objectives because uncertainty exists in every investment. No assurance can be provided that the Funds will operate profitably or that participants will not suffer losses. Should many organizations withdraw from a Fund at about the same time, said Fund may have to sell portfolio securities at a time when it would be disadvantageous to do so.

The Funds and the MMIA Are Not Mutual Funds

None of the Balanced Fund, Stock Fund, Bond Fund, or the MMIA is a mutual fund registered with the Securities and Exchange Commission as an investment company under the Investment Company Act of 1940. Accordingly, the Funds and the MMIA will not follow the policies and procedures or meet the regulatory requirements for mutual funds.

Contributions and Withdrawals Are Permitted Only on the Weekly Activity Dates

Participant account contributions and withdrawals are processed weekly. Generally, these transactions are processed as of the close of business on Wednesday of each business week (a "**Weekly Activity Date**"). However, the weekday may be altered in a given week in the event of office closures for holidays or unforeseen circumstances. Accordingly, the value of the investments in each participant account on the Weekly Activity Date may be greater or less than on the day UMF Funds received the participant's contribution or withdrawal request depending on changes in the value of the investments in the account between the day the contribution or withdrawal request was received and the following Weekly Activity Date. See "**PARTICIPANT ACCOUNTS.**"

Temporary Interest-Free Account Pending Investment of Contributions

Any amounts received by UMF Funds for investment in the Funds or the MMIA are temporarily held in a bank account pending investment on the next Weekly Activity Date. Any interest earned on this account will be retained by UMF Funds and will not be distributed or credited to participant accounts.

No Cash Dividends or Distributions

The Funds generally do not pay cash dividends or make cash distributions to participants other than account withdrawals on a Weekly Activity Date. See "**TAXES.**"

Unsecured and Uninsured Obligations

The participant accounts will be unsecured and uninsured obligations of UMF Funds payable exclusively from the assets of the Funds or the MMIA in which the accounts are invested. No assets of UMF Funds or the Foundation have been or will be pledged as security for repayment of amounts invested. UMF Funds has not established, and has no plans to establish, a sinking fund for repayment of amounts invested in the Funds. Investments in the Funds or the MMIA are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Possible Emergency Conditions

UMF Funds may temporarily suspend the right to withdraw funds from a participant account when certain emergency conditions exist, including if UMF Funds cannot dispose of its investments or fairly determine their value, or the withdrawal of funds or disposition of investments would be in violation of law, impractical or prejudicial to the participants in a Fund. Should many organizations withdraw from a Fund at the same time, the Fund may have to sell portfolio securities at a time when it would be disadvantageous to do so.

The Regulatory Environment

Changes in state or federal laws, rules, or requirements regarding the sale of securities of charitable or other not-for-profit organizations may make it more difficult and costly for UMF Funds to administer the Funds and the MMIA. Therefore, no assurance can be given that UMF Funds will continue to offer the Funds or the MMIA in the future.

No Participation in Management

UMF Funds is a limited liability company, and its sole member, the Foundation, exercises exclusive control of UMF Funds, the Funds and the MMIA. Participating organizations do not have any voting rights or any right to participate in management of UMF Funds.

Conflicts of Interest

UMF Funds intends to balance the financial interests of the participants with the socially responsible investment objectives of UMF Funds and the Foundation. This situation may cause potential conflicts of interest, particularly if these interests diverge.

No Transfer, Resale or Assignment

Participant accounts may not be transferred, resold, assigned, or pledged to any person or organization whatsoever.

Risks of Affiliates

In addition to managing the UMF Funds, as of January 1, 2019, the Foundation will also oversee the church extension fund activities of The Missions and Church Extension Trust Fund of the Michigan Area of the United Methodist Church, which is also known as the Michigan Area Loan Fund and the Extension Fund of the Detroit Annual Conference of The United Methodist Church, which will be changing its name to the Michigan Conference Capital Mission Fund of the United Methodist Church. While we are a separate entity from the Foundation and the other entities it controls, and are generally not liable for claims against them, it is possible that claimants against them might contend that we are also liable. If a claim like this were made or upheld, our financial condition may be negatively affected.

Tax-exempt Status Risk

We rely on the tax exempt status of the Foundation pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation anticipates continuing its exemption through inclusion in the United Methodist Church's group exemption ruling issued by the Internal Revenue Service. The Foundation and the United Methodist Church are subject to a number of requirements affecting its operations in order to receive and maintain tax-exempt status. If the Foundation or The United Methodist Church at any time fails to qualify for tax-exemption under Section 501(c)(3) of the Internal Revenue Code, that failure could affect our ability to continue the Funds under otherwise applicable securities law exemptions. There can be no assurance that our ability to rely on the Foundation's tax exemption will continue if there is a change in the law or a change in the facts and circumstances.

UMF COLLECTIVE FUNDS OF MICHIGAN LLC

UMF Collective Funds of Michigan LLC is a nonprofit limited liability company organized and existing under the laws of the State of Delaware. UMF Funds is organized and operated to further the purposes of the United Methodist Foundation of Michigan by providing one or more investment funds or portfolios maintained for the collective investment of eligible participants.

The United Methodist Foundation of Michigan is a nonprofit corporation organized and existing under the laws of the State of Michigan since 1925. It is identified through its common religious faith with The United Methodist Church. The United Methodist Church is a Protestant denomination which was organized in 1968 through the union of the Methodist Church and the Evangelical United Brethren Church and is composed of approximately 30,000 organized churches throughout the United States and 12,000 outside the United States with approximately 12,500,000 members.

The Foundation is qualified and intends to qualify in the future as a charitable religious organization exempt from federal income taxation as a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"). It is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Such qualification relieves an organization of liability for federal income taxes.

PARTICIPANT ELIGIBILITY

Eligible Participants

The Funds and the MMIA have been established and are operated at all times exclusively for the benefit of United Methodist organizations and other charitable organizations located in the State of Michigan. The only eligible participants are United Methodist churches, United Methodist congregations and other charitable organizations located in the State of Michigan. The Foundation's Board of Directors or an officer of the Foundation designated by the Board of Directors must grant approval before participation will be permitted by a non-United Methodist organization. The Foundation also may participate by investing its own eligible assets.

Each participant must, at all times, be exempt from federal income taxation under Section 501(c)(3) or as a charitable organization described in paragraphs (1) through (5) of Section 170(c) of the Internal Revenue Code. Individuals may not contribute funds to or otherwise participate in the Funds or the MMIA and the net earnings of the Funds and the MMIA may not inure to the benefit of any private investor or individual. All financial benefits of the Funds and the MMIA will be distributed exclusively to the eligible participants to be used solely for their tax exempt purposes, and participants must represent that the funds will be so used.

Eligible Assets

Due to restrictions imposed under federal and state securities laws, all funds contributed for participation in the Funds or the MMIA must be limited to the participant's general endowment fund or other assets over which the participating organization has immediate, sole, and exclusive use, benefit, and enjoyment. For example, a participant may not contribute charitable gift annuity assets, charitable trust assets, revocable trust assets, retirement plan assets or any other assets in which a donor to the participant or any other individual beneficiary has any interest by way of rights to income or promises of fixed or variable interest.

The Funds and the MMIA are maintained exclusively for the collective investment and reinvestment of these eligible assets. Each participating organization must represent that the assets it is contributing meet these requirements. UMF Funds will rely on these representations for purposes of qualifying for certain exemptions from registration under state and federal securities laws. Each participating organization should contact UMF Funds if it has any questions as to whether it meets these requirements.

THE BALANCED FUND

Investment Objective

The Balanced Fund is designed to provide participants with a prudent and balanced investment program. The primary investment objective of the Balanced Fund is to provide for long term capital growth.

Fund of Funds Investment Strategy

The Balanced Fund operates as a "fund of funds" through which participants are invested primarily in the Stock Fund and Bond Fund. The Balanced Fund will be allocated approximately 35% to 65% in the Stock Fund and approximately 35% to 65% in the Bond Fund. In addition, when in the opinion of the Investment Advisor market conditions warrant, the Balanced Fund may invest all or a portion of its total assets in the MMIA. If the Fund is investing defensively, it temporarily may not be pursuing its investment objective. The actual allocation between the Stock Fund, Bond Fund and MMIA at any time will be determined by the Investment Advisor and will be reviewed quarterly by the Foundation's Investment Committee.

For purpose of reporting and accounting, participants in the Balanced Fund will be treated as participants in the underlying Stock Fund, Bond Fund or MMIA to which the Balanced Fund is allocated at any time. Account statements, reports and other documentation will reflect only the participation in the Stock Fund, Bond Fund and MMIA, as applicable.

THE STOCK FUND

Investment Objective

The Stock Fund seeks to achieve long-term capital appreciation through investments in stocks and other equity securities, with primary emphasis on U.S. large capitalization companies and secondary emphasis on global and international equities and on U.S. small and middle capitalization companies. The Stock Fund is subject to the general investment restrictions and the socially responsible investment criteria described in "**Investment Restrictions for Stock Fund and Bond Fund.**"

The Stock Fund will be invested in actively managed portfolios of stocks divided into six portfolio segments comprising the following percentage ranges of the Stock Fund as a whole:

- large-capitalization growth 15%-35%
- large-capitalization value 15%-35%
- large-capitalization core 15%-35%
- global large-capitalization equity 15%-35%
- small/mid-capitalization 5%-25%
- international equity 5%-25%

The Investment Advisor is responsible for making investment decisions for each portfolio segment in the Stock Fund. The amount invested in each segment within the above ranges is determined by the Investment Advisor and reviewed quarterly by the Investment Committee.

Large-Capitalization Growth Segment

The primary objective of the Large-Capitalization Growth Segment is to seek long-term capital appreciation by investing 100% in equity securities that the Investment Advisor expects to outperform their sector. Current income is not a major consideration. Large-Capitalization Growth portfolios will primarily be invested in equity securities of large capitalization companies located in the United States but may include equity securities of small to medium capitalization companies. This segment assumes a risk level greater than that of the stock market in general.

Benchmark: Russell 1000 Growth Index®

Large-Capitalization Value Segment

The primary objective of the Large-Capitalization Value Segment is to seek long-term capital appreciation by investing up to 100% in equity securities that the Investment Advisor believes are undervalued. Large Cap Value Equity portfolios primarily will be invested in dividend paying equity securities of large capitalization located in the United States but may include equity securities of small to medium capitalization companies or companies headquartered outside of the U.S. This segment assumes a risk level at least equal to that of the stock market in general.

Benchmark: Russell 1000 Value Index®

Large-Capitalization Core Segment

The primary objective of the Large-Capitalization Core Segment is to seek capital appreciation by investing up to 100% in equity securities. Current income is not a major consideration. This segment primarily will be invested in value and growth equity securities of large capitalization companies located in the United States, but may include equity securities of medium capitalization companies. Portfolios may include non-U.S. equity securities in the form of American Depositary Receipts ("**ADRs**"). This segment assumes a risk level at least equal to that of the stock market in general.

Benchmark: S&P 500 Index®

Global Large-Capitalization Equity Segment

The primary objective of the Global Large-Capitalization Equity Segment is to seek long-term capital appreciation through investment in a diversified global portfolio of equity securities, primarily in large capitalization companies located in developed countries, including the United States. The non-U.S. securities component of the segment may include ADRs and/or ordinary equity securities of non-U.S. issuers. This segment assumes a risk level at least equal to that of the global stock market in general.

Benchmark: MSCI World Index®

Small/Mid-Capitalization Segment

The primary objective of the Small/Mid-Capitalization Segment is to seek capital appreciation and, secondarily, income. Under normal circumstances, it invests at least 80% of its assets in equity securities of medium-capitalization companies. The Investment Advisor focuses upon securities of companies that it believes have the long-term potential to grow in size or to become more profitable, or that the stock market may value more highly in the future. The Investment Advisor places particular emphasis on stocks trading at the low end of one or more historical valuation measures, such as price/book value, price/sales, price/earnings or enterprise value/EBITDA ratios. The segment primarily purchases common stock of US companies, but may also invest in securities issued by foreign companies.

Benchmark: S&P Mid Cap 400 Value Index®

International Equity Segment

The primary objective of the International Equity Segment is to seek long-term capital appreciation through investment in a diversified portfolio of equity securities of issuers located outside of the United States, primarily in large capitalization companies located in developed countries. International Equity portfolios may include ADRs and/or ordinary equity securities. This segment assumes the additional risks involved with international investing and a risk level at least equal to that of international stock markets in general.

Benchmark: MSCI All Country World Ex US®

Investment Considerations

Principal Investment Risks

No assurance can be given that the Stock Fund will achieve its investment objectives since uncertainty exists in every investment. The Fund will invest in securities that will go up and down in price. Only participants able to tolerate possibly substantial fluctuations in the value of their investment, brought about by declining stock prices, should contemplate investment in the Fund. Although the Fund seeks to reduce risk by investing in diversified portfolios of stocks, such diversification does not eliminate all risks. No assurance can be given that the Fund will operate profitably or that participants will not suffer losses.

Stock Market Risk

The value of the equity securities in which the Stock Fund invests may decline in response to developments affecting individual companies or general economic conditions. Price changes may be temporary or may last for extended periods. Historically, stock prices have fluctuated in periodic cycles.

Stock Selection Risk

The value of the Stock Fund's investments may decline regardless of overall market conditions if the particular companies in which the Stock Fund invests do not perform well in the market.

Smaller Company Stock Risk – Small/Mid-Capitalization Segment

The stocks of smaller companies may have more risks than those of larger companies. Smaller companies often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, they may be more sensitive to changing economic conditions, which could increase the volatility of the Small/Mid-Capitalization segment's portfolio. In addition, smaller company stocks typically are traded in lower volume making them more difficult to sell.

Value Investing Risk – Large-Capitalization Value, Small/Mid-Capitalization and Large-Capitalization Core Segments

The Large-Capitalization Value and Small/Mid-Capitalization segments, and to a lesser extent the Large-Capitalization Core segment, seek to identify companies selling at a discount from their perceived true worth, as determined by the Investment Advisor. This approach involves selecting stocks at prices that are, in the Investment Advisor's view, temporarily low relative to the company's earnings, assets, cash flow and dividends. Value investing is subject to the risk that the stock's intrinsic value (as determined by the Investment Advisor) may never be fully recognized or realized by the market, or their prices may go down. In addition, there is the risk that a stock judged to be undervalued may actually be appropriately priced.

Growth Investing Risk – Large-Capitalization Growth and Large-Capitalization Core Segments

The Large-Capitalization Growth segment and, to a lesser extent, the Large-Capitalization Core segment seek to identify growth companies that are expected to outperform other companies in their sector. The prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. The prices of growth stocks also may fall or fail to appreciate as anticipated by the Investment Advisor, regardless of movements in the securities markets.

Foreign Equity Markets Investing Risk - Large-Capitalization Value Segment, Global Large-Capitalization Equity, Small/Mid-Capitalization Segment, and International Segments

Investing in foreign equity securities can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments more volatile and potentially less liquid than U.S. investments. Foreign equity markets can perform differently from the U.S. equity markets.

Investment Restrictions

The Investment Advisor will observe the following guidelines in managing the Stock Fund:

- Within any individual segment, no more than 5% of the assets will be invested in any one issuer (except for the U.S. Government); and
- No more than 20% of the market value of the equity assets in the portfolio will be held in the equity issues of companies in any one industry sector.

If changes in market values cause a segment to exceed either of these limitations, then the Investment Advisor will make appropriate adjustments within ninety (90) days of such occurrence, unless otherwise directed by the Investment Committee.

THE BOND FUND

Investment Objective

The Bond Fund's primary objective is to achieve a high level of current income, with capital appreciation as a secondary objective, by investing primarily in investment-grade debt securities that meet the investment criteria described in "**Investment Restrictions for Stock Fund and Bond Fund.**"

The Investment Advisor and the Foundation are each responsible for making investment decisions for approximately 50% of the Bond Fund.

Investment Securities

The Bond Fund invests primarily in U.S. Treasury and agency securities, taxable municipal securities, corporate bonds, mortgage backed securities, preferred shares and other fixed income securities rated as investment grade by a Nationally Recognized Statistical Rating Organization ("**NRSRO**"). For example, investment grade securities would be rated BBB- or higher by Standard & Poor's Ratings Group, a Division of McGraw Hill ("**S&P**"), or Bbb or higher by Moody's Investors Service, Inc. ("**Moody's**"). Subsequent to its purchase by the Bond Fund, a security rated as investment grade may cease to be rated or its rating may be reduced below investment grade. The Investment Committee or the Investment Advisor, as appropriate, will consider such an event in determining whether the Bond Fund should continue to hold the security. The Investment Committee or the Investment Advisor, as appropriate, reserves the option to retain a security that was purchased as an investment grade security, but subsequently ceases to be rated or its rating may be reduced below investment grade. The Bond Fund may hold up to ten percent (10%) of its total balance in a tactical investment strategy that may include high yield bonds or real estate investment trusts. The Bond Fund is expected to have an average duration of three to seven years.

Primary Investment Strategies of the Investment Advisor

The Investment Advisor employs the following strategies when selecting securities for the portion of the Bond Fund portfolio it manages:

- Sector Analysis: The portfolio seeks to take advantage of underpriced bonds by analyzing current and historical pricing relationships among sectors of the fixed income securities market.
- Yield Curve Analysis: The portfolio's distribution of maturities is managed to take advantage of changing relationships between short-term and long-term interest rates.
- Credit Analysis: The Investment Advisor analyzes financial and non-financial aspects of bond issuers to help manage credit risk.
- Interest Sensitivity Analysis: The Investment Advisor seeks to assemble a bond portfolio with overall interest rate risk similar to the Merrill Lynch Corporate/Government 1-10 Year A Rated and Above Bond Index.

Primary Investment Strategies of the Foundation

For the portion of the Bond Fund portfolio managed by the Foundation, the Foundation selects investment securities with laddered maturities based primarily upon the Foundation's sector, yield curve and credit analysis and with a secondary consideration of interest rate risks. Each investment is reviewed and authorized by an officer of the Foundation before the investment is made. The members of the

Investment Committee review these investments at least quarterly. These investments are made solely at the discretion of the Foundation.

Principal Investment Risks

The Bond Fund's yield and total return will depend partially on the quality and maturity of the obligations in its portfolio, as well as on other market conditions. No assurance can be given that the Fund will operate profitably or that participants will not suffer losses. An investment in the Bond Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Interest Rate Risk

No assurance can be given that the Bond Fund will achieve its investment objectives since uncertainty exists in every investment. The Bond Fund invests its assets in fixed income securities, which generally are considered to be interest rate sensitive. This means that their value (and the value of the Bond Fund) will tend to decrease when interest rates rise and increase when interest rates fall. Shorter term bonds are less sensitive to interest rate changes, but longer term bonds generally offer higher current yields. Current yield levels should not be considered representative of yields for any future period of time.

Credit (or Default) Risk

The Bond Fund is subject to issuer-specific risks, including the risk that an individual security may perform differently than the market as a whole due to the issuer's particular geography, industry, market sector, management decisions or other factors affecting the issuer. Issuers may suffer adverse changes in financial condition that could lower the credit quality of their securities, leading to greater volatility in the price of the security and in the valuation of the Bond Fund. Adverse changes in credit quality ratings of an issuer may affect the Bond Fund's ability to sell that issuer's securities.

While U.S. government securities issued directly by the U.S. government are guaranteed by the U.S. Treasury, other U.S. government securities issued by an agency or instrumentality of the U.S. government may not be. Certain agencies and instrumentalities are supported only by the right of the issuer to borrow from the U.S. Treasury, while others are supported only by their own credit. No assurance can be given that the U.S. government would provide financial support to its agencies or instrumentalities if not required to do so by law.

Prepayment Risk

The Bond Fund also is subject to prepayment risk, which is the risk that issuers may prepay principal before maturity. Prepayment risk typically increases the potential for losses in a rising interest rate environment and reduces the potential for gains during a declining interest rate environment. Since it is difficult to predict the impact of prepayment features on the price of a debt security, prepayment risk can result in greater volatility, could reduce the Fund's yield and cause a decline in the Fund's value.

Mortgage-Backed Securities

The Bond Fund may hold mortgage-backed securities that are issued or guaranteed by U.S. government agencies or instrumentalities, U.S. government sponsored enterprises or the full faith and credit of the U.S. government (e.g., Fannie Mae, Freddie Mac or GNMA). In effect, these securities "pass-through" the monthly payments that individual borrowers make on their mortgage net of any fees paid to the issuers. In addition to interest, credit, and prepayment risk, the value of mortgage-backed securities may change because of actual or perceived changes in the credit worthiness of the originator, the servicing agent, the financial institution providing the credit support, or the counterparty.

The relationship between mortgage prepayment and interest rates may give some high-yielding mortgage-backed securities less potential for growth in value than conventional bonds with comparable maturities. In addition, the rate of mortgage prepayment tends to increase in the periods of falling interest rates. During such periods, the reinvestment of prepayment proceeds by the Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless. The risk of such defaults is generally higher in the case of mortgage pools that include so-called "subprime" mortgages. Because of these and other reasons, a mortgage-backed security's total return may be difficult to predict precisely. When the Fund purchases mortgage-backed securities at a premium, mortgage prepayments (which may be made at any time without penalty) may result in some loss of the Fund's principal investment to the extent of the premium paid.

Like other fixed income securities, when interest rates rise, the value of a mortgage-backed security generally will decline. However, when interest rates decline, the value of a mortgage-backed security with prepayment features may not increase as much as that of other fixed income securities.

Foreign Securities Risk

Foreign securities are generally more volatile and less liquid than U.S. securities, in part because of greater political and economic risks and because of less availability

of public information about foreign companies. Issuers of foreign securities are generally not subject to the same degree of regulation as are U.S. issuers and securities markets. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from U.S. standards. Foreign securities that are denominated in a foreign currency also are subject to the risk that their values may fluctuate based upon changes in currency exchange rates.

THE MONEY MARKET INVESTMENT ACCOUNT

Account Purpose

The Money Market Investment Account ("**MMIA**") has been established for the purpose of permitting eligible participants to pool their investments collectively to achieve reduced costs on money market mutual fund investments. Investing collectively through the MMIA allows for the purchase of institutional shares of money market mutual funds, which typically are assessed lower fees than retail shares.

The MMIA may be an appropriate investment for an institution that:

- Is looking for current income and liquidity
- Is looking for preservation of capital
- Is investing with short term goals in mind, such as for cash reserves.

Account Investments

At this time, the MMIA is invested exclusively in the BlackRock Treasury Strategies Institutional Fund (symbol: MLIXX), a money market mutual fund. BlackRock Treasury Strategies Institutional Fund's objective is to seek maximum current income consistent with liquidity and the maintenance of a portfolio of high quality short-term money market securities. BlackRock Treasury Strategies Institutional Fund tries to achieve its objective by investing in a diversified portfolio of short-term U.S. dollar denominated money market securities. These securities primarily consist of short-term U.S. Government securities, U.S. Government agency securities, and securities issued by U.S. Government-sponsored enterprises and U.S. Government instrumentalities, commercial paper, repurchase agreements and variable and floating rate obligations. BlackRock Treasury Strategies Institutional Fund may also invest in domestic bank obligations and foreign bank obligations and other short-term debt securities issued by U.S. and foreign entities.

Principal Investment Risks

The MMIA is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Organizations participating in the MMIA are subject to all the same investment risks as an investment directly in the underlying money market fund, which may include asset-backed securities risk, credit risk, extension risk, foreign securities risk, income risk, interest rate risk, market risk and selection risk, repurchase agreements risk, treasury obligations risk, U.S. government obligations risk, variable and floating rate

instrument risk and other risks. BlackRock Treasury Strategies Institutional Fund could lose money if the issuer of an instrument held by BlackRock Treasury Strategies Institutional Fund defaults or if short term interest rates rise sharply in a manner not anticipated by management. Although BlackRock Treasury Strategies Institutional Fund seeks to preserve the value of investments at \$1.00 per share, it is possible to lose money by investing in BlackRock Treasury Strategies Institutional Fund. As a result, it is possible to lose money by participating in the MMIA.

Mutual Fund Prospectus

Each organization will be provided a current prospectus for the BlackRock Treasury Strategies Institutional Fund when initially participating in the MMIA. The prospectus contains information that you should know before deciding to participate in the MMIA. You should read and retain the prospectus for future reference. UMF Funds has not prepared the prospectus and undertakes no responsibility for the accuracy or completeness of the prospectus.

PARTICIPANT ACCOUNT PORTFOLIO ALLOCATIONS AND REBALANCING

Participating organizations may choose to have their participant accounts automatically rebalanced in any allocation percentage between the Stock Fund, the Bond Fund and the MMIA as the participating organization may select. Participant account rebalancing will occur once per year based upon account balances as of a date to be determined at the sole discretion of the UMF Funds. Participants shall receive written notification in advance of such annual rebalancing and may opt out of automatic rebalancing either by indicating such on the application form or by providing written notification to the UMF Funds no less than ten (10) business days in advance of such rebalancing.

INVESTMENT RESTRICTIONS FOR STOCK FUND AND BOND FUND

General Investment Restrictions

UMF Funds has adopted the following restrictions relating to the investment of the assets of the Stock Fund and Bond Fund. Investments generally will be made in compliance with these restrictions, unless UMF Funds determines in its discretion that alternative investments are necessary on a temporary emergency basis to protect the participants in the Stock Fund or Bond Fund.

Generally, the Stock Fund and Bond Fund may not:

- Invest in commodities, real estate (except real estate investment trusts), commodity contracts, oil, gas, mineral leases, mineral rights or royalty contracts;
- Engage in margin transactions, short sales, options, puts, calls, straddles, or spreads;

- Purchase the securities of an issuer that, together with any predecessor, has been in operation for less than five years;
- Purchase any security (other than obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities) of any issuer if as a result the Fund would hold more than 10% of the voting securities of the issuer;
- Purchase securities for which market quotations are not readily available;
- Invest in securities for the purpose of exercising control of management;
- Make loans, except that the Bond Fund may purchase or hold debt securities consistent with its investment objective;
- Borrow money;
- Pledge any of its net assets to secure indebtedness;
- Issue senior securities;
- Purchase units of any registered investment company, except for a money market mutual fund;
- Underwrite securities of other issuers, except that the Funds may purchase securities from the issuer or others and dispose of such securities in a manner consistent with their investment objectives;
- Purchase or sell loan participation notes, repurchase agreements or reverse repurchase agreements;
- Purchase or sell options or futures contracts, warrants, forward commitments, when-issued securities, or delayed-delivery securities;
- Purchase forward currency exchange contracts or exchange-related securities;
- Invest in derivative financial products for which the value depends on, or is derived from, the value of an underlying asset;
- Invest in asset-backed securities (ABS), asset-backed commercial paper (ABCP), collateralized debt obligations (CDOs), collateralized loan obligations (CLOs), or collateralized bond obligations (CBOs);
- Invest in mortgage-backed securities (MBS) other than securities issued or guaranteed by U.S. government agencies or instrumentalities, U.S. government sponsored enterprises or the full faith and credit of the U.S. government (e.g., Fannie Mae, Freddie Mac or GNMA).

Socially Responsible Investment Restrictions

The Stock Fund and Bond Fund are committed to being faithful to the values of The United Methodist Church in their investments. These Funds seek to limit their investments in companies that produce products or engage in activities inconsistent with the Social Principles of The United Methodist Church. The Stock Fund and the Bond Fund seek to exclude investments in the following:

- **Alcohol exclusion:** Companies that generate revenue from alcoholic beverage-related business activities equal to or greater than 10% of recent year revenues (generally three years).
- **Pornographic exclusion:** Companies receiving revenues from the production, sale, or distribution of products or services that are considered pornographic or meet the legal definition of “obscene” or “harmful to minors.”
- **Tobacco exclusion:** Companies that manufacture tobacco products.
- **Firearms exclusion:** Companies that manufacture firearms or related ammunition products for non-military markets.
- **Gambling exclusion:** Companies that generate revenue from gaming-related business activities (including casinos, racetrack owners or operators and gaming equipment suppliers) equal to or greater than 10% of recent year revenues (generally three years).
- **Major military contractors exclusion:**
 - *Department of Defense Contracting:* Top 25 publicly traded companies ranked by the amount of revenue generated as a prime contractor on contracts of any type with the United States Department of Defense.
 - *Weapons-Related Department of Defense Contracting:* Companies that generate revenue from contracts with the United States Department of Defense for conventional or nuclear weapons (including armaments and delivery platforms but not support systems) equal to or greater than 20% of recent year revenues (generally three years).
- **Environmental exclusion:** Top 25 companies in the S&P 1500 Composite Index ranked by their negative environmental impact taking into consideration the following equally-weighted categories: superfund sites, toxic emissions, oil and chemical spills, and fines. Additional companies that materially demonstrate a prolonged and systematic pattern of flagrant and egregious damage to the environment may be restricted from investment.
- **Human Rights Violations exclusion:** Companies that materially demonstrate a prolonged and systematic pattern of business practices

determined to result in human rights violations, including but not limited to abusive labor practices and exploitation of child labor, may be restricted from investment.

Companies not falling into any of the above categories may still be ineligible for investment because of reputation, public image or any specific business practices determined by UMF Funds to be inconsistent with the Social Principles of The United Methodist Church.

The Foundation and the Investment Advisor, with respect to the portfolios they each manage, consider these restrictions at the time an investment is made and periodically thereafter. Accordingly, at any given time, the Funds may be invested in one or more securities that do not meet the above criteria. Upon a determination that an investment no longer meets these United Methodist principles, the security shall be sold within ninety (90) days, unless UMF Funds determines that continuing to hold the security would be in the best interests of the participants in the applicable Fund.

Since each Fund seeks to make investments that are consistent with the principles of The United Methodist Church, the Funds will not purchase, and may sell, investments that would otherwise be consistent with the investment objectives of the Funds. This may impact the relative financial performance of the Funds compared to performance that may have been achieved if the Funds had not followed any socially responsible investment restrictions.

From time to time, UMF Funds may select additional or different restrictions on investments in securities that it determines to be inconsistent with United Methodist values.

Socially Responsible Investment Proxy Voting

As a socially responsible investment, the UMF Funds endeavor to vote proxies in alignment with the financial interests of investors while honoring the Social Principles of The United Methodist Church. Glass Lewis has been selected to vote the proxies of UMF Funds in accordance with the Social Principles of The United Methodist Church.

FINANCIAL INFORMATION

UMF Funds was formed on May 26, 2011, and began accepting investments in the Funds and the MMIA on September 22, 2011. The Stock Fund, Bond Fund, Balanced Fund and MMIA are successors to the UMF Stock Fund, UMF Bond Fund, UMF Balanced Fund and MMIA administered by the Foundation prior to the formation of UMF Funds. The following financial information reflects the performance of the Stock Fund, Bond Fund and the MMIA as of December 31, 2017. The information provided below should be read in conjunction with the financial statements and related notes attached as Exhibit A.

	<u>Stock Fund</u>	<u>Bond Fund</u>	<u>Money Market Investment Account</u>
Cash and Cash Equivalents	\$ 1,722,965	\$1,011,113	\$ 409,475
Certificates of Deposit		1,425,916	
United States Treasury Securities and Government Agency Securities		1,504,040	
Corporate Bonds		16,602,728	
Common and Preferred Stocks	38,427,708	1,839,887	
Accrued Income		181,607	
Total	<u>\$40,150,673</u>	<u>\$22,565,291</u>	<u>\$ 409,475</u>
INCOME FROM INVESTING OPERATIONS:			
Investment Income	\$ 796,223	\$ 739,421	\$ 2,368
Net realized and unrealized gains (losses) on investments**	7,053,053	(289,599)	-
Management and administrative fees	(414,967)	(175,521)	(1,132)
TOTAL INCOME (LOSS) FROM INVESTING OPERATIONS	7,434,309	274,301	1,236
FUND TRANSFERS	-	-	-
ADDITIONS	4,542,804	6,206,195	1,291,078
REDEMPTIONS	(8,226,598)	(3,669,514)	(1,306,988)
NET ASSET VALUE – BEGINNING OF THE YEAR	36,400,158	19,754,309	424,149
NET ASSET VALUE – END OF THE YEAR	<u>\$40,150,673</u>	<u>\$22,565,291</u>	<u>\$ 409,475</u>
AVERAGE NET ASSET VALUE (NAV)*	<u>\$38,275,416</u>	<u>\$21,159,800</u>	<u>\$ 416,812</u>
RETURN ON AVERAGE NAV:			
Income Return	2.08%	3.49%	0.57%
Capital Return (Loss)	18.43%	-1.37%	0.00%
Total Return (Loss)	<u>20.51%</u>	<u>2.12%</u>	<u>0.57%</u>
EXPENSES ON AVERAGE NAV	<u>1.08%</u>	<u>0.83%</u>	<u>0.27%</u>

* The Average Net Asset Value ("NAV") was determined by dividing (a) the sum of net assets at January 1, 2017 and December 31, 2017 by (b) 2.

The following financial information reflects the performance of the Stock Fund, Bond Fund and the MMIA as of December 31, 2016. The information provided below should

be read in conjunction with the financial statements and related notes attached as Exhibit A.

	<u>Stock Fund</u>	<u>Bond Fund</u>	<u>Money Market Investment Account</u>
Cash and Cash Equivalents	\$ 2,253,437	\$1,650,397	\$ 424,149
Certificates of Deposit		535,785	
United States Treasury Securities and Government Agency Securities		1,560,210	
Corporate Bonds		14,435,558	
Common and Preferred Stocks	34,146,721	1,408,088	
Accrued Income		164,271	
Total	<u>\$36,400,158</u>	<u>\$19,754,309</u>	<u>\$424,149</u>
INCOME FROM INVESTING OPERATIONS:			
Investment Income	\$ 640,095	\$ 654,880	\$ 180
Net realized and unrealized gains (losses) on investments	2,149,906	127,925	180
Management and administrative fees	(324,267)	(191,945)	(576)
TOTAL INCOME (LOSS) FROM INVESTING OPERATIONS	2,465,734	590,860	(216)
ADDITIONS REDEMPTIONS	4,700,060 (2,604,205)	2,876,401 (2,362,852)	10,257,762 (10,444,601)
NET ASSET VALUE – BEGINNING OF THE YEAR	31,838,569	18,649,900	611,204
NET ASSET VALUE – END OF THE YEAR	<u>\$36,400,158</u>	<u>\$19,754,309</u>	<u>\$424,149</u>
AVERAGE NET ASSET VALUE (NAV)*	<u>\$34,119,364</u>	<u>\$19,202,105</u>	<u>\$517,677</u>
RETURN ON AVERAGE NAV:			
Income Return	1.88%	3.41%	0.03%
Capital Return (Loss)	6.30%	0.67%	0.03%
Total Return (Loss)	<u>8.18%</u>	<u>4.08%</u>	<u>0.06%</u>
 EXPENSES ON AVERAGE NAV	 <u>0.95%</u>	 <u>1.00%</u>	 <u>0.11%</u>

* The Average Net Asset Value ("NAV") was determined by dividing (a) the sum of net assets at January 1, 2016 and December 31, 2016 by (b) 2.

The following financial information reflects the performance of the Stock Fund, Bond Fund and the MMIA as of December 31, 2015. The information provided below should be read in conjunction with the financial statements and related notes attached as Exhibit A.

	<u>Stock Fund</u>	<u>Bond Fund</u>	<u>Money Market Investment Account</u>
Cash and Cash Equivalents	\$ 2,078,509	\$ 814,840	\$ 611,204
Certificates of Deposit		520,271	
United States Treasury Securities and Government Agency Securities		1,781,098	
Corporate Bonds		13,734,606	
Common and Preferred Stocks	29,760,060	1,632,470	
Accrued Income		166,615	
Total	<u>\$31,838,569</u>	<u>\$18,649,900</u>	<u>\$ 611,204</u>
INCOME FROM INVESTING OPERATIONS:			
Investment Income	\$ 579,120	\$ 623,084	\$ 154
Net realized and unrealized gains (losses) on investments	(524,521)	(583,377)	(141)
Management and administrative fees	(327,316)	(180,974)	(1,109)
<hr/>			
TOTAL INCOME (LOSS) FROM INVESTING OPERATIONS	(272,717)	(141,267)	(1,096)
ADDITIONS REDEMPTIONS	3,723,695 (4,320,886)	2,991,452 (2,287,245)	202,702 (86,069)
NET ASSET VALUE – BEGINNING OF THE YEAR	<u>32,708,477</u>	<u>18,086,960</u>	<u>495,667</u>
NET ASSET VALUE – END OF THE YEAR	<u>\$31,838,569</u>	<u>\$18,649,900</u>	<u>\$ 611,204</u>
AVERAGE NET ASSET VALUE (NAV)*	<u>\$32,273,523</u>	<u>\$18,368,430</u>	<u>\$ 553,436</u>
RETURN ON AVERAGE NAV:			
Income Return	1.79%	3.39%	0.03%
Capital Return (Loss)	-1.63%	-3.18%	-0.03%
Total Return (Loss)	<u>0.16%</u>	<u>0.21%</u>	<u>0.00%</u>
EXPENSES ON AVERAGE NAV	<u>1.01%</u>	<u>0.99%</u>	<u>0.20%</u>

* The Average Net Asset Value ("NAV") was determined by dividing (a) the sum of net assets at January 1, 2015 and December 31, 2015 by (b) 2.

Financial Statements and Accounting Principles

The financial statements of the Foundation have been audited by Seber Tans, PLC, certified public accountants. See Exhibit A. As the Foundation is the sole member of UMF Funds, these financial statements are consolidated and include the accounts of the Foundation and UMF Funds. These financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. However, in the accompanying financial statements, funds have been combined and presented for the Foundation as a whole.

MANAGEMENT AND ADMINISTRATION

UMF Funds Management

UMF Funds is managed by its sole member, the Foundation, pursuant to the terms of the Limited Liability Company Agreement of UMF Collective Funds of Michigan LLC dated June 30, 2011 (the "**LLC Agreement**"). The LLC Agreement grants the Foundation, as the sole member, certain powers as to the management of UMF Funds. Such powers are summarized below.

- The Foundation has all powers necessary or advisable to carry out the administration, management and maintenance of the Funds and the MMIA including but not limited to the powers to: (a) buy, hold, sell or trade in securities for its own account in its capacity as administrator of, or otherwise on behalf of or for the account of, UMF Funds, the Funds and the MMIA and any contributor to or participant in the Funds and the MMIA; (b) retain the services of investment advisors, portfolio managers, custodians, agents, banks, brokers, accountants and other service providers; and (c) hold and otherwise deal with all contributions to the Funds and the MMIA and with such other assets as may be acquired by or contributed to UMF Funds.
- The Foundation may appoint, employ, or otherwise contract with any persons for the performance of services, including administrative services, for or on behalf of UMF Funds or the Funds and the MMIA, and the Foundation may delegate to any person (who may be designated an officer of UMF Funds) any authority to act on behalf of UMF Funds as the Foundation may from time to time deem appropriate.
- The Foundation will, at all times, either serve as administrator of the Funds and the MMIA or have the power to remove any other administrator selected, retained or appointed by the Foundation and to designate a new administrator.

- The LLC Agreement may be amended at any time by the Foundation.

Administration of the Funds and the MMIA

The LLC Agreement grants the Foundation all powers necessary or advisable to carry out the administration, management and maintenance of the Funds and the MMIA. Pursuant to such powers, the Foundation currently directs the management of the Funds and the MMIA through the Foundation's Investment Committee (the "**Investment Committee**").

Investment Committee

The Investment Committee is responsible for general management of the Funds, including recommending to UMF Funds the selection of investment advisors, custodians, and other service providers.

The Investment Committee reviews the investment portfolio for compliance with the investment policies, objectives and restrictions established by UMF Funds. The Committee meets at least quarterly. In addition, David Bell routinely participates in Investment Committee meetings but does not have a vote.

The following persons currently serve as members of the Investment Committee:

Nancy Craig, E. Lansing, Michigan. Ms. Craig is currently retired. See "**FOUNDATION MANAGEMENT INFORMATION**" for more information regarding Ms. Craig.

Richard L. Fowler, Troy, Michigan. Mr. Fowler, now retired, was an engineer with DynaPath Systems Inc. from 1984 until 1986. Mr. Fowler has a Bachelor of Arts from Albion College and a Bachelor of Science in Electrical Engineering and Masters of Science in Electrical Engineering from the University of Michigan. Mr. Fowler is an advisory board member of the Foundation and may attend Foundation board meetings but does not have a vote.

Lauren H. Frey, Saginaw, Michigan. Mr. Frey is currently retired. See "**FOUNDATION MANAGEMENT INFORMATION**" for more information regarding Mr. Frey.

Ransom Leppink, Lakeview, Michigan. Mr. Leppink is the secretary and treasurer of L&F Foods Middleville. See "**FOUNDATION MANAGEMENT INFORMATION**" for more information regarding Mr. Leppink.

Joyce G. Stair, Ann Arbor, Michigan. Ms. Stair is the Principal of JGS Consulting Services LLC and has worked there since 1999. See "**FOUNDATION MANAGEMENT INFORMATION**" for more information regarding Ms. Stair.

Karen Thompson, Big Rapids, Michigan. Ms. Thompson is an investment officer for Ferris State University and has worked there since 1990. See "**FOUNDATION MANAGEMENT INFORMATION**" for more information regarding Ms. Thompson.

THE INVESTMENT ADVISOR

UMF Funds has retained Bank of America NA ("**Bank of America**") as the Investment Advisor for the Funds. Bank of America has discretionary authority to manage the Funds in accordance with the investment objectives, policies and restrictions described in this Offering Circular. Bank of America, as the Investment Advisor, may retain one or more sub-advisors or managers but remains responsible for all investment decisions on behalf of the Funds. Bank of America has selected BlackRock as the manager for certain investment portfolios of the Funds.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, institutions and individuals around the world. The company serves clients in more than 150 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

Craig Sharp and Joel Barrett serve as the relationship managers on behalf of Bank of America to provide investment advice for the Funds. Mr. Sharp has over 15 years of investment experience, and Mr. Barrett has over 10 years of investment experience. Mr. Barrett is the son of Wayne C. Barrett, who was previously a nonvoting participant in the Investment Committee and Senior Executive of the Foundation.

Bank of America provides monthly performance reports to UMF Funds and provides detailed quarterly reports to the Foundation's Investment Committee.

BlackRock

BlackRock, Inc. ("**BlackRock**") is a global provider of investment and risk management services with headquarters in New York and offices in more than 20 countries. BlackRock was established in 1988 and is a public company (NYSE: BLK) with over 10,000+ global employees. BlackRock manages assets ranging across equity, fixed income, cash management, alternative investment, real estate and advisory strategies. BlackRock serves a variety of institutional and individual clients including religious and charitable foundations and endowments.

CUSTODY AND RECORD KEEPING

Bank of America serves as custodian for the Funds and the MMIA and provides record-keeping services to UMF Funds with respect to the participant accounts.

FEES AND EXPENSES

Operating fees are deducted monthly from each participant account in the amount equal to 1/12th of the following annual operating fees:

	Aggregate Account Balances under \$1,000,000	Aggregate Account Balances equal to or over \$1,000,000	Aggregate Account Balances equal to or over \$3,000,000
Stock Fund	1.00%	0.80%	0.70%
Bond Fund	1.00%	0.80%	0.70%
Money Market Investment Account	0.10%*	0.10%*	0.10%*

** Does not include fund-level expenses, which reduce the investment returns of the MMIA. As of the date of this Prospectus, the BlackRock Treasury Strategies Institutional Fund's Total Annual Fund Operating Expenses were 0.24%. This would result in total combined MMIA annual expenses of 0.33%. However, BlackRock has voluntarily agreed to waive a portion of its fees and/or reimburse operating expenses to enable BlackRock Treasury Strategies Institutional Fund to maintain a minimum daily net investment income dividend. BlackRock may discontinue this waiver and/or reimbursement at any time without notice. Taking into account this voluntary waiver and/or reimbursement of fees, the Total Annual Fund Operating Expenses may be lower than 0.24% for the BlackRock Treasury Strategies Institutional Fund, which would result in total combined MMIA annual expenses of less than 0.33%.*

Operating fees are used by UMF Funds, in part, to cover the operating expenses of the continuum of Foundation services provided to its constituents. Additionally, operating fees are used by UMF Funds, in part, to compensate Bank of America for its advisory services, which includes all commissions and expenses to buy and sell portfolio securities for the Funds, (see "**THE INVESTMENT ADVISOR**") and for custodial and record-keeping services (see "**CUSTODY AND RECORDKEEPING**"), and to cover the administrative costs incurred in administering the Funds and the MIAA.

In addition, UMF Funds charges a participant account fee of \$50.00 annually for each participant account. This fee covers auditing, accounting and similar services. For example, a participant with three (3) accounts will pay a total of \$150 annually in addition to the operating fees. A participant with one (1) account will pay a total of \$50 annually in addition to the operating fees. No transaction charges or redemption fees are associated with an investment in the Funds.

TAXES

The Foundation is qualified and intends to qualify in the future as a charitable religious organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"). It is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Such qualification relieves an organization of liability for federal income taxes.

UMF Funds is a nonprofit limited liability company organized under the laws of Delaware. UMF Funds has a single member, the Foundation. As a single-member limited liability company, UMF Funds is a "Disregarded Entity" for federal tax purposes. Under Treasury Regulation Section 301.7701, a "Disregarded Entity" is treated as an entity that is not separate from its single member. Therefore, although UMF Funds and the Foundation are separate legal entities, UMF Funds will be disregarded for federal tax purposes and its activities will not be treated as separate from the Foundation for federal tax purposes.

The Funds and the MMIA will not pay cash dividends or make cash distributions to participants other than account withdrawals at the request of participants. Account withdrawals generally will not be taxable as income to participants because each participating organization is required to be exempt from federal income taxes.

The foregoing is only a short summary of some of the important tax considerations generally affecting the participating organizations. Participants should consult their tax advisors with respect to their own tax situation and the application of state and local taxes, which may have different consequences from those under federal income tax law. This discussion of federal income tax consequences was written to support the promotion or marketing of the Funds and the MMIA and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Each prospective participant is advised to consult the participant's own tax counsel or advisor as to the federal income tax consequences of participating in the Funds or the MMIA. If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Internal Revenue Code, the regulations promulgated under the Code and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in the Funds after the date of this Offering Circular. In addition, this summary does not address every aspect of tax law that may be significant to your particular circumstances.

PARTICIPANT ACCOUNTS

Account Terms

UMF Funds will maintain one or more accounts in the name of each participating organization. Each participant account will be invested exclusively in either the Stock

Fund, the Bond Fund or the Money Market Investment Account, as selected by the participating organization. As the holder of a participant account, each participating organization will hold a fractional, participatory interest in the Bond Fund, Stock Fund or MMIA in which the account is invested. The participant accounts will be unsecured and uninsured and are payable exclusively from the Funds or the MMIA in which the accounts are invested. No assets of UMF Funds have been or will be pledged as security or otherwise available for repayment of the participant accounts or amounts invested in the accounts. Participant accounts may not be transferred, resold, or assigned to any person or organization whatsoever. UMF Funds reserves the right to terminate its offering of the Funds and the MMIA and to terminate or change the terms of the participant accounts.

Participating organizations do not have any voting rights or any right to participate in the management of UMF Funds or any Fund. The Funds generally do not pay cash dividends or make cash distributions to participants other than allowing withdrawals from the participant accounts on a Weekly Activity Date.

A participant account is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Each participant account is governed by the Terms and Conditions of Participation set forth in the Participation Application and Agreement attached as Exhibit C hereto.

Account Valuation

Participant account contributions and withdrawals are processed weekly. Generally, these transactions are processed as of the close of business on Tuesday of each business week (a "**Weekly Activity Date**"). However, the weekday may be altered in a given week in the event of office closures for holidays or unforeseen circumstances. Investments are valued primarily on the basis of information furnished by a pricing service or market quotations. Certain short-term securities (typically securities with maturities of 60 days or less) may be valued on the basis of amortized cost. If market quotations or information furnished by a pricing service are not readily available, that security may be valued by another method that UMF Funds believes accurately reflects fair value. To the extent a participant account is invested in a mutual fund or other open-end investment fund, valuation will be based upon the reported closing net asset value per share of the fund.

Opening an Account; Additional Contributions

An account may be opened by completing the attached application and mailing it to the address on the cover of this Offering Circular, together with a check payable to "UMF Collective Funds of Michigan LLC" for an initial contribution of \$1,000 or more. Once an account has been opened, additional contributions may be made in any amount. A written confirmation of each contribution will be delivered to the participant. You should retain a copy of the confirmation for your records.

UMF Funds will not knowingly open a participant account or accept funds from participants unless the participant has received an Offering Circular and meets the other requirements to be an eligible participant. Participants seeking to open an account must advise UMF Funds in writing that they have received an Offering Circular. UMF Funds reserves the right to reject any funds or contributions. If UMF Funds deems it appropriate, additional documentation or verification of authority may be required.

Temporary Account Pending Investments of Contributions

Any amounts received by UMF Funds for investment in the Funds or the MMIA are temporarily held in a bank account pending investment on the next Weekly Activity Date. Any interest earned on this account will be retained by UMF Funds and will not be distributed or credited to participant accounts.

Account Withdrawals

Participating organizations may withdraw funds from their participant accounts only on the Weekly Activity Dates. Withdrawals generally will be processed and checks mailed within five (5) business days of the Weekly Activity Date. UMF Funds may delay payment, up to fifteen (15) days or more, of any requested withdrawals until UMF Funds is reasonably satisfied that the check submitted to UMF Funds at the time of initial investment has been collected. UMF Funds may delay withdrawals of 75% or more of an account balance for a period not typically exceeding seven (7) business days. Although the mailing of a withdrawal check may be delayed, the account value will be determined and the withdrawal processed in the ordinary course of business upon receipt of proper documentation. In such a case, after the withdrawal and prior to the release of the proceeds, no appreciation or depreciation will occur in the amount withdrawn and no interest will be paid on these amounts. If the payment of a withdrawal has been delayed, the check will be mailed promptly after good payment has been collected.

If UMF Funds receives a withdrawal request that does not clearly indicate the amount of money or the particular account involved, UMF Funds may not be able to execute the withdrawal. In such cases, UMF Funds will request the missing information and process the withdrawal on the next Weekly Activity Date after the necessary information is received. Withdrawal requests may not be made by telephone.

Account Statements

Each participant will receive a monthly account statement from or on behalf of UMF Funds. Participating organizations should contact UMF Funds regarding any discrepancies or errors within sixty (60) days after the date of the account statement.

Emergency Conditions; Account Termination or Suspension; In-Kind Distributions

UMF Funds reserves the right at any time to terminate, suspend or change the terms of the participant accounts and to impose fees.

UMF Funds may temporarily suspend the right to withdraw funds from a participant account when: (1) in the opinion of UMF Funds, an emergency exists and UMF Funds cannot dispose of its investments or fairly determine their value or the withdrawal of funds or disposition of investments would be in violation of law, impractical or prejudicial to the participants in a Fund; or (2) the Securities and Exchange Commission or other state or federal regulatory authority or a court so orders.

In lieu of a cash withdrawal or cash distribution from a participant account, UMF Funds may at its discretion make an in-kind distribution of investment securities or other property held by the Fund based upon UMF Funds' good faith determination of the fair value of such securities or property to the extent UMF Funds considers such determination necessary or appropriate in connection with the in-kind distribution.

Small Accounts

Because of the high cost of maintaining small accounts, UMF Funds reserves the right to close an account if its value falls below \$1,000.00. A participant will be notified in writing and allowed sixty (60) days to increase the value of the account to the minimum investment level.

FOUNDATION MANAGEMENT INFORMATION

Directors

The following persons (excluding the Advisory Board) currently serve as members of the Board of Directors of the Foundation:

Joy A. Barrett, Chelsea, Michigan. Rev. Barrett is the Pastor of Chelsea First United Methodist Church, a position she has held since 2004. Rev. Barrett has been the pastor of several United Methodist Churches since 1983 and was a district superintendent of the Detroit Annual Conference – The United Methodist Church from 1998-2004. She holds a bachelor's degree from Michigan State University and a Masters of Divinity from Boston University School of Theology. She currently serves on the Board of Directors for the United Methodist Retirement Communities.

Brad Bartelmay, Allendale, MI. Rev. Bartelmay currently serves as Pastor of Holland First UMC, Holland, MI. He has served as a pastor in the West Michigan Conference since 1990. Rev. Bartelmay received his BA from Youngstown State University in 195 and a Master of Divinity from Garrett-Evangelical Theological Seminary in 1988.

Nancy Craig, E. Lansing, Michigan. Ms. Craig, now retired, served as the Director of Investments and Trusts at Michigan State University from 1960 until 1999. Ms. Craig

earned her Bachelor of Arts Degree from Michigan State University in 1966. She currently serves as Treasurer of the Board of Directors of the Foundation. She has been active on the MSU Federal Credit Union Board of Directors, as well the Michigan Area Loan Fund Board of Directors.

Lauren H. Frey, Saginaw, Michigan. Mr. Frey, now retired, served as Treasurer of Redford Interfaith Relief prior to his retirement. He was a certified financial planner and provided financial advisor services through Independent Financial Advisors, Inc. from 2003 to 2007 and Lauren H. Frey, CFP from 1995 to 2003. Mr. Frey holds degrees from Wayne State University and College of Financial Planning. He is currently a small business owner.

Gary Glanville, of Almont, Michigan. Rev. Glanville is currently serving as Pastor to Swartz Creek UMC. Previously, he served Romeo UMC in Romeo, Michigan as the Pastor from 1996-2015. He received his Bachelor of Arts Degree from Michigan State University in 1977. He also holds Master's and Doctorate Degrees from Asbury Theological Seminary. Rev. Glanville has served as the Vice Chair of the District Board of Ordained Ministry and the Vice-President of Bay Shore Camp.

Ransom Leppink, Stanton, Michigan. Mr. Leppink is the secretary and treasurer of L&F Foods in Middleville, a position he has held since 2000 and the store director and president of Leppinks Food Center Lakeview, a position he has held since 1985. Mr. Leppink holds an Associate Degree from Montcalm Community College and a Bachelor of Science from Western Michigan University. Mr. Leppink currently serves as Chair of the Board of Directors for the Foundation.

Ed Ross, Jackson, Michigan. Rev. Ross is currently serving 9th St. UMC in Three Rivers, MI. as Pastor. Rev. Ross obtained his Master of Divinity from Methodist Theological School in Ohio in 1978 and his B.A. in Secondary Education from Western Michigan University. Rev. Ross has served multiple churches in Michigan since 1978. He currently serves on the boards of Henry Ford Allegiance Health Hospice and as President of the Board for Love in the Name of Christ in Jackson, MI.

Joyce G. Stair, Ann Arbor, Michigan. Ms. Stair is the former Principal of JGS Consulting Services LLC. Ms. Stair holds an AD in nursing from the College of DuPage, a BSN from Wayne State University and a MS in nursing from the University of Michigan. She is a member of First United Methodist Church of Ypsilanti. Ms. Stair serves as the Chair of the Investment Committee for the Foundation.

Karen S. Thompson, Big Rapids, Michigan. Ms. Thompson is the investment officer for Ferris State University and has worked there since 1990. Ms. Thompson holds a bachelor's degree and a masters of business administration from Western Michigan University. She is member of the National Association of College & University Business Officers and treasurer of the Wesley House-Ferris State University. She is a member of First United Methodist Church of Big Rapids. She currently serves as Vice-Chair of the Board of Directors of the Foundation.

Sue C. Woodard, Frederic, MI. Ms. Woodard is retired from a consulting business. She was formerly the Director of External Relations and Senior Director of Development at Michigan State University's College of Agriculture and Natural Resources. She holds a bachelor's degree from Western Michigan University. Ms. Woodard also serves as Secretary of the Board of Directors of the Foundation. She also serves on the board of directors for Winter Ranch Christian Ministries (Secretary), Nyaka AIDS Orphans Project, and Upper Manistee River Association.

Officers

In addition to the officers described above, the following persons also serve as officers of the Foundation:

David S. Bell, Brighton, Michigan. Rev. Bell is currently the President & Executive Director of the Foundation and President of UMF Funds and has previously served as Vice President of Stewardship for the Foundation. Rev. Bell has served as Associate Development Director for a United Methodist-related children's home and as Associate Director of the East Ohio Conference Council on Ministries specializing in the areas of stewardship and missions. Immediately prior to joining the Foundation staff, he was the Director of Stewardship with the General Board of Discipleship of The United Methodist Church. He holds a bachelor's degree from The College of Wooster, a Master of Divinity degree from Drew Theological School, and a Post-Graduate Certificate in Executive Leadership from the Weatherhead School of Business, Case Western Reserve University. Rev. Bell has primary oversight for all aspects of the Foundation's services, programs, and administration of the Funds. Rev. Bell serves as an advisory member of the Investment Committee, but does not vote on Investment Committee matters.

Revisions to Governance Documents

Restated Articles of Incorporation and Bylaws for the Foundation have been approved and will become effective January 1, 2019. As of that date and thereafter, our Board will consist of 12 members, at least sixty percent (60%) of whom will need to be elected by the Michigan Conference, and the balance of whom may be elected by our Board. The Bishop of the Michigan Area of The United Methodist Church, the Foundation's Executive Director, and the Treasurer of the Michigan Conference will serve as nonvoting ex-officio members of the Board. No changes to our Board members or officers are anticipated as a result of these changes except that the Treasurer of the Michigan Conference will replace the Treasurer of the separate conferences that exist as of the date of this Offering Circular.

LITIGATION

At the date of this Offering Circular, there were no material suits, actions, or other legal proceedings or claims pending against UMF Funds, the Funds, or the MMIA.

FOUNDATION FINANCIAL MATTERS

The financial statements for the Foundation included in this Offering Circular for fiscal year ended December 31, 2016 and December 31, 2017, have been audited by Seber Tans, PLC, certified public accountants, as stated in its report appearing in Exhibit A. The financial statements for the Foundation for fiscal year ended December 31, 2015 have been audited by Ullrey & Company, certified public accountants. The financial statements for year-end 2017 are consolidated and include the accounts of the Foundation and UMF Funds. All material intercompany accounts and transactions have been eliminated in consolidation. The UMF Stock Fund, UMF Bond Fund and MMIA that had been administered by the Foundation are referred to together as the "Funds" in the attached 2017 financial statements.

CHANGE OF TERMS AND CONDITIONS

Except as otherwise stated in this Offering Circular or required by law, UMF Funds reserves the right to change the terms described in this Offering Circular without participant approval, including the right to terminate any Fund; to change investment objectives, policies and restrictions; to impose or change fees; and to change any service provider.

Each participant account shall be governed by the Terms and Conditions of Participation set forth in the Participant Application and Agreement attached as Exhibit B hereto, which shall amend and supersede any and all terms and conditions set forth in any prior agreement with the participant. This Offering Circular provides notice of such amendments.

GLOSSARY

Bank of America. Bank of America NA, which serves as the Custodian and Investment Advisor for the Funds.

BlackRock. BlackRock, Inc., which has been selected by Bank of America as the manager for certain investment portfolios of the Funds.

Collective Investment Fund. A means of investing money collectively with other charitable organizations.

Custodian. Bank of America serves as custodian for the Funds and the MMIA. The role of the Custodian is to hold securities in safekeeping, arrange settlement of any purchases and sales of such securities, collect information on and dividends and other income, and provide regular reporting to UMF Funds and Participants.

Foundation. The United Methodist Foundation of Michigan.

Funds. The Balanced Fund, Stock Fund and Bond Fund.

Glass Lewis. Serving institutional investors globally, Glass Lewis is a leading, independent governance analysis and proxy voting firm. Glass Lewis has been selected to vote the proxies of UMF Funds in accordance with the Social Principles of The United Methodist Church.

Index. An unmanaged measure of the performance of selected securities markets or companies. An index cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Investment Advisor. Bank of America serves as discretionary investment advisor for the Funds. The role of the Investment Advisor is to manage the Funds in accordance with the investment objectives, policies and restrictions described in this Offering Circular. Bank of America has selected BlackRock as the manager for certain investment portfolios of the Funds.

MMIA. The Money Market Investment Account, an account administered by UMF Funds that is currently invested exclusively in FFI Institutional Fund. The MMIA is not a bank account and is not insured by the FDIC or any other governmental agency.

Moody's. Moody's Investors Service, a corporation that performs financial research and analysis on commercial and government entities. Moody's also serves as a NRSRO and ranks the credit-worthiness of borrowers (i.e., bond issuers) using a standardized ratings scale from "Aaa" (highest credit quality, minimal credit risk) to "C" (lowest rated bonds, typically in default with little chance of recovery).

MSCI All Country World Ex-U.S. Index®. The MSCI ACWI Index Ex-U.S. is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI Ex-U.S. consists of 44 country indices comprising 23 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI World Index®. A free float-adjusted market capitalization weighted index published by MSCI Barra that is designed to measure the equity market performance of developed markets. The MSCI World Index is commonly recognized as broadly representing the performance of the global stock markets, including the U.S.

NRSRO. A Nationally Recognized Statistical Rating Organization is a credit rating agency that is registered with the Securities and Exchange Commission. A NRSRO provides its opinion on the creditworthiness of an entity and the financial obligations (such as, bonds, preferred stock, and commercial paper) issued by an entity. Generally, credit ratings distinguish between investment grade and non-investment

grade. For example, a credit rating agency may assign a "triple A" credit rating as its top "investment grade" rating for corporate bonds and a "double B" credit rating or below for "non-investment grade" or "high-yield" corporate bonds.

CSCLB. The Corporations, Securities & Commercial Licensing Bureau is a bureau of the Department of Licensing and Regulatory Affairs of the State of Michigan. The Bureau performs the public duties of protecting the health, welfare, and safety of Michigan citizens through regulatory and licensing functions of the Securities, Licensing, and Enforcement divisions. The Securities Division administers the Michigan Uniform Securities Act, regulating securities offering, broker-dealers, securities agents, investment advisers, and investment adviser representatives.

Participant Account. An account held in the name of each participating organization by UMF Funds for the purpose of investing in the Stock Fund, Bond Fund, or MMIA, as selected by the Participating Organization.

Participant or Participating Organization. Entities that are exempt from federal income taxation as charitable organizations (as described in Section 501(c)(3) or in paragraphs (1) through (5) of Section 170(c) of the Internal Revenue Code) that invest through their Participant Account in the Stock Fund, Bond Fund, or MMIA.

Russell 1000 Growth Index®. Russell 1000 Growth Index is published by Russell Investments and measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index®. Russell 1000 Value Index is published by Russell Investments and measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

Russell 3000 Index®. Russell 3000 Index is published by Russell Investments and is designed to measure the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

S&P. Standard and Poor's, a subsidiary of McGraw-Hill Companies, Inc. that publishes financial research and analysis on stocks and bonds and provides credit-rating services as a NRSRO. S&P ranks the credit-worthiness of borrowers (i.e., bond issuers) using a standardized ratings scale from "AAA" (highest credit quality, lowest risk) to "D" (issuer is in default on its obligations).

S&P 500 Index®. A listing of 500 large-capitalization U.S. companies maintained and published by S&P. The S&P 500 Index is widely regarded as a benchmark for the performance of U.S. stocks.

S&P 500 Growth and Value Indices®. The S&P 500 Growth and Value Indices measure Growth and Value in separate dimensions across six risk factors. Growth

factors include sales growth, earnings change to price and momentum; and the Value factors include book value to price ratio, sales to price ratio and dividend yield.

S&P MidCap 400 Value Index®. The S&P Mid Cap 400 Value Index is a subset of the S&P Mid Cap 400 Index, which serves as a barometer for the U.S. mid-cap equities sector, and is the most widely followed mid-cap index in existence. To be included in the index, a stock must have a total market capitalization that ranges from roughly \$750 million to \$3 billion dollars. Companies in the Mid Cap 400 Value Index are scored across three value factors: 1) book value to price ratio, 2) earnings to price ratio and 3) sales to price ratio for inclusion in the index.

UMF Funds. UMF Collective Funds of Michigan LLC.

Weekly Activity Date. Generally, the close of business on Wednesday of each business week. However, the weekday may be altered in a given week in the event of office closures for holidays or unforeseen circumstances.

EXHIBIT A
FINANCIAL STATEMENTS

EXHIBIT B
PARTICIPANT APPLICATION AND AGREEMENT