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OFFERING CIRCULAR

The United Methodist Foundation of the Northeast (“Foundation”) is a New Hampshire non-profit corporation with a mission to enhance the ministries of New England and New York churches and related boards and agencies by providing services that strengthen their fiscal base and promote faithful financial stewardship. The Foundation’s charter authorizes it to provide for the prudent administration and management of funds entrusted to the Foundation as Trustee by local churches, the New England Conference, New York Conference and Upper New York Conference, United Methodist institutions, agencies, individuals, and ministries, whether within or outside the Boston Episcopal Area of The United Methodist Church (the “Area”), and institutions and agencies that are related to United Methodism and the work conducted by the Foundation, whether within or outside the Area, as well as religious institutions outside of United Methodism, namely local churches, boards and agencies, to the same extent that the Foundation may provide such services to United Methodist institutions.

Under its charter, the Foundation may accept, subject to the approval of the Board of Directors of the Foundation, funds for administration and management from any authorized entity or person, provided that the Foundation is named as Trustee by such entity or person in a trust agreement.

The Foundation has established and administers three socially responsible Collective Investment Pools (“Pools”): the Stock Pool, the Fixed Income Pool, and the Money Market Pool. A participating individual or entity that designates the Foundation as Trustee is eligible to participate in one or a combination of these Pools by electing an investment model portfolio (“Model Portfolio”) which fits its investment objectives and risk tolerances. Investments will be allocated by the Foundation in accordance with the Model Portfolio elected among the relevant Pools. Each Pool is operated as a common trust fund established pursuant to Section 19, Chapter 292 of the New Hampshire Revised Statutes Annotated, of which the Foundation is the Trustee.

While the Foundation’s Board of Directors has the responsibility for overseeing the operation of each Pool, the Board has designated an Investment Committee to act on its behalf in this regard. The Investment Committee is a sub-committee of the Board and consists of members of the Board (including At-Large and Ad-Hoc members). The Investment Committee establishes the investment strategy for each Pool and is responsible to ensure that the assets of each Pool are being invested in a manner consistent with that strategy; Pools will be rebalanced periodically as required to maintain the target allocation. No individual has been authorized to give any information or make any representations in connection with participation in any of the Foundation’s Pools other than those contained in this Offering Circular, and if given or made, such information or representations must not be relied upon as having been made or authorized by the Foundation.

The Foundation and the Pools are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisors Act of 1940, or state securities laws, all in accordance with the Philanthropy Protection Act of 1995.

Therefore, participants will not be afforded the protections of those statutes and regulatory provisions.

Investment Management: In addition to the Investment Committee, the Foundation retains the services of one or more professional money managers to provide investment management of the assets in each Pool, all in accordance with the investment strategy for each Pool as established by the Investment Committee. Pursuant to agreements with the Foundation, money managers currently oversee two of the Pools - the Foundation Socially Responsible Stock Pool (Stock Pool) and the Foundation Socially Responsible Fixed Income Pool (Fixed Income Pool). The Foundation's Investment Committee oversees the management of the Money Market Pool. These Pools are more fully described below:

STOCK POOL

The objective of the Stock Pool is long-term growth of capital, with relatively low current income -- specifically, a total rate of return that exceeds the rate of inflation (as measured by the Consumer Price Index) by 4%. Rates of return are not guaranteed and are subject to risks as discussed below.

The target asset allocation of the Stock Pool is 75% domestic equities and 25% international equities, determined with reference to an index-based investment strategy involving two broadly diversified equity indices which have been screened according to the Foundation's social responsibility guidelines, and consistent with the Asset Guidelines set forth below.

The index forming the basis of the domestic equity portfolio is the Russell 3000 Index, which covers approximately 98% of the available market capitalization of the U. S. equity market. The index includes the full range of growth and value stocks and large-, mid- and small-cap stocks. The socially screened replica of the Russell 3000 Index in which the Pool is invested and constituting the Foundation's domestic equity portfolio, includes approximately 800-1000 issuers (i.e. companies) (rather than the 3000 issuers in the full Index) and is expected to track the performance of the full Index within 0.55%.

The index forming the basis of the international equity portfolio is the Morgan Stanley Capital International All Country World Index ex United States Index (MSCI ACWI ex US Index). MSCI ACWI ex U.S. Index is intended to capture equity returns from large, mid, small, and micro cap companies in 23 developed and 24 emerging markets around the world. The Foundation's socially screened replica of the MSCI ACWI ex US Index is intended to capture the essence of this well diversified international benchmark, even though limited to American Deposit Receipts (ADR's) traded on U.S. exchanges, (thereby excluding locally listed ordinary shares) and contains approximately 500 issuers, with an expected tracking error of 1.23%.

The Foundation's Stock Pool Custom benchmark is 75% Russell 3000 Index, 25% MSCI ACWI ex US Index.

FIXED INCOME POOL

The objective of the Fixed Income Pool is to provide current income and preservation of principal. Rates of return are not guaranteed and are subject to risks as discussed below.

The target allocation of the Fixed Income Pool is to be fully invested in a mixture of corporate and government bonds, rated BBB or higher, although up to 10% of the externally managed Fixed Income Pool may be invested in cash and cash equivalents from time to time. The index forming the basis of the Fixed Income Pool is the Intermediate U.S. Gov/Credit Index.

The Foundation's Loan Program, which is internally managed, is a part of the Fixed Income Pool. The Foundation provides loans to qualified local churches or agencies, where such loans are normally for the purchase, construction, or repair of properties in New England. The Loan Program is supported by a staff loan officer, with oversight from the Board Loan Committee. Loans are subject to an underwriting process

and secured by mortgage or assets on deposit with the Foundation. Under current Loan Program guidelines, which are subject to modification by the Investment Committee, loans may be outstanding in an aggregate amount equal to 10% of total Fund assets under management when secured by real estate or other assets, with an additional 5% available for loans secured by liquid financial assets held by the Foundation. The Foundation maintains a loan loss reserve for the Loan Program that is reviewed quarterly for adequacy.

MONEY MARKET POOL

The objective of the Money Market Pool is to provide as high a level of current income as is consistent with liquidity and the preservation of capital. Rates of return are not guaranteed and are subject to risks as discussed below.

Investments are limited to commercial paper rated “A-1” by Standard & Poor’s or “P-1” by Moody’s, certificates of deposit, securities issued or guaranteed by the U.S. Government, and perfected repurchase agreements. The maximum amount of cash to be invested in the commercial paper or certificates of deposit of any one issuer will be 10% of the total portfolio. This diversification requirement does not pertain to investments in the short-term investment fund of the custodial bank or a money-market mutual fund.

The Money Market Pool distributes income net of expenses when a fee is charged.

HOW TO PARTICIPATE

Participating entities and individuals that designate the Foundation as Trustee are eligible to participate in one or more of the Pools described above. A participating entity or person shall receive one or more units of participation in each Pool in which it participates, depending on the characteristics of the Model Portfolio elected by the participant. The units are non-transferable.

Purchasing a combination of units in the Stock, Fixed Income and Money Market Pools may be necessary to meet the investment objectives of the participating entity or individual. To facilitate and assist a participating entity or individual in meeting its investment objectives, the Foundation has created Model Portfolios. The Model Portfolios consist of the Stock Model, Fixed Income Model, Balanced Growth Model, Balanced Income Model, Money Market Model, and five (5) additional Custom Models, as discussed later in this Circular.

To purchase units in one or more of the Pools, an entity or individual must select a Model Portfolio that corresponds to the asset allocation strategy that meets its or his investment objectives. These accounts will be rebalanced to maintain the target allocation of the selected Model Portfolio at least annually (more often during volatile market conditions).

PARTICIPATION IN FOUNDATION INVESTMENTS IS SUBJECT TO CERTAIN RISKS DESCRIBED HEREIN

INCOME DISTRIBUTIONS

Each Pool periodically distributes its investment income; income distributions may be paid or reinvested at the option of the participant.

UNIT VALUE AND VALUATION DATE

The fair market value of a unit of participation in a Pool is calculated by dividing the market value of the Pool's investments and other assets by the number of outstanding units on the valuation date. The typical valuation date is the last business day of each month.

FEE AND EXPENSES

The Foundation's fee is dependent on the Model Portfolio selected and is based on the market value of its Pool components (Stock, Fixed Income and/or Money Market). This fee is an annual all-inclusive fee that covers investment management, custody, transaction costs and a portion of the Foundation's administrative expenses. This fee is computed at the given annual percentage rate of the fair market value of the assets of each Pool, charged at 1/12 of such rate of the market value on the last business day of each month. The Foundation's fees support the many services it provides to qualified local churches or agencies.

OPENING AN ACCOUNT

In order to open an account and invest in one or more of the Pools, investors should complete and return to the Foundation a Trust Agreement, Schedule A, and New Account Deposit Form (to get forms visit our web site, www.umfne.org, under Investments). Information on terms of entry, minimum investment requirements, expenses, distributions, and transfer options, how to redeem units, reports, and authorized contact persons, is contained in the appended agreement forms.

INVESTING WITH A VISION

A summary of the investment objectives, principal investment strategies (including the types of securities held in each Pool) and principal risks of investing in each Pool is set forth below and is designed to help you choose the Pool or Model Portfolio that best fits your investment objectives and tolerance for risk.

The general investment objective of the Pools is to maintain the inflation-adjusted value of funds under management while achieving growth of income and observing the limitations and social concerns of the United Methodist Church.

No investment in any Pool is a deposit of a bank, is insured or guaranteed by the Foundation, or is insured or guaranteed by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, or any other government agency. Since the stock and bond markets fluctuate, when you sell your units in a Pool, they could be worth more or less than what you paid for them.

INVESTMENT STRATEGIES - *Where you invest makes a difference!*

The Foundation's Socially Responsible Investment Strategy reflects both an active and passive investment approach, which seeks to match or outperform the benchmark indices, while adhering to guidelines in the Social Principles of the Book of Discipline of The United Methodist Church.

The United Methodist Foundation of the Northeast maintains rigorous socially responsible investment guidelines consistent with ¶717 of the current Book of Discipline and the Investment Ethics resolutions of the current Book of Resolutions (together, the "Social Principles") provided that to do so does not abrogate the Board's fiduciary responsibility as described in ¶1504.14 of the Book of Discipline, a copy of ¶717 is included at the end of this Offering Circular.

1. Investments shall not knowingly be made in any company or entity whose core business activity involves the production and/or assembly, direct sale, distribution, and/or marketing of the following products and/or services:
 - a. alcoholic beverages;
 - b. cigarettes, cigars, chewing tobacco or smokeless tobacco;
 - c. gaming or lottery industries, including the ownership, operation or management of casinos, racetracks, off-track betting parlors and other gambling enterprises;
 - d. pornography or other sexually offensive or harmful products, materials or services;
 - e. weapons (land mines, “assault-type” automatic and semiautomatic weapons, firearms, etc.), armaments, ammunition or weapons delivery systems provided for commercial and private markets;
 - f. privately operated correctional facilities, including jails, prisons, penitentiaries, detention centers, prison camps and transfer centers; or
 - g. fossil fuels.
2. Core business activity refers to a company’s primary or central focus of activity and is an essential element in the company’s economic success. Generally, a “core business” is one that accounts for 2% or more of a company’s revenue derived from the objectionable products and/or services and discontinuing the activity would materially change the nature of the company’s operations. An exception to the 2% threshold will apply to restaurants and other food retailers that sell or serve alcoholic beverages. For such businesses, a 25% revenue threshold will apply. In addition, the Board will not knowingly invest in any company whose identifiable ratio of nuclear weapons contract awards from the U.S Department of Defense or comparable agency or department of any foreign government to gross revenues is greater than or equal to 2%.
3. Companies supplying raw materials, packaging, supplies, and/or other components to ineligible companies will be assessed on a case-by-case basis. General retail establishments (other than restaurants and other food retailers) engaged in the sale of alcoholic beverages, tobacco products, pornography or sexually offensive or harmful materials, lottery tickets or firearms will be assessed on a case-by-case basis.
4. The Investment Committee, with Board approval, may choose to restrict from investment the sovereign debt of a country demonstrating a prolonged and systematic pattern of human rights violations. In making this determination, the Board may seek verification of the violations by a third-party that is recognized as reputable by the UMC Principles Committee. In addition, the Board may choose to restrict from investment any company with a significant operating presence that directly benefits such a country or regime or sells products or services that provide strategic support to such a country or regime.
5. The Foundation supports the United Methodist Church’s commitment to protect and preserve God’s earth. The Board will evaluate the environmental impacts of the companies in which it invests and may engage in shareholder advocacy to influence positive change. It may choose to avoid investing in companies with operations and products that have an adverse impact on the environment and companies that have not satisfactorily demonstrated a commitment to improve the adverse environmental consequences of its policies or operations.
6. Companies not falling into any of the above categories may still be ineligible for purchase due to reputation, public image, specific business practices, or sanctions determined to be a gross violation of the Social Principles.

RISK OF INVESTING IN POOLS

The following is a description of one or more of the risks that you will face as an investor in the Pools. It is important to keep in mind one of the main axioms of investing: the higher the potential reward, the higher the risk. The reverse is also generally true: the lower the potential reward, the lower the risk.

STOCK MARKET: In the long term, stocks have generally produced returns that have exceeded other asset classes. However, stock markets tend to move in cycles with periods of rising prices and periods of falling prices. In recent years, the U.S. stock market has been characterized by high volatility with declines in stock prices occurring based on adverse political, regulatory, health, market and economic developments in the U.S. and world economies. Foreign stocks can be more volatile than the U.S. market.

FIXED INCOME MARKET: Bonds also experience market risk, which is primarily attributable to changes in interest rates. The general rule is that if interest rates rise, bond prices will fall. The reverse is also true: if interest rates fall, bond prices will generally rise. These factors apply to government bonds as well as to corporate bonds. Also, if an issuer of debt has the right to prepay the principal of the debt prior to maturity, that debt may be subject to greater volatility if interest rates change.

A bond with a longer maturity (or a Fixed Income Pool investment with a longer average maturity) will be more volatile than shorter-term bonds. While the Money Market Pool is subject to this risk, because of their extreme short-term nature, money market instruments carry little market risk. Bonds and fixed income funds are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, are generally considered to have virtually no credit risk. Corporate bonds rated Baa or above, such as some of the bonds held by the Fixed Income Pool, are generally considered to carry moderate credit risk. Corporate bonds rated Ba or lower are considered to have significant credit risk. It is the policy of the Foundation not to hold any bond with a rating below Baa.

OBJECTIVE RISK: Another risk that investors face is investing their assets in the wrong asset class. An example of this risk could be having endowment, or long-term money, in short-term investment vehicles such as certificates of deposits or money market funds, which would expose the investor to inflation risk. The endowment would lose purchasing power over a period of years, generating less money for ministry.

DIVERSIFICATION: Investing in multiple issues of securities across different sectors of the market will generally reduce risk, as unusual positive and negative results typically offset each other. Most investors do not have enough capital, time, or expertise to properly diversify an investment portfolio. The Foundation's Pools offer broad diversification.

SELECTING A MODEL PORTFOLIO

To purchase units in one or more of the Foundation's Pools, each entity or individual will select the appropriate Model Portfolio that matches their investment objectives. When referring to the asset allocation within each Model Portfolio, the Stock Pool allocation will precede the Fixed Income Pool allocation; for example, the Balanced Income Model Portfolio is a 40/60% mix, i.e. 40% Stock Pool/60% Fixed Income Pool. The Foundation charges a flat 1% for all services.

<i>Model Portfolio Name & Objective</i>	<i>Target Asset Allocation (+/- 5%)</i>	<i>Fee</i>
Stock Model	100% Stock Pool	1.0%
Capital Appreciation	80% Stock Pool / 20% Fixed Income Pool	1.0%
Weighted Growth & Income	70% Stock Pool / 30% Fixed Income Pool	1.0%
Balanced Growth Model	60% Stock Pool / 40% Fixed Income Pool	1.0%
Moderate Growth & Income	50% Stock Pool / 50% Fixed Income Pool	1.0%
Balanced Income Model	40% Stock Pool / 60% Fixed Income Pool	1.0%
Weighted Income & Growth	30% Stock Pool / 70% Fixed Income Pool	1.0%
Income & Capital Preservation	20% Stock Pool / 80% Fixed Income Pool	1.0%
Fixed Income Model	100% Fixed Income Pool	1.0%
Money Market	100% Money Market Pool	*.25%

*The Foundation may lower its Money Market fee during periods of lower interest rates.

BALANCED GROWTH MODEL PORTFOLIO

with Fixed Percentage Payout

BALANCED GROWTH MODEL - Fixed Percentage Payout:

- is designed for church endowment funds that, by definition, are long-term investments.
- incorporates the Total Return Concept, which consists of capital appreciation with dividend and interest income distributions.
- follows the fundamental principles set forth by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which allows for distributions from capital appreciation as a way to address the church trustees' fiduciary responsibility to invest endowed funds in a manner which will provide both income and a hedge against inflation.
- uses a spending formula to determine income distributions. The percentage used in the calculation is set annually by the Foundation's Investment Committee. The rate of distribution is a percentage up to 7%, but normally in the 3-5% range per year. The market value of the Balanced Growth Model Portfolio (comprised of units of Stock and Fixed Income Pools) is calculated using a 3-year (twelve quarters) rolling average. Distributions accrue monthly, and are paid quarterly. Using the valuation of the Balanced Growth Model Portfolio over a 3-year period smooths out market volatility, helps maintain a predictable income stream for the church, and allows for the potential growth of the endowment.

TRUSTEE RESPONSIBILITIES

It is the duty of church trustees to review and follow the guidelines in their state's adopted Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation cannot guarantee that any particular Pool or Model will be appropriate for a specific church.

Additionally, church trustees must use income in accordance with any gift vehicle restrictions that may apply to the given endowment. For example, an endowment created by a will to provide scholarships may not be used to repair the church organ.

The Book of Discipline of The United Methodist Church – 2024

¶ 717. Sustainable and Socially Responsible Investments

In the investment of money, it shall be the policy of The United Methodist Church that all general boards and agencies, including the General Board of Pension and Health Benefits, and all administrative agencies and institutions, including hospitals, homes, educational institutions, annual conferences, foundations, and local churches, make a conscious effort to invest in institutions, companies, corporations, or funds with policies and practices that are socially responsible, consistent with the goals outlined in the Social Principles. All United Methodist institutions shall endeavor to seek investments in institutions, companies, corporations, or funds that promote racial and gender justice, protect human rights, prevent the use of sweatshop or forced labor, avoid human suffering, and preserve the natural world, including mitigating the effects of climate change. In addition, United Methodist institutions shall endeavor to avoid investments in companies engaged in core business activities that are not aligned with the Social Principles through their direct or indirect involvement with the production of anti-personnel weapons and armaments (both nuclear and conventional weapons), alcoholic beverages or tobacco, or that are involved in privately operated correctional facilities, gambling, pornography or other forms of exploitative adult entertainment. The boards and agencies are to give careful consideration to environmental, social, and governance factors when making investment decisions and actively exercise their responsibility as owners of the companies in which they invest. This includes engaging with companies to create positive change and hold them accountable for their actions, while also considering exclusion if companies fail to act responsibly.