



December and Year-End 2025 Returns UMF Collective Funds of Michigan LLC

As we close the books on 2025, it is encouraging to reflect on a year of solid long-term results for the UMF Collective Funds of Michigan LLC. Very strong gains were achieved in the midst of shifting market leadership, changing interest rate expectations, and ongoing global uncertainty.

For the full year, investment returns, net of all fees, were:

- UMF Stock Fund: +19.88%
- UMF Bond Fund: +6.90%
- UMF Balanced Fund: +14.69%

These results represent active and more recent customized index participation in a favorable equity environment, steady income generation from fixed income, and disciplined diversification within the overall strategy. This approach is designed to support churches and ministries seeking both growth and stability over time.

December itself reflected a market that was increasingly nuanced beneath the surface. The Balanced Fund rose 0.61% for the month, modestly ahead of the benchmark. While broad U.S. equity indexes were little changed, important crosscurrents were at work:

- Large-cap stocks continued to lead smaller companies, extending a trend that has been in place for several years.
- Value stocks outperformed growth stocks for a second consecutive month, raising questions about whether market leadership may be gradually broadening.
- International equities delivered notably stronger returns than U.S. stocks, with emerging markets playing a meaningful role in that performance.
- Sector leadership rotated, as some of the strongest performers earlier in the year paused, while more cyclical and previously lagging areas showed renewed strength.

In fixed income, December proved challenging despite a 0.25% cut by the Federal Reserve. Longer-term Treasury yields moved higher, resulting in a small decline for the Bloomberg Aggregate Bond Index. This unusual pattern – short-term rates falling while longer-term rates rise – reflects investor concerns about inflation persistence, heavy government borrowing, and uncertainty surrounding future fiscal and monetary policy.

For the full year, major market benchmarks delivered attractive returns. The Stock Fund's nearly 20% return allowed investors to participate meaningfully in this global equity strength, while the approximate 7% return of the Bond Fund reflected the renewed role of bonds in providing income and diversification. The 14.69% gain in the Balanced Fund offered a well-rounded result for ministries seeking growth with moderate volatility.

From a faith-based investment perspective, 2025 served as a reminder that market leadership is cyclical. Large versus small, growth versus value, U.S. versus international – these relationships evolve over time, often in ways that are difficult to predict in advance. What remains constant is the importance of diversification, patience, and disciplined rebalancing.

The Foundation's strong absolute results for 2025 demonstrate the value of a long-term, well-diversified approach aligned with the mission of supporting churches and ministries. While short-term trends will continue to shift, faithful stewardship calls us to remain focused on purpose rather than prediction and on enduring strategy rather than temporary market narratives.

As we enter a new year, we do so with gratitude for solid returns, awareness of ongoing economic and market uncertainties, and confidence in a disciplined investment process designed to serve ministry today and for generations to come.