During the third quarter, the Equity Markets continued to reflect high levels of volatility, but generally moved modestly upward. For 2019 to date - even with all of the uncertainty and potential for challenging economic and political times - most stock market indices have been up sharply. With all of the hyperbole from the political parties and media during this extremely partisan time, the domestic economy, while less vibrant than during the most recent several years, remains reasonably strong. Unemployment is currently at the lowest levels in more than 50 years. Corporate earnings, although with a more modest general trend, continue to be encouraging. However, for unexplainable reasons, what is not generally discussed is the extraordinarily high and long-term unsustainable Federal Government deficit – although these excesses in spending versus revenues are highly and directly stimulative to the short-term economy.

During periods of economic stress, a combination of increased government expenditures and lowered interest rates are primary tools to accelerate the economy's performance and outlook. It is very unusual to have these significant economic stimulators being utilized during a very strong economic cycle such as we have been enjoying for several years. These additional infusions of spending, while eventually economically unsustainable and dangerous over time, are substantial contributors to the economy for the near to intermediate term. During the next cycle, we expect that with a weakening economy, the Federal Government will fund a hugely stimulative and extremely large Infrastructure Investment Program.

Momentum stocks have continued to lead the upward market direction. When markets cycle, typically these types of highly volatile stocks also have extremely sharp corrections. In the time period from 2000-2002, the NASDAQ Composite Index, with a reasonably high level of Momentum stocks, lost nearly 70% of its value, from peak to trough, with many Momentum stocks impacted by an even larger percentage. Our Value-Based approach is highly analytical and focused on underlying value for stocks, avoiding the purchase of very highly priced issues. We continue to believe it is particularly important to remain highly disciplined, especially in the present and expected future economic environments. Our investment-sector focus, with a highly proactive management style, has been a very positive and critically important characteristic of our Investment Management Processes.

THE FUNDS

The Diversified Equity Fund, the 100% stock Fund, slightly outperformed its benchmark during this past quarter as positive stock selection effects were more than enough to offset marginally negative sector allocation effects. As a result of synchronized global growth slowdown along with rate cuts by the Fed, the market was led by defensive oriented and non-cyclical sectors such as consumer staples and utility sectors, with the healthcare sector as the only exception. The Fund's most overweighed sector during 3Q 2019 is in the Healthcare Sector, followed by slight overweight in the Consumer Staple and Utilities Sector. However, the health sector was the second worst performing sector in the market for the past three months due to continuous negative policy headlines, and hence slightly more than offset the positive benefits of the fund's overweight position in other non-cyclical sectors. Fortunately, the fund's healthcare sector holdings generated very strong stock selection effects given our investment process, which has excluded companies most prone to policy headwinds. The communication services sector contributed the most total positive effects to the fund's relative performance to the Benchmark as well as the second largest positive stock selection effect, a result of underweighting large cap internet service providers (core members of FAANG stocks) due to our value based approach. A couple of FAANG stocks within the communication services sector declined despite an overall up market during the past quarter. This is a big contrast to this group of stock's outperformance amid strong market rallies during the first half of 2019. The Fund is slightly overweighting small capitalization stocks as our team believes there are market inefficiencies to take advantage of within this asset class.

The Growth & Income Fund, offers a mix of half equities and half fixed income securities. The Fund outperformed its blended benchmark in 3Q 2019 due to strong relative performance in the fund's equity portfolio compared to its equity benchmark as a result of strong stock selection effects in major noncyclical sectors. Additionally, our emphasis on finding high quality companies without a lofty valuation premium has led us to avoiding investments in "expensive" Momentum based stocks. The fund has seen strong positive stock selection effects in the information technology sector and the communication services sector. The Fund's fixed income holdings lagged their corresponding Benchmark due to shorter duration, a stance which is more conservative but a detraction when Federal rate cuts are announced, as those bonds will appreciate less compared to longer duration bonds.

The Balanced Income Fund offers a mix of 30-40% equities and 60-70% fixed income securities and outperformed its blended benchmark in 3Q 2019 due to a combination of positive sector allocation effects and stock selection effects in the fund's equity portfolio. These results were driven by the avoidance of "expensive" momentum stocks (similar to the Diversified Equity Fund strategy above), an overweight in non-cyclical sectors, particularly the utility sector, and underweight in the energy sector. The Fund's fixed income holdings, while high quality, lagged their corresponding Benchmark due to shorter duration and hence appreciated less compared to longer duration bonds in reaction to more Fed rate cuts.

The Bond Fund of 100% bonds' underlying holdings have an aggregated effective maturity of 1.4 years versus the benchmark's 2.8 years. As a result, the Fund's bond holdings lagged the Benchmark since bonds of shorter duration appreciate less compared to those with longer duration. Both short term and long term interest rates have declined with anticipation for more Fed rate cuts or potential balance sheet expansion, along with continuous deterioration in the global economic outlook. The Fund's bonds are investment grade for the purposes of capital protection and hence insulated from the volatilities in the emerging market debt and high yield bond markets; high yield bonds are more prone to vulnerability in the current credit cycle, while emerging market debt will be adversely affected by global growth slowdown and tight USD liquidity.

Current Challenges:

- Violence among Groups and Terroristic Acts are greatly increasing, potential for additional political and military risks in Russia, China, Iran, Iraq, Afghanistan, Syria/Turkey, Pakistan and North Korea.
- Heightened geopolitical risks and global trade conflicts persist longer than expected as protectionism and nationalism thrive amid global growth slowdown and weaker economic climate, especially in Western Europe and China.
- Highly politicized environment focused on elections, not the National Interests.

Current Opportunities

- China is expected to roll out policies to revive its economy from a soft landing that would help boost global GDP growth.
- Unemployment at historically low levels and the U.S. Economy continues to be strong.
- Interest rates are low but are higher than in many Developed Countries.

Please refer to the UMFF Q3 2019 Fund Fact pages, which are provided separately, for portfolio performance, sector allocation and other characteristics of each Fund.

1. This document may include forward-looking statements. All statements other than statements of historical fact are forward-looking statements (including words such as "believe," "estimate," "anticipate," "may," "will," "should," and "expect"). Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Various factors could cause actual results or performance to differ materially from those discussed in such forward-looking statements.

2. Past performance is not indicative of any specific investment or future results. Views regarding the economy, securities markets or other specialized areas, like all predictors of future events, cannot be guaranteed to be accurate and may result in economic loss to the investor.