This year continues to be one of the most impactful in many decades. The pandemic has been a natural disaster that has caused the loss of over one million lives worldwide and countless amounts of hardship and suffering. Economic consequences from the Coronavirus have required unprecedented levels of government intervention, thus mitigating much of what would have otherwise resulted in far worse conditions economically. Even with the uncertain circumstances there have been some improvements to report. Corporate earnings announced in the Third Quarter were often considerably better than those of Wall Street forecasts. This improved economic news, and other encouraging developments, have been directly attributed to proactive government aid and intervention.

Despite these complicated circumstances and with generally improved news, equity markets were quite strong in the Third Quarter. However, the recovery of stocks has not been broad based. Momentum stocks (comprised of a handful of big technology stocks) more than significantly led performance. We continue to focus on specific equity sectors which we believe will have favorable outlooks in our current environment. During 2020, we have generally added to these investment industries while reducing others. We believe that after most of the pandemic has been overcome, our federal government will need to provide stimulus toward job creation and growth. Infrastructure, including projects funded for roads, bridges, tunnels, water, and certain alternative energy creation, is expected to be a prime beneficiary of what could be a $2 - $4 trillion program. Funding is likely to also increase in the area of Health Care as more people will get access to full health care. As a result, our society will add to longevity and health care utilization should also be increasing internationally. In the Technology sector we are seeking companies that are reasonably valued and have exciting potentials, as in the fields of artificial intelligence, batteries, cyber-technology, 5G and other “new economy” sectors.

For fixed income, interest rates are presently at or near lowest historic levels. Changes in market rates of interest very significantly impact prices for long-term issues, with very little price movement for short-term maturities. The Federal Reserve is forecasting continued low interest rates for at least the next two years. With the unprecedented level of federal government debt (effectively through “printing of money”), we believe that there is much more risk for inflation, higher interest rates, and currency exchange fluctuations than is presently visible. As such, we remain focused on short term, high quality issues as the majority of our bond investments.

THE FUNDS

The Diversified Equity Fund, the 100% stock Fund, was up 6.4% over the 3rd quarter this year and 23% over the past two quarters as the stock market rallied due to fiscal and monetary government support combined with a reopening of the economy. The Fund underperformed the Russell 3000 in the past quarter given the underweight in the Consumer Discretionary sector that performed well as consumers spent their economic stimulus checks in addition to an uptick in consumer sentiment. The Consumer Discretionary sector includes momentum driven stocks Amazon and Facebook that make up 4.1% and 1.9% of the index respectively, and helped to magnify benchmark returns during a stay-at-home economy. The stock market increased at a steady pace during the 3rd quarter with the exception of a correction in early September, that came from political uncertainty on another round of fiscal economic stimulus in addition to a rise in COVID-19 cases. The Fund’s top holdings are in technology companies that are priced attractively in our opinion and satisfy our top-down views of technology innovation as well as our bottom-up analysis on company specific trends. As we maintain our value investment discipline, we seek entry prices with greater upside than downside while considering the equity volatility.

The Growth & Income Fund, offers a mix of half equities and half fixed income securities. The Fund was up 4.3% in third quarter of 2020 and up 13.4% over the past half year. The Fund did benefit on the equity side from its top weighted holdings in the technology sector, similar to Diversified Equity, with technology gaining in a stay-at-home economy. The fund is overweight the Healthcare sector and positioned to take advantage of long-term demographic trends that will lead to an increase of healthcare spending, which already makes up 18% of the United Stated Gross Domestic Product. The Fund's fixed income holdings were in line with the Merrill Lynch 1-3

Year US Corp & Govt bond index but slightly lagged the Merrill Lynch 3-5 Year US Corp & Govt as higher duration paid a slightly higher yield, albeit with additional duration risk from a longer effective maturity timeline.

The Balanced Income Fund offers a mix of 30-40% equities and 60-70% fixed income securities and was up 2.5% during the past quarter and up 9.0% over the past six months. 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 an underweight in the energy sector as we avoided fossil fuel producers. 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 quantitative easing from the Federal Reserve and the corresponding low interest rate environment.

The Bond Fund of 100% bonds' underlying holdings have an aggregated effective maturity of 1.6 years versus the benchmark's aggregated effective maturity of 2.9 years. As a result, the Fund's bond holdings lagged the Benchmark as the shorter duration bonds yielded less than those of longer duration due to less interest rate risk. Bond yields have remained low during the third quarter of 2020: the 10 Year Treasury yielded 0.68% on 9/30/20 compared to 0.66% on 6/1/20, reflecting stable yields that are very low by historical answers. The risks in the bond markets is that as the economy normalizes after a vaccine is developed, expect yields spiking upwards towards historical norms as bond prices fall. Longer duration bonds are more heavily burdened with this interest rate risk; we are positioned in short term bonds.

Current Challenges:

- Uncertainty around economic stimulus package from the federal government.
- High unemployment at 7.9%, although better than feared and down from the yearly peak of 14.7%.
- A possible global economic recession with interruptions in manufacturing production.
- A possible second wave of COVID-19 cases that force States to again close parts of the economy.
- Increased federal deficit forcing a reversal in the Fed’s current policy of low interest rates.
- High valuations in non-cyclical sectors and technology companies with recurring cash flows.
- A possible higher corporate tax rate post general election directly impacts after-tax company profits.

Current Opportunities:

- Certain stocks with attractive valuations impacted by the pandemic, but could rebound with a 2021 vaccine distribution (a major positive catalyst for the stock market/overall health of the economy).
- The low interest rate environment and resolute economic support from the Federal Reserve that has expanded its balance sheet from $4 trillion to $7 trillion during this year.
- We may have more certainty around trade policy after the election that may boost investor confidence.
- An expected stimulus package of $2.4 trillion would be a near term boost to the economy and generate revenue for companies with increased consumer spending.

Please refer to the UMFF Q3 2020 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.