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Unitarian Universalist Association of Congregations

Fourth Quarter Meeting Materials

March 8, 2017

Scott Perry, CAIA, Partner
Catherine Konicki, CFA, CAIA, Partner
Asher Watson, Consultant

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

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**Unitarian Universalist Association
Investment Committee Meeting Agenda**

March 8, 2017
24 Farnsworth Street, Boston, MA 02210-1409

8:30 am	Introduction -Approval of Recent Meeting Minutes -Overview of Agenda	Gaffney / NEPC
8:45 am	UUA Liquidity Needs / Asset Flows	Brennan
9:15 am	Absolute Return Fixed Income – Review of Different Approaches	NEPC
9:45 am	Private Equity – Program Overview and Strategy	NEPC
10:15 am	Break	All
10:30 am	Market & Performance Review	NEPC
11:15 am	Asset Allocation Review & Recommendation – Core Real Estate Revisited	NEPC
12:00 pm	Working Lunch	All
1:00 pm	Executive Session	Investment Committee
1:30 pm	Adjournment	All

UUA Investment Committee – Minutes - DRAFT

24 Farnsworth Street, Room 210

Boston, MA 02210

November 18, 2016

Members present: Kathleen Gaffney, Chair, Tim Brennan, Rob Friedman, John LaPann, Brian Lasher, Lucia Santini and David Stewart

Members absent: None

Staff: Susan Helbert

NEPC: Scott Perry, Asher Watson

Brandywine: Richard Lawrence, Craig Scott

Franklin Templeton: Jason LaRocco, Beth Murphy

1. Minutes from August 10, 2016 meeting – Gaffney

Motion 1: To approve the minutes from the August 10, 2016 meeting. Moved Friedman, seconded Stewart. Approved without amendment.

2. Global Multi-Sector Fixed Income Manager Analysis – Watson

- Goal is to hire two managers that complement each other.
- Reviewed the correlation analysis on the four managers selected to interview.

3. Multi-Sector Fixed Income Manager Review: Franklin Templeton – LaRocco, Murphy

- Seeks to maximize total return from combination of income and gains from duration strategies, currency positions, and credit exposures.
- Take advantage of an unconstrained worldview independent from Barclay's Multiverse Index which is a blend of global aggregate and global high yield indices. Doesn't look like the index but uses it for performance comparisons.
- Look to exploit imbalances in the market where it has deviated from the fundamentals in the short-term.
- Strive to keep a volatility profile in a range of 8% to 10%.
- Limit below investment grade country exposure typically to no more than 50% of the total assets of the portfolio.

- Patient longer term investors, not a lot of short-term trading; but can move quickly.
- Doesn't restrict based on country classification, doesn't consider emerging markets as a distinct class.
- Three sources of alpha are yield curve (duration strategies), currencies (long and short exposures) and credit (sovereign credit or corporate credit).

4. Multi-Sector Manager Review: Brandywine – Lawrence, Scott

- Global Opportunistic Fixed Income is their flagship product.
- Fund started in 1992 and has always been a global product.
- Top down, macro driven, and value oriented in approach.
- Fund invests in global treasury debt, investment grade credit, mortgages, emerging market debt and high yield credit.
- Invest for the long-term, actively manage currency exposure to protect principal and enhance returns.
- Portfolio decisions are driven by value opportunities, not benchmark composition.
- ESG factors are included in their country and currency decisions and they will be UNPRI signatories within the next 90 days.
- Benchmarked to the Citigroup World Government Bond Index.

5. Market Outlook & Performance Update – NEPC

- Continued growth supports positive returns in a low expected return environment.
- Populism and political movements are posing risk for global trade relations and impacting economic uncertainty. Volatility is likely to be higher as these risks haven't been seen in a long time.
- Emerging markets offer the most attractive total return opportunity.
- Likely interest rates will move higher gradually.
- Endowment returned 4.9% gross during the third quarter, ranking in the 3rd percentile in the universe and outperforming both the allocation and policy index.
- Active management was the primary driver of the outperformance.
- Over the trailing one-year period, the endowment returned 8.2% gross, ranking in the 59th percentile in the universe and underperforming both the allocation and policy index.
- Over the ten-year period, performance ranked near the top third of the peer universe.

6. Blank Slate Asset Allocation & Manager Review – NEPC

- Committee asked NEPC to provide their best thinking, if given a blank slate, for the UUCEF in terms of asset allocation and investment managers.

- NEPC wouldn't recommend dramatic changes to the core components of the portfolio.
- Could potentially upgrade the portfolio should access become available to certain managers. Limited opportunities exist to upgrade the manager roster today, but Investment Committee relationships and waitlists should be pursued.
- Recommendations were based on relaxed constraints (liquidity, governance/administration, and ESG) that currently dampen the UUA's ability to execute on certain investment ideas, and regardless of current manager availability.
- NEPC recommended utilizing Global Equity managers in lieu of dedicated US equity and International Developed Equity managers.
- Reduce fixed income to 14%.
- Still believes that global asset allocation plays an important part in the portfolio.
- Would recommend higher allocation to alternatives and a different mix of assets versus the UUA policy.

7. Investment Policy Statement Review – NEPC

- Tabled for a future meeting.

8. Actis Private Equity: Renewables Fund – NEPC

- Tabled until NEPC has an opportunity to address multiple committee questions.

9. Executive Session – Committee

Next Meeting: March 8, 2017

UUA Manager Summary

Manager: Rhumblin Custom Screened Russell 1000 Value

Benchmark: Russell 1000 Value

Asset Class: Large cap domestic equity - value

Role in Portfolio: Growth Assets

Description: The manager optimizes a portfolio of large cap value equities based on their Environmental, Social and Governance ("ESG") ratings. The fund should have relatively low tracking error or variance from the benchmark as it is a largely passive investment.

Manager: Sands Select Growth Equity

Benchmark: Russell 1000 Growth

Asset Class: Large cap domestic equity - growth

Role in Portfolio: Growth Assets

Description: The manager uses a fundamental, bottom up research approach to stock investing. Their investment process produces a concentrated portfolio, aggressively seeking equities with high growth opportunities. The manager is currently restricted from investing in certain sectors and industries, including defense, fire arms, tobacco, and nuclear weapons. Also the manager cannot invest in companies that engage in predatory lending practices, have poor environmental practices, and companies that have questionable employment practices and possible human rights offenses.

Manager: Pier Small Cap Equity Growth

Benchmark: Russell 2000 Growth

Asset Class: Small cap domestic equity - growth

Role in Portfolio: Growth Assets

Description: The strategy uses a bottom-up research process, which incorporates two quantitative screens, followed by fundamental analysis. The manager also screens out all securities that are restricted per UUA's direction. Pier looks to find companies with great products or services and identify them by the strength of their value proposition.

Manager: Wellington SMID Cap Value

Benchmark: Russell 2500 Value

Asset Class: SMID cap domestic equity - value

Role in Portfolio: Growth Assets

Description: Wellington has a bottom-up investment philosophy, believing that individual stock selection is the most predictable way to generate strong returns. The team has a contrarian value investment philosophy, seeking to buy high-quality companies at a discount. The portfolio holds 60-90 names and positions, which typically are initiated at 80 bps and range from 50 bps to 3.5%, depending on the team's conviction.



Manager: MFS International Concentrated Equity

Benchmark: MSCI EAFE

Asset Class: Developed international equity - core

Role in Portfolio: Growth Assets

Description: The manager focuses on identifying companies with sustainable above-average growth and purchasing those companies at attractive valuations. The manager is a United Nations Principles for Responsible Investment (UNPRI) signatory and integrates their evaluation of a company's key ESG risks and opportunities into their overall security analysis to the extent they believe that such factors are material to and have an economic impact on shareholder value. The manager will invest between 5-10% in emerging markets.

Manager: Boston Common International Equity

Benchmark: MSCI EAFE

Asset Class: Developed international equity - core

Role in Portfolio: Growth Assets

Description: The fund seeks to outperform broad international equity markets while employing ESG screens. The fund employs positive ESG screens rather than negative screens and looks to identify progressive companies rather than defensive companies.

Manager: SEG Baxter Street Fund

Benchmark: MSCI ACWI ex USA

Asset Class: Developed international equity (mid/small cap focus)

Role in Portfolio: Growth Assets

Description: The Baxter Street Strategy is an international long only strategy that invests in companies across the market cap spectrum. The portfolio is benchmark agnostic and highly concentrated, with roughly 45 names in the portfolio, 15 of which will comprise almost 50% of the portfolio. SEG seeks to identify businesses with steady predictable growth, high returns on capital and well established barriers to competition. SEG does have the ability to opportunistically hedge currency exposure.

Manager: RBC Emerging Market Equity

Benchmark: MSCI Emerging Markets index

Asset Class: Emerging market equity

Role in Portfolio: Growth Assets

Description: RBC utilizes top down thematic thinking to influence the stock selection process into more attractive areas of the market. The strategy seeks to identify growth themes within country, industry, or region and will invest in those companies with high cash flow and industry dominance. The process of utilizes both bottom up and top down research to lead to a competitive advantage. The strategy is focused on identifying strong company managements especially those that have delivered in the past. Attractive companies are those that have strong franchises and a real sustainable competitive edge.



Manager: Loomis Sayles Strategic Alpha Trust

Benchmark: Barclays Aggregate

Asset Class: Unconstrained Bonds

Role in Portfolio: Absolute Return

Description: Strategic Alpha is an opportunistic global fixed income strategy with flexible guidelines that invests across multiple fixed income sectors. The strategy seeks to take advantage of short-term tactical opportunities and longer-term structural opportunities within the broad fixed income market. The Loomis Sayles Strategic Alpha Trust strategy takes on active long/short exposures to global yield curves, credit, and currencies with extensive tail-risk hedges. The strategy also has the ability to shift duration, ranging from -2 years to +5 years.

Manager: Breckinridge Capital Advisors Sustainable Fixed Income

Benchmark: Barclays Gov't/Credit Intermediate

Asset Class: Domestic fixed income

Role in Portfolio: Deflation hedging assets

Description: Sustainable fixed income is a high quality, intermediate term fixed income strategy that incorporates both fundamental credit analysis as well as ESG analysis into the decision making process. The strategy will invest across the corporate, taxable municipal, US gov't/agency and supranational sectors. Breckinridge will analyze ESG data in an effort to identify investments they feel are well suited to meet future obstacles. Additionally, the strategy will adhere to specific sector and security restrictions set forth by UUA in an effort to align the portfolios strategy with the mission and values of the organization.

Manager: IR&M SRI Core Bond

Benchmark: Barclays Aggregate

Asset Class: Domestic Fixed Income

Role in Portfolio: Deflation hedging assets

Description: IR+M exploits overlooked opportunities in small, complex and often less-liquid bond sub-sectors, and structures portfolios to benefit from an income bias and positive convexity. Their expected alpha is sourced in their understanding and ability to identify the mispricing of esoteric securities such as put bonds, pre-payable CMBS bonds, hybrid ARMS, municipals, century bonds and convertible bonds. The strategy will only invest in securities whose activities are in line with IR&M's social criteria. Social criteria includes; not investing in securities that generate more than 10% of their revenue from alcohol, tobacco, gambling, weapons and adult entertainment. Additionally, no investments will be made in securities of issues who participate in in the healthcare sector/related industries or to be engaged in certain business activities in the Republic of the Sudan, as determined by IR&M.

Manager: GMO Benchmark Free Allocation Fund

Benchmark: 65% MSCI World and 35% BC Aggregate

Asset Class: Global asset allocation

Role in Portfolio: Growth assets (with some inflation & deflation hedging assets)

Description: The manager has the ability to invest in both equities and fixed income, and tactically shift allocations as opportunities present themselves. The fund is managed by a team, where quantitative forecasts identify opportunities for high real returns across capital markets. Overweight's to attractive asset classes and underweights to less attractive asset classes are driven entirely by the judgment of the asset allocation team with positions generally scaled to reflect the magnitude of mispricing.



Manager: Entrust Capital Diversified Fund

Benchmark: HFRI Fund of Funds Composite index

Asset Class: Hedge funds

Role in Portfolio: Growth assets

Description: The manager invests primarily in event-driven, directional-credit, activist, and equity long/short strategies in blue chip, brand name hedge managers while providing investors with a high amount of transparency into the underlying investments.

Manager: Cevian Capital II

Benchmark: HFRX Event Driven Index

Asset Class: Hedge funds

Role in Portfolio: Growth assets

Description: Cevian Capital II is a concentrated activist hedge fund that hedges currency exposure and will invests in mid to large cap companies listed in the Nordic region [Sweden, Finland, Denmark, and Norway], UK, and other western parts of Europe. Their strategy is to target undervalued companies, where the perceived undervaluation stems from mis-managed operations, inefficient capital structure, and/or poor corporate governance structure. Cevian quantifies 'value' in terms of the company's enterprise value, operating margins, corporate governance, or equity value. The fund tries to improve this value by targeting those specific areas of weaknesses.

Manager: Brockton Capital Fund III

Benchmark: NCREIF Property Index

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: Brockton Capital Fund III will follow a value-add/opportunistic strategy of buying distressed or neglected assets, repositioning them and, once stabilized, selling them in the institutional market. They will invest across various asset types, including office, residential, industrial, retail, mixed use, and other specialty real estate (for example, senior housing). Brockton invests across the United Kingdom although, due to the dominant market size of the South East, has a focus on Greater London and the surrounding areas.

Manager: SJF Ventures

Benchmark: US Private Equity

Asset Class: Private Markets/Opportunistic

Role in Portfolio: Growth assets

Description: SJF will pursue a fundamental investment strategy that will look to invest in companies in the expansion stage business in the clean energy and efficiency, asset recovery and recycling, food and sustainable agriculture, education, health and wellness, and workforce development/software industries. SJF primarily focuses on companies with innovative social and environmental solutions embedded within their business models. The firm seeks values-driven entrepreneurial teams and looks for positive impact business models that can simultaneously scale impact and financial results, most often seen in impactful product and service delivery.

Market Environment & Outlook

Unitarian Universalist Common Endowment Fund, LLC
Index Performance Summary as of 12/30/2016

	2009	2010	2011	2012	2013	2014	2015	Q1	Q2	Q3	Oct	Nov	Dec	Q4	2016
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	-1.5%	3.8%	9.0%	-4.8%	11.2%	2.8%	8.8%	21.3%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	-4.2%	19.7%	1.1%	-4.5%	2.3%	4.4%	2.0%	18.3%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	0.4%	3.6%	6.6%	-4.1%	8.5%	1.9%	6.1%	17.6%
Barclays US Corp HY	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	3.4%	5.5%	5.6%	0.4%	-0.5%	1.8%	1.8%	17.1%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	1.2%	2.5%	4.0%	-2.0%	3.9%	1.9%	3.8%	12.1%
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	1.3%	2.5%	3.9%	-1.8%	3.7%	2.0%	3.8%	12.0%
BBG Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	0.4%	12.8%	-3.9%	-0.5%	1.3%	1.8%	2.7%	11.8%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	5.7%	0.7%	9.0%	0.2%	-4.6%	0.2%	-4.2%	11.2%
Barclays US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	6.8%	6.7%	2.3%	-2.1%	-4.9%	1.5%	-5.4%	10.2%
JPM EMBI Global Div	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	5.0%	5.0%	4.0%	-1.2%	-4.1%	1.3%	-4.0%	10.2%
JPM GBI-EM Global Div	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	11.0%	2.7%	2.7%	-0.8%	-7.0%	1.9%	-6.1%	9.9%
Credit Suisse Lev Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	1.3%	2.9%	3.1%	0.8%	0.3%	1.1%	2.3%	9.9%
FTSE NAREIT Eqty REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	6.0%	7.0%	-1.4%	-5.7%	-1.7%	4.7%	-2.9%	8.5%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	0.2%	1.0%	5.3%	-1.7%	0.8%	2.2%	1.2%	7.9%
BC Long US Govt/Credit	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	-3.3%	7.3%	6.5%	1.2%	-2.8%	-5.8%	0.7%	-7.8%	6.7%
Barclays US Agg Bond	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	3.0%	2.2%	0.5%	-0.8%	-2.4%	0.1%	-3.0%	2.6%
Barclays US Agg Int.	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.2%	2.3%	1.4%	0.3%	-0.4%	-1.7%	0.0%	-2.0%	2.0%
Citi WGBI	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-3.6%	7.1%	3.4%	0.3%	-3.4%	-4.6%	-0.7%	-8.5%	1.6%
BC US STRIPS 20+	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	11.4%	9.6%	-0.2%	-6.2%	-10.5%	-0.9%	-16.7%	1.4%
BC US Gov/Cred 1-3 Yr	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.7%	1.0%	0.7%	0.0%	0.0%	-0.4%	0.1%	-0.4%	1.3%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	-3.0%	-1.5%	6.4%	-2.0%	-2.0%	3.4%	-0.7%	1.0%
CS Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	-2.2%	0.6%	1.7%	-0.2%	-0.2%	-	0.2%	0.3%
Barclays Municipal	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	1.7%	2.6%	-0.3%	-1.0%	-3.7%	1.2%	-3.6%	0.2%

Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse

Key Market Themes

Key Market Themes are factors that define global markets and can be expected to both evolve and remain relevant without a clear timeline of conclusion. At times, themes may be challenged. Disruption of a theme will likely produce significant volatility and change market dynamics.

- **Extended U.S. Economic Cycle**
- **Federal Reserve Gradualism**
- **China Transitions**
- **Globalization Backlash**

Strategic Policy Actions

Strategic Policy Actions are asset allocation focused resolutions designed to address systematic issues within the capital markets, the regulatory environment, and conventional wisdom associated with investing. They seek to improve efficiency and clarify the purpose of an asset allocation with a focus on meeting long-term objectives.

- **Evaluate Feasibility of Objectives**
- **Reassess Investment Structure**
- **Examine the Cost of Core Exposures**
- **Review Investment Program Governance**

Current Opportunities

Current Opportunities are investment ideas that represent an action with the goal of improving investment outcomes relative to an investor's strategic asset allocation. These investment ideas are likely to change more frequently as market dynamics and valuations shift over time.

- **Trim U.S. Equity Gains**
- **Overweight Non-U.S. Developed Market Equities**
- **Emerging Market Equities Remain Attractive**
- **Allocate to TIPS from Core Bonds**
- **Reduce High Yield for Other Credit Strategies**
- **Fund Emerging Local Debt from Risk Assets**
- **Add Macro Hedge Fund Strategies**

Extended US Economic Cycle

Federal Reserve Gradualism

China Transitions

Globalization Backlash

Extended US Economic Cycle

Economic cycles don't die of old age

We believe the US economy is in an extended expansionary cycle despite being eight years removed from the last recession

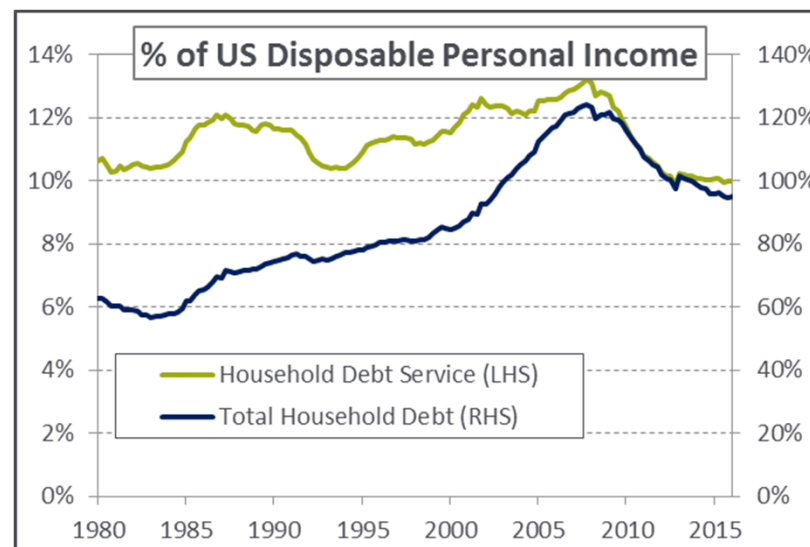
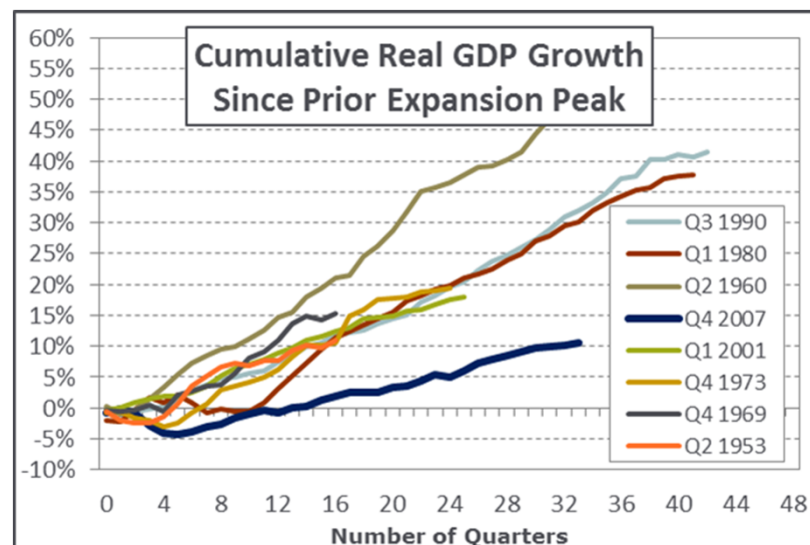
The health of US consumers continue to drive economic growth given relatively low debt levels

A prolonged US economic expansion can support a continued rally for US equities despite elevated valuation levels

We anticipate inflation will shift marginally higher in the coming years

Improvements in wage growth and the ongoing recovery in housing further support modest upticks in inflation

The strength of the US dollar is likely to restrain inflationary pressures and offset the potential impact of fiscal stimulus in the US



Source: (Top) Federal Reserve Bank of St. Louis
Source: (Bottom) FRED

Extended US Economic Cycle

US recession concerns are muted

The US economy is likely to experience slow and steady growth as excess capacity is gradually absorbed by the economy

The labor market recovery has been robust but excess capacity remains as many have yet to return to the workforce

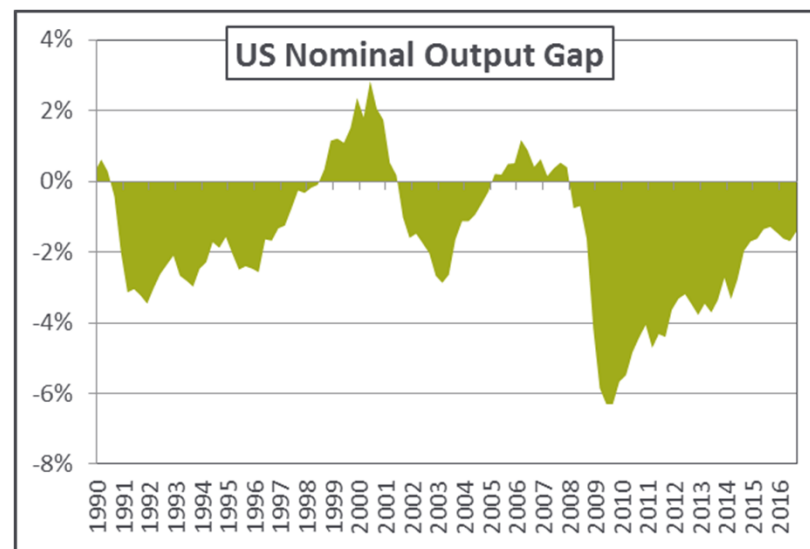
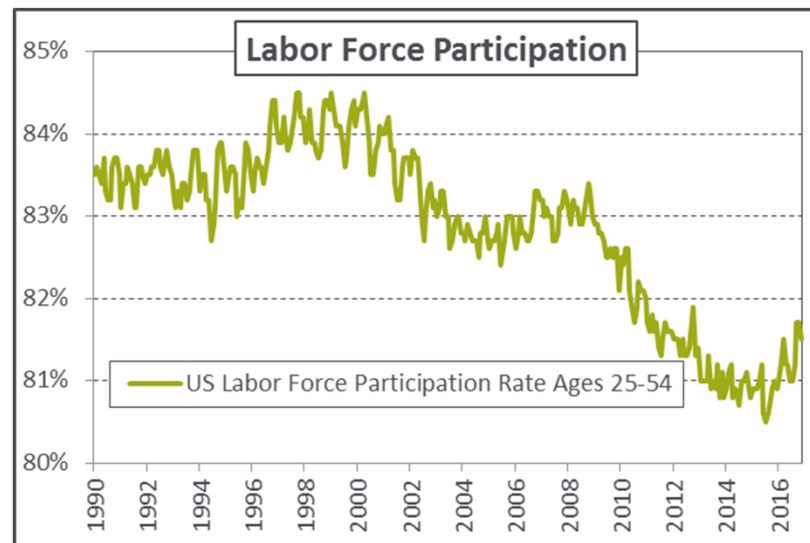
US dollar strength and corporate profitability trends are the primary sources of concern for potential weakness

Fiscal stimulus unlikely to push economic growth into a higher gear

Tax cuts and infrastructure spending modestly improve the US growth profile

The potential of higher US growth is likely muted by corresponding dollar strength

US stimulus may benefit non-US developed economies as marginally higher US growth weakens their currencies and improves competitiveness



Source: (Top) FRED
Source: (Bottom) Congressional Budget Office, Bloomberg

Federal Reserve Gradualism

The Federal Reserve is expected to slowly increase interest rates

Expected path of Fed policy through 2019 matters more than timing of the next hike

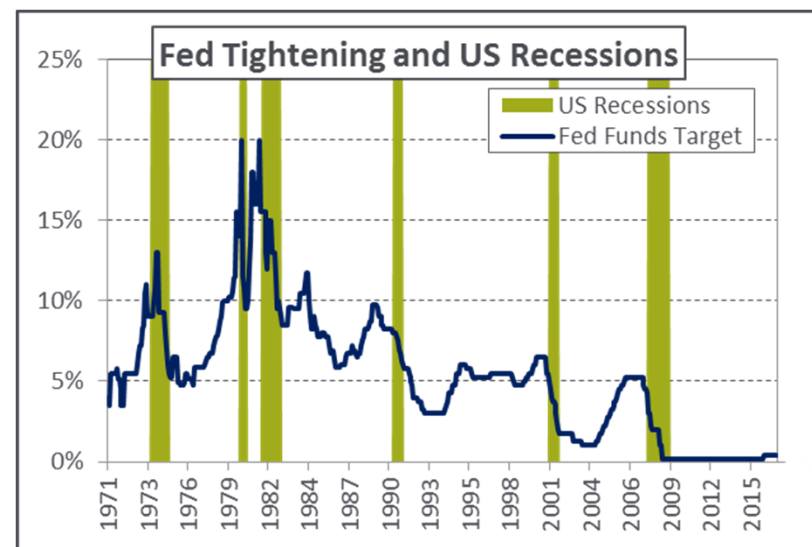
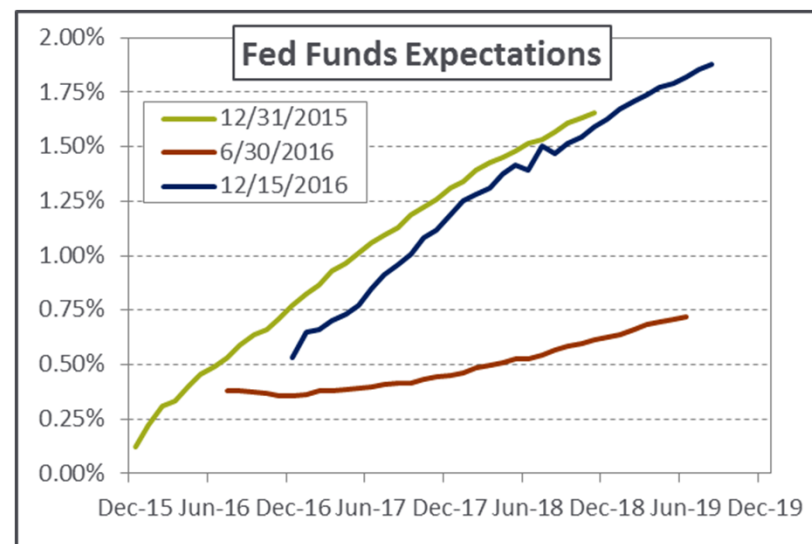
Fed has stated a willingness to let the economy “run hot” and accept some inflation to repair the deflationary effects of the past eight years

A relatively accommodative Fed is likely to continue, unless there is a dramatic acceleration in inflation

Historically, rapid tightening of Fed policy precedes a US recession

Tighter monetary policy slows inflation by decreasing economic activity

The Fed’s monetary policy statements are closely scrutinized and deviations from “lower for longer” can materially impact the market outlook



Source: (Top) Federal Reserve, Bloomberg
Source: (Bottom) Federal Reserve, NBER, Bloomberg

Federal Reserve Gradualism

US dollar strength is interconnected with Federal Reserve policy

The US dollar is sensitive to changes in Fed rate expectations and interest rate differentials relative to the rest of the world

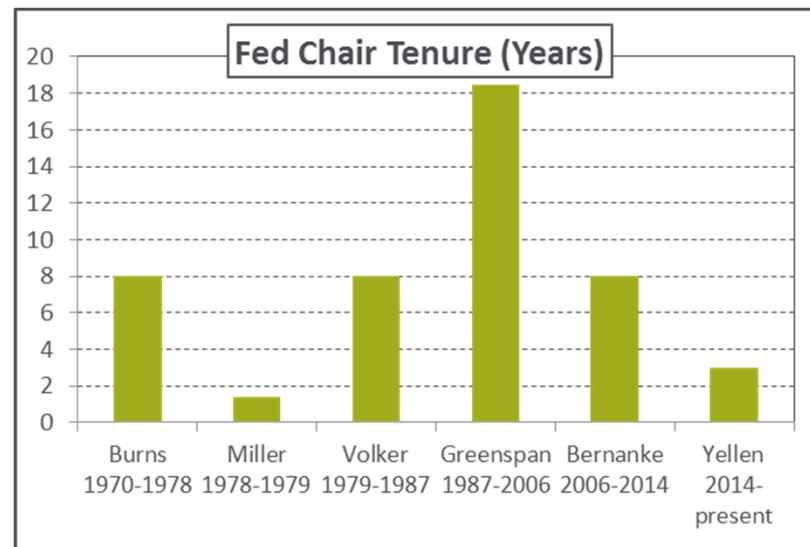
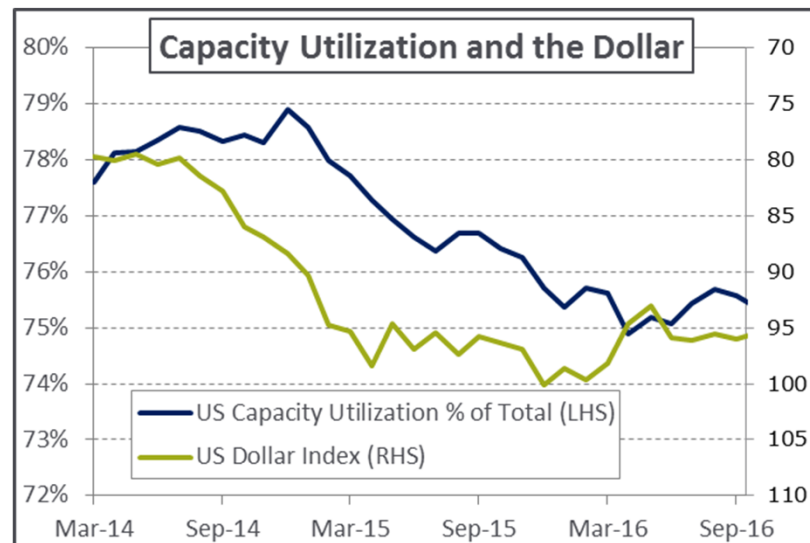
Fed must balance the path of future interest rate increases with the disruptive effects of a strong dollar on global markets

Dollar strength weakens the outlook for US corporate earnings and rapid dollar appreciation likely strains US profit margins

2017 is likely to be a year for greater uncertainty regarding Fed policy

Politics could intersect with Fed policy due to more vocal executive branch and conclusion of Janet Yellen's term in February 2018

The path of Fed rate hikes in 2017 and beyond is less clear due to the potential impact of fiscal stimulus



Source: (Top) Federal Reserve, Bloomberg
Source: (Bottom) Federal Reserve

China Transitions

China is the global growth engine but faces fundamental transitions

Economic evolution: Intrinsic need to evolve from focus on manufacturing – long the driver of growth – to services and innovation

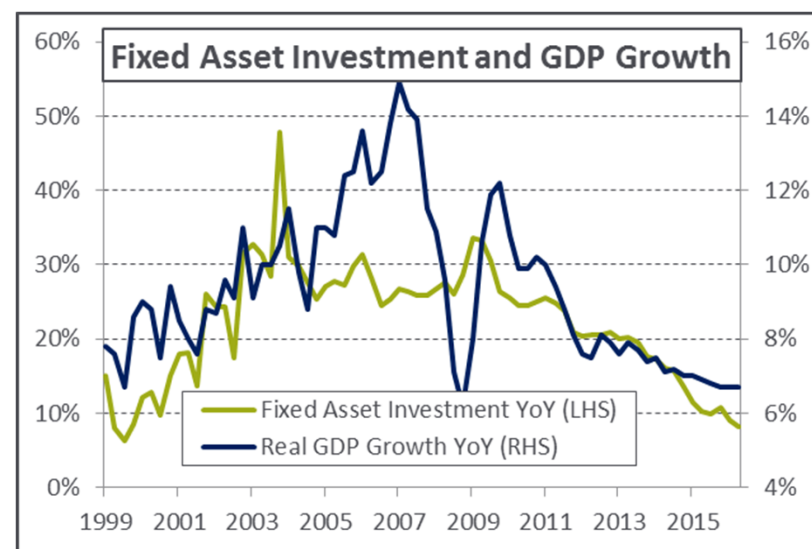
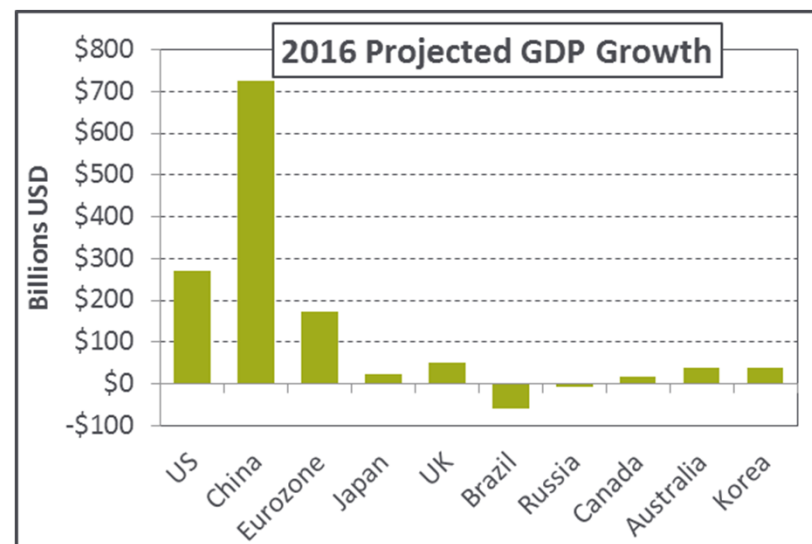
Monetary policy progression: Pressure on the People's Bank of China (PBOC) to balance the status quo and encourage free market reforms

Any disruption to these transitions will have global repercussions due to China's size and role in the global economy

China must manage competing social goals in attempting to sustain growth

Production based economy requires fixed investment to support employment as the rural population moves to urban centers

Future growth in a services based economy requires advancement in productivity, technology, and a more skilled labor force



Source: (Top) IMF, Bloomberg
Source: (Bottom) National Bureau of Statistics of China, Bloomberg

China Transitions

The PBOC is tasked with straddling a delicate path as the economy evolves

China maintains control of its currency and monetary policy but would have to make concessions to open its capital account and allow the free movement of capital

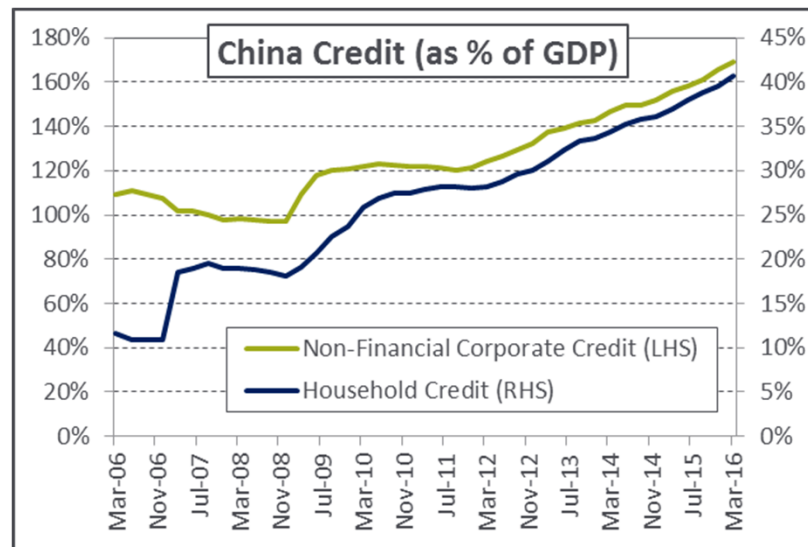
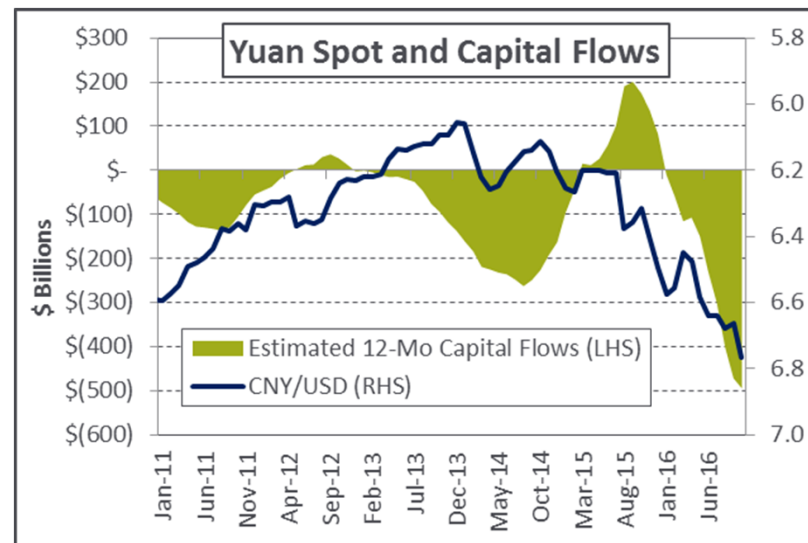
Restrictions on capital markets are slowly being eased, with an eye towards limiting social disruption

Concerns of a rapid currency devaluation have forced a more managed transition process that likely delays the opening of equity and bond markets to global investors

Managed policy transitions come with significant risks which require balance

Fiscal policy: Consequences of unsustainable credit growth if too accommodative or a hard economic landing if too austere

Monetary policy: Potential for asset price bubbles in real estate and capital markets if policy changes slowly or move rapidly and spur capital flight



Source: (Top) SAFE, Bloomberg
Source: (Bottom) Bank for International Settlements

Globalization Backlash

Weak economic growth and uneven wage gains over the last decade have fueled political discontent in the West

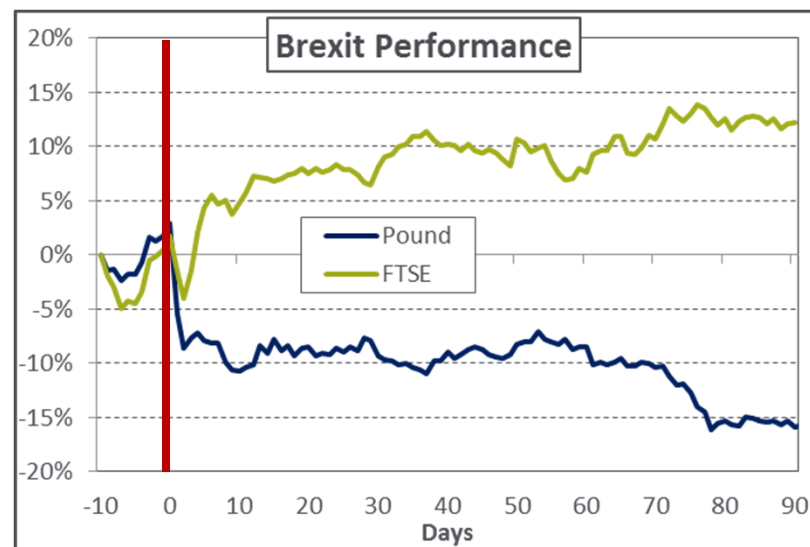
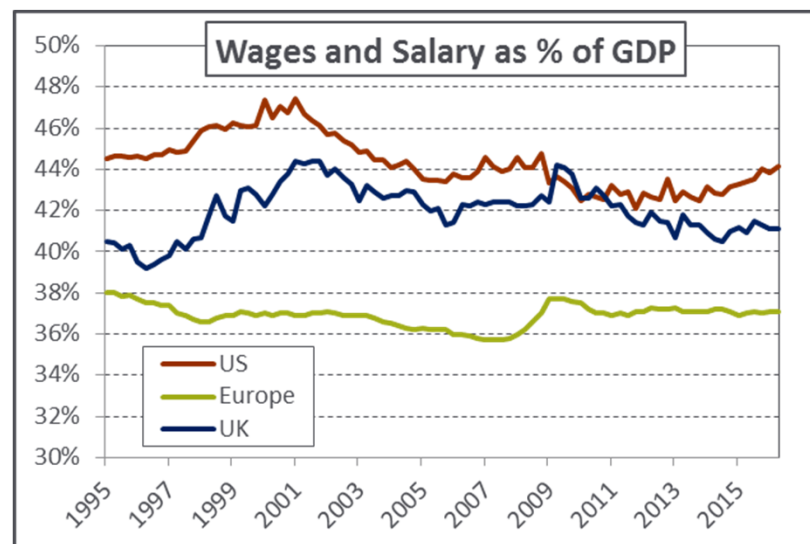
The backlash against globalization does not materially alter the fundamentals of the global capital markets, but does increase economic and market uncertainty

Populist movements destabilize the established political order but are not inevitably bearish for equity markets

Political uncertainty intensifies currency volatility and in cases of depreciation may stimulate local equity markets (e.g. UK)

May bring increased fiscal spending and higher inflation, a welcome benefit for developed market economies

However, a shift away from political orthodoxy heightens low probability political tail-risks such as a US-China trade war or a dissolution of the euro



Source: (Top) Bureau of Economic Analysis, Eurostat, Bloomberg
Source: (Bottom) Bloomberg

Globalization Backlash

Have we reached “Peak Trade”?

A secular transition is underway and a shift from free trade policies in the West may reduce long-term economic growth rates

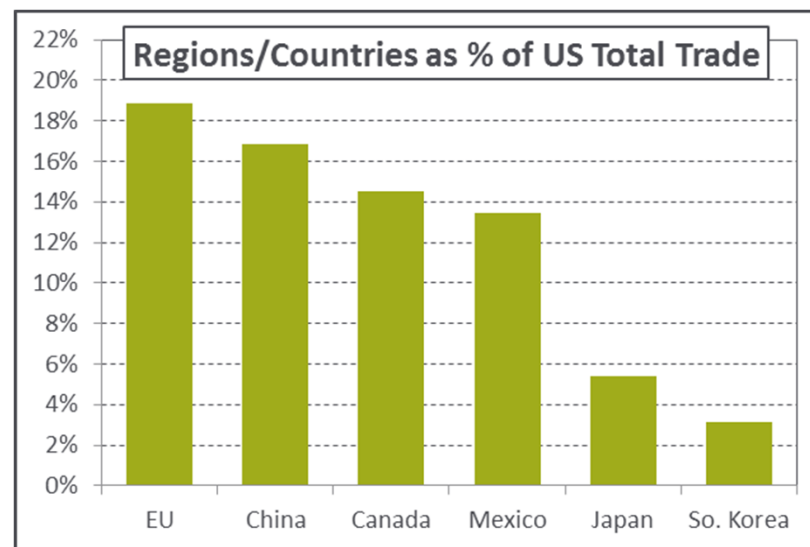
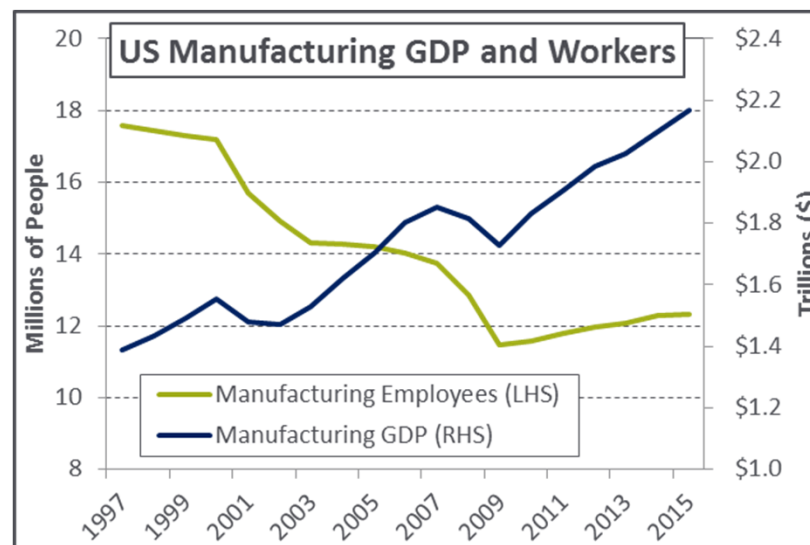
Free trade is blamed but automation is perhaps a greater source of social disruption and job losses

A strong US pivot away from global trade is a tail-risk for the global economy and would likely impact capital markets negatively in the emerging world

For many nations, a turn inward is associated with globalization fatigue

Greater expression of nationalism often translates to increased geopolitical risks as multilateral relationships are reassessed

Anti-establishment political parties reflect the economic unease of voters but are unlikely to initiate the structural economic reforms required in the developed world



Source: (Top) Bureau of Labor Statistics, Bloomberg
Source: (Bottom) IMF, Bloomberg

Evaluate Feasibility of Objectives

Reassess Investment Structure

Examine the Cost of Core Exposures

Review Investment Program Governance

Evaluate Feasibility of Objectives

Asset returns offer less support for investors to achieve target objectives

Asset growth post-2008 is without historical precedent relative to economic growth

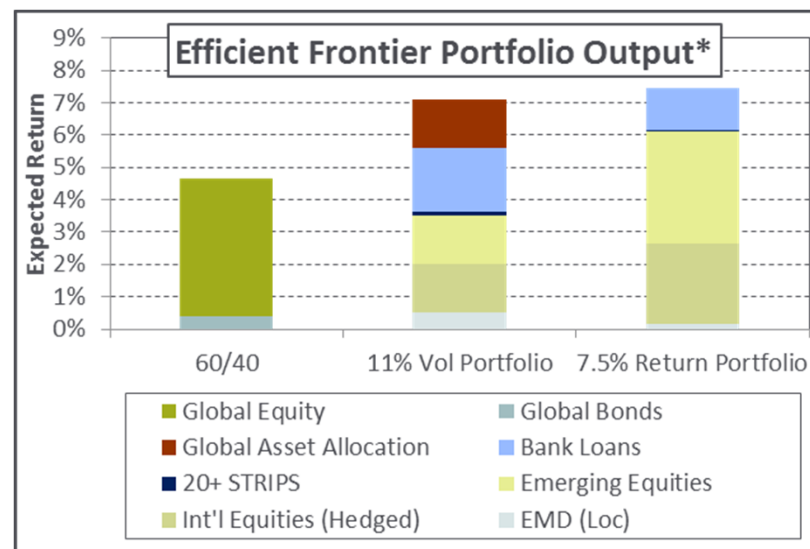
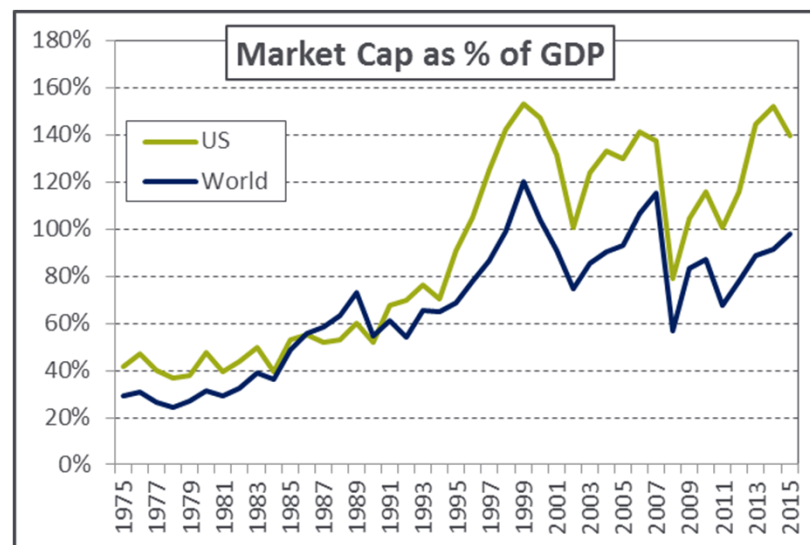
Investment program goals are influenced by capital inflows, spending obligations, and asset returns

Future growth is likely to be more dependent on increasing capital inflows and reducing spending commitments

Expected returns greater than 7.5% (5% real) will be a high hurdle for diversified investors to realize

Optimization of public market asset classes will not be sufficient to meet elevated return expectations for risk aware investors

Improving the return outlook may involve increasing portfolio risk, expanding alpha opportunities, and/or expanding the use of portfolio leverage



Source: (Top) World Bank

*Liquid unconstrained portfolio uses 0% allocation to hedge funds and private market investments; Source: (Bottom) NEPC

Evaluate Feasibility of Objectives

A mature private markets portfolio is a key contributor to meeting long-term portfolio objectives

We encourage investors to lay the groundwork to construct a robust private markets portfolio over the coming decade

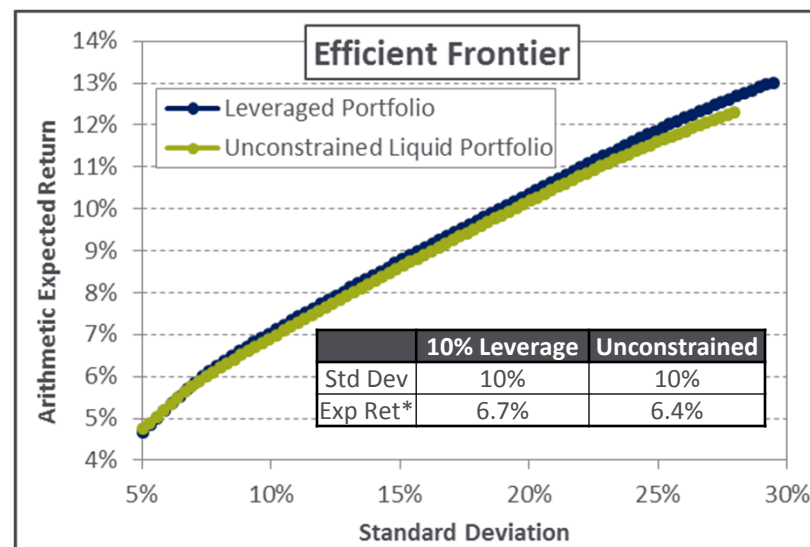
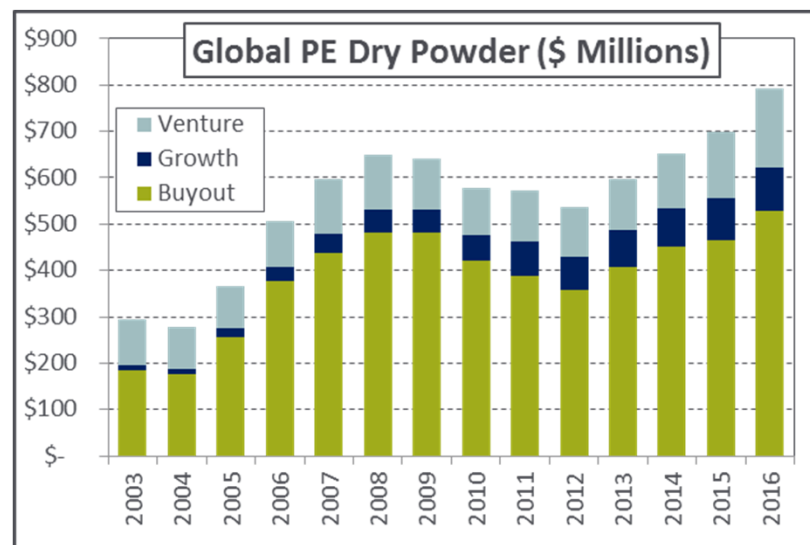
Building a self-sustaining private markets allocation is a long process but provides meaningful wealth creation

Patience is warranted over the coming years as private markets have become increasingly crowded

Explore the use of leverage to increase the efficiency of public market asset classes

Leverage can be efficiently achieved with highly liquid futures positions in core asset classes (e.g. S&P 500 and US Treasuries)

Leverage offers an improved return outlook while maintaining diversification and improving risk balance of the overall portfolio



Source: (Top) Preqin

*Expected geometric return based on NEPC 5-7 year assumptions Source: (Bottom) Morningstar, NEPC

Reassess Investment Structure

Ensure portfolio structuring supports investment objectives

Investments should offer meaningful return or diversification benefits and have a clear and easy to articulate purpose

Cash flow needs (liabilities, spending, etc.) should inform both portfolio asset allocation and strategy/product selection

Investments that don't meet these tests are candidates for replacement

View your investment structure through a beta group lens

Focus on high conviction alpha strategies or those that truly drive diversification

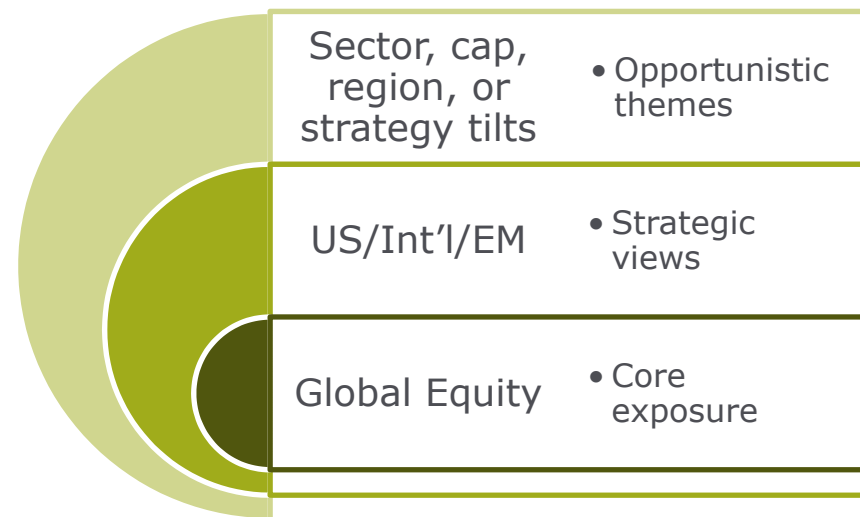
In equities, diversification by style box often duplicates underlying factor exposures; consider global mandates and/or passive

Core bonds unlikely to be best capital preservation option in rising rate, higher inflation environment

Beta Group Structure



Stylized Equity Structure



Reassess Investment Structure

Explore a classification system that aligns investments with their role

Equity, Credit, Real Assets and Multi-asset beta groups organize exposures in a structure aligned by asset type and purpose

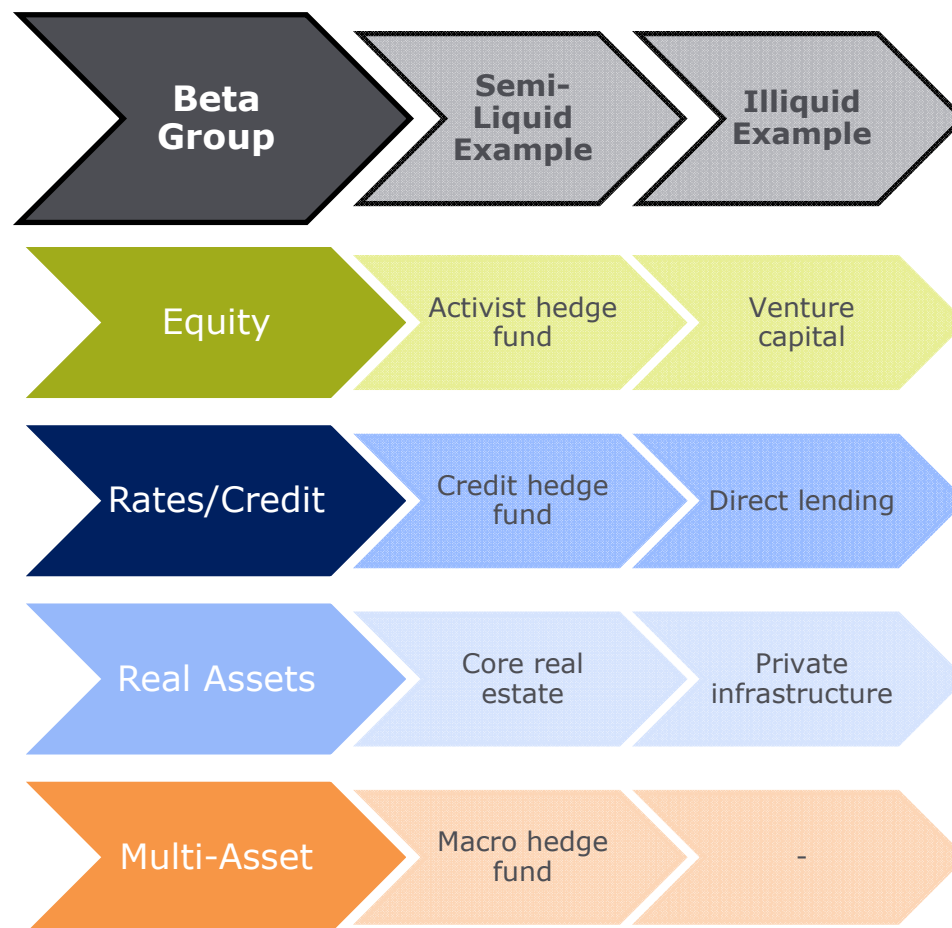
Complement with underlying position and factor analysis to mitigate unintended overlap of economic or market exposures

Integrate hedge fund and private market strategies into this framework

Targets at the beta group level enable growing private market programs to better match desired market risk exposures

Use liquid markets placeholders as funding sources (e.g., fund private debt capital calls from long-only credit managers)

Framework also supports better hedge fund implementation (e.g., directional equity hedge funds as a complement to long only equity)



Examine the Cost of Core Exposures

Core market beta exposures can be sourced in a low cost manner

Market inertia towards passive is unlikely to moderate in the coming years

Core beta exposures are strategic asset classes and broadly include US equities and interest rate exposures

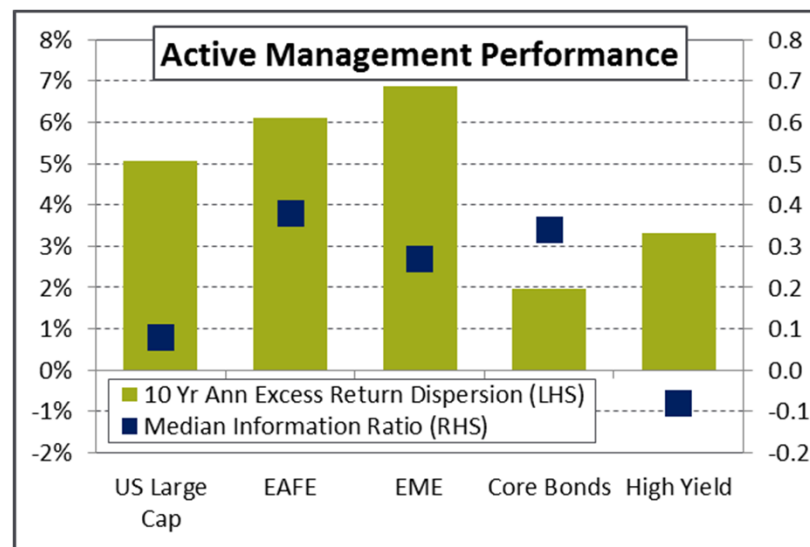
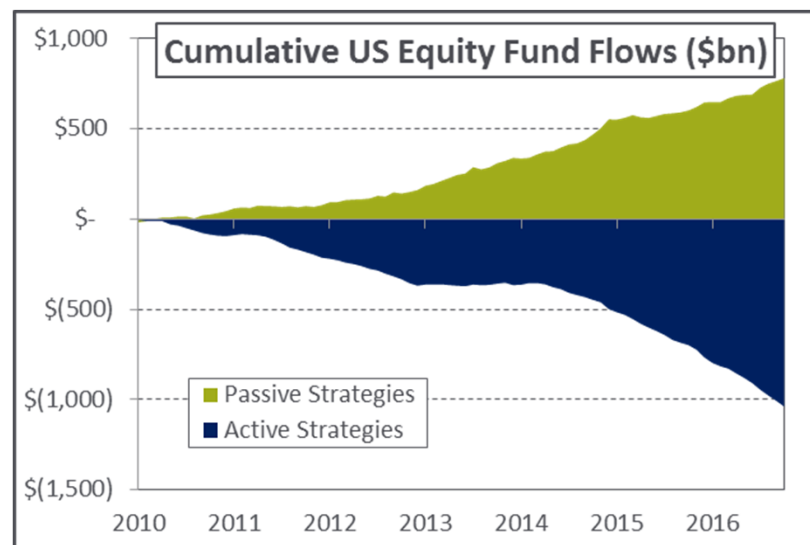
Risk parity provides a foundation of core beta exposures in a capital efficient manner

The dispersion of alpha can help to inform the active/passive decision

Passive complements active most effectively when paired with high active risk mandates

Some asset classes provide a sub-optimal alpha profile vs. fee paid on average

Do not abandon fundamental approaches as rising rates and global divergences should highlight differences across companies



Source: (Top) EPFR
*Dispersion measured as difference between 95th and 5th percentile excess return; Source: eVestment

Review Investment Program Governance

Consider delegating some responsibilities from committees

Committee experience and oversight best served with a focus on strategic efforts such as asset allocation and investment policies

Institutionalize a strategic rebalance policy to mitigate behavioral bias such as loss aversion and recency bias

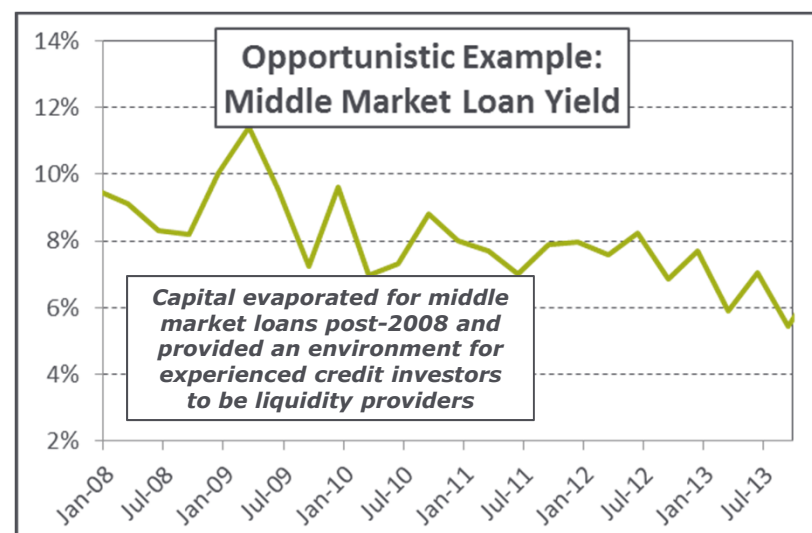
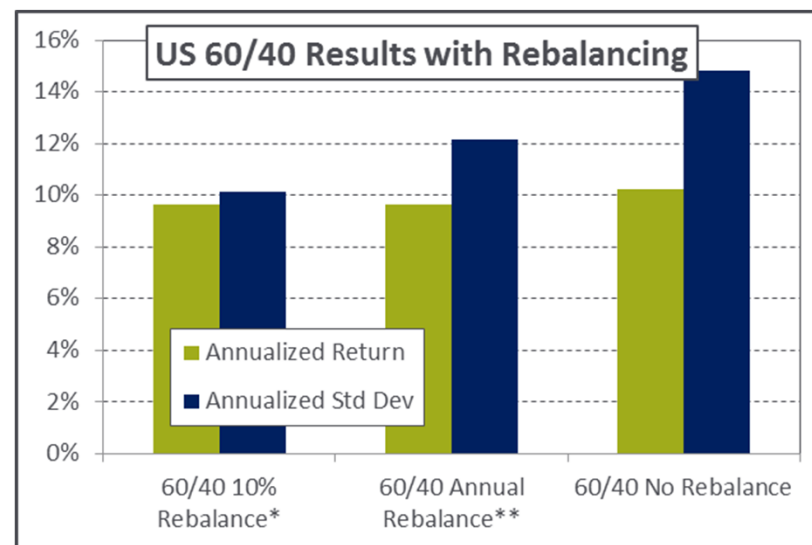
Optimize committee governance time by expanding staff/executive role to approve investment managers and rebalance assets

Define an Opportunistic sleeve in the investment policy

Allows for an override to the strategic asset allocation and requires affirmation of the concept prior to a market event

Opportunistic defined by unique strategies and/or dislocations in capital markets that require expertise to extract value over time

We encourage committees to review each opportunity due to the multi-year time horizon and significance of allocations



Source: (Top) Ibbotson-Morningstar, NEPC

Source: (Bottom) S&P Capital IQ LCD

*Rebalances halfway to targets when part of portfolio exceeds +/- 10 percentage point range **Rebalances back to 60/40 every 12 months

Trim US Equity Gains

Overweight Non-US Developed Market Equities

Emerging Market Equities Remain Attractive

Allocate to TIPS from Core Bonds

Reduce High Yield for Other Credit Strategies

Fund Emerging Local Debt from Risk Assets

Add Macro Hedge Fund Strategies

Trim US Equity Gains

US markets have rallied significantly with low levels of earnings growth

A prolonged US economic expansion can support a continued rally for US equities despite elevated valuation levels

Expanding valuations have driven recent returns while corporate earnings weakness has been largely overlooked

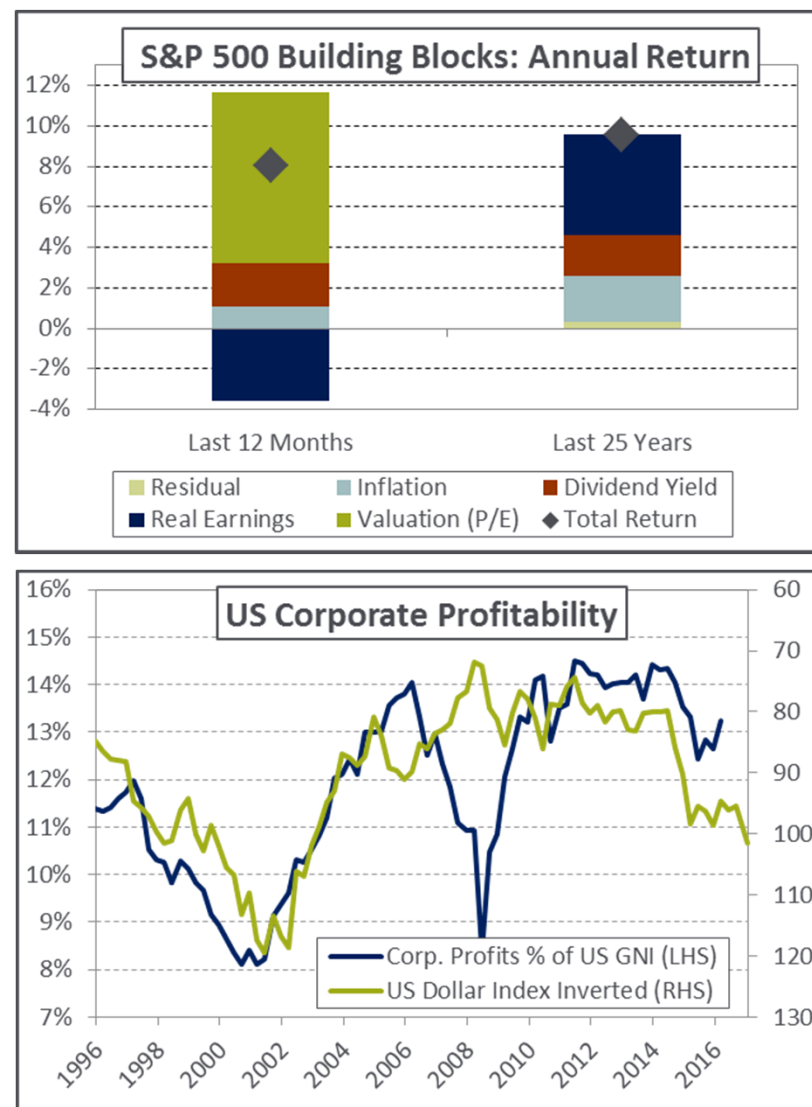
Corporate earnings are under pressure from a strong US dollar but profit margin declines could be offset by a reduction in tax rates

Look to reduce US equity exposure to fund global equity strategies

Investors with less benchmark sensitivity could use US equities as a funding source for emerging market local debt

US equities remain a viable funding source for private market commitments

Should US equity markets decline materially, look to rebalance to exploit market volatility



Source: (Top) Standard & Poors, Bloomberg, NEPC
Source: (Bottom) Bloomberg, FRED

Overweight Non-US Developed Market Equities

Europe and Japan carry risks but offer a meaningful return opportunity

Catalysts for outperformance are present with shareholder friendly actions in Japan and macroeconomic improvement in Europe

Central bank support and US dollar strength provide a positive economic backdrop as both the ECB and BoJ are likely to maintain accommodative monetary policies

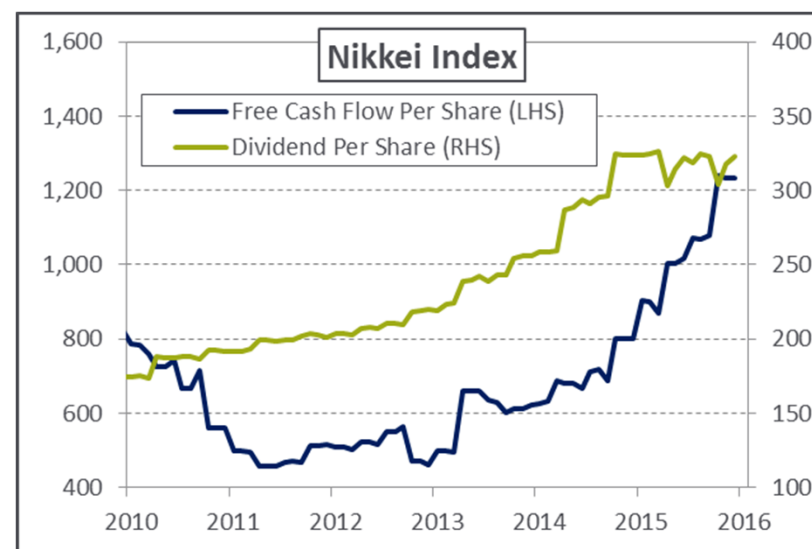
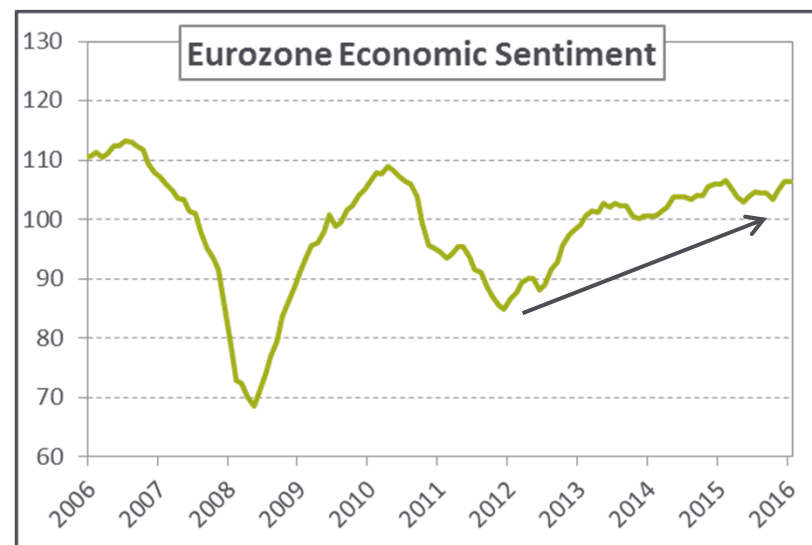
Anti-establishment political parties represent a tail-risk for the stability of the Eurozone with major elections across Europe in 2017

Recommend a gradual shift from the US to non-US equities as European elections are likely to generate volatility

Small-cap equity and global equity are preferred implementation approaches

These strategies offer the best opportunity to exploit valuation discrepancies among stocks across countries and sectors

Hedging a portion of non-US developed currency exposure remains a strategic goal



Source: (Top) European Commission, Bloomberg
Source: (Bottom) Bloomberg

Emerging Market Equities Remain Attractive

Emerging equities offer the highest total return potential for investors

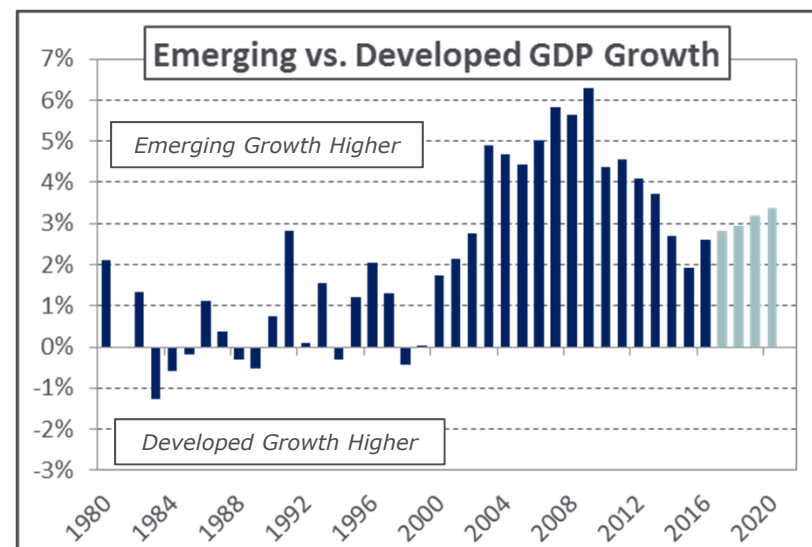
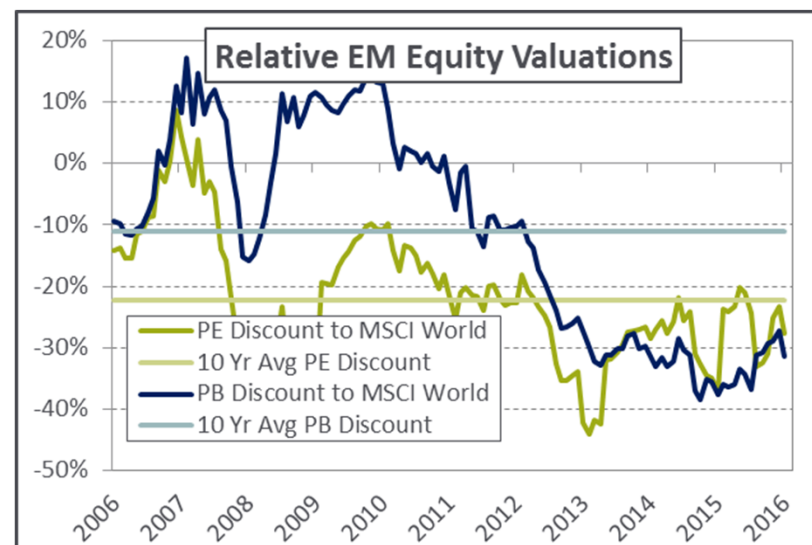
Valuation levels and long-term fundamentals suggest an overweight relative to global market cap weights (e.g. 15% to 20%)

China's depreciating currency, broad US dollar strength and US-Asia trade policy concerns temper our excitement

Growth premium relative to the developed world is advancing as emerging market economic conditions improve off fiscal and currency adjustments of recent years

Overweight small-cap and consumer focused strategies relative to broad benchmark mandates

Small-cap and emerging market consumer strategies offer a structural bias away from commodity exposures and state owned enterprises



Source: (Top) MSCI, Bloomberg
Source: (Bottom) IMF

Allocate to TIPS from Core Bonds

Preserve US duration exposure with a bias towards TIPS over core bonds

TIPS offer safe haven exposure with an explicit hedge for realized inflation and can be sourced with a low cost passive strategy

A meaningful allocation to TIPS diversifies core bond exposure and improves risk balance across economic environments

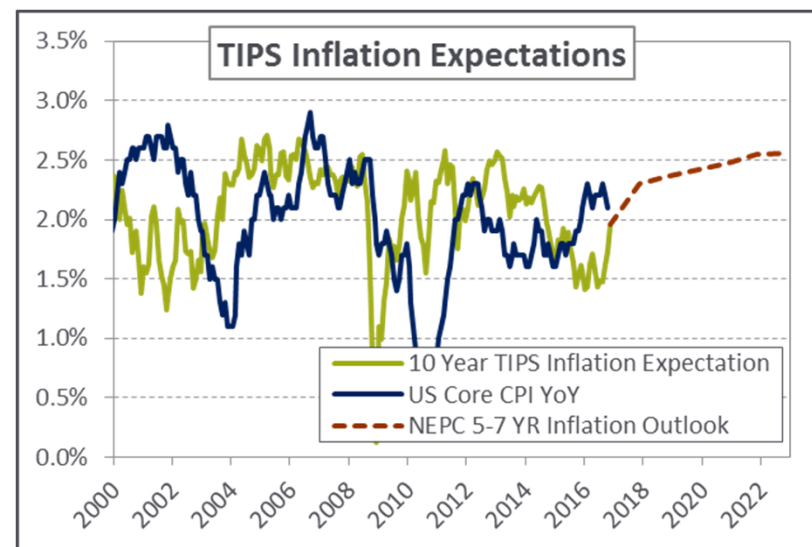
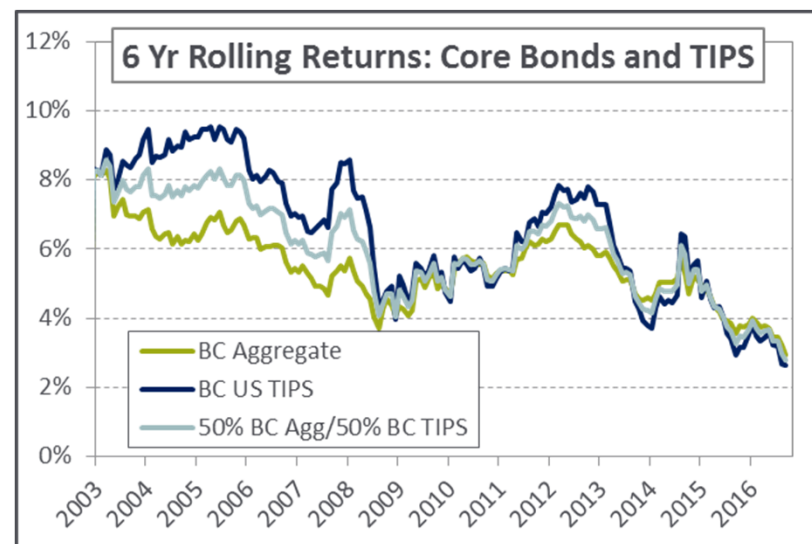
Despite concern of higher interest rates, duration exposure remains a critical asset allocation building block for a portfolio

Higher inflation expectations favor TIPS over nominal bonds

Rising inflation assumptions imbedded in fixed income markets are more likely to negatively impact nominal interest rates

TIPS yields are based on real rates and prices are sensitive to Fed tightening

Core bond yields include real rates and inflation expectations; prices are negatively impacted by increases in both



Source: (Top) Barclays, Bloomberg, NEPC
Source: (Bottom) Bureau of Labor Statistics, Bloomberg, NEPC

Reduce High Yield for Other Credit Strategies

Index aware high yield strategies enjoyed exceptional returns in 2016

Outsized credit spreads fell to historic median levels as the energy market and economic outlook improved in 2016

Extended US economic growth cycle supports positive returns and can push credit spreads below long-term levels

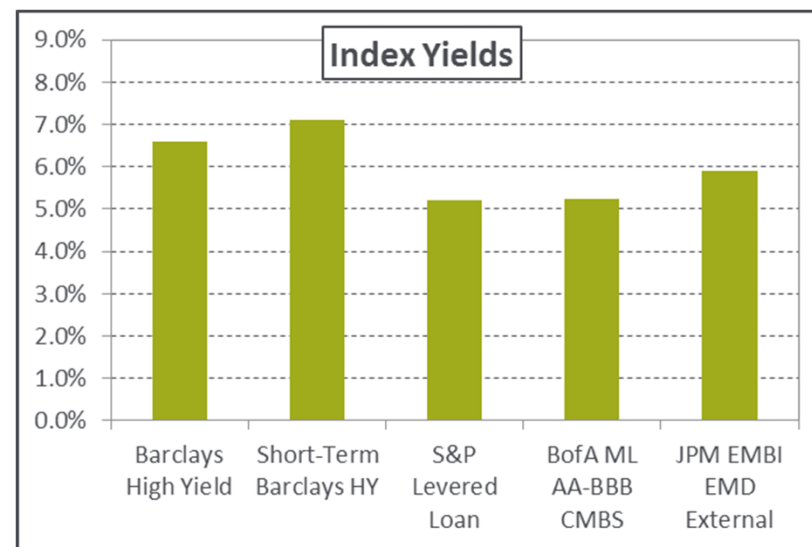
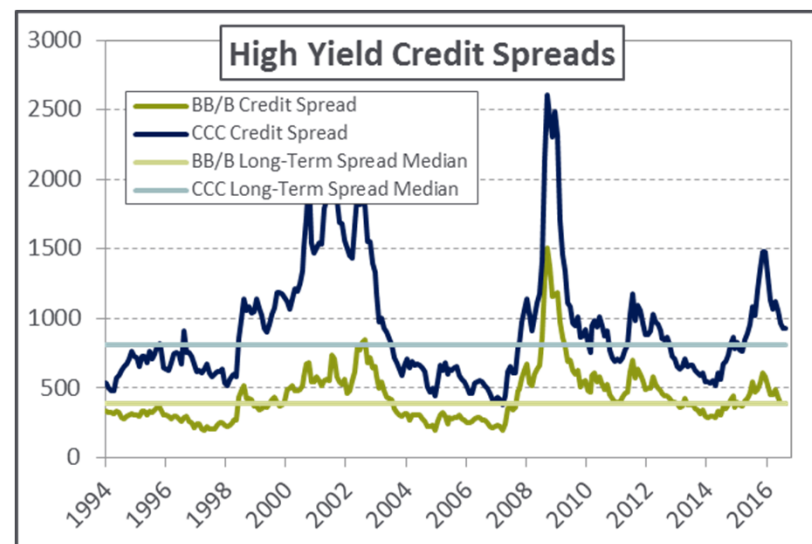
Credit markets continue to benefit from high demand in a low rate environment, but current spread levels are less compelling

Make use of other credit strategies to capture pockets of value

Bank loans and short duration high yield offer higher expected returns than high yield due to limited duration exposure

Security selection is critical as some credit sub-sectors such as structured credit provide a better return/risk profile

Credit focused multi-sector strategies can effectively allocate across credit markets to seek pockets of opportunity



Source: (Top) Barclays, Bloomberg
Source: (Bottom) Barclays, Standard & Poors, BofA/ML, JP Morgan, Bloomberg

Fund Emerging Local Debt from Risk Assets

Emerging market local debt offers a compelling total return opportunity

High index yield provides a cushion to offset potentially high currency volatility

Valuations for many emerging market currencies are attractive following significant adjustments over the last five years

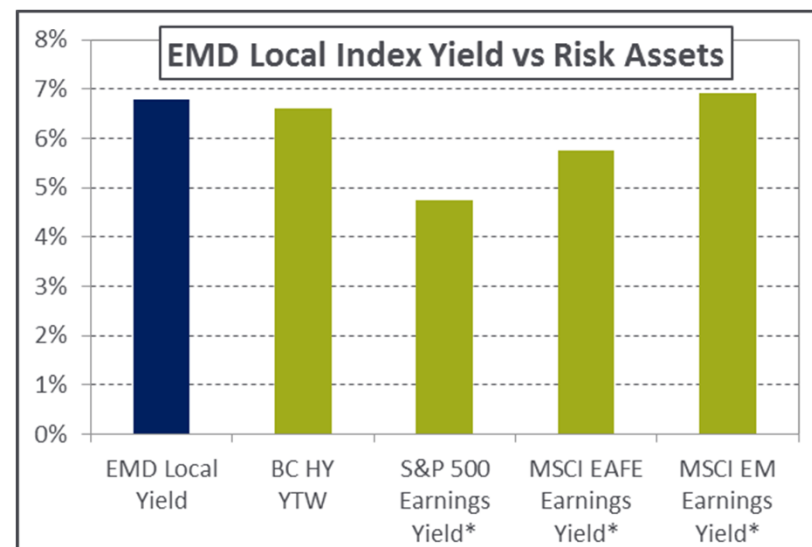
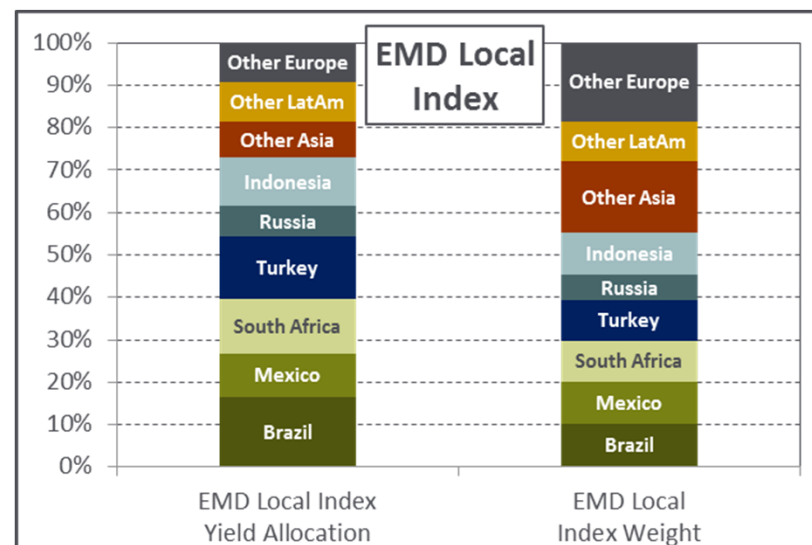
Country index weights in local debt are more globally distributed than in equity, mitigating regional risk concentrations

Shift a portion of risk assets exposure to emerging local debt

The volatility of EM local debt is equity-like due to the volatility of emerging currencies

Preferred implementation approach is a EM local debt strategy benchmarked to a global diversified index

Blended EMD strategies could be more appropriate for investors with a lower risk tolerance



Source: (Top) JP Morgan

*Earnings Yield measured as inverse of trailing 12M P/E; Source: (Bottom) NEPC, Bloomberg

Add Macro Hedge Fund Strategies

Global macro strategies can provide broad benefits to a total portfolio

Allocations of size (e.g. 5%) help to mitigate the left-tail of a portfolio return distribution

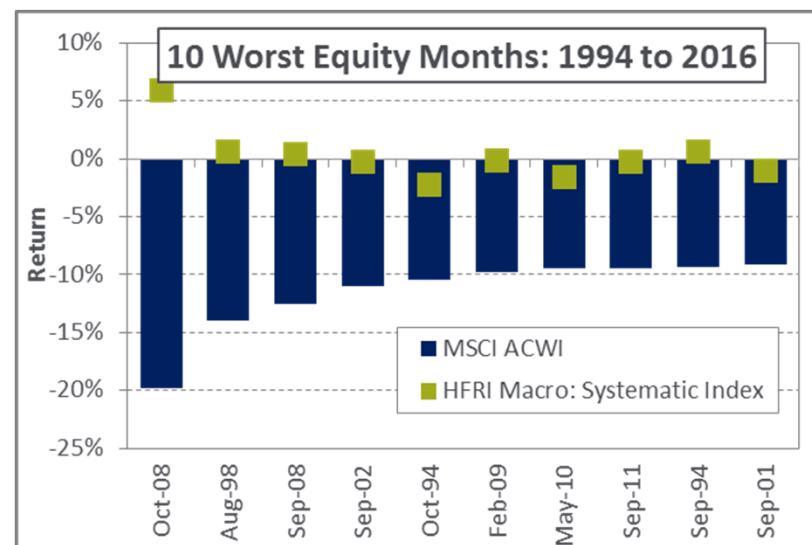
In times of uncertainty or elevated volatility, macro strategies are positioned to outperform beta-oriented approaches

Investors should be targeted in their approach to portfolio construction as manager selection is paramount

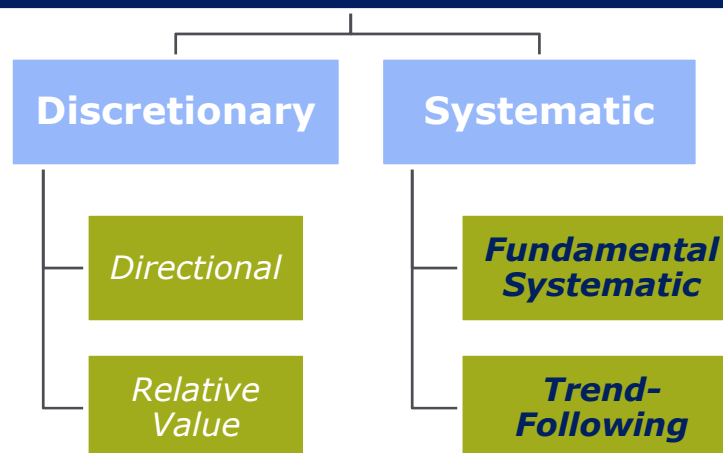
Fund systematic global macro from broad based GAA and hedge fund of fund strategies

Systematic strategies tend to exhibit low correlation to equity markets and are strong diversifiers within a total portfolio

Many systematic macro strategies exhibit "crisis alpha" or excess performance in risk-off periods



Global Macro Strategies*



Source: (Top) eVestment, HFRI

*Not intended to be an all inclusive Macro sub-strategy list

Investment Program Review

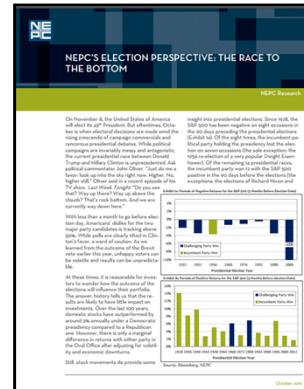


Highlights of Fourth Quarter Happenings at NEPC

December 2016

NEPC Insights

- NEPC's Election Perspective: The Race to the Bottom (October 2016)
- Interest Rate Risk and Asset/Liability Management for Cash Balance Plans (October 2016)
- 2016 3rd Quarter Market Thoughts (October 2016)
- Behind The Curtain: Operational Capabilities Are A Must for OCIOs (November 2016)
- NEPC's 2016 Hedge Fund Operational Due Diligence Survey Results (November 2016)
- NEPC Market Chatter: To PE or not to PE... That is the Question (November 2016)
- Caution: Construction Ahead – Healthcare Organizations Use Private Equity Investments to Support Innovation (December 2016)



Upcoming Events

NEPC's 22nd Annual Investment Conference will be held on May 9-10, 2017 at the InterContinental Hotel in Boston, MA. Details to come in the upcoming months!



NEPC Gives Back

- NEPC employees sorted and prepared 6,853 pounds of food during a volunteer day at the Greater Boston Food Bank, an organization that works to end hunger in the area by providing people in need with healthy food and resources.
- During the month of November, NEPC's November team raised over \$5,000 to support men's health research.
- In support of Breast Cancer Awareness Month, NEPC employees wore their favorite pair of jeans with a purpose and participated in the American Cancer Society Denim Day by sporting denim and the color pink. Together, we raised over \$2,500.
- As part of our Annual United Way campaign, over 50 NEPC employees assembled Literacy Kits for children during the holiday season. The kits were filled with developmental games, arts and crafts supplies, and reading materials.

Webinar Replays

- Investor Insights – Perspectives on the 2016 US Election (November 2016)
- Defined Benefit Plan Trends Survey Results (December 2016)
- Digging Deeper on ESG (December 2016)

To download NEPC's recent white papers and webinar replays, visit: www.NEPC.com/research

Client Awards

We'd like to congratulate the following clients for their recent award wins at *Chief Investment Officer's* 7th Annual 2016 Industry Innovation Awards:

- Texas Tech University System's CIO, Tim Barrett as 2016 recipient of the Endowment Award
- MoDot & Patrol Employees' Retirement System's CIO, Larry Krummen as the 2016 recipient of the Public Defined Benefit Plan Below \$15 Billion Award
- State of Wisconsin Investment Board's CIO, David Villa as the 2016 recipient of the Public Defined Benefit Plan Above \$100 Billion Award

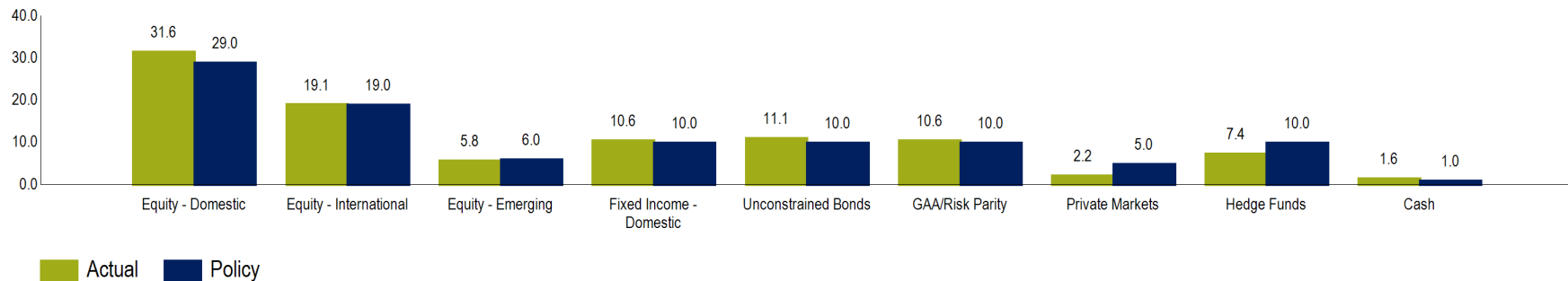


Executive Summary

Total Fund Performance Summary (Gross of Fees)

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank
Composite	\$172,328,401	-0.5%	93	4.3%	51	5.1%	84	2.2%	82	6.4%	72	6.5%	68	4.9%	42
<i>Allocation Index</i>		0.4%	56	4.1%	58	6.7%	55	3.2%	57	6.6%	68	6.0%	79	4.6%	51
<i>Policy Index</i>		-0.1%	77	3.8%	68	6.1%	67	3.1%	59	6.7%	67	6.1%	77	4.1%	66
<i>InvestorForce All Endowment \$50mm-\$250mm Gross Median</i>		0.7%		4.4%		6.9%		3.5%		7.4%		6.9%		4.6%	

Actual vs Target Allocation (%)

Goals and Objectives

- The Endowments performance objective is to provide long term returns that exceed inflation by 5% per annum, while maintaining moderate volatility.
- In addition, the UUA prefers to invest with managers that integrate ESG into their investment process

Recent Decisions & Action Items

- Approved Brandywine, Franklin Templeton and Loomis and new managers within the Fixed Income allocation
- Consider adding a dedicated allocation to Core Real Estate

Total Fund Performance

- The endowment returned -0.5% (gross of fees) during Q4 of 2016, ranking 93rd in the universe, underperforming the allocation index and policy index
- Over the 2016 calendar year period, the endowment returned 5.1% (gross of fees), ranking 84th in the universe and underperforming both the allocation and policy index
- Over the ten-year time period, performance ranked in the top half of the peer universe
- Manager selection and tactical allocations have been the primary driver of overall performance

Fiscal Year End: 6/30



NEPC, LLC

December 31, 2016

Due Diligence Monitor

The items below summarize any changes or announcements from your Plan managers/funds. A "Yes" indicates there was an announcement and a brief summary is provided separately. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determines if any action should be taken by NEPC and/or by our clients. They rate events: No Action, Watch, Hold, Client Review or Terminate. NEPC considers ourselves to be a fiduciary, as ERISA defines the term in Section 3(21).

Investment Manager	Manager Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations
Select Equity Group	Yes	No Action

A legend key to our recommendations is provided below.

NEPC Due Diligence Committee Recommendation Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

Due Diligence Monitor

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Select Equity

Select Equity is announcing that effective 4/1 there will be a couple title changes. There will be no departures and really no material changes to how the portfolio is managed. Matt Pickering will be promoted from Associate Portfolio Manager to Co Portfolio Manager, Brian Vollmer will be promoted to Associate Portfolio Manager, and Jonathan Allen will be named Chief International Strategist. All of their roles will be similar and Chad Clark remains the lead portfolio manager and final decision maker on the fund.

Total Fund Summary

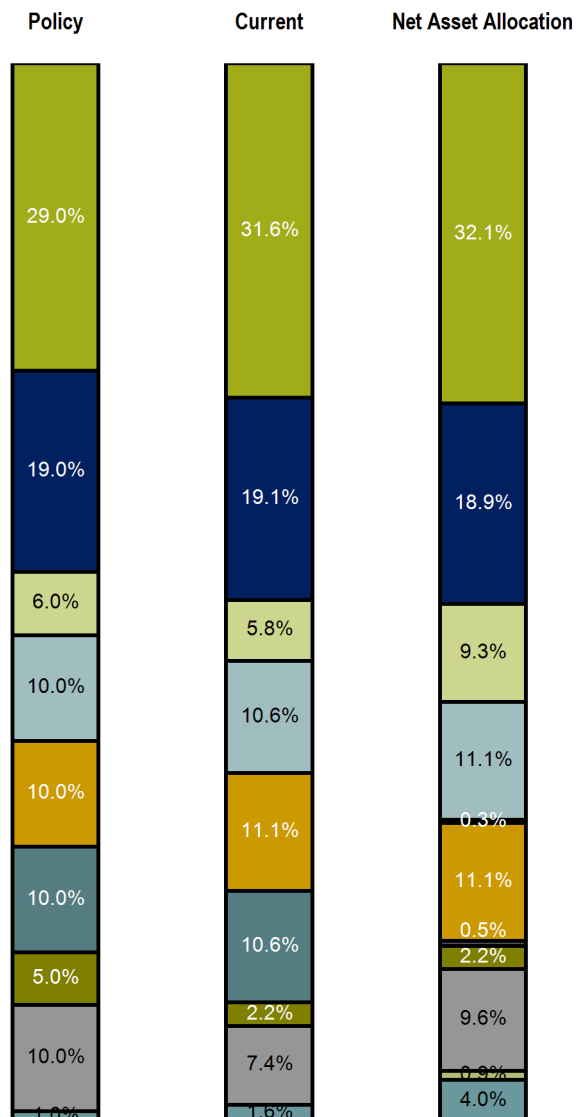
Unitarian Universalist Common Endowment Fund, LLC

Total Fund Asset Growth Summary by Manager

	Quarter Ending December 31, 2016					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Baxter Street	\$8,592,994	\$0	\$0	\$0	-\$255,109	\$8,337,886
Boston Common	\$12,595,885	-\$20,474	\$0	-\$20,474	-\$457,413	\$12,117,998
Breckinridge	\$8,803,359	-\$820	\$0	-\$820	-\$175,133	\$8,627,407
Brockton Capital Fund III	\$1,496,964	-\$9,151	\$395,830	\$386,680	\$32,342	\$1,915,986
Cash Account	\$4,390,525	-\$8,330,118	\$5,117,803	-\$3,212,315	\$53,625	\$1,231,835
Cevian Capital II	\$5,186,500	\$0	\$0	\$0	\$344,355	\$5,530,855
Community Development	\$1,503,095	-\$17,084	\$44,598	\$27,514	\$1,874	\$1,532,482
Entrust Capital Diversified Fund	\$7,317,286	\$0	\$0	\$0	-\$11,402	\$7,305,884
FEG Private Opportunities Fund	\$1,572,351	\$0	-\$4,250	-\$4,250	\$52,786	\$1,620,887
GMO Benchmark Free Allocation Fund	\$18,437,075	\$0	\$0	\$0	-\$212,774	\$18,224,301
IR&M SRI Core Bond Fund	\$9,942,306	\$0	\$0	\$0	-\$269,561	\$9,672,745
Loomis Sayles Strategic Alpha	\$21,349,058	-\$2,531,755	\$0	-\$2,531,755	\$364,205	\$19,181,508
MFS International Concentrated	\$12,593,816	\$0	\$0	\$0	-\$154,881	\$12,438,935
Pier Capital	\$7,528,970	-\$4,889	\$0	-\$4,889	-\$99,244	\$7,424,838
RBC Global Emerging Equity	\$10,736,846	-\$17,629	\$0	-\$17,629	-\$781,269	\$9,937,948
Rhumblin	\$20,291,126	-\$53,224	\$0	-\$53,224	\$1,154,564	\$21,392,466
Sands	\$19,374,407	-\$1,341	\$0	-\$1,341	-\$1,471,510	\$17,901,556
SJF Ventures	--	\$0	\$250,000	\$250,000	\$0	\$250,000
Wellington SMID	\$3,397,381	\$0	\$3,375,000	\$3,375,000	\$910,503	\$7,682,884
Total	\$175,109,944	-\$10,986,484	\$9,178,982	-\$1,807,503	-\$974,040	\$172,328,401



Total Fund Asset Allocation vs. Policy Targets



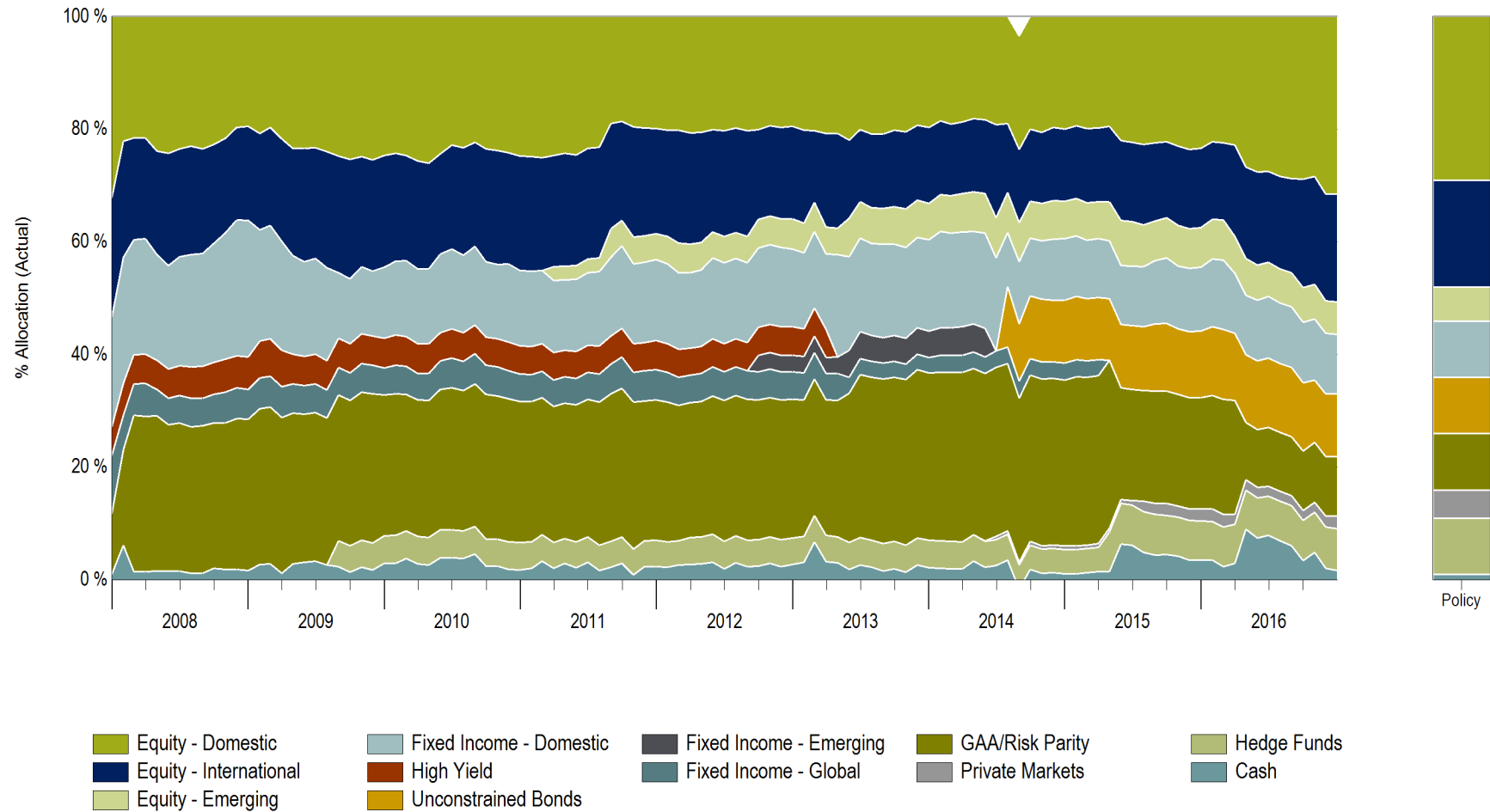
Asset Allocation vs. Target

	Current	Policy	Current	Policy Range	Within Range	Net Asset Allocation
Equity - Domestic	\$54,401,745	29.0%	31.6%	22.0% - 36.0%	Yes	32.1%
Equity - International	\$32,894,819	19.0%	19.1%	14.0% - 24.0%	Yes	18.9%
Equity - Emerging	\$9,937,948	6.0%	5.8%	3.0% - 9.0%	Yes	9.3%
Fixed Income - Domestic	\$18,300,152	10.0%	10.6%	5.0% - 15.0%	Yes	11.1%
High Yield						0.3%
Unconstrained Bonds	\$19,181,508	10.0%	11.1%	5.0% - 15.0%	Yes	11.1%
Fixed Income - Emerging						0.5%
GAA/Risk Parity	\$18,224,301	10.0%	10.6%	0.0% - 15.0%	Yes	--
Private Markets	\$3,786,873	5.0%	2.2%	0.0% - 10.0%	Yes	2.2%
Hedge Funds	\$12,836,739	10.0%	7.4%	0.0% - 15.0%	Yes	9.6%
Real Assets						0.9%
Cash	\$2,764,317	1.0%	1.6%	0.0% - 10.0%	Yes	4.0%
Total	\$172,328,401	100.0%	100.0%			100.0%

- On a look through basis, Domestic Equity is 32.1% of the fund, International Equity is 18.9% of the fund, and Emerging Market Equity is 9.3% of the fund.
- Dedicated hedge fund exposure is 7.4%, GMO has an Absolute Return allocation in their fund, increasing hedge fund exposure to 9.6%.
- Overall Fixed Income exposure is 23.0%, including GAA exposure. Dedicated Fixed income allocation has an intermediate duration.

Total Fund Asset Allocation History

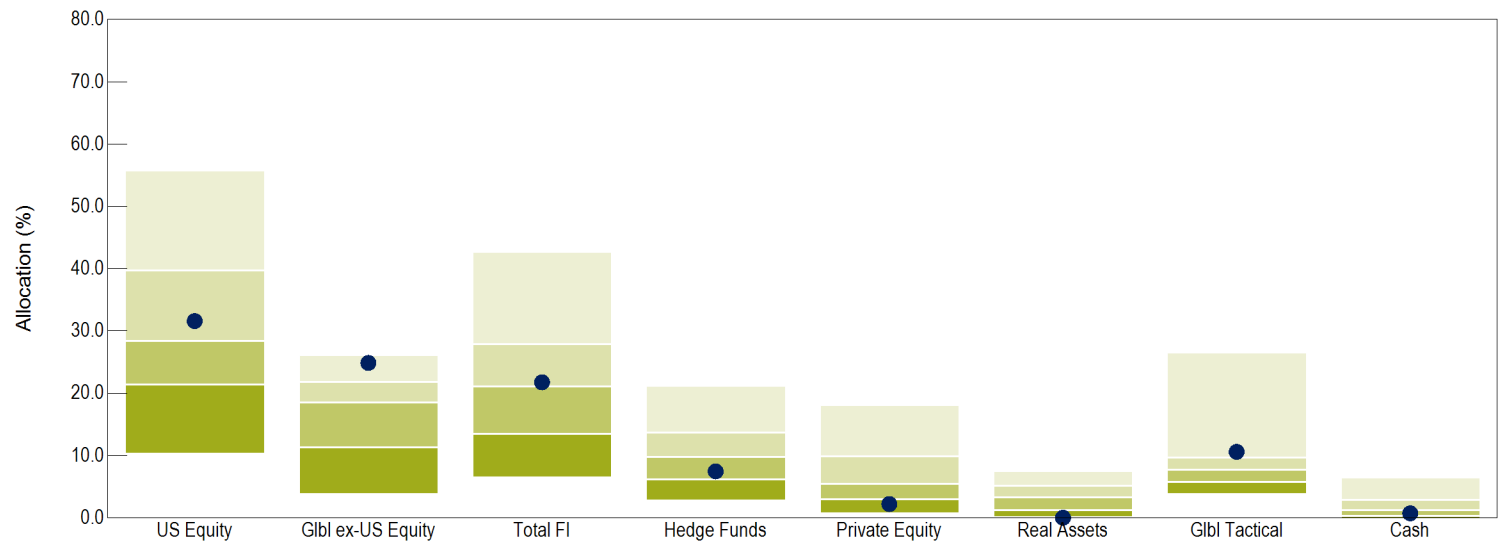
Asset Allocation History



Unitarian Universalist Common Endowment Fund, LLC

Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. InvestorForce All Endowment \$50mm-\$250mm Gross

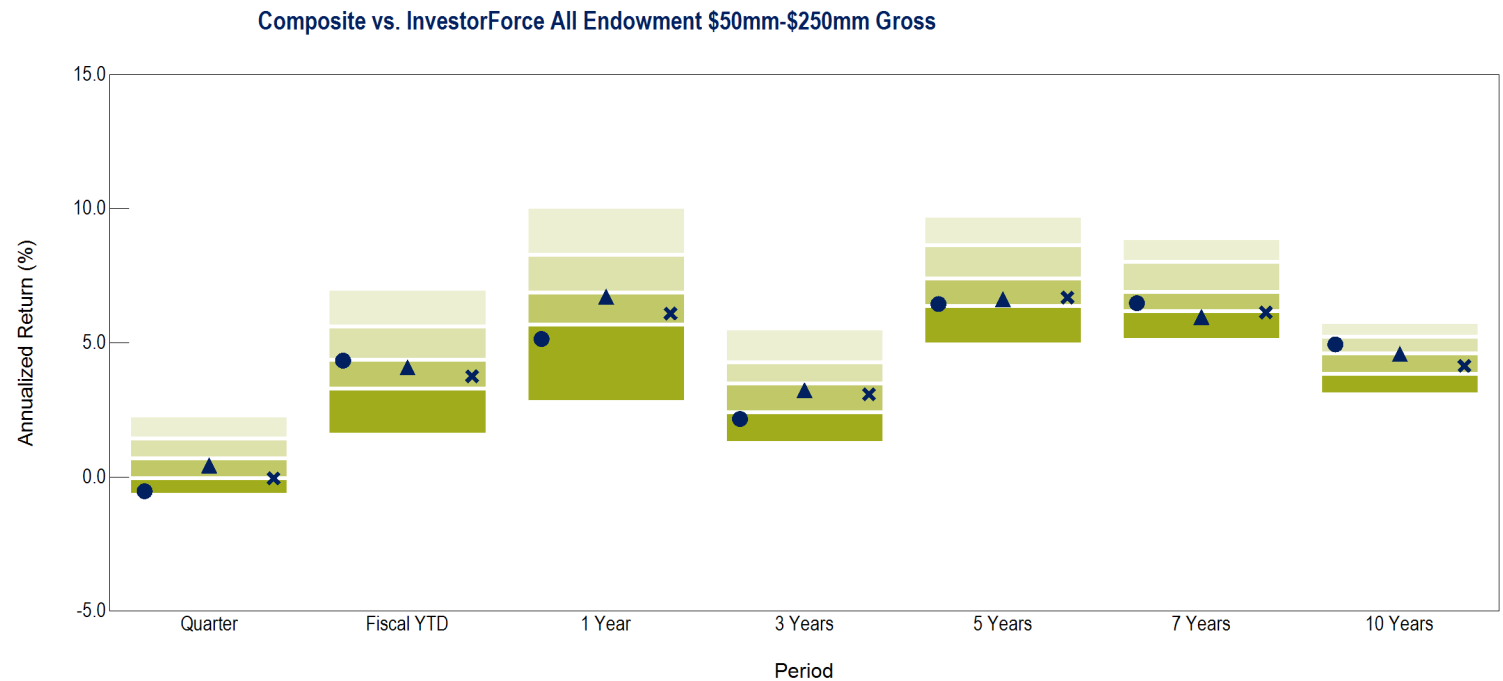


	Allocation (Rank)													
5th Percentile	55.7		26.1		42.7		21.2		18.1		7.5		26.6	
25th Percentile	39.8		22.0		27.9		13.8		10.0		5.2		9.8	
Median	28.5		18.6		21.2		9.8		5.5		3.4		7.8	
75th Percentile	21.5		11.4		13.5		6.3		3.1		1.3		5.8	
95th Percentile	10.4		4.0		6.6		2.9		0.8		0.2		3.9	
# of Portfolios	71		71		76		47		38		27		20	
• Composite	31.6	(42)	24.9	(11)	21.8	(47)	7.4	(71)	2.2	(92)	0.0	(99)	10.6	(16)

UUA Net Asset Allocation	32.1	28.2	23.0	9.6	2.2	0.9	-	4.0
---------------------------------	------	------	------	-----	-----	-----	---	-----

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Return Summary vs Peer Universe (Gross of Fees)



		Return (Rank)													
5th Percentile		2.3	7.0	10.1	5.5	9.7	8.9	5.8							
25th Percentile		1.4	5.6	8.3	4.3	8.6	8.0	5.2							
Median		0.7	4.4	6.9	3.5	7.4	6.9	4.6							
75th Percentile		0.0	3.3	5.7	2.4	6.4	6.2	3.8							
95th Percentile		-0.6	1.6	2.8	1.3	4.9	5.1	3.1							
# of Portfolios		80	80	79	73	64	59	54							
●	Composite	-0.5	(93)	4.3	(51)	5.1	(84)	2.2	(82)	6.4	(72)	6.5	(68)	4.9	(42)
▲	Allocation Index	0.4	(56)	4.1	(58)	6.7	(55)	3.2	(57)	6.6	(68)	6.0	(79)	4.6	(51)
×	Policy Index	-0.1	(77)	3.8	(68)	6.1	(67)	3.1	(59)	6.7	(67)	6.1	(77)	4.1	(66)

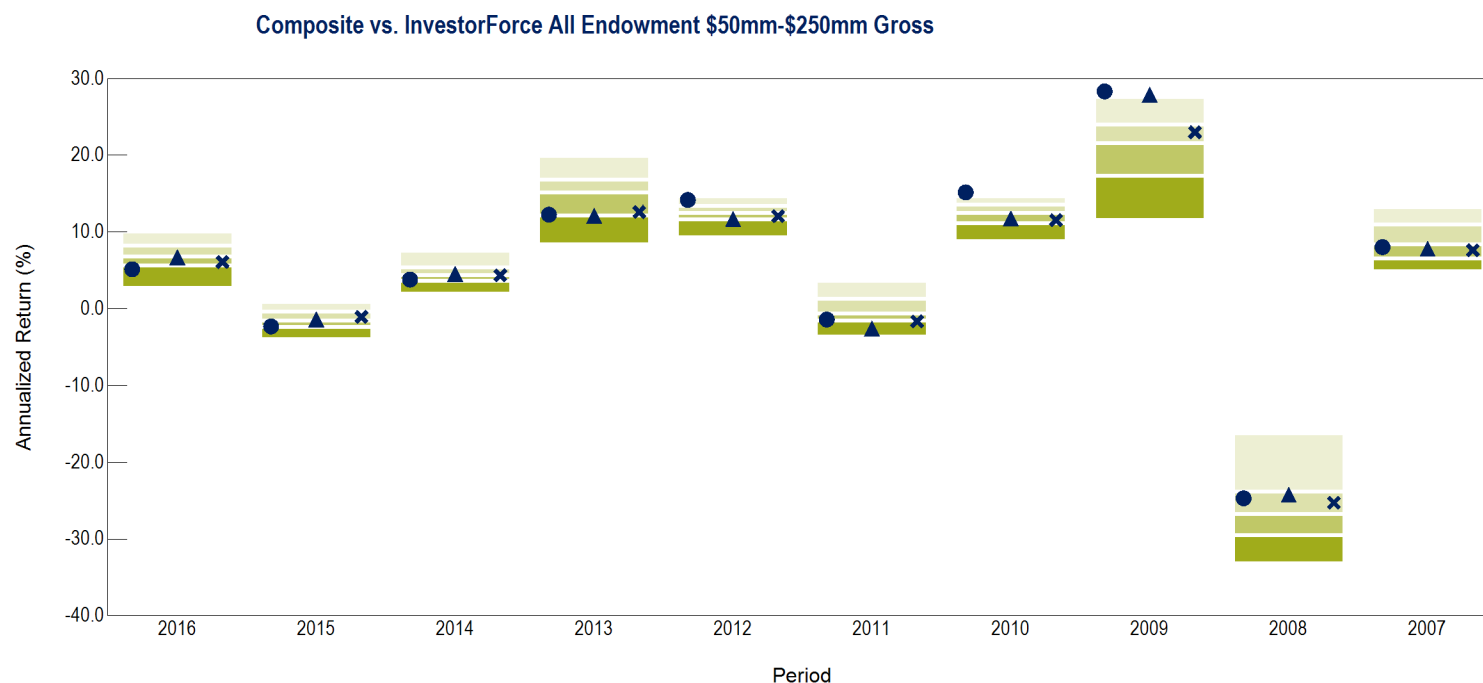
Fiscal Year End: 6/30



NEPC, LLC

December 31, 2016

Fund Return Summary vs Peer Universe (Gross of Fees)



	Return (Rank)									
5th Percentile	10.1	0.9	7.5	19.9	14.6	3.6	14.6	27.6	-16.3	13.2
25th Percentile	8.3	-0.3	5.5	16.9	13.4	1.3	13.7	24.1	-23.8	11.0
Median	6.9	-1.5	4.4	15.2	12.5	-0.6	12.5	21.6	-26.7	8.4
75th Percentile	5.7	-2.3	3.6	12.2	11.7	-1.5	11.2	17.3	-29.4	6.6
95th Percentile	2.8	-3.9	2.0	8.4	9.4	-3.6	8.8	11.6	-33.1	4.9
# of Portfolios	79	80	90	81	83	82	77	75	71	68
● Composite	5.1 (84)	-2.3 (76)	3.8 (74)	12.3 (74)	14.2 (11)	-1.4 (73)	15.2 (3)	28.3 (5)	-24.7 (31)	8.0 (56)
▲ Allocation Index	6.7 (55)	-1.4 (49)	4.5 (46)	12.1 (76)	11.7 (74)	-2.6 (88)	11.8 (65)	27.9 (5)	-24.2 (27)	7.8 (59)
× Policy Index	6.1 (67)	-1.1 (41)	4.4 (52)	12.6 (70)	12.1 (66)	-1.6 (79)	11.6 (67)	23.0 (36)	-25.3 (37)	7.6 (60)

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Composite	172,328,401	100.0	100.0	-0.8	3.8	4.0	1.1	5.4	5.4	3.9	5.6	Jul-02
Allocation Index				0.4	4.1	6.7	3.2	6.6	6.0	4.6	6.4	Jul-02
Policy Index				0.0	3.8	6.1	3.1	6.7	6.1	4.1	--	Jul-02
Domestic Equity Composite	54,401,745	31.6	29.0	0.6	8.3	6.6	5.3	13.9	13.6	8.3	9.5	Jul-02
Russell 3000				4.2	8.8	12.7	8.4	14.7	12.9	7.1	8.3	Jul-02
Rhumbline	21,392,466	12.4	10.5	5.7	9.9	17.7	8.7	14.3	12.5	6.2	6.9	Aug-05
Russell 1000 Value				6.7	10.4	17.3	8.6	14.8	12.7	5.7	7.1	Aug-05
Sands	17,901,556	10.4	10.5	-7.8	3.0	-8.2	1.4	13.2	13.8	10.1	9.8	Dec-03
Russell 1000 Growth				1.0	5.6	7.1	8.6	14.5	13.0	8.3	8.2	Dec-03
Pier Capital	7,424,838	4.3	4.0	-1.6	8.0	5.6	2.5	12.3	11.5	--	8.6	Apr-07
Russell 2000 Growth				3.6	13.1	11.3	5.1	13.7	13.2	7.8	7.7	Apr-07
Wellington SMID	7,682,884	4.5	4.0	10.7	14.5	--	--	--	--	--	17.0	Apr-16
Russell 2500 Value				9.3	16.1	25.2	8.2	15.0	13.5	6.9	21.2	Apr-16
International Equity Composite	42,832,767	24.9	25.0	-3.8	2.7	2.2	-2.7	3.8	1.3	-0.4	5.1	Jul-02
MSCI ACWI ex USA				-1.3	5.6	4.5	-1.8	5.0	2.9	1.0	6.2	Jul-02
MFS International Concentrated	12,438,935	7.2	7.0	-1.2	6.3	1.2	-1.6	--	--	--	2.4	Apr-13
MSCI EAFE				-0.7	5.7	1.0	-1.6	6.5	3.8	0.7	2.9	Apr-13
Boston Common	12,117,998	7.0	7.0	-3.6	3.0	0.3	-2.2	5.8	--	--	3.8	May-10
MSCI EAFE				-0.7	5.7	1.0	-1.6	6.5	3.8	0.7	4.2	May-10
Baxter Street	8,337,886	4.8	5.0	-3.1	4.4	--	--	--	--	--	3.4	Apr-16
MSCI ACWI ex USA				-1.3	5.6	4.5	-1.8	5.0	2.9	1.0	4.9	Apr-16
RBC Global Emerging Equity	9,937,948	5.8	6.0	-7.5	-3.0	--	--	--	--	--	-3.0	Jul-16
MSCI Emerging Markets				-4.2	4.5	11.2	-2.6	1.3	0.5	1.8	4.5	Jul-16
Fixed Income Composite	37,481,660	21.8	20.0	-0.7	0.4	3.9	2.8	3.7	4.9	5.1	4.5	Jul-02
BBgBarc US Aggregate TR				-3.0	-2.5	2.6	3.0	2.2	3.6	4.3	4.5	Jul-02
Breckinridge - Corporate	8,627,407	5.0	5.0	-2.1	-2.0	1.7	--	--	--	--	1.8	Nov-14
BBgBarc US Govt/Credit Int TR				-2.1	-1.9	2.1	2.1	1.8	3.0	3.8	1.5	Nov-14
Loomis Sayles Strategic Alpha	19,181,508	11.1	10.0	1.1	2.8	5.3	--	--	--	--	1.7	Aug-14
BBgBarc US Aggregate TR				-3.0	-2.5	2.6	3.0	2.2	3.6	4.3	2.2	Aug-14
3-Month LIBOR + 3%				1.0	1.9	3.8	3.4	3.4	3.4	4.2	3.5	Aug-14
IR&M SRI Core Bond Fund	9,672,745	5.6	5.0	-2.8	-2.3	3.2	--	--	--	--	1.1	Apr-15
BBgBarc US Aggregate TR				-3.0	-2.5	2.6	3.0	2.2	3.6	4.3	0.9	Apr-15

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
GTAA Composite	18,224,301	10.6	10.0	-1.2	2.3	4.5	0.8	4.1	4.6	--	4.0	Jan-08
65% MSCI ACWI (Net) / 35% BBgBarc Aggregate				-0.3	3.3	6.2	3.3	7.0	6.2	4.2	3.5	Jan-08
GMO Benchmark Free Allocation Fund	18,224,301	10.6	10.0	-1.2	2.3	3.4	0.1	4.0	4.1	--	3.5	Jan-08
65% MSCI World (Net) /35% BBgBarc Aggregate				0.2	3.5	5.9	3.7	7.6	6.8	4.3	3.9	Jan-08
CPI + 5% (Unadjusted)				1.2	2.6	7.2	6.2	6.4	6.7	6.9	6.6	Jan-08
Hedge Fund Composite	12,836,739	7.4	10.0	2.7	9.7	6.7	-0.9	2.9	2.9	--	4.4	Aug-09
HFRI Fund of Funds Composite Index				0.9	3.2	0.6	1.2	3.4	2.4	1.3	2.8	Aug-09
Entrust Capital Diversified Fund	7,305,884	4.2	5.0	-0.2	1.8	-1.7	-2.5	1.9	2.2	--	3.7	Aug-09
HFRI Fund of Funds Composite Index				0.9	3.2	0.6	1.2	3.4	2.4	1.3	2.8	Aug-09
Cevian Capital II	5,530,855	3.2	3.0	6.6	22.2	20.4	--	--	--	--	0.3	Apr-15
HFRX Event Driven Index				3.7	7.6	11.1	-0.3	3.7	2.1	1.0	1.1	Apr-15
MSCI EAFE				-0.7	5.7	1.0	-1.6	6.5	3.8	0.7	-2.6	Apr-15
Private Markets/Opportunistic	3,786,873	2.2	5.0	2.7	2.7	0.8	--	--	--	--	5.9	May-14
Private Markets Custom Benchmark				3.7	7.6	10.5	--	--	--	--	10.4	May-14
FEG Private Opportunties Fund	1,620,887	0.9										
Private Equity Benchmark												
Brockton Capital Fund III	1,915,986	1.1										
NCREIF Property Index												
SJF Ventures	250,000	0.1										
Private Equity Benchmark												
Community Development	1,532,482	0.9	1.0	0.1	0.5	1.0	1.1	1.3	1.4	--	1.7	Jul-07
91 Day T-Bills				0.1	0.2	0.3	0.1	0.1	0.1	0.7	0.4	Jul-07
Cash	1,231,835	0.7	0.0									

Fiscal Year End: 6/30

GMO Benchmark Free Allocation Fund from May 2013, returns are for the GMO Global Balanced Fund.

Private Markets Custom Benchmark consists of Cambridge Associates US Private Equity Index prior to 4/1/2015 and Cambridge Associates Global All Private Equity Vintage Year 2013+ 1 Qtr Lag benchmark post 4/1/2015.

Year 2013+ 1 Qtr Lag benchmark post 4/1/2015.

Cash market Value includes \$824,189.33 adjustment for pending capital additions into the UUA Endowment Fund.

Unitarian Universalist Association of Congregations

Performance Analysis

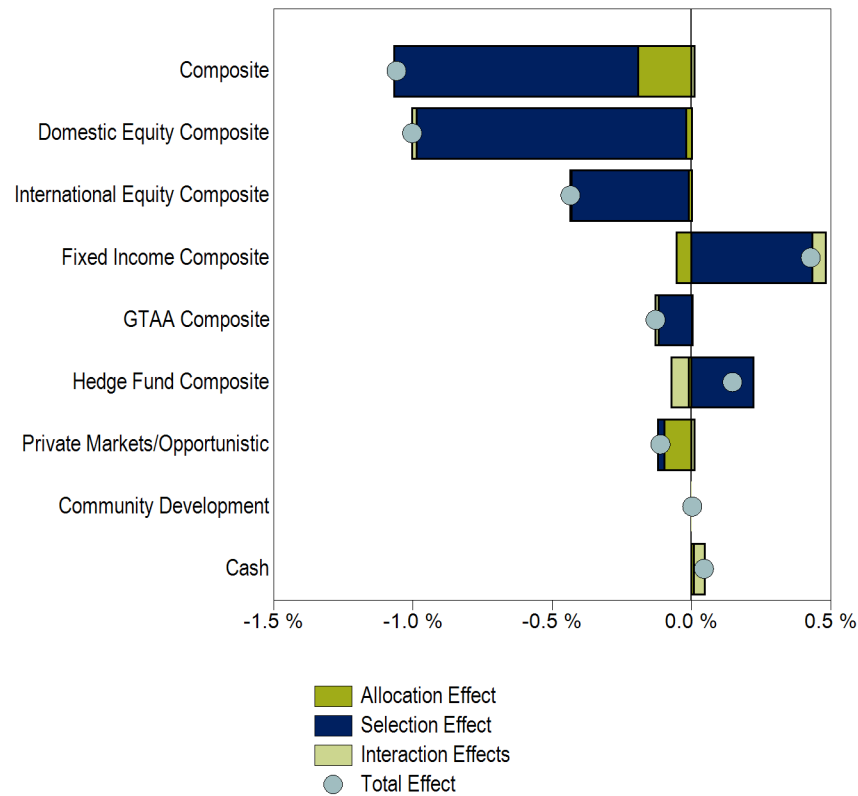
9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Brockton Capital Fund III	2015	4,449,197	1,544,118	2,905,078	16,095	0	992,901	992,901	-567,312	35%	0.00	0.64	-28.04%
2 FEG Private Opportunities Fund	2012	2,000,000	1,777,000	223,000	2,707	472,647	1,620,887	2,093,534	313,827	89%	0.27	1.18	7.63%
3 SJF Ventures IV	2016	2,500,000	0	2,500,000	0	0		0	0	0%	0.00	0.00	N/A
Total: Unitarian Universalist Association of Congregations		8,949,197	3,321,118	5,628,078	18,802	472,647	2,613,788	3,086,435	-253,485	37%	0.14	0.92	-4.47%

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Attribution Analysis (Gross of Fees)

Attribution Effects Relative to Policy Index
3 Months Ending December 31, 2016



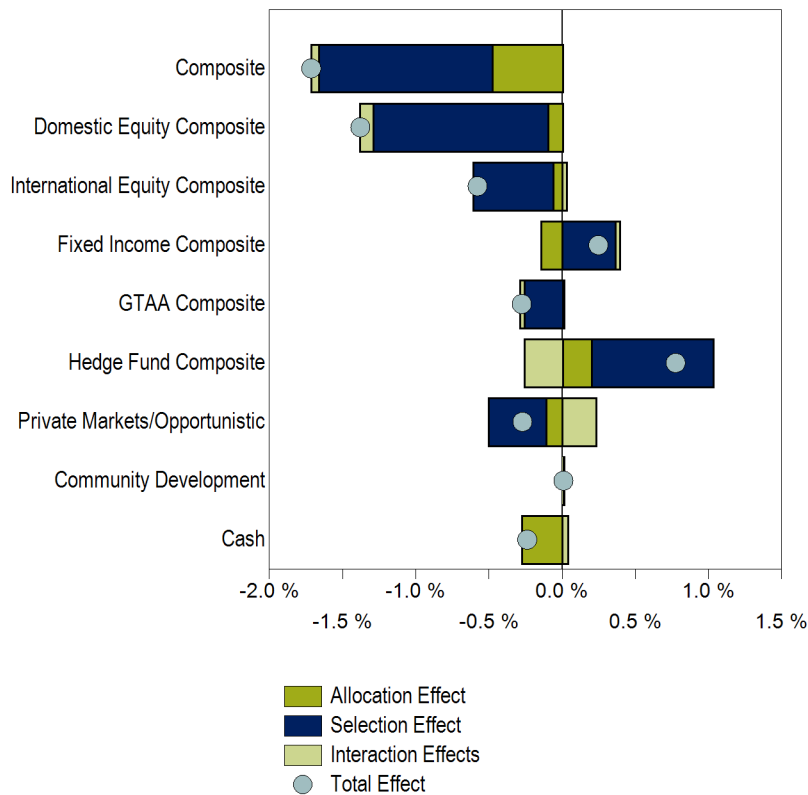
Attribution Summary
3 Months Ending December 31, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	0.7%	4.1%	-3.4%	-1.0%	0.0%	0.0%	-1.0%
International Equity Composite	-3.6%	-2.0%	-1.6%	-0.4%	0.0%	0.0%	-0.4%
Fixed Income Composite	-0.6%	-2.7%	2.2%	0.4%	-0.1%	0.0%	0.4%
GTAA Composite	-1.0%	0.2%	-1.2%	-0.1%	0.0%	0.0%	-0.1%
Hedge Fund Composite	3.0%	0.9%	2.2%	0.2%	0.0%	-0.1%	0.1%
Private Markets/Opportunistic	3.3%	3.7%	-0.4%	0.0%	-0.1%	0.0%	-0.1%
Community Development	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	2.0%	0.1%	1.9%	0.0%	0.0%	0.0%	0.0%
Total	-0.6%	0.4%	-1.1%	-0.9%	-0.2%	0.0%	-1.1%

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Attribution Analysis (Gross of Fees)

Attribution Effects Relative to Policy Index
1 Year Ending December 31, 2016



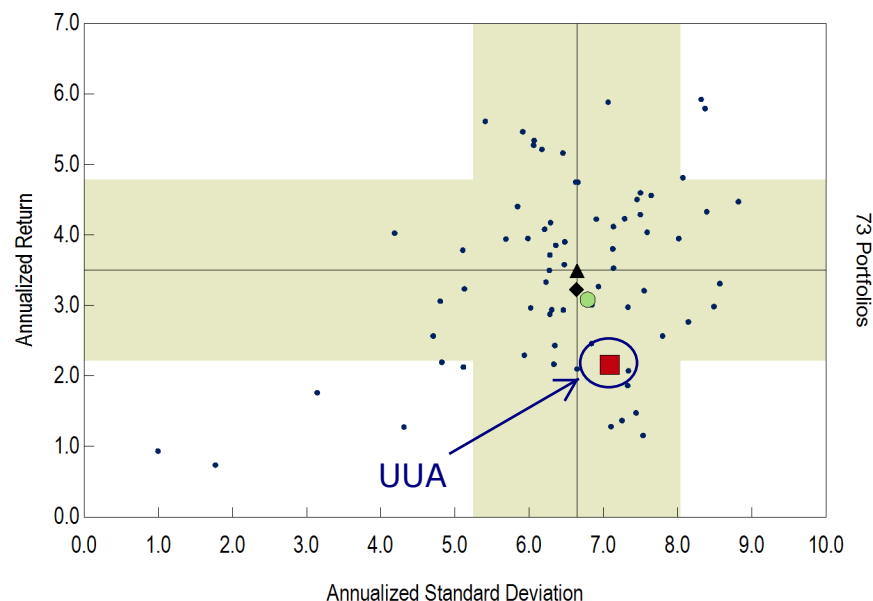
Attribution Summary
1 Year Ending December 31, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	7.2%	12.5%	-5.4%	-1.2%	0.0%	-0.1%	-1.3%
International Equity Composite	2.9%	4.8%	-1.8%	-0.5%	-0.1%	0.0%	-0.6%
Fixed Income Composite	4.3%	2.5%	1.8%	0.4%	-0.1%	0.0%	0.2%
GTAA Composite	5.0%	6.9%	-1.9%	-0.3%	0.0%	0.0%	-0.3%
Hedge Fund Composite	8.3%	0.5%	7.8%	0.8%	0.2%	-0.3%	0.8%
Private Markets/Opportunistic	2.7%	10.5%	-7.8%	-0.4%	-0.1%	0.2%	-0.3%
Community Development	1.0%	0.3%	0.7%	0.0%	0.0%	0.0%	0.0%
Cash	1.9%	0.3%	1.6%	0.0%	-0.3%	0.0%	-0.3%
Total	5.1%	6.9%	-1.8%	-1.2%	-0.5%	-0.1%	-1.8%

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Risk/Return (Gross of Fees)

3 Years Ending December 31, 2016

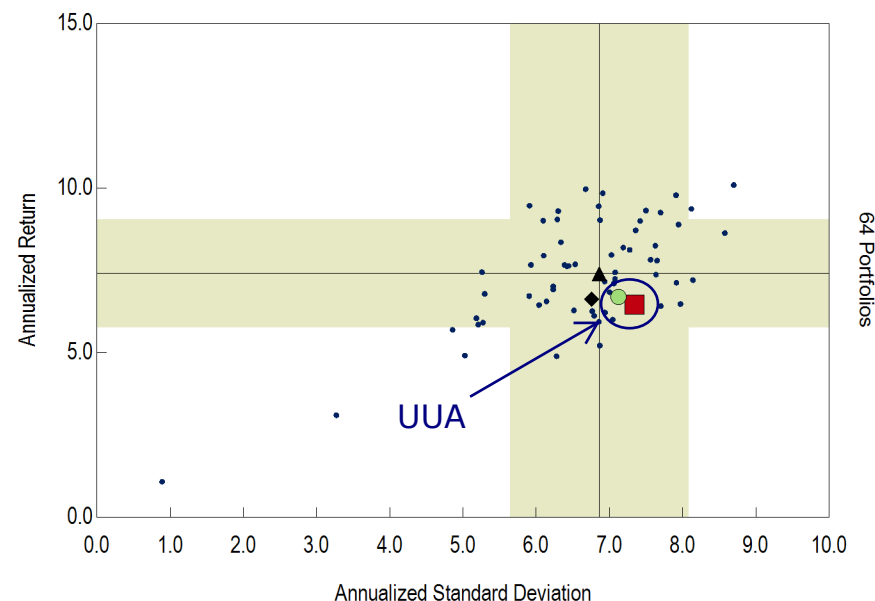


- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

3 Years Ending December 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	2.16%	82	7.09%	63	0.29	89	-0.88	94
Allocation Index	3.23%	57	6.64%	50	0.47	61	--	--
Policy Index	3.08%	59	6.79%	53	0.44	65	-0.32	71

5 Years Ending December 31, 2016



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

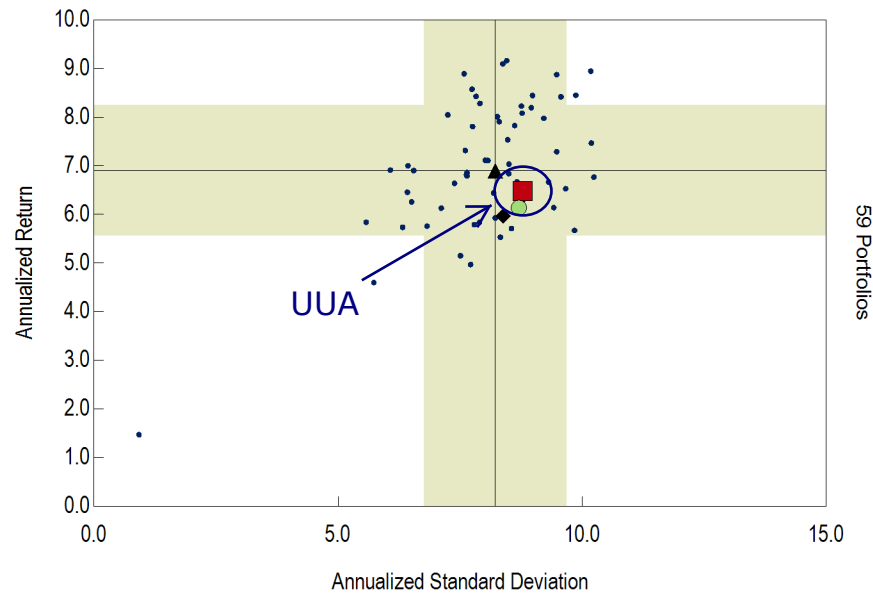
5 Years Ending December 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	6.44%	72	7.34%	73	0.86	90	-0.15	69
Allocation Index	6.62%	68	6.76%	45	0.96	73	--	--
Policy Index	6.69%	67	7.12%	68	0.93	79	0.12	55

Unitarian Universalist Common Endowment Fund, LLC

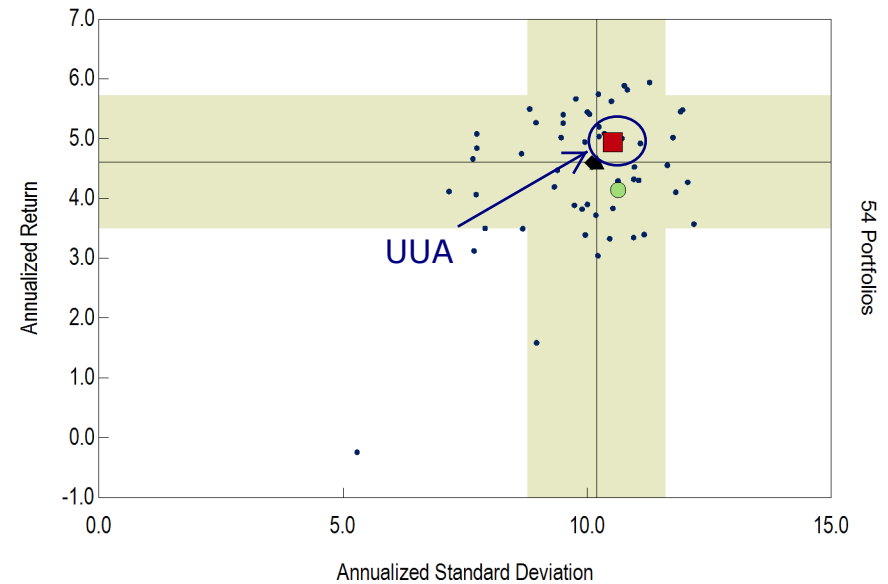
Total Fund Risk/Return (Gross of Fees)

7 Years Ending December 31, 2016



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

10 Years Ending December 31, 2016



- Composite
- ◆ Allocation Index
- Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All Endowment \$50mm-\$250mm Gross

7 Years Ending December 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	6.48%	68	8.78%	75	0.73	80	0.39	37
Allocation Index	5.96%	79	8.39%	58	0.70	87	--	--
Policy Index	6.13%	77	8.71%	71	0.69	87	0.26	42

10 Years Ending December 31, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	4.94%	42	10.53%	66	0.41	45	0.23	39
Allocation Index	4.59%	51	10.10%	48	0.39	53	--	--
Policy Index	4.14%	66	10.64%	69	0.33	72	-0.33	90

Unitarian Universalist Common Endowment Fund, LLC

Total Fund Risk Statistics

3 Years Ending December 31, 2016

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	100.00%	2.16%	82	7.09%	63	0.29	89	-0.88	94
Allocation Index	--	3.23%	57	6.64%	50	0.47	61	--	--
Domestic Equity Composite	31.57%	5.84%	75	12.53%	53	0.46	72	-0.67	86
Russell 3000	--	8.43%	40	11.04%	26	0.75	30	--	--
International Equity Composite	24.86%	-2.03%	81	12.45%	59	-0.17	80	-0.11	83
MSCI ACWI ex USA	--	-1.78%	76	12.69%	65	-0.15	74	--	--
Fixed Income Composite	21.75%	3.23%	36	2.16%	7	1.44	11	0.09	35
BBgBarc US Aggregate TR	--	3.03%	39	3.02%	18	0.96	32	--	--
GTAA Composite	10.58%	1.36%	97	6.38%	19	0.19	95	-0.74	99
65% MSCI ACWI (Net) / 35% BBgBarc Aggregate	--	3.25%	87	7.32%	52	0.43	86	--	--
Hedge Fund Composite	7.45%	0.50%	75	8.84%	89	0.04	76	-0.11	67

5 Years Ending December 31, 2016

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Info Ratio	Rank
Composite	100.00%	6.44%	72	7.34%	73	0.86	90	-0.15	69
Allocation Index	--	6.62%	68	6.76%	45	0.96	73	--	--
Domestic Equity Composite	31.57%	14.45%	52	12.40%	57	1.16	58	-0.06	52
Russell 3000	--	14.67%	47	10.65%	21	1.37	23	--	--
International Equity Composite	24.86%	4.51%	95	13.00%	49	0.34	94	-0.23	96
MSCI ACWI ex USA	--	5.00%	92	13.35%	69	0.37	91	--	--
Fixed Income Composite	21.75%	4.14%	36	3.22%	18	1.26	30	0.79	28
BBgBarc US Aggregate TR	--	2.23%	61	2.91%	13	0.73	49	--	--
GTAA Composite	10.58%	4.62%	99	6.57%	25	0.69	98	-0.88	99



Appendix

Glossary of Terms

The calculation methodology for each measure of performance is outlined below.

Measurement	Description	Equation
Policy Target	Measures policy allocation decisions.	= TARGET ASSET WEIGHTS X INDEX RETURNS
Allocation Index	Measures actual allocation decisions. Deviations from the policy target can be derived. (Allocation Index – Policy Index)	= ACTUAL ASSET WEIGHTS X INDEX RETURNS
Composite (Total Return)	Measures actual performance and can derive active management decisions. (Composite – Allocation Index)	= ACTUAL ASSET WEIGHTS X ACTUAL RETURNS

The calculation methodology for each measure of attribution is outlined below.

Measurement	Description	Equation
Allocation Effect	Measure the effects of overweighting or underweighting managers and asset classes.	= (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT) X POLICY INDEX RETURN
Selection Effect	Measures the managers' ability to add excess return relative to the policy index.	= (ACTUAL MANAGER RETURN – INDEX RETURN) X POLICY TARGET WEIGHT
Interaction Effect	Measures the cross correlation of both selection and allocation effects and is often referred to as an "error term".	= (ACTUAL MANAGER RETURN X (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT)) – ((MANAGER WEIGHT – POLICY TARGET WEIGHT) X INDEX RETURN)

Glossary of Terms

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:

$$\frac{(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})}{\text{To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.}}$$

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:

$$\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$$
 Where X = Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:

$$(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$$

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:

$$\text{Tracking Error} = \text{Standard Deviation } (X-Y) * \sqrt{(\# \text{ of periods per year})}$$
 Where X = periods portfolio return and Y = the period's benchmark return
 For monthly returns, the periods per year = 12
 For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:

$$(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$$

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

$$\text{Upside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return}) \text{ when Period Benchmark Return is } > = 0$$

$$\text{Downside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return}) \text{ when Benchmark } < 0$$

Data Source: InvestorForce



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It is important to note the following characteristics of many non-traditional investment strategies including hedge funds and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment.
2. Leverage and other speculative practices may increase the risk of loss.
3. Past performance may be revised due to the revaluation of investments .
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms.
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value.
6. These funds are not subject to the same regulatory requirements as registered investment vehicles.
7. Managers are not required to provide periodic pricing or valuation information to investors.
8. These funds may have complex tax structures and delays in distributing important tax information.
9. These funds often charge high fees.
10. Limited partnership agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy.