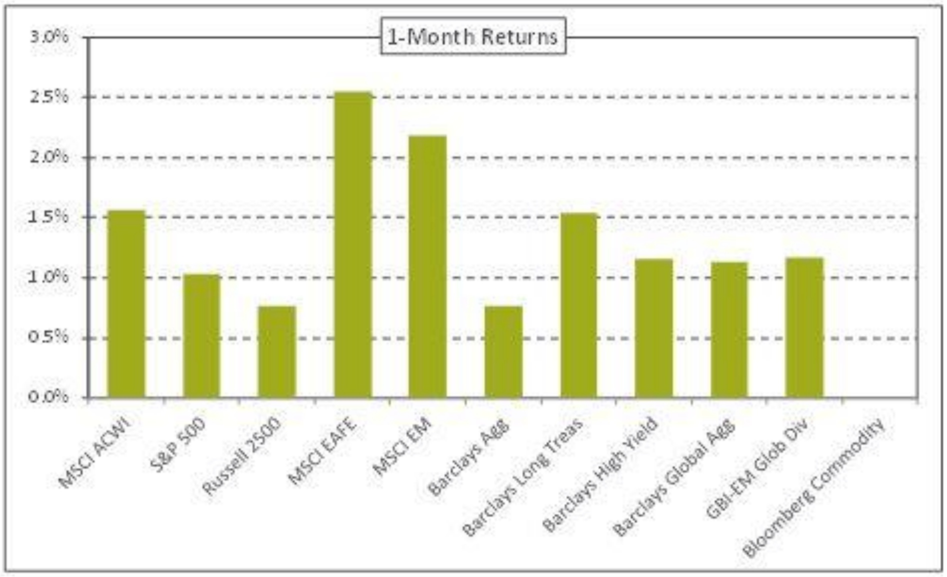
Unitarian Universalist Common Endowment Fund

	Monthly Market Commentary for April 2017						
			Last Month	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks	S&P 500		1.0%	7.2	17.9	10.5	13.7
	S&P Mid Cap 400		0.8%	4.8	20.5	10.2	13.6
	Russell 2000		1.1%	3.6	25.6	9.0	13.0
Domestic Bonds	Barclays Aggregate		0.8%	1.6	0.8	2.7	2.3
	High Yield Bonds		1.2%	3.9	13.3	4.7	6.8
	91-Day T-Bills		0.1%	0.2	0.4	0.2	0.1
Non-US Stocks	MSCI EAFE (Net)		2.5%	10.0	11.3	0.9	6.8
	MSCI Emerg Mkts (Net)		2.2%	13.9	19.1	1.8	1.5
Global Bonds	Citi World Gov't		1.3%	2.9	-3.6	-1.1	-0.6

Global equities continued their steady march upwards in April, driven by a positive uptick in economic indicators and moderating geopolitical concerns. Non-US stocks led the charge with international developed equities posting gains of 2.5%, propelled by a late-month rally in Europe as investors took comfort in Emmanuel Macron's lead in France's presidential election. Emerging market stocks were up 2.2% with robust manufacturing data and a stronger Korean won contributing to gains. US equities, while lagging their international counterparts year-to-date, were in the black with the S&P 500 returning 1.0% in April, as strong corporate earnings offset a lukewarm first quarter GDP growth estimate of 0.7%.

Investors priced in a more dovish Fed as focus shifted to how the central bank may unwind its balance sheet as a primary mechanism for tightening monetary policy. The 10-year Treasury rate dropped 11 basis points to 2.29%, leading to broad gains in US fixed income. The Barclays US Aggregate Bond Index was up 0.8% on the month. The Barclays US High Yield Index returned 1.2% as index level spreads compressed to 371 basis points. Improving economic fundamentals and easing fears around an interruption in global trade spurred gains of 1.6% in emerging market debt, according to the JP Morgan GBI-EM Global Diversified Index. The Bloomberg Commodity Index declined 1.6% on the month as a resurgence in US oil production and lower domestic demand for gasoline offset efforts by the OPEC to limit global production.

As markets continue to show resilience, we maintain a positive outlook towards international assets, and recommend an overweight position in developed and emerging market equities where we are leaning towards small-cap securities. At home, high valuations in equities and tight spreads in credit limit our enthusiasm. We believe spread compression has taken the luster off high-yield debt. To this end, we recommend alternative income investments such as bank loans or dynamic credit strategies.



As of 04/30/2017, Source: Bloomberg

[Commentary courtesy of New England Pension Consultants (NEPC). UUCEF has a consultancy agreement with NEPC to assist in the oversight of investment managers and provide other advisory services to the UUCEF Investment Committee. NEPC® is an independent, full service investment consulting firm, providing asset allocation, manager search, performance evaluation and investment policy services to middle and upper market institutional investment programs.]