Unitarian Universalist Common Endowment Fund

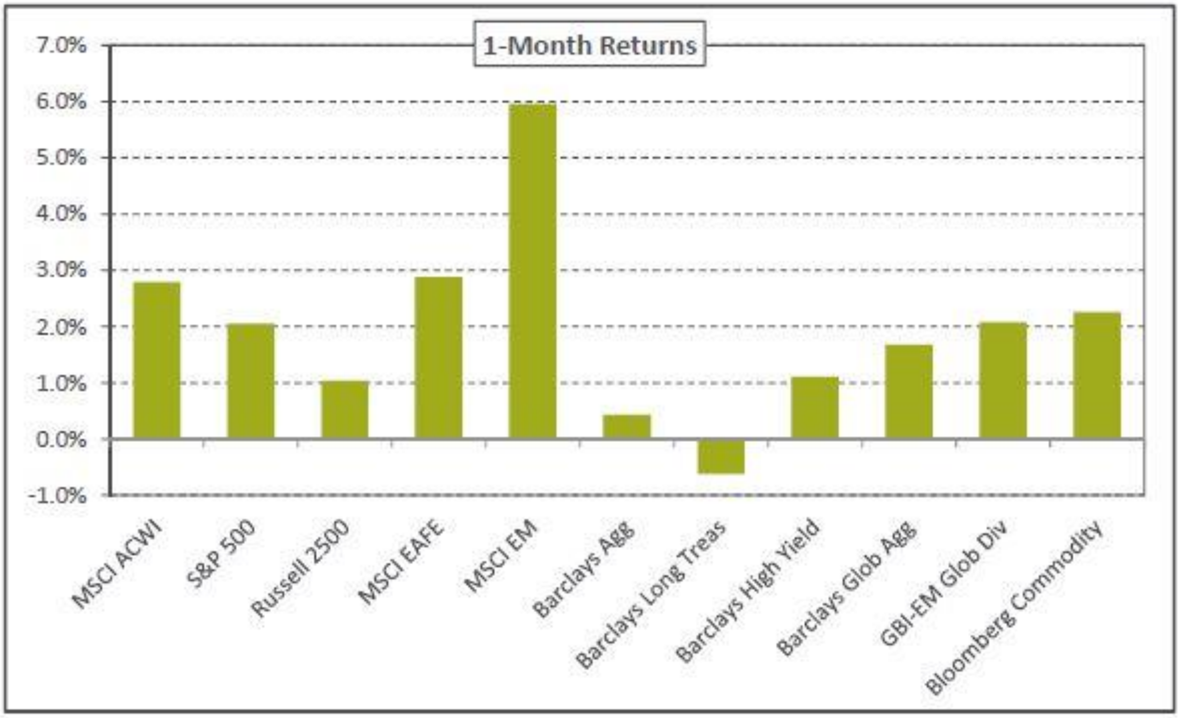
	Monthly Market Commentary for July 2017					
		Last Month	**YTD**	**Last Year**	**Last 3 Years**	**Last 5 Years**
Domestic Stocks	S&P 500	2.1%	11.6	16.0	10.9	14.8
	S&P Mid Cap 400	0.9%	6.9	14.7	10.4	15.1
	Russell 2000	0.7%	5.8	18.5	9.9	14.2
Domestic Bonds	Barclays Aggregate	0.4%	2.7	-0.5	2.7	2.0
	High Yield Bonds	1.1%	6.1	10.9	5.3	6.7
	91-Day T-Bills	0.1%	0.5	0.6	0.3	0.2
Non-US Stocks	MSCI EAFE (Net)	2.9%	17.1	17.8	2.8	9.1
	MSCI Emerg Mkts (Net)	6.0%	25.5	24.8	2.4	4.8
Global Bonds	Citi World Gov't	1.9%	6.4	-2.9	-0.1	0.0

Global equities got another solid month under their belt with emerging markets still leading the way in July. The MSCI EM Index gained 6.0% and was bolstered by dovish comments from the Federal Reserve. Non-US developed market stocks were in the black at 2.9%, according to the MSCI EAFE Index, amid a growth recovery in Europe. US equities also fared well as early indications of another robust earnings season propelled gains of 2.1% for the S&P 500 and 0.7% for the Russell 2000 indices. So far this year, the MSCI EM Index has returned 25.5% and the MSCI EAFE 17.1%, soundly beating the S&P 500’s 11.6% performance.

US fixed-income returns were mostly modestly positive in July as the Treasury curve oscillated – increasing at the front- and back-ends, and staying flat at the 10-year point. The Barclays US Aggregate Bond Index returned 0.4% with most gains coming from credit and mortgage-backed securities. The Barclays US Long Treasury Index declined 0.6% amid a slight uptick in yields towards the end of the month. US credit continued to rally as spreads compressed further with the Barclays US High Yield Index returning 1.1%.

In commodities, WTI Crude prices touched $50, a first since May. This, combined with rising copper and iron ore prices, fueled gains of 2.3%, according to the Bloomberg Commodity Index.

So far, 2017 has been marked by low volatility and soaring equities. Despite relative outperformance year-to-date we maintain our overweight recommendation in international equities. In fixed income, we continue to see shrinking opportunities in credit market; we believe investors with dedicated high-yield mandates should consider reducing their allocation in favor of other risk assets. Most importantly, we remind clients to remain committed to a risk-balanced approach in this period of low volatility and extended equity rally.



[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.]