Unitarian Universalist Common Endowment Fund

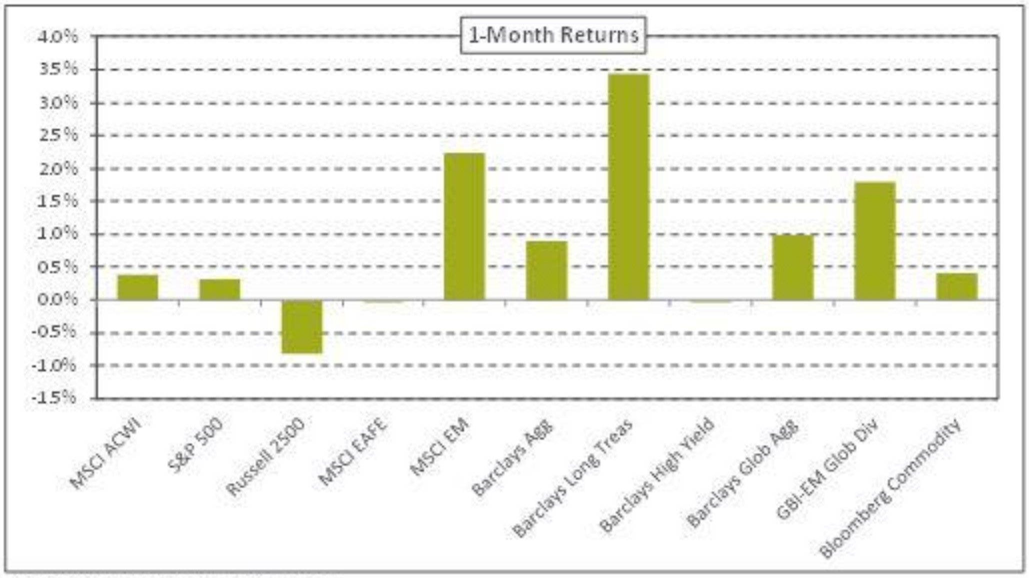
	Monthly Market Commentary for August 2017						
			Last Month	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks	S&P 500		0.3%	11.9	16.2	9.5	14.3
	S&P Mid Cap 400		-1.5%	5.3	12.4	8.1	14.0
	Russell 2000		-1.3%	4.4	14.9	7.7	13.2
Domestic Bonds	Barclays Aggregate		0.9%	3.6	0.5	2.6	2.2
	High Yield Bonds		0.0%	6.1	8.6	4.8	6.5
	91-Day T-Bills		0.1%	0.5	0.7	0.3	0.2
Non-US Stocks	MSCI EAFE (Net)		0.0%	17.0	17.6	2.8	8.5
	MSCI Emerg Mkts (Net)		2.2%	28.3	24.5	2.4	5.3
Global Bonds	Citi World Gov't		1.2%	7.7	-0.9	0.2	0.1

Global equities closed out August in the black with emerging markets continuing to lead the charge. The MSCI EM Index increased 2.2%, bolstered by a weak dollar and positive economic data out of China. With nine consecutive months of gains under its belt, the benchmark has returned 28.3% so far this year. At home, the S&P 500 eked out a gain of 0.3% last month, up 11.9% for the year. The MSCI EAFE ended the month flat but maintains its lead over domestic equities with year-to-date returns of 17%.

In fixed income, the 10-year Treasury yield stood at 2.12%, falling 18 basis points from the beginning of August. As a result, long-duration fixed-income debt turned in a solid performance with the Barclays Long Treasury Index increasing 3.4% and the Barclays Long Credit Index up 1.5%. Emerging market bonds gained 1.8%, according to the JPM Morgan GBI-EM Global Diversified Index, on the back of a stronger Russian ruble.

The VIX, a barometer of market volatility, rose 3.2% to 10.59 in August amid growing concerns around North Korea's aggressive buildup of nuclear arsenal; gold, typically a safe haven asset, touched a one-year high as prices jumped 4.1%.

As summer comes to an end, the winds of change are yet to affect markets, which have been marked by a low-volatility and equity-friendly environment so far this year. At NEPC, we maintain our preference of international equities over domestic stocks. In fixed income, we reiterate reducing credit in favor of other risk assets. Finally, we remind clients to remain committed to a risk-balanced approach and to evaluate market opportunities should short-term dislocations occur as a result of escalating international tensions.



As of 8/31/2017, 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.]