

Unitarian Universalist Common Endowment Fund

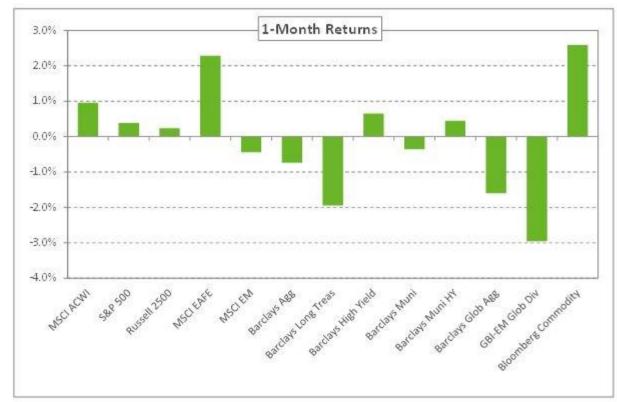
	Monthly Market Commentary for April 2018					
		Last Month	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks	S&P 500	0.4%	-0.4	13.3	10.6	13.0
	S&P Mid Cap 400	-0.3%	-1.0	9.8	9.4	11.8
	Russell 2000	0.9%	0.8	11.5	9.6	11.7
Domestic Bonds	Barclays Aggregate	-0.7%	-2.2	-0.3	1.1	1.5
	High Yield Bonds	0.7%	-0.2	3.3	5.0	4.8
	91-Day T-Bills	0.1%	0.5	1.2	0.6	0.4
Non-US Stocks	MSCI EAFE (Net)	2.3%	0.7	14.5	4.9	5.9
	MSCI Emerg Mkts (Net)	-0.4%	1.0	21.7	6.0	4.7
Global Bonds	Citi World Gov't	-1.9%	0.6	5.1	2.4	0.6

Volatility continued to roil markets in April as trade tensions escalated between the US and China. However, developed market equities still ended the month in the black amid a stronger than expected earnings season; the S&P 500 Index returned 0.4% and the MSCI EAFE Index gained 2.3% for the month.

Within fixed income, the specter of rising inflation weighed on global bond prices with the 10-year Treasury hitting 3% in April – a first since 2014. Meanwhile, the German 10-year Bund rose six basis points to 0.56% and Japanese 10-year sovereign debt increased a basis point to 0.06%. As a result, fixed income was broadly negative for the month with the Barclays US Treasury and Barclays Credit indexes down 0.8% and 0.9%, respectively. Outside the US, the JPM GBI-EM Index declined 3.0% with local currencies weakening relative to the US dollar. In contrast, high-yield spreads narrowed, resulting in a 0.7% return for the Barclays High Yield Index.

Liquid real assets fared well in April with the WTI Crude Oil Spot Index increasing 5.6% as OPEC production cuts and geopolitical instability in some oil-producing regions soaked up excess oil inventories. Additionally, the Alerian MLP Index increased 8.1% for the month as fund flows and improving sentiment helped reverse the prior month's sharp decline.

Despite the expectation for continued near-term volatility, NEPC's views remain broadly unchanged as strong growth and fundamentals form the underpinnings of our positive outlook on international and emerging stocks. Furthermore, we encourage the addition of safe-haven fixed-income exposure to mitigate potential market drawdowns and recommend maintaining a diversified risk-balanced portfolio. We also remind investors to evaluate market opportunities, particularly in the event of a more significant short-term dislocation.



As of 04/30/2018, 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.]