



Unitarian Universalist Common Endowment Fund

Monthly Market Commentary for October 2025

		Month	QTR TD	Calendar YTD	One Year	Three Years	Five Years
Domestic Stocks	S&P 500	2.3%	2.3	17.5	21.5	22.7	17.6
	Russell 2000	1.8%	1.8	12.4	14.4	11.9	11.5
Domestic Bonds	Bloomberg Aggregate	0.6%	0.6	6.8	6.2	5.6	-0.2
	Bloomberg High Yield	0.2%	0.2	7.4	8.2	10.2	5.5
Non-US Stocks	MSCI EAFE	1.2%	1.2	26.6	23.0	20.1	12.3
	MSCI Emerging Mkts	4.2%	4.2	32.9	27.9	21.1	7.5
Global Bonds	Bloomberg Global Agg	-0.3%	-0.3	7.6	5.7	5.6	-1.6

Global equities continued their stellar run in October with technology stocks driving markets higher across the world. During this period, the MSCI Emerging Markets Index led the way with returns of 4.2% with strong support from Taiwanese and South Korean equity markets. The S&P 500 gained 2.3% in October, benefitting from another strong earnings season and the technology sector. A stronger U.S. dollar diminished the performance of the MSCI EAFE Index, which returned 1.2% for the month; meanwhile, the dollar hedged EAFE Index was up 3.4%.

Meanwhile, fixed-income markets stood their ground last month in the face of a handful of high-profile corporate bankruptcies, and dampening sentiment fueled by Federal Reserve Chair Jerome Powell’s comments that an additional rate cut in December is “not a foregone decision.” The comments, on the back of a 25-basis points rate cut by the Federal Open Market Committee that lowered the fed funds rate to 4%, took investors by surprise as many had priced in one more cut before the end of the year. Municipal bond indexes led performance, while credit indexes lagged but remained on positive territory as high-yield spreads rose a modest 14 basis points with investors shrugging off the corporate bankruptcies as isolated events.

Elsewhere, real assets were largely in the red in October, while the Bloomberg Commodity Index was positive, bolstered by natural gas prices. Oil prices continued to fall during the month, with WTI oil down 16.4% for the year. Continuing its winning streak, gold was up 3.7% last month, bringing year to date gains to 52.5%.

Given the recent market dynamics, we encourage investors to remain disciplined and stick to long-term strategic asset allocation targets. The U.S. government shutdown and the associated lack of economic data may fuel market volatility until greater clarity emerges around the trajectory of the economy and the Federal Reserve’s near-term monetary policy. As a result, we recommend investors hold adequate liquidity for cash flow needs, underweight non-investment grade public debt, and maintain equity exposure in line with policy targets.