

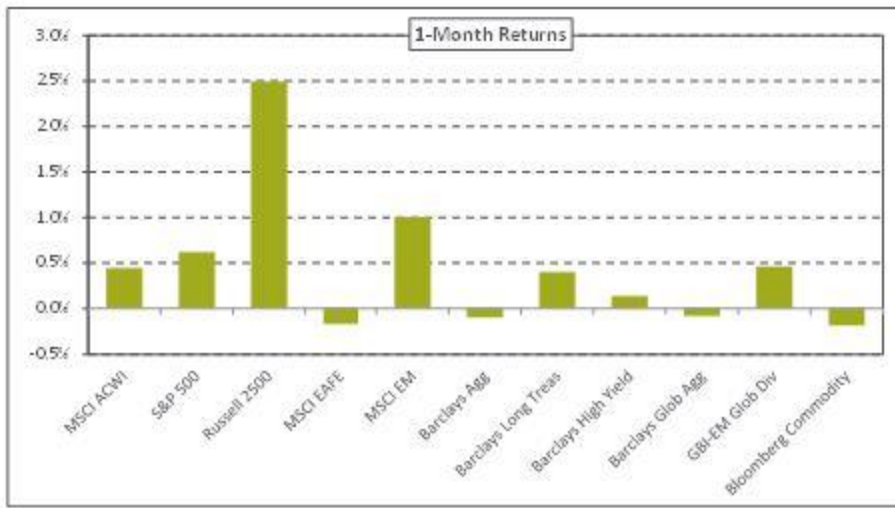


Monthly Market Commentary for June 2017							
		Last Month	Last QTR	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks	S&P 500	.6%	3.1	9.3	17.9	9.6	14.6
	S&P Mid Cap 400	1.6%	2.0	6.0	18.6	8.5	14.9
	Russell 2000	3.5%	2.5	5.0	24.6	7.4	13.7
Domestic Bonds	Barclays Aggregate	-0.1%	1.4	2.3	-0.3	2.5	2.2
	High Yield Bonds	0.1%	2.2	4.9	12.7	4.5	6.9
	91-Day T-Bills	0.1%	0.2	0.4	0.5	0.2	0.2
Non-US Stocks	MSCI EAFE (Net)	-0.2%	6.1	13.8	20.3	1.1	8.7
	MSCI Emerg Mkts (Net)	1.0%	6.3	18.4	23.7	1.1	4.0
Global Bonds	Citi World Gov't	-0.1%	2.9	4.5	-4.1	-1.0	-0.2

Global equities were modestly up in June with the MSCI ACWI Index returning 0.5%. At home, small-cap stocks bested large-cap equities with the S&P 500 Index gaining 0.6% and the Russell 2000 Index returning 3.5%. In Europe, stocks sold off as the European Central Bank hinted it may slow down its quantitative easing program as inflationary pressures build. The MSCI Europe Index fell 1.1% in June but losses were partially offset as the euro gained 1.6% against the US dollar. The MSCI EAFE was nearly flat as Japanese equities rallied to balance losses in Europe. Emerging market equities rose 1% with the MSCI EM Index ending June up 18.4% this year.

In fixed-income, the 10-year Treasury yield rose to 2.31% and the 10-year German bund yield jumped 16 basis points to 0.47%, eroding returns in the US and Europe. The Barclays US Aggregate Bond Index fell 0.2% and the Barclays Global Aggregate Index declined 0.1% on the month. In the US, rising real rates fueled a decline in inflation-protected securities with the Barclays US TIPS Index falling 0.9%. Emerging market bonds were little changed in June, with the JPM Morgan GBI-EM Global Diversified Index eking out a return of 0.5%.

Many investors have likely realized strong gains due to a sustained rally in global equities through the first half of the year. We maintain our overweight recommendation for non-US developed market equities and emerging market stocks. Given the continued spread compression in US high-yield debt, we recommend investors employ dynamic credit strategies and suggest allocating to TIPS in place of core bonds.



As of 6/30/2017, 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.]