Unitarian Universalist Common Endowment Fund

Monthly Market Commentary for November 2018

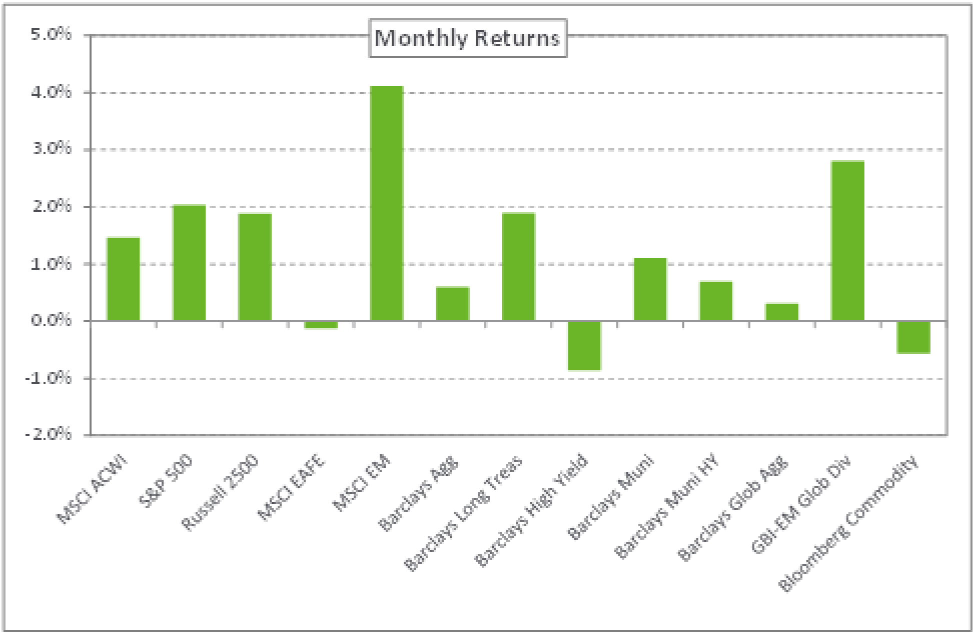
			Last Month	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks	S&P 500		2.0%	5.1	6.3	12.2	11.1
	S&P Mid Cap 400		3.1%	0.3	0.5	10.5	9.3
	Russell 2000		1.6%	1.0	0.6	10.1	7.5
Domestic Bonds	Barclays Aggregate		0.6%	-1.8	-1.3	1.3	2.0
	High Yield Bonds		-0.9%	0.1	0.4	7.1	4.4
	91-Day T-Bills		0.2%	1.7	1.8	1.0	0.6
Non-US Stocks	MSCI EAFE (Net)		-0.1%	-9.4	-7.9	4.1	1.8
	MSCI Emerg Mkts (Net)		4.1%	-12.2	-9.1	9.4	1.9
Global Bonds	Citi World Gov't		0.5%	-3.2	-3.0	2.2	0.1

Equities came up for air in November after a widespread selloff a month earlier. Emerging market stocks led the way, with the MSCI Emerging Markets Index gaining 4.1% last month as currencies broadly appreciated relative to the US dollar. In the US, value outperformed growth as technology stocks lagged. Despite the drag on performance from the so-called FAANG equities, comprising tech giants Facebook, Apple, Amazon, Netflix and Google, the S&P 500 eked out a 2% gain during the month. In Europe, the MSCI EAFE Index was mostly unchanged, losing 0.1% in November, amid a waning economic and political outlook in Germany and volatility stemming from contentious Brexit negotiations.

In fixed income, a decline in global yields underscored the current wave of risk aversion with the 10-year US Treasury and the 10-year German bund yields falling 16 and seven basis points, respectively. As a result, rate-based instruments were moderately higher last month with the Barclays US Treasury Index up 0.9%. In contrast, credit spreads widened during the month. The Barclays US Corporate High Yield Index declined 0.9% as spreads increased 0.47% to 4.18%. Local emerging market debt rose 2.8%, according to the JPM GBI-EM Global Diversified Index, amid modest currency appreciation.

Within real assets, WTI crude oil fell 22% during the month, weighed down by ample supply and an uncertain outlook for global demand.

As we head into the last month of 2018 with a likely rate hike from the Federal Reserve on the horizon, we encourage the addition of safe-haven fixed-income debt as rates continue to rise.



As of 11/30/2018, Source: S&P, Russell, MSCI, JPM, 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.]