Unitarian Universalist Common Endowment Fund

Monthly Market Report for April 2012

Index Returns as of 4/30/2012 (Preliminary)

		Last Month	YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Stocks:	S&P 500	-0.6%	11.9%	4.8%	19.5%	1.0%
	S&P Mid Cap 400	-0.2%	13.2%	-0.9%	22.7%	4.1%
	Russell 2000	-1.5%	10.7%	-4.3%	20.3%	1.5%
Domestic Bonds:	Barclays Aggregate	1.1%	1.4%	7.5%	7.1%	6.4%
	High Yield Bonds	1.1%	6.4%	5.9%	19.7%	8.1%
	90-Day T-Bills	0.0%	0.0%	0.1%	0.1%	1.1%
Non-US Stocks:	MSCI EAFE (Net)	-2.0%	8.7%	-12.8%	11.8%	-4.7%
	MSCI Emerg Mkts (Net)	-1.2%	12.7%	-12.6%	18.3%	3.5%
Global Bonds:	Citi World Gov't	1.5%	1.0%	3.3%	6.7%	6.9%

Global stock markets pulled back in April after a torrid first three months of 2012. Equity investors re-evaluated global economic prospects amidst disappointing US employment and first quarter GDP reports, and slowing growth in China. In Europe, evidence of recessionary conditions along with a poorly received Spanish bond auction reminded market participants that further chapters of that continent's debt crisis remain likely.

Late in the month, however, strong corporate earnings (led by Apple's blowout numbers) gave stock markets a boost. Bond markets across the board posted positive returns during April as interest rates fell amidst perceived weakening growth prospects even as fundamental credit quality remained strong.

The market swings of the last month remind us that, while some risky asset categories appear relatively attractive, we remain in a "risk on/risk off" investing environment. In these conditions we believe it is important for investors to: 1) Diversify broadly, including exposures to areas such as nominal bonds, TIPS, and commodities that will do well in deflationary and inflationary environments; 2) Allocate to attractively priced segments of risky assets such as credit, and emerging markets stocks and bonds; 3) Seek to enhance returns with active investment strategies, which, broadly, are off to a good start in 2012; and, 4) Be prepared to dollar-cost-average in to attractively priced asset categories after market dips.

[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.]