



WILSHIRE

Wilshire Consulting



NMI Settlement Fund

NMI Monthly Flash

May 31, 2021

Wilshire

MARKET COMMENTARY

Month Ended May 31, 2021

U.S. Economy and Markets

- Domestic equity markets were positive in May, as the Wilshire 5000 Total Market IndexSM and the S&P 500 Index returned 0.46% and 0.70%, respectively.
- The CBOE Volatility Index (VIX) ended May at 16.76, a decrease from its April close of 18.61, but slightly elevated from the pre-COVID average levels.
- Performance across GICS sectors was mixed for the month, with the Energy and Materials sectors leading the group, gaining 6.72% and 5.28%, respectively. The Consumer Discretionary and Utilities sectors lagged, falling -3.55% and -2.34%, respectively.
- Small cap stocks outperformed their large cap counterparts in May, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning 0.64% and 0.44%, respectively.
- Value-oriented equities outperformed their growth-oriented counterparts in both the large and small capitalization segments, with value stocks in positive territory and growth stocks down for the month.

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned 3.26% this month.
- The MSCI Emerging Markets Index gained 2.32% in May.

Fixed Income & Real Assets

- The 10-year U.S. Treasury yield ended the month at 1.58%, a decrease from its April close of 1.65%.
- The Bloomberg Barclays U.S. Aggregate Index posted a gain of 0.33% in May.
- Inflation-linked bonds were the best performing segment within U.S. fixed income, with the Bloomberg Barclays U.S. TIPS Index returning 1.21%. Below investment-grade bonds were positive but underperformed other segments, with the Bloomberg Barclays U.S. High Yield Index returning 0.30%.
- Listed U.S. real estate posted positive returns in May, with the Wilshire U.S. Real Estate Securities IndexSM returning 1.32%. Listed global infrastructure was up as well, with the S&P Global Infrastructure Index gaining 0.56%.
- Commodities, as measured by the Bloomberg Commodity Index, advanced 2.73% in May.

Monthly Index Performance

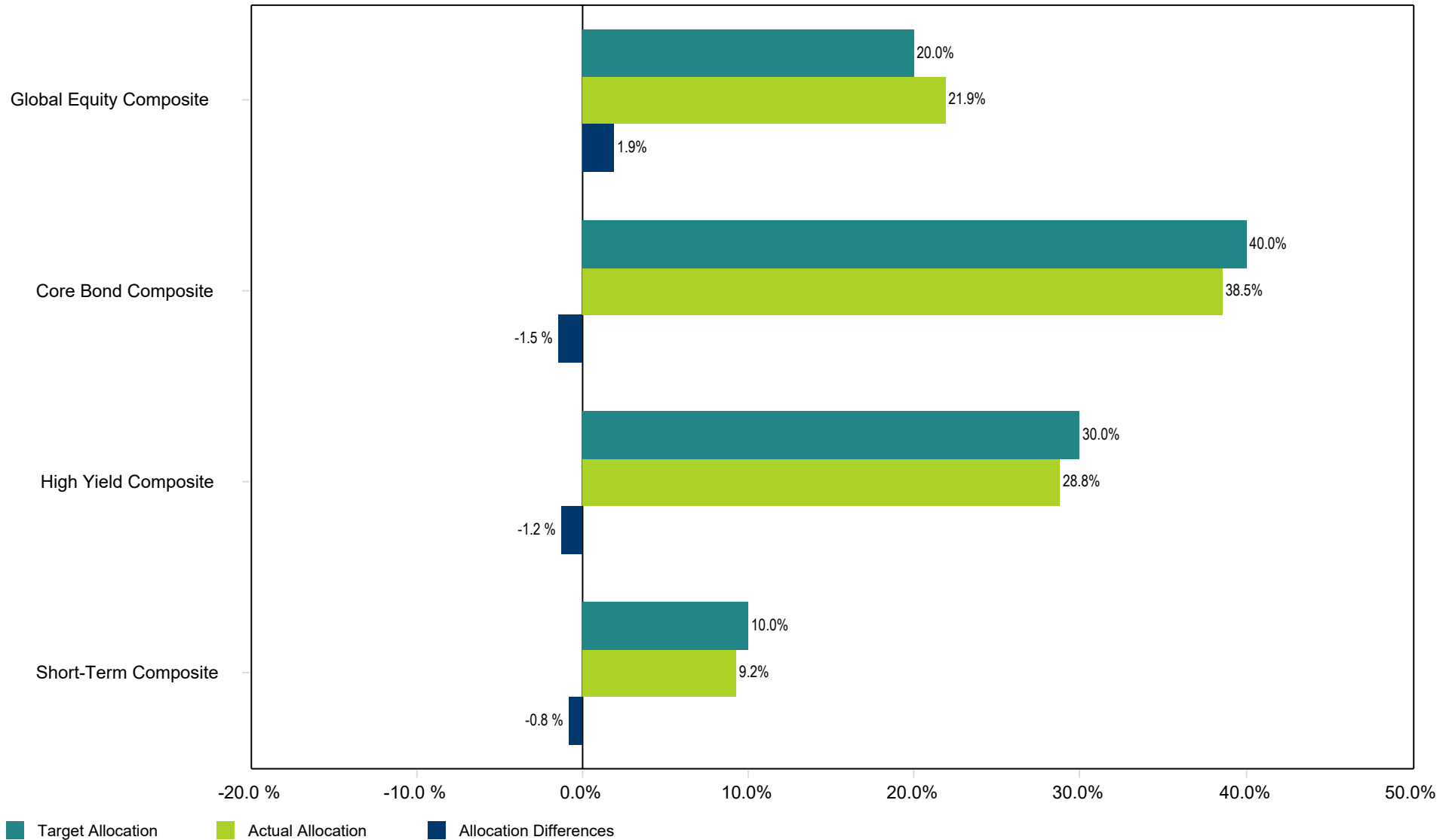
Periods Ended May 31, 2021

	Performance (%)					
	1 Month	QTD	YTD	1 Year	3 Years	5 Years
U.S. Equity						
Wilshire 5000 Total Market TR Index	0.46	5.77	12.63	44.01	18.16	17.45
S&P 500	0.70	6.07	12.62	40.32	18.00	17.16
Wilshire 4500 Completion Index	-0.40	4.04	13.08	64.96	18.09	18.41
MSCI USA Minimum Volatility Index	0.83	4.92	7.35	20.13	13.80	12.73
U.S. Equity by Size/Style						
Wilshire U.S. Large-Cap Index	0.44	5.99	12.13	42.23	18.59	17.85
Wilshire U.S. Large-Cap Growth Index	-1.28	6.19	8.27	43.63	21.71	20.99
Wilshire U.S. Large-Cap Value Index	2.58	5.75	16.12	39.86	14.86	13.83
Wilshire U.S. Small-Cap Index	0.64	3.62	17.64	65.15	13.56	15.53
Wilshire U.S. Small-Cap Growth Index	-1.54	1.22	10.32	58.10	14.86	17.84
Wilshire U.S. Small-Cap Value Index	2.68	5.90	25.18	72.03	11.07	12.69
Wilshire U.S. Micro-Cap Index	1.66	2.31	30.15	86.26	13.20	16.32
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	3.13	6.16	9.87	42.78	8.93	10.88
MSCI ACWI ex USA Minimum Volatility Index (Net)	3.42	5.05	5.65	20.44	5.58	6.89
MSCI EAFE Index (Net)	3.26	6.37	10.07	38.41	8.23	9.77
MSCI Emerging Markets (Net)	2.32	4.87	7.26	51.00	9.65	13.88
MSCI AC World ex USA Small Cap (Net)	2.32	7.02	12.94	52.78	9.00	11.44
U.S. Fixed Income						
Blmbg. Barc. U.S. Aggregate	0.33	1.12	-2.29	-0.41	5.05	3.25
Blmbg. Barc. U.S. Treasury: Long	0.45	2.79	-11.10	-13.56	6.79	3.64
Blmbg. Barc. U.S. Long Corporate Index	1.09	2.84	-5.91	3.35	9.22	6.96
Blmbg. Barc. U.S. TIPS	1.21	2.63	1.12	7.05	6.46	4.48
Blmbg. Barc. U.S. Credit Index	0.72	1.79	-2.74	3.32	6.72	4.79
Blmbg. Barc. U.S. Corp: High Yield	0.30	1.39	2.25	14.96	7.11	7.39
S&P LSTA Leverage Loan Index	0.55	1.06	2.84	12.44	4.29	4.90

Asset Allocation Compliance

Total Fund

Periods Ended As of May 31, 2021



Asset Allocation & Performance

NMI Settlement Fund

Periods Ended May 31, 2021

	Allocation		Performance (%) net of fees								
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	YTD	FYTD	QTD	1 Month	Inception Date
Total Fund	128,173,568	100.00	4.71	6.33	7.12	12.20	2.48	7.83	2.28	0.58	10/1/2013
Total Fund Policy			4.86	5.90	7.58	9.00	1.86	6.10	2.09	0.55	
Value Added			-0.15	0.43	-0.46	3.20	0.62	1.73	0.19	0.03	
Vanguard Total World Stock	28,020,987	21.86	14.63			43.23	11.27	28.57	5.83	1.58	7/1/2018
FTSE Global All Cap Net Tax (US RIC) Idx			14.63			43.64	11.32	28.80	5.92	1.51	
Value Added			0.00			-0.41	-0.05	-0.23	-0.09	0.07	
Global Equity Composite	28,020,987	21.86	10.77	14.40	13.97	43.23	11.27	28.57	5.83	1.58	10/1/2013
Global Equity Policy			10.59	14.25	13.99	43.64	11.32	28.80	5.92	1.51	
Value Added			0.18	0.15	-0.02	-0.41	-0.05	-0.23	-0.09	0.07	
PGIM High Yield	36,860,560	28.76	2.67						1.86	0.47	2/1/2021
Bloomberg Barc U.S. High Yield 1% Issuer Cap			1.93						1.39	0.31	
Value Added			0.74						0.47	0.16	
Dodge & Cox Income Fund	49,406,102	38.55	4.02	4.69	6.10	3.89	-1.36	1.09	1.20	0.21	11/1/2014
Bloomberg Barc. U.S. Aggregate			3.20	3.25	5.05	-0.41	-2.29	-1.64	1.12	0.33	
Value Added			0.82	1.44	1.05	4.30	0.93	2.73	0.08	-0.12	
Vanguard Short-Term Bond	11,826,085	9.23	3.81			0.93	-0.12	0.17	0.49	0.20	7/1/2018
Bloomberg Barc. 1-5 Year Gov/Credit			3.88			0.97	-0.08	0.25	0.49	0.25	
Value Added			-0.07			-0.04	-0.04	-0.08	0.00	-0.05	

Asset Allocation & Performance

NMI Settlement Fund

Periods Ended May 31, 2021

	Allocation		Performance (%) net of fees								
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	YTD	FYTD	QTD	1 Month	Inception Date
Fixed Income Composite	98,092,899	76.53	3.88	4.95	5.42	7.08	0.32	3.70	1.36	0.31	10/1/2013
Fixed Income Policy			3.88	4.32	5.65	3.37	-0.42	1.40	1.14	0.31	
Value Added			0.00	0.63	-0.23	3.71	0.74	2.30	0.22	0.00	
Mutual Fund Cash	2,059,682	1.61	0.71	1.11	1.39	0.04	0.02	0.02	0.00	0.00	10/1/2013

Cash Flow Summary

Total Fund

One Month Ending May 31, 2021

	Begin Value	Net Cash Flow	Expenses	Capital Apprec./ Deprec.	End Value
Total Fund	127,443,242		-5,886	736,212	128,173,568
Global Equity Composite	27,585,849			435,138	28,020,987
Vanguard Total World Stock	27,585,849			435,138	28,020,987
Fixed Income Composite	97,791,842			301,057	98,092,899
Vanguard Short-Term Bond	11,802,930			23,155	11,826,085
Hotchkis & Wiley High Yield Fund					
PGIM High Yield	36,686,380			174,180	36,860,560
Dodge & Cox Income Fund	49,302,380			103,722	49,406,102
Mutual Fund Cash	2,065,550		-5,886	18	2,059,682