

**Wilshire**

# NMI Settlement Fund

## Monthly Investment Summary

Jan-2022

## Market Commentary

*Month Ended January 31, 2022*

### U.S. Economy and Markets

- The broad U.S. equity market was down in January as the FT Wilshire 5000 Index<sup>SM</sup> returned -5.73% to begin the new year.
- Small cap stocks underperformed their large cap counterparts for the month, with the Wilshire U.S. Small Cap Index<sup>SM</sup> and the Wilshire U.S. Large Cap Index<sup>SM</sup> returning -8.39% and -5.48%, respectively.
- Performance across GICS sectors was generally negative in January. The Energy sector produced the only positive return on higher oil prices, up 17.22% for the month. The Consumer Discretionary and Health Care sectors were in negative territory, down -9.86% and -8.29%, respectively.
- The CBOE Volatility Index (VIX) ended January at 24.83, an increase from its December close of 17.22 and above the average reading during the past 12 months.

### International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned -4.83% this month.
- The MSCI Emerging Markets Index fell -1.89% in January.
- The U.S. dollar strengthened somewhat during the month, resulting in local currency returns outpacing those measured in dollars.

### Fixed Income & Real Assets

- Core bonds posted a loss of -2.15% in January as the 10-year U.S. Treasury yield rose 27 basis points.
- High yield corporate bonds fell -2.73% as credit spreads widened. Leveraged loans benefited from their much shorter duration to end the month up 0.36%.
- Listed real estate and infrastructure were down in January, with the Wilshire Global Real Estate Securities Index<sup>SM</sup> returning -5.97% and the FTSE Global Core Infrastructure Index falling -3.01%.
- Commodities, as measured by the Bloomberg Commodity Index, were up 8.78% in January.

# Monthly Index Performance

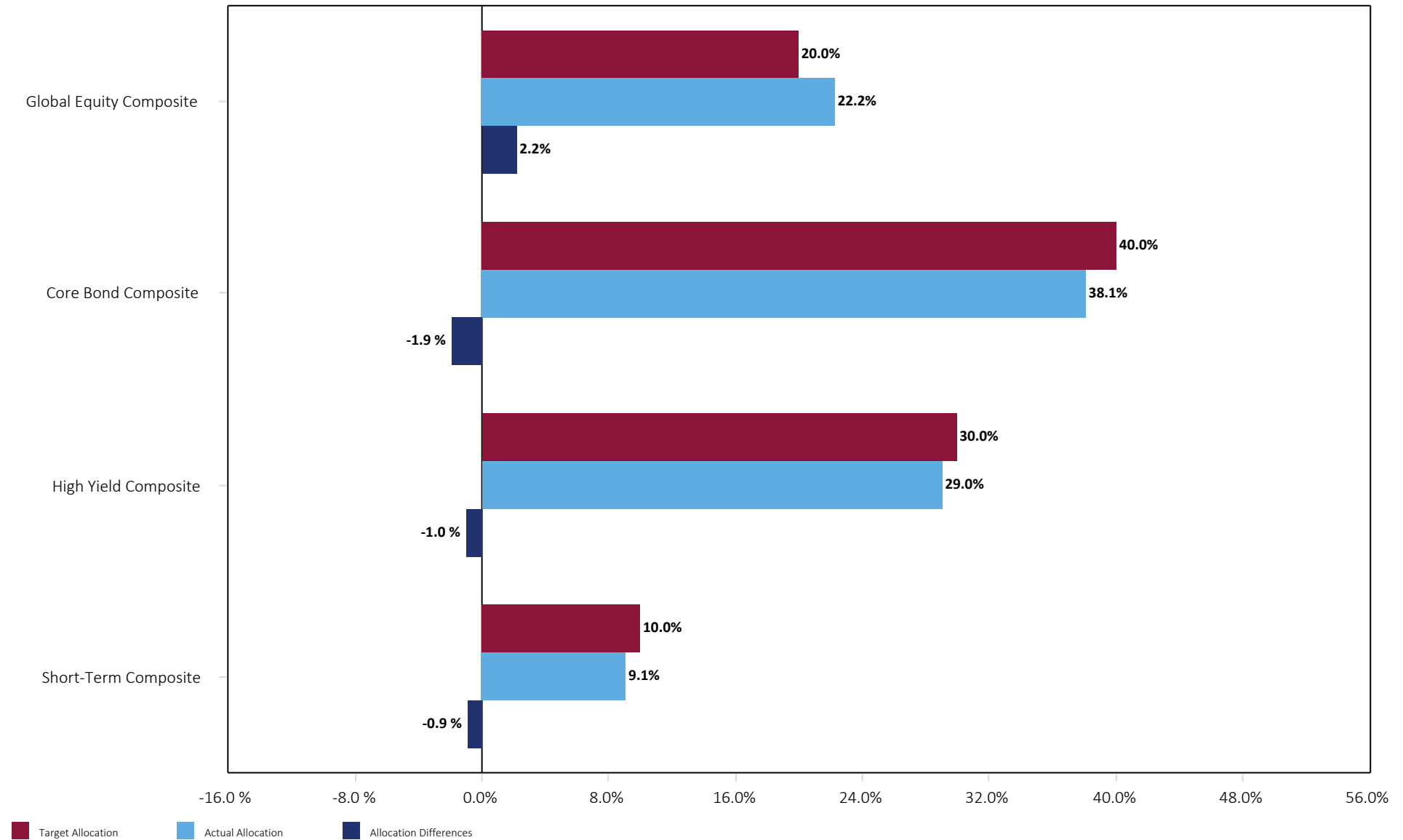
Periods Ended January 31, 2022

	Performance (%)			
	1 Month	1 Year	3 Years	5 Years
U.S. Equity				
FT Wilshire 5000 Total Market TR Index	-5.73	19.84	20.28	16.32
S&P 500	-5.17	23.29	20.71	16.78
FT Wilshire 4500 Completion Index	-9.19	2.46	16.81	13.26
MSCI USA Minimum Volatility Index	-5.90	17.00	13.37	12.98
U.S. Equity by Size/Style				
FT Wilshire U.S. Large-Cap Index	-5.48	21.44	21.02	17.16
FT Wilshire U.S. Large-Cap Growth Index	-8.24	20.00	25.48	20.45
FT Wilshire U.S. Large-Cap Value Index	-1.85	22.35	16.20	12.91
FT Wilshire U.S. Small-Cap Index	-8.39	4.54	13.06	10.17
FT Wilshire U.S. Small-Cap Growth Index	-11.33	-6.86	13.61	11.31
FT Wilshire U.S. Small-Cap Value Index	-5.41	17.53	12.52	8.55
FT Wilshire U.S. Micro-Cap Index	-9.46	-9.16	8.72	7.16
Non-U.S. Equity (USD)				
MSCI AC World ex USA (Net)	-3.69	3.63	9.09	8.04
MSCI ACWI ex USA Minimum Volatility Index (Net)	-3.44	6.47	5.67	6.89
MSCI EAFE Index (Net)	-4.83	7.03	9.34	7.85
MSCI Emerging Markets (Net)	-1.89	-7.23	7.19	8.30
MSCI AC World ex USA Small Cap (Net)	-6.24	6.06	11.15	8.96
U.S. Fixed Income				
Blmbg. U.S. Aggregate	-2.15	-2.97	3.67	3.08
Blmbg. U.S. Treasury: Long	-4.14	-5.17	7.06	5.56
Blmbg. U.S. Long Corporate Index	-5.61	-4.10	8.34	6.47
Blmbg. U.S. TIPS	-2.02	3.47	7.22	4.73
Blmbg. U.S. Credit Index	-3.21	-3.10	5.26	4.30
Blmbg. U.S. Corp: High Yield	-2.73	2.06	6.26	5.40
S&P LSTA Leverage Loan Index	0.36	4.28	4.85	4.22

# Asset Allocation Compliance

Total Fund

Periods Ended As of January 31, 2022



# Asset Allocation & Performance

## NMI Settlement Fund

Periods Ended January 31, 2022

	Allocation		Performance (%) net of fees						
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	FYTD	1 Month	Inception Date
<b>Total Fund</b>	<b>127,708,112</b>	<b>100.00</b>	<b>4.28</b>	<b>5.17</b>	<b>6.44</b>	<b>2.38</b>	<b>-1.29</b>	<b>-2.59</b>	<b>10/1/2013</b>
Total Fund Policy			4.41	5.24	6.55	1.69	-1.44	-2.78	
Value Added			-0.13	-0.07	-0.11	0.69	0.15	0.19	
<b>Vanguard Total World Stock</b>	<b>28,388,862</b>	<b>22.23</b>	<b>12.16</b>		<b>15.54</b>	<b>13.17</b>	<b>1.43</b>	<b>-4.65</b>	<b>7/1/2018</b>
FTSE Global All Cap Net Tax (US RIC) Idx			12.05		15.45	12.69	0.83	-5.09	
Value Added			0.11		0.09	0.48	0.60	0.44	
<b>Global Equity Composite</b>	<b>28,388,862</b>	<b>22.23</b>	<b>10.04</b>	<b>12.73</b>	<b>15.54</b>	<b>13.17</b>	<b>1.43</b>	<b>-4.65</b>	<b>10/1/2013</b>
Global Equity Policy			9.83	12.55	15.45	12.69	0.83	-5.09	
Value Added			0.21	0.18	0.09	0.48	0.60	0.44	
<b>PGIM High Yield</b>	<b>37,034,231</b>	<b>29.00</b>	<b>3.15</b>			<b>3.15</b>	<b>-1.84</b>	<b>-2.47</b>	<b>2/1/2021</b>
Blmbg Barc U.S. High Yield 1% Issuer Cap			2.00			2.00	-2.05	-2.68	
Value Added			1.15			1.15	0.21	0.21	
<b>Dodge &amp; Cox Income Fund</b>	<b>48,670,171</b>	<b>38.11</b>	<b>3.43</b>	<b>3.88</b>	<b>4.76</b>	<b>-2.41</b>	<b>-2.34</b>	<b>-1.92</b>	<b>11/1/2014</b>
Blmbg. U.S. Aggregate			2.70	3.08	3.67	-2.97	-2.14	-2.15	
Value Added			0.73	0.80	1.09	0.56	-0.20	0.23	
<b>Vanguard Short-Term Bond</b>	<b>11,602,245</b>	<b>9.08</b>	<b>2.54</b>		<b>2.31</b>	<b>-2.02</b>	<b>-1.71</b>	<b>-0.95</b>	<b>7/1/2018</b>
Blmbg. 1-5 Year Gov/Credit			2.60		2.34	-1.95	-1.73	-1.01	
Value Added			-0.06		-0.03	-0.07	0.02	0.06	

# Asset Allocation & Performance

NMI Settlement Fund

*Periods Ended January 31, 2022*

	Allocation		Performance (%) net of fees						
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	FYTD	1 Month	Inception Date
<b>Fixed Income Composite</b>	97,306,798	76.19	3.46	3.78	4.47	-0.33	-2.09	-2.03	10/1/2013
Fixed Income Policy			3.45	3.73	4.39	-0.99	-2.05	-2.21	
Value Added			0.01	0.05	0.08	0.66	-0.04	0.18	
<b>Mutual Fund Cash</b>	2,012,452	1.58	0.65	1.08	0.92	0.04	0.03	0.00	10/1/2013

# Cash Flow Summary

Total Fund

One Month Ending January 31, 2022

	Begin Value	Net Cash Flow	Expenses	Capital Apprec./ Deprec.	End Value
<b>Total Fund</b>	<b>131,109,506</b>		<b>-6,039</b>	<b>-3,395,356</b>	<b>127,708,112</b>
<b>Global Equity Composite</b>	<b>29,772,692</b>			<b>-1,383,830</b>	<b>28,388,862</b>
Vanguard Total World Stock	29,772,692			-1,383,830	28,388,862
<b>Fixed Income Composite</b>	<b>99,318,341</b>			<b>-2,011,544</b>	<b>97,306,798</b>
Vanguard Short-Term Bond	11,724,359			-122,113	11,602,245
Hotchkis & Wiley High Yield Fund					
PGIM High Yield	37,970,726			-936,494	37,034,231
Dodge & Cox Income Fund	49,623,104			-952,933	48,670,171
Mutual Fund Cash	2,018,473		-6,039	17	2,012,452

# Historical Hybrid Composition

## Total Fund Composite

As of January 31, 2022

Policy Index	Weight (%)	Policy Index	Weight (%)
<b>Feb-2021</b>		<b>Sep-2020</b>	
Blmbg. U.S. Aggregate	40.00	Blmbg. U.S. Aggregate	46.55
Blmbg U.S. High Yield 1% Issuer Cap Index	30.00	ICE BofAML High Yield BB-B Constrained Index	20.10
Blmbg. 1-5 Year Gov/Credit	10.00	Blmbg. 1-5 Year Gov/Credit	17.67
FTSE Global All Cap Net Tax (US RIC) Index	20.00	FTSE Global All Cap Net Tax (US RIC) Index	15.68
<b>Jan-2021</b>		<b>Dec-2019</b>	
Blmbg. U.S. Aggregate	40.65	Blmbg. U.S. Aggregate	50.00
ICE BofAML High Yield BB-B Constrained Index	29.26	ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. 1-5 Year Gov/Credit	9.65	Blmbg. 1-5 Year Gov/Credit	20.00
FTSE Global All Cap Net Tax (US RIC) Index	20.44	FTSE Global All Cap Net Tax (US RIC) Index	10.00
<b>Dec-2020</b>		<b>Oct-2019</b>	
Blmbg. U.S. Aggregate	45.31	Blmbg. U.S. Aggregate	40.00
ICE BofAML High Yield BB-B Constrained Index	20.64	ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. 1-5 Year Gov/Credit	16.83	Blmbg. 1-5 Year Gov/Credit	15.00
FTSE Global All Cap Net Tax (US RIC) Index	17.22	FTSE Global All Cap Net Tax (US RIC) Index	25.00
<b>Nov-2020</b>		<b>Jul-2018</b>	
Blmbg. U.S. Aggregate	45.85	Blmbg. U.S. Aggregate	50.00
ICE BofAML High Yield BB-B Constrained Index	20.37	ICE BofAML High Yield BB-B Constrained Index	32.00
Blmbg. 1-5 Year Gov/Credit	17.10	Blmbg. 1-5 Year Gov/Credit	12.00
FTSE Global All Cap Net Tax (US RIC) Index	16.68	FTSE Global All Cap Net Tax (US RIC) Index	6.00
<b>Oct-2020</b>		<b>Jan-2018</b>	
Blmbg. U.S. Aggregate	46.73	Blmbg. U.S. Aggregate	50.00
ICE BofAML High Yield BB-B Constrained Index	20.12	ICE BofAML High Yield BB-B Constrained Index	32.00
Blmbg. 1-5 Year Gov/Credit	17.74	MSCI AC World Index (Net)	6.00
FTSE Global All Cap Net Tax (US RIC) Index	15.41	Blmbg. Intermed. U.S. Government/Credit	12.00
		<b>Oct-2016</b>	
		TF Policy custom2	100.00



# Historical Hybrid Composition

Total Fund Composite

As of January 31, 2022

Policy Index	Weight (%)
<b>Jan-2015</b>	
MSCI AC World Index (Net)	10.00
ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. U.S. Aggregate	50.00
Blmbg. Intermed. U.S. Government/Credit	20.00
<b>Apr-2014</b>	
MSCI AC World Index (Net)	15.00
ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. U.S. Aggregate	45.00
Blmbg. Intermed. U.S. Government/Credit	20.00
<b>Oct-2013</b>	
TF Policy custom1	100.00

# Historical Hybrid Composition

Global Equity Composite

*As of January 31, 2022*

Policy Index	Weight (%)
<b>Jul-2018</b>	
FTSE Global All Cap Net Tax (US RIC) Index	100.00
<b>Oct-2013</b>	
MSCI AC World Index (Net)	100.00

# Historical Hybrid Composition

## Fixed Income Composite

As of January 31, 2022

Policy Index	Weight (%)	Policy Index	Weight (%)
<b>Feb-2021</b>		<b>Dec-2019</b>	
Blmbg. 1-5 Year Gov/Credit	12.50	Blmbg. 1-5 Year Gov/Credit	22.22
Blmbg U.S. High Yield 1% Issuer Cap Index	37.50	ICE BofAML High Yield BB-B Constrained Index	22.22
Blmbg. U.S. Aggregate	50.00	Blmbg. U.S. Aggregate	55.56
<b>Jan-2021</b>		<b>Oct-2019</b>	
Blmbg. 1-5 Year Gov/Credit	12.13	Blmbg. 1-5 Year Gov/Credit	20.00
ICE BofAML High Yield BB-B Constrained Index	36.78	ICE BofAML High Yield BB-B Constrained Index	26.67
Blmbg. U.S. Aggregate	51.09	Blmbg. U.S. Aggregate	53.33
<b>Dec-2020</b>		<b>Jul-2018</b>	
Blmbg. 1-5 Year Gov/Credit	20.33	Blmbg. 1-5 Year Gov/Credit	12.77
ICE BofAML High Yield BB-B Constrained Index	24.93	ICE BofAML High Yield BB-B Constrained Index	34.04
Blmbg. U.S. Aggregate	54.74	Blmbg. U.S. Aggregate	53.19
<b>Nov-2020</b>		<b>Jan-2018</b>	
Blmbg. 1-5 Year Gov/Credit	20.52	Blmbg. Intermed. U.S. Government/Credit	12.77
ICE BofAML High Yield BB-B Constrained Index	24.45	ICE BofAML High Yield BB-B Constrained Index	34.04
Blmbg. U.S. Aggregate	55.03	Blmbg. U.S. Aggregate	53.19
<b>Oct-2020</b>		<b>Oct-2016</b>	
Blmbg. 1-5 Year Gov/Credit	20.98	Fixed Income Policy custom2	100.00
ICE BofAML High Yield BB-B Constrained Index	23.78		
Blmbg. U.S. Aggregate	55.24	<b>Jan-2015</b>	
<b>Sep-2020</b>		ICE BofAML High Yield BB-B Constrained Index	22.20
Blmbg. 1-5 Year Gov/Credit	20.96	Blmbg. Intermed. U.S. Government/Credit	22.20
ICE BofAML High Yield BB-B Constrained Index	23.84	Blmbg. U.S. Aggregate	55.60
Blmbg. U.S. Aggregate	55.20	<b>Apr-2014</b>	
		ICE BofAML High Yield BB-B Constrained Index	23.55
		Blmbg. Intermed. U.S. Government/Credit	23.55
		Blmbg. U.S. Aggregate	52.90

# Historical Hybrid Composition

Fixed Income Composite

As of January 31, 2022

Policy Index	Weight (%)
Oct-2013	
Fixed Income Policy custom1	100.00