



WILSHIRE

Wilshire Consulting



NMI Settlement Fund

NMI Monthly Flash

July 31, 2021

Wilshire

MARKET COMMENTARY

Month Ended July 31, 2021

U.S. Economy and Markets

- Domestic equity markets were positive in July, as the Wilshire 5000 Total Market IndexSM and the S&P 500 Index returned 1.79% and 2.38%, respectively.
- The CBOE Volatility Index (VIX) ended July at 18.24, an increase from its June close of 15.83, and slightly elevated from the pre-COVID average levels.
- Performance across GICS sectors was mixed for the month, with the Real Estate and Utilities sectors leading the group, gaining 4.49% and 3.92%, respectively. The Energy and Financials sectors lagged, falling -8.61% and -0.56%, respectively.
- Small cap stocks underperformed their large cap counterparts in July, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning -2.58% and 2.23%, respectively.
- Value-oriented equities underperformed their growth-oriented counterparts in both the large and small capitalization segments, with large cap growth and value stocks in positive territory and small cap growth and value stocks down for the month.

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned 0.75% this month.
- The MSCI Emerging Markets Index decreased -6.73% in July.

Fixed Income & Real Assets

- The 10-year U.S. Treasury yield ended the month at 1.22%, a decrease from its June close of 1.47%.
- The Bloomberg Barclays U.S. Aggregate Index posted a gain of 1.12% in July.
- Inflation-linked bonds were among the best performing segments within U.S. fixed income, with the Bloomberg Barclays U.S. TIPS Index returning 2.67%. Below investment-grade bonds were positive but underperformed other segments, with the Bloomberg Barclays U.S. High Yield Index returning 0.38%.
- Listed U.S. real estate posted positive returns in July, with the Wilshire U.S. Real Estate Securities IndexSM returning 5.09%. Listed global infrastructure was up as well, with the S&P Global Infrastructure Index gaining 0.98%.
- Commodities, as measured by the Bloomberg Commodity Index, advanced 1.84% in July.

Monthly Index Performance

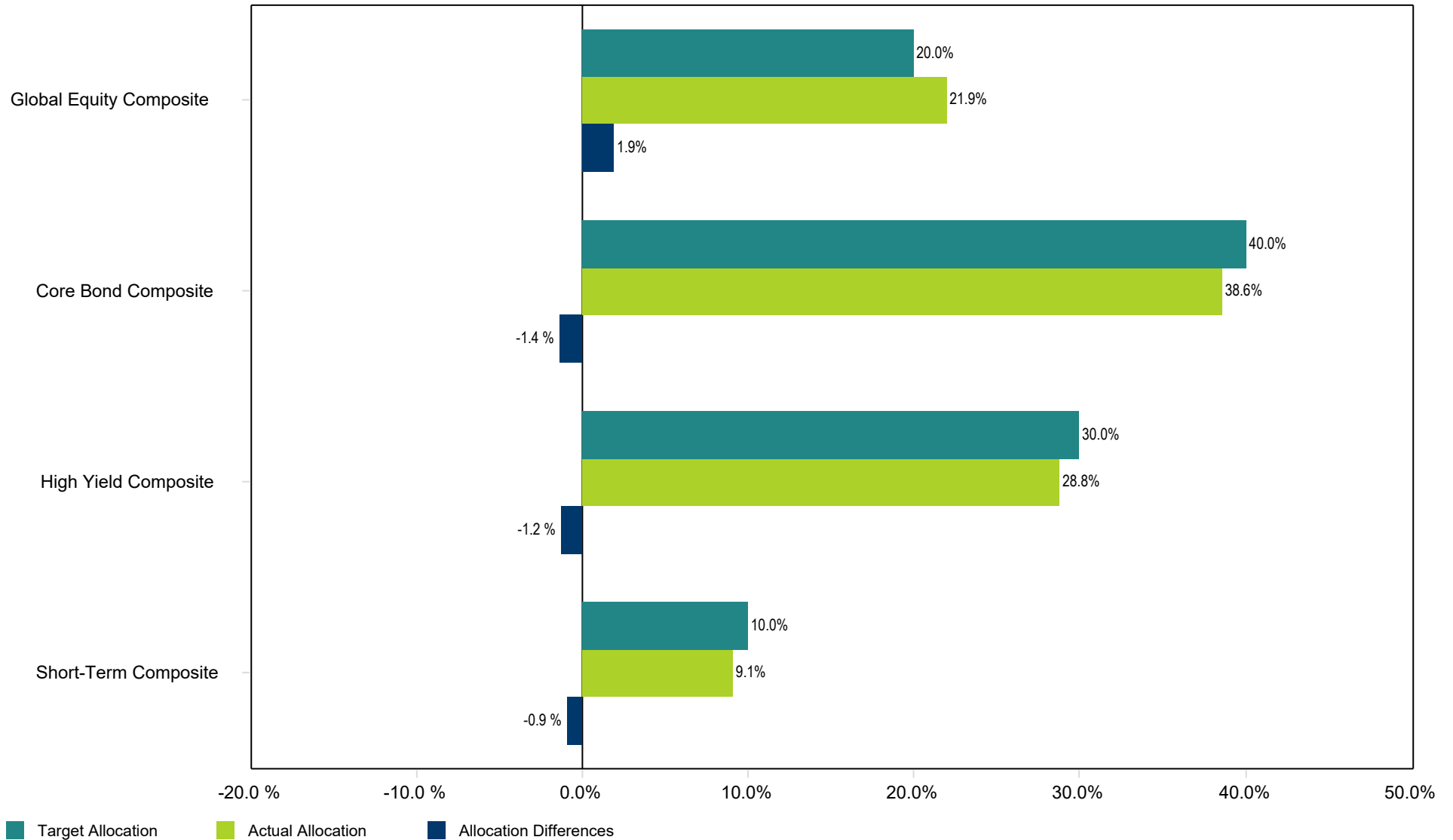
Periods Ended July 31, 2021

	Performance (%)				
	1 Month	YTD	1 Year	3 Years	5 Years
U.S. Equity					
Wilshire 5000 Total Market TR Index	1.79	17.52	38.96	18.24	17.47
S&P 500	2.38	17.99	36.45	18.16	17.35
Wilshire 4500 Completion Index	-0.65	15.36	53.68	17.97	17.62
MSCI USA Minimum Volatility Index	3.49	13.13	22.43	13.91	12.57
U.S. Equity by Size/Style					
Wilshire U.S. Large-Cap Index	2.23	17.67	37.85	18.89	18.04
Wilshire U.S. Large-Cap Growth Index	3.00	17.48	39.82	23.81	22.29
Wilshire U.S. Large-Cap Value Index	1.25	16.87	34.68	13.49	12.82
Wilshire U.S. Small-Cap Index	-2.58	15.86	52.56	12.07	13.88
Wilshire U.S. Small-Cap Growth Index	-1.97	10.23	45.58	15.01	16.74
Wilshire U.S. Small-Cap Value Index	-3.16	21.60	59.76	9.11	10.54
Wilshire U.S. Micro-Cap Index	-6.68	24.20	66.34	10.48	14.23
Non-U.S. Equity (USD)					
MSCI AC World ex USA (Net)	-1.65	7.36	27.78	7.92	9.65
MSCI ACWI ex USA Minimum Volatility Index (Net)	0.78	6.72	16.28	5.51	6.18
MSCI EAFE Index (Net)	0.75	9.65	30.31	7.66	9.35
MSCI Emerging Markets (Net)	-6.73	0.22	20.64	7.93	10.37
MSCI AC World ex USA Small Cap (Net)	0.80	13.14	41.16	9.81	10.94
U.S. Fixed Income					
Blmbg. U.S. Aggregate	1.12	-0.51	-0.70	5.73	3.12
Blmbg. U.S. Treasury: Long	3.65	-4.56	-11.08	9.83	3.42
Blmbg. U.S. Long Corporate Index	2.30	-0.19	0.70	11.30	6.73
Blmbg. U.S. TIPS	2.67	4.44	6.90	7.65	4.54
Blmbg. U.S. Credit Index	1.30	0.01	1.21	7.63	4.63
Blmbg. U.S. Corp: High Yield	0.38	4.01	10.62	7.19	6.99
S&P LSTA Leverage Loan Index	-0.02	3.20	9.42	4.11	4.68

Asset Allocation Compliance

Total Fund

Periods Ended As of July 31, 2021



Asset Allocation & Performance

NMI Settlement Fund

Periods Ended July 31, 2021

	Allocation		Performance (%) net of fees							
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	YTD	FYTD	1 Month	Inception Date
Total Fund	130,014,410	100.00	4.80	6.04	7.37	9.61	3.96	9.39	0.61	10/1/2013
Total Fund Policy			4.97	5.69	7.97	7.34	3.47	7.78	0.70	
Value Added			-0.17	0.35	-0.60	2.27	0.49	1.61	-0.09	
Vanguard Total World Stock	28,512,031	21.93	14.43		13.74	34.53	13.22	30.82	0.54	7/1/2018
FTSE Global All Cap Net Tax (US RIC) Idx			14.43		13.79	34.64	13.26	31.05	0.54	
Value Added			0.00		-0.05	-0.11	-0.04	-0.23	0.00	
Global Equity Composite	28,512,031	21.93	10.78	13.96	13.74	34.53	13.22	30.82	0.54	10/1/2013
Global Equity Policy			10.60	13.82	13.79	34.64	13.26	31.05	0.54	
Value Added			0.18	0.14	-0.05	-0.11	-0.04	-0.23	0.00	
PGIM High Yield	37,401,215	28.77	4.17						0.46	2/1/2021
Blmbg Barc U.S. High Yield 1% Issuer Cap			3.59						0.36	
Value Added			0.58						0.11	
Dodge & Cox Income Fund	50,204,183	38.61	4.17	4.49	6.52	2.12	0.24	2.73	0.84	11/1/2014
Blmbg. U.S. Aggregate			3.40	3.12	5.73	-0.70	-0.51	0.16	1.12	
Value Added			0.77	1.37	0.79	2.82	0.75	2.57	-0.28	
Vanguard Short-Term Bond	11,849,005	9.11	3.67		3.78	0.36	0.08	0.36	0.38	7/1/2018
Blmbg. 1-5 Year Gov/Credit			3.72		3.82	0.43	0.08	0.41	0.38	
Value Added			-0.05		-0.04	-0.07	0.00	-0.05	0.00	

Asset Allocation & Performance

NMI Settlement Fund

Periods Ended July 31, 2021

	Allocation		Performance (%) net of fees							
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	YTD	FYTD	1 Month	Inception Date
Fixed Income Composite	99,454,557	76.50	3.98	4.66	5.65	4.98	1.71	5.14	0.64	10/1/2013
Fixed Income Policy			4.00	4.13	6.05	2.35	1.12	2.96	0.74	
Value Added			-0.02	0.53	-0.40	2.63	0.59	2.18	-0.10	
Mutual Fund Cash	2,047,822	1.58	0.69	1.10	1.28	0.02	0.02	0.02	0.00	10/1/2013

Cash Flow Summary

Total Fund

One Month Ending July 31, 2021

	Begin Value	Net Cash Flow	Expenses	Capital Apprec./ Deprec.	End Value
Total Fund	129,233,312		-5,960	787,058	130,014,410
Global Equity Composite	28,357,767			154,264	28,512,031
Vanguard Total World Stock	28,357,767			154,264	28,512,031
Fixed Income Composite	98,821,763			632,794	99,454,557
Vanguard Short-Term Bond	11,804,591			44,414	11,849,005
Hotchkis & Wiley High Yield Fund					
PGIM High Yield	37,229,756			171,458	37,401,215
Dodge & Cox Income Fund	49,787,262			416,921	50,204,183
Mutual Fund Cash	2,053,782		-5,960		2,047,822

Historical Hybrid Composition

Total Fund Composite
 Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Feb-2021		Sep-2020	
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
Jan-2021		Dec-2019	
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
Dec-2020		Oct-2019	
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
Nov-2020		Jul-2018	
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
Oct-2020		Jan-2018	
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
		Oct-2016	
		TF Policy custom2	100.00

Historical Hybrid Composition

Total Fund Composite

Periods Ended July 31, 2021

Policy Index	Weight (%)
Jan-2015	
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
Apr-2014	
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
Oct-2013	
TF Policy custom1	100.00

Historical Hybrid Composition

Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Global Equity Policy : Jul-2018		Fixed Income Policy : Feb-2021	
FTSE Global All Cap Net Tax (US RIC) Index	100.00	Blmbg. 1-5 Year Gov/Credit	12.50
Global Equity Policy : Oct-2013		Blmbg U.S. High Yield 1% Issuer Cap Index	37.50
MSCI AC World Index (Net)	100.00	Blmbg. U.S. Aggregate	50.00
		Fixed Income Policy : Jan-2021	
		Blmbg. 1-5 Year Gov/Credit	12.13
		ICE BofAML High Yield BB-B Constrained Index	36.78
		Blmbg. U.S. Aggregate	51.09
		Fixed Income Policy : Dec-2020	
		Blmbg. 1-5 Year Gov/Credit	20.33
		ICE BofAML High Yield BB-B Constrained Index	24.93
		Blmbg. U.S. Aggregate	54.74
		Fixed Income Policy : Nov-2020	
		Blmbg. 1-5 Year Gov/Credit	20.52
		ICE BofAML High Yield BB-B Constrained Index	24.45
		Blmbg. U.S. Aggregate	55.03
		Fixed Income Policy : Oct-2020	
		Blmbg. 1-5 Year Gov/Credit	20.98
		ICE BofAML High Yield BB-B Constrained Index	23.78
		Blmbg. U.S. Aggregate	55.24
		Fixed Income Policy : Sep-2020	
		Blmbg. 1-5 Year Gov/Credit	20.96
		ICE BofAML High Yield BB-B Constrained Index	23.84
		Blmbg. U.S. Aggregate	55.20

Historical Hybrid Composition

Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Fixed Income Policy : Dec-2019		Fixed Income Policy : Oct-2019	
Blmbg. 1-5 Year Gov/Credit	22.22	Blmbg. 1-5 Year Gov/Credit	20.00
ICE BofAML High Yield BB-B Constrained Index	22.22	ICE BofAML High Yield BB-B Constrained Index	26.67
Blmbg. U.S. Aggregate	55.56	Blmbg. U.S. Aggregate	53.33

Historical Hybrid Composition

Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Fixed Income Policy : Jul-2018		Fixed Income Policy : Jan-2018	
Blmbg. 1-5 Year Gov/Credit	12.77	Blmbg. Intermed. U.S. Government/Credit	12.77
ICE BofAML High Yield BB-B Constrained Index	34.04	ICE BofAML High Yield BB-B Constrained Index	34.04
Blmbg. U.S. Aggregate	53.19	Blmbg. U.S. Aggregate	53.19

Historical Hybrid Composition

Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Fixed Income Policy : Oct-2016		Fixed Income Policy : Jan-2015	
Fixed Income Policy custom2	100.00	ICE BofAML High Yield BB-B Constrained Index	22.20
		Blmbg. Intermed. U.S. Government/Credit	22.20
		Blmbg. U.S. Aggregate	55.60

Historical Hybrid Composition

Periods Ended July 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Fixed Income Policy : Apr-2014		Fixed Income Policy : Oct-2013	
ICE BofAML High Yield BB-B Constrained Index	23.55	Fixed Income Policy custom1	100.00
Blmbg. Intermed. U.S. Government/Credit	23.55		
Blmbg. U.S. Aggregate	52.90		