

Wilshire

NMI Settlement Fund

Monthly Investment Summary

Dec-2021

Market Commentary

Quarter Ended December 31, 2021

U.S. Economy and Markets

- The U.S. stock market, represented by the FT Wilshire 5000 IndexSM, was up 9.58% for the fourth quarter of 2021.
- Nearly all sectors were in positive territory, with Real Estate (+14.7%), Information Technology (+14.6%) and Materials (+14.4%) representing the best performing sectors. The only sector that was negative this quarter was Communication Services (-0.8%).
- From a size perspective, large-cap outperformed small-cap during the quarter. Growth stocks outperformed value within the large-cap segment of the market but underperformed in small-caps, while large-growth was the best performing market segment overall.

International Economy and Markets

- Performance results within international equity markets were mixed for the second straight quarter, with meaningful differences in return between developed and emerging markets. The MSCI EAFE Index was up 2.2% for the past six months, while the MSCI Emerging Markets Index was down -9.3%.
- The main sources of weakness were China, South Korea and Brazil. In China, the real estate market, which accounts for nearly a third of China's GDP, has been experiencing a major slump and developers are heavily indebted. While their economic growth forecasts are on the decline, the economy is still expected to expand in 2021.
- In Europe, Germany is the area's largest economy and is facing a potential recession as supply issues and new coronavirus cases weigh on growth. Germany's Ifo Institute for Economic Research has forecasted a 0.5% drop in growth during the fourth quarter, with more weakness to begin 2022. Growth has slowed in the U.K., as well, and is expected to face additional headwinds.

Fixed Income & Real Assets

- The U.S. Treasury yield curve was up 45 basis points in the short end (at the 2- year maturity) but down in the long end of the curve. The 10-year Treasury yield ended the quarter at 1.51%, up two basis points from September.
- Investment-grade credit spreads widened during the quarter, but the spread on the broad high yield tightened, closing the quarter at 2.83%.
- The Federal Open Market Committee met twice during the quarter, as scheduled, with no change to their overnight rate. Through the Fed's "dot plot," they are messaging that the current intent is for three 25 basis point increases in the overnight rate before the end of 2022. The committee announced in December that it would begin to reduce (i.e., taper) the monthly pace of its asset purchases starting in January. Fed chair Jerome Powell acknowledged that inflation may now be "more persistent."
- Real Assets performance was mixed for the quarter. Real estate securities were up both in the U.S. and abroad, while Commodities were slightly negative.

Monthly Index Performance

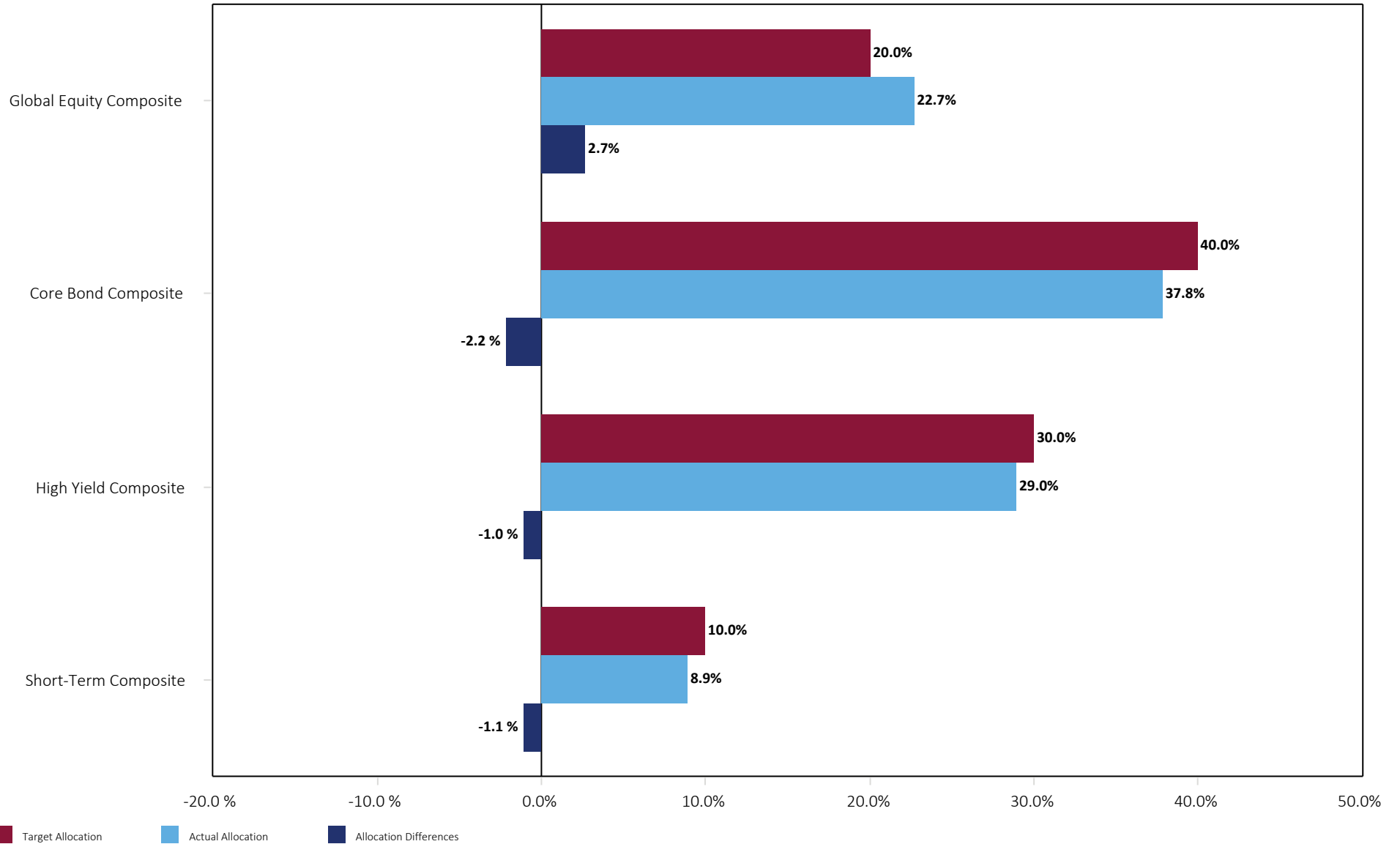
Periods Ended December 31, 2021

	Performance (%)				
	1 Month	QTD	1 Year	3 Years	5 Years
U.S. Equity					
FT Wilshire 5000 Total Market TR Index	3.89	9.58	26.70	26.11	18.11
S&P 500	4.48	11.03	28.71	26.07	18.47
FT Wilshire 4500 Completion Index	1.24	1.73	16.03	25.17	15.89
MSCI USA Minimum Volatility Index	6.79	10.41	21.01	17.87	14.66
U.S. Equity by Size/Style					
FT Wilshire U.S. Large-Cap Index	3.97	10.24	27.46	26.64	18.93
FT Wilshire U.S. Large-Cap Growth Index	2.24	11.56	28.86	33.30	23.30
FT Wilshire U.S. Large-Cap Value Index	6.36	8.56	24.53	19.53	13.49
FT Wilshire U.S. Small-Cap Index	3.23	3.28	19.17	20.88	12.29
FT Wilshire U.S. Small-Cap Growth Index	1.67	1.78	10.12	22.74	14.36
FT Wilshire U.S. Small-Cap Value Index	4.82	4.81	29.24	19.08	9.77
FT Wilshire U.S. Micro-Cap Index	-1.56	-8.36	14.50	16.30	9.09
Non-U.S. Equity (USD)					
MSCI AC World ex USA (Net)	4.13	1.82	7.82	13.18	9.61
MSCI ACWI ex USA Minimum Volatility Index (Net)	4.01	2.74	9.54	8.62	8.24
MSCI EAFE Index (Net)	5.12	2.69	11.26	13.54	9.55
MSCI Emerging Markets (Net)	1.88	-1.31	-2.54	10.94	9.87
MSCI AC World ex USA Small Cap (Net)	4.23	0.62	12.93	16.46	11.21
U.S. Fixed Income					
Blmbg. U.S. Aggregate	-0.26	0.01	-1.55	4.79	3.57
Blmbg. U.S. Treasury: Long	-1.42	3.08	-4.65	8.82	6.54
Blmbg. U.S. Long Corporate Index	-0.43	1.47	-1.13	11.75	7.73
Blmbg. U.S. TIPS	0.32	2.36	5.96	8.44	5.34
Blmbg. U.S. Credit Index	-0.08	0.22	-1.08	7.17	5.05
Blmbg. U.S. Corp: High Yield	1.87	0.71	5.28	8.83	6.30
S&P LSTA Leverage Loan Index	0.64	0.75	5.13	5.61	4.26

Asset Allocation Compliance

Total Fund

Periods Ended As of December 31, 2021



Asset Allocation & Performance

NMI Settlement Fund

Periods Ended December 31, 2021

	Allocation		Performance (%) net of fees							
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	FYTD	QTD	1 Month	Inception Date
Total Fund	131,109,506	100.00	4.66	5.95	8.21	4.85	1.33	1.33	1.49	10/1/2013
Total Fund Policy			4.81	6.00	8.45	4.27	1.39	1.39	1.26	
Value Added			-0.15	-0.05	-0.24	0.58	-0.06	-0.06	0.23	
Vanguard Total World Stock	29,772,692	22.71	14.01		20.49	18.23	6.38	6.38	4.02	7/1/2018
FTSE Global All Cap Net Tax (US RIC) Idx			14.04		20.56	18.40	6.24	6.24	4.10	
Value Added			-0.03		-0.07	-0.17	0.14	0.14	-0.08	
Global Equity Composite	29,772,692	22.71	10.78	14.42	20.49	18.23	6.38	6.38	4.02	10/1/2013
Global Equity Policy			10.63	14.35	20.56	18.40	6.24	6.24	4.10	
Value Added			0.15	0.07	-0.07	-0.17	0.14	0.14	-0.08	
PGIM High Yield	37,970,726	28.96	5.76				0.64	0.64	1.95	2/1/2021
Blmbrg Barc U.S. High Yield 1% Issuer Cap			4.81				0.65	0.65	1.86	
Value Added			0.95				-0.01	-0.01	0.09	
Dodge & Cox Income Fund	49,623,104	37.85	3.75	4.36	5.97	-0.92	-0.43	-0.43	0.13	11/1/2014
Blmbg. U.S. Aggregate			3.04	3.57	4.79	-1.55	0.01	0.01	-0.26	
Value Added			0.71	0.79	1.18	0.63	-0.44	-0.44	0.39	
Vanguard Short-Term Bond	11,724,359	8.94	2.89		2.80	-1.07	-0.77	-0.77	-0.20	7/1/2018
Blmbg. 1-5 Year Gov/Credit			2.96		2.88	-0.97	-0.72	-0.72	-0.16	
Value Added			-0.07		-0.08	-0.10	-0.05	-0.05	-0.04	

Asset Allocation & Performance

NMI Settlement Fund

Periods Ended December 31, 2021

	Allocation		Performance (%) net of fees							
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	FYTD	QTD	1 Month	Inception Date
Fixed Income Composite	99,318,341	75.75	3.76	4.39	5.90	1.56	-0.06	-0.06	0.78	10/1/2013
Fixed Income Policy			3.77	4.30	5.91	0.91	0.16	0.16	0.55	
Value Added			-0.01	0.09	-0.01	0.65	-0.22	-0.22	0.23	
Mutual Fund Cash	2,018,473	1.54	0.66	1.09	0.98	0.05	0.03	0.03	0.00	10/1/2013

Cash Flow Summary

Total Fund

One Month Ending December 31, 2021

	Begin Value	Net Cash Flow	Expenses	Capital Apprec./ Deprec.	End Value
Total Fund	129,183,647		-5,959	1,931,818	131,109,506
Global Equity Composite	28,622,638			1,150,054	29,772,692
Vanguard Total World Stock	28,622,638			1,150,054	29,772,692
Fixed Income Composite	98,536,594			781,747	99,318,341
Vanguard Short-Term Bond	11,736,969			-12,610	11,724,359
Hotchkis & Wiley High Yield Fund					
PGIM High Yield	37,243,071			727,655	37,970,726
Dodge & Cox Income Fund	49,556,401			66,703	49,623,104
Mutual Fund Cash	2,024,416		-5,959	17	2,018,473

Historical Hybrid Composition

Total Fund Composite
As of December 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
As of December 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

Global Equity Composite

As of December 31, 2021

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

Historical Hybrid Composition

Fixed Income Composite

As of December 31, 2021

Policy Index	Weight (%)	Policy Index	Weight (%)
Feb-2021		Dec-2019	
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
Jan-2021		Oct-2019	
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
Dec-2020		Jul-2018	
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
Nov-2020		Jan-2018	
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
Oct-2020		Oct-2016	
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		
Sep-2020		Jan-2015	
Blmbg. 1-5 Year Gov/Credit	20.96	ICE BofAML High Yield BB-B Constrained Index	22.20
ICE BofAML High Yield BB-B Constrained Index	23.84	Blmbg. Intermed. U.S. Government/Credit	22.20
Blmbg. U.S. Aggregate	55.20	Blmbg. U.S. Aggregate	55.60
		Apr-2014	
		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 December 31, 2021

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