

Wilshire

NMI Settlement Fund

Monthly Investment Summary

Sep-2022

Market Commentary

Quarter Ended September 30, 2022

U.S. Economy and Markets

- The U.S. stock market, represented by the FT Wilshire 5000 IndexSM, was down -4.45% for the third quarter and is now down -24.4% for all of 2022.
- Most sectors were down for the quarter. The worst performing were Communication Services (-12.5%), Real Estate (-10.9%) and Materials (-6.7%). The two sectors producing gains were Consumer Discretionary (+4.0%) and Energy (+3.6%).
- From a size perspective, small cap outperformed large by 98 basis points. Growth stocks outperformed value for the quarter but trail meaningfully for the year-to-date.

International Economy and Markets

- Performance results within international equity markets were negative for the third quarter, with developed outperforming emerging markets.
- The MSCI EAFE Index was down -9.4% for the quarter, while the MSCI Emerging Markets Index was down -11.6%.
- In Europe, monetary policy tightening and an energy crisis due, in part, to restricted Russian gas supplies weighed on stocks.
- China is currently struggling on several fronts – slowing growth, record high youth unemployment and a collapsing housing market.

Fixed Income & Real Assets

- The U.S. Treasury yield curve was up meaningfully across all maturities during the quarter, with increases ranging from 60 to 165 basis points.
- The 10-year Treasury yield ended the quarter at 3.83%, up 81 basis points from June.
- Credit spreads widened during the quarter within investment grade bonds but tightened, slightly, for high yield bonds, after an outsized jump of 163 basis points in June.
- The Federal Open Market Committee met twice during the quarter, as scheduled, and increased the overnight rate by 0.75% in both July and September, targeting a range of 3.00% to 3.25%.
- Real estate securities were down during the third quarter in both the U.S. and abroad.
- Commodity results also were negative for the quarter, with crude oil falling precipitously by -24.8% to \$79.49 per barrel.

Monthly Index Performance

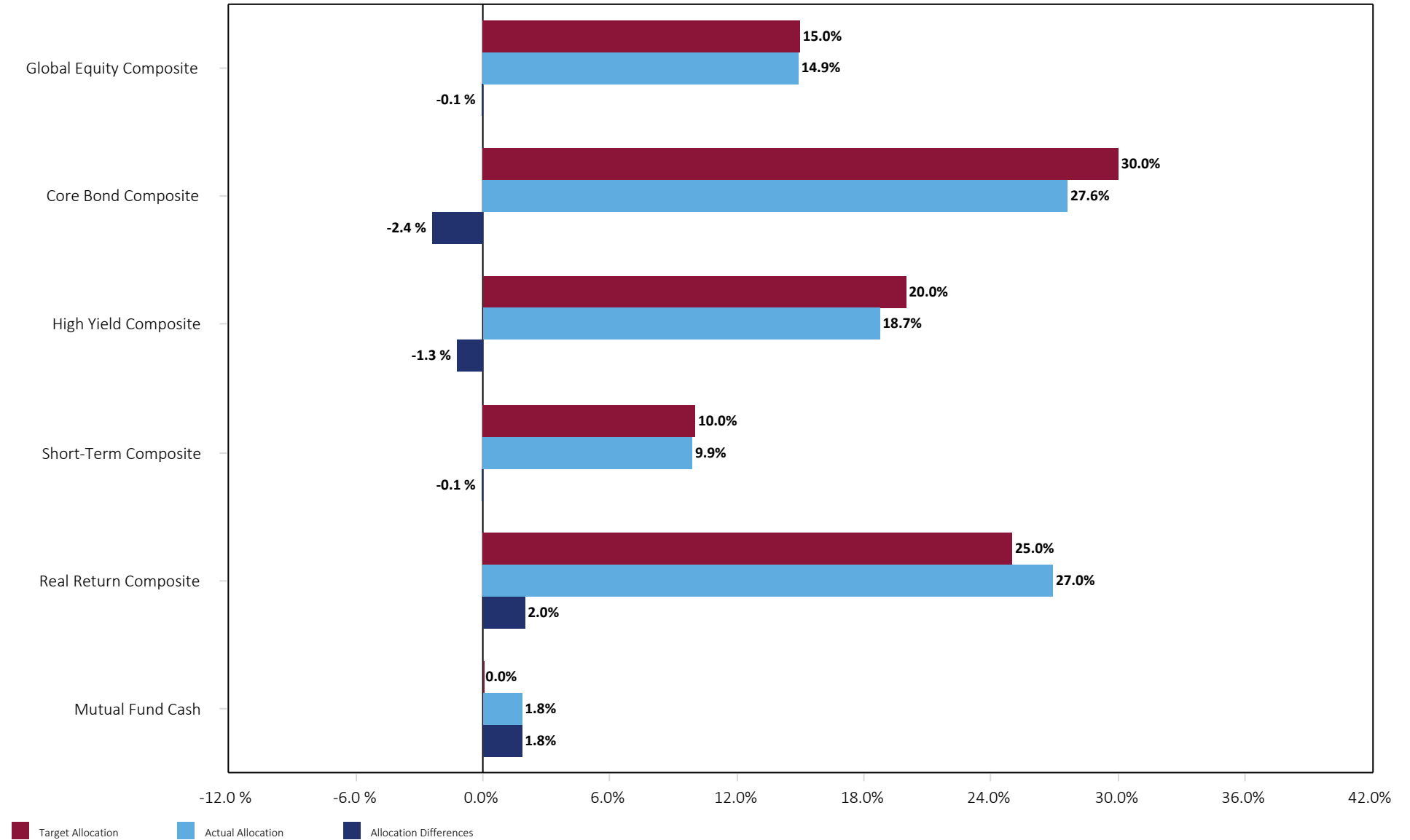
Periods Ended September 30, 2022

	Performance (%)					
	1 Month	QTD	YTD	1 Year	3 Years	5 Years
U.S. Equity						
FT Wilshire 5000 Total Market TR Index	-9.34	-4.45	-24.41	-17.17	8.07	8.85
S&P 500	-9.21	-4.88	-23.87	-15.47	8.16	9.24
FT Wilshire 4500 Completion Index	-9.68	-2.48	-27.72	-26.47	6.36	6.09
MSCI USA Minimum Volatility Index	-7.17	-5.41	-17.29	-8.68	2.94	7.70
U.S. Equity by Size/Style						
FT Wilshire U.S. Large-Cap Index	-9.25	-4.52	-24.36	-16.62	8.41	9.53
FT Wilshire U.S. Large-Cap Growth Index	-9.77	-3.27	-30.07	-21.99	10.71	10.87
FT Wilshire U.S. Large-Cap Value Index	-8.67	-5.84	-16.93	-9.82	5.96	7.36
FT Wilshire U.S. Small-Cap Index	-10.21	-3.54	-24.62	-22.14	4.77	4.20
FT Wilshire U.S. Small-Cap Growth Index	-9.45	-2.04	-28.15	-26.88	4.14	4.13
FT Wilshire U.S. Small-Cap Value Index	-10.89	-4.86	-21.07	-17.27	5.37	3.82
FT Wilshire U.S. Micro-Cap Index	-11.36	-2.77	-29.54	-35.43	0.69	-0.74
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	-9.99	-9.91	-26.50	-25.17	-1.52	-0.81
MSCI ACWI ex USA Minimum Volatility Index (Net)	-7.46	-7.85	-19.47	-17.27	-2.38	0.64
MSCI EAFE Index (Net)	-9.35	-9.36	-27.09	-25.13	-1.83	-0.84
MSCI Emerging Markets (Net)	-11.72	-11.57	-27.16	-28.11	-2.07	-1.81
MSCI AC World ex USA Small Cap (Net)	-11.04	-8.37	-29.37	-28.93	0.38	-0.56
U.S. Fixed Income						
Blmbg. U.S. Aggregate	-4.32	-4.75	-14.61	-14.60	-3.26	-0.27
Blmbg. U.S. Treasury: Long	-7.90	-9.63	-28.84	-26.65	-8.51	-1.62
Blmbg. U.S. Long Corporate Index	-8.74	-8.65	-29.43	-28.40	-6.95	-1.14
Blmbg. U.S. TIPS	-6.62	-5.14	-13.61	-11.57	0.79	1.95
Blmbg. U.S. Credit Index	-5.07	-4.95	-18.07	-17.89	-3.61	-0.05
Blmbg. U.S. Corp: High Yield	-3.97	-0.65	-14.74	-14.14	-0.45	1.57
S&P LSTA Leverage Loan Index	-2.27	1.37	-3.25	-2.53	2.19	2.97

Asset Allocation Compliance

Total Fund

Periods Ended As of September 30, 2022



Asset Allocation & Performance

NMI Settlement Fund

Periods Ended September 30, 2022

	Allocation		Performance (%) net of fees								
	Market Value \$	%	Since Inception	5 Years	3 Years	1 Year	YTD	FYTD	QTD	1 Month	Inception Date
Total Fund	110,349,648	100.00	2.30	1.20	-0.40	-14.61	-15.74	-14.61	-3.70	-5.36	10/1/2013
Total Fund Policy			2.29	1.10	-1.10	-15.63	-16.78	-15.63	-4.47	-5.29	
Value Added			0.01	0.10	0.70	1.02	1.04	1.02	0.77	-0.07	
Vanguard Total World Stock	16,462,498	14.92	3.93		3.85	-20.81	-25.56	-20.81	-6.99	-9.57	7/1/2018
FTSE Global All Cap Net Tax (US RIC) Idx			4.00		3.98	-20.76	-25.41	-20.76	-6.63	-9.61	
Value Added			-0.07		-0.13	-0.05	-0.15	-0.05	-0.36	0.04	
Global Equity Composite	16,462,498	14.92	6.30	4.43	3.85	-20.81	-25.56	-20.81	-6.99	-9.57	10/1/2013
Global Equity Policy			6.19	4.46	3.98	-20.76	-25.41	-20.76	-6.63	-9.61	
Value Added			0.11	-0.03	-0.13	-0.05	-0.15	-0.05	-0.36	0.04	
PGIM High Yield	20,687,621	18.75	-5.98			-14.14	-14.68	-14.14	-1.39	-4.32	2/1/2021
Blmbg Barc U.S. High Yield 1% Issuer Cap			-6.48			-14.11	-14.67	-14.11	-0.61	-3.96	
Value Added			0.50			-0.03	-0.01	-0.03	-0.78	-0.36	
Dodge & Cox Income Fund	30,474,391	27.62	1.55	0.67	-1.74	-13.62	-13.25	-13.62	-3.98	-4.21	11/1/2014
Blmbg. U.S. Aggregate			0.72	-0.27	-3.26	-14.60	-14.61	-14.60	-4.75	-4.32	
Value Added			0.83	0.94	1.52	0.98	1.36	0.98	0.77	0.11	
Vanguard Short-Term Bond	10,949,582	9.92	0.76		-0.94	-7.24	-6.52	-7.24	-2.11	-1.77	7/1/2018
Blmbg. 1-5 Year Gov/Credit			0.79		-0.90	-7.29	-6.62	-7.29	-2.16	-1.80	
Value Added			-0.03		-0.04	0.05	0.10	0.05	0.05	0.03	

Asset Allocation & Performance

NMI Settlement Fund

Periods Ended September 30, 2022

	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	62,111,723	56.29	1.85	0.57	-1.38	-13.08	-13.03	-13.08	-2.80	-3.82	10/1/2013
Fixed Income Policy			1.78	0.47	-2.07	-13.47	-13.61	-13.47	-2.87	-3.87	
Value Added			0.07	0.10	0.69	0.39	0.58	0.39	0.07	0.05	
Fidelity Strategic Real Return	29,754,464	26.96	-7.13							-6.42	8/1/2022
Fidelity Strategic Real Return Policy			-7.01							-6.34	
Value Added			-0.12							-0.08	
Real Return Composite	29,754,464	26.96	-7.13							-6.42	8/1/2022
Real Return Policy			-7.01							-6.34	
Value Added			-0.12							-0.08	
Mutual Fund Cash	2,020,963	1.83	0.68	1.13	0.51	0.72	0.68	0.72	0.50	0.20	10/1/2013

Cash Flow Summary

Total Fund

One Month Ending September 30, 2022

	Begin Value	Net Cash Flow	Expenses	Capital Apprec./ Deprec.	End Value
Total Fund	116,609,772		-5,436	-6,254,688	110,349,648
Global Equity Composite	18,204,787			-1,742,290	16,462,498
Vanguard Total World Stock	18,204,787			-1,742,290	16,462,498
Fixed Income Composite	64,586,800			-2,475,077	62,111,723
Vanguard Short-Term Bond	11,146,584			-197,002	10,949,582
Hotchkis & Wiley High Yield Fund					
PGIM High Yield	21,622,026			-934,405	20,687,621
Dodge & Cox Income Fund	31,818,055			-1,343,665	30,474,391
Real Return Composite	31,795,759			-2,041,295	29,754,464
Fidelity Strategic Real Return	31,795,759			-2,041,295	29,754,464
Mutual Fund Cash	2,022,425		-5,436	3,974	2,020,963

Historical Hybrid Composition

Total Fund Composite

As of September 30, 2022

Policy Index	Weight (%)	Policy Index	Weight (%)
Aug-2022		Nov-2020	
FTSE Global All Cap Net Tax (US RIC) Index	15.00	Blmbg. U.S. Aggregate	45.85
Blmbg. U.S. Aggregate	30.00	ICE BofAML High Yield BB-B Constrained Index	20.37
Blmbg U.S. High Yield 1% Issuer Cap Index	20.00	Blmbg. 1-5 Year Gov/Credit	17.10
Blmbg. 1-5 Year Gov/Credit	10.00	FTSE Global All Cap Net Tax (US RIC) Index	16.68
Fidelity Strategic Real Return Policy	25.00	Oct-2020	
Jul-2022		Blmbg. U.S. Aggregate	46.73
FTSE Global All Cap Net Tax (US RIC) Index	15.00	ICE BofAML High Yield BB-B Constrained Index	20.12
Blmbg. U.S. Aggregate	30.00	Blmbg. 1-5 Year Gov/Credit	17.74
Blmbg U.S. High Yield 1% Issuer Cap Index	20.00	FTSE Global All Cap Net Tax (US RIC) Index	15.41
Blmbg. 1-5 Year Gov/Credit	10.00	Sep-2020	
90 Day US Treasury Bill	25.00	Blmbg. U.S. Aggregate	46.55
Feb-2021		ICE BofAML High Yield BB-B Constrained Index	20.10
Blmbg. U.S. Aggregate	40.00	Blmbg. 1-5 Year Gov/Credit	17.67
Blmbg U.S. High Yield 1% Issuer Cap Index	30.00	FTSE Global All Cap Net Tax (US RIC) Index	15.68
Blmbg. 1-5 Year Gov/Credit	10.00	Dec-2019	
FTSE Global All Cap Net Tax (US RIC) Index	20.00	Blmbg. U.S. Aggregate	50.00
Jan-2021		ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. U.S. Aggregate	40.65	Blmbg. 1-5 Year Gov/Credit	20.00
ICE BofAML High Yield BB-B Constrained Index	29.26	FTSE Global All Cap Net Tax (US RIC) Index	10.00
Blmbg. 1-5 Year Gov/Credit	9.65	Oct-2019	
FTSE Global All Cap Net Tax (US RIC) Index	20.44	Blmbg. U.S. Aggregate	40.00
Dec-2020		ICE BofAML High Yield BB-B Constrained Index	20.00
Blmbg. U.S. Aggregate	45.31	Blmbg. 1-5 Year Gov/Credit	15.00
ICE BofAML High Yield BB-B Constrained Index	20.64	FTSE Global All Cap Net Tax (US RIC) Index	25.00
Blmbg. 1-5 Year Gov/Credit	16.83		
FTSE Global All Cap Net Tax (US RIC) Index	17.22		

Historical Hybrid Composition

Total Fund Composite

As of September 30, 2022

Policy Index	Weight (%)
Jul-2018	
Blmbg. U.S. Aggregate	50.00
ICE BofAML High Yield BB-B Constrained Index	32.00
Blmbg. 1-5 Year Gov/Credit	12.00
FTSE Global All Cap Net Tax (US RIC) Index	6.00
Jan-2018	
Blmbg. U.S. Aggregate	50.00
ICE BofAML High Yield BB-B Constrained Index	32.00
MSCI AC World Index (Net)	6.00
Blmbg. Intermed. U.S. Government/Credit	12.00
Oct-2016	
TF Policy custom2	100.00
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 September 30, 2022

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 September 30, 2022

Policy Index	Weight (%)	Policy Index	Weight (%)
Jul-2022		Sep-2020	
Blmbg. 1-5 Year Gov/Credit	16.67	Blmbg. 1-5 Year Gov/Credit	20.96
Blmbg U.S. High Yield 1% Issuer Cap Index	33.33	ICE BofAML High Yield BB-B Constrained Index	23.84
Blmbg. U.S. Aggregate	50.00	Blmbg. U.S. Aggregate	55.20
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		
		Jan-2015	
		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

Fixed Income Composite

As of September 30, 2022

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