

AUGUST 2021

Monthly Market Commentary

Multi-Asset

| Multi-Asset | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|---|---------|---------|---------|--------|
| Global 60/40 (ACWI/U.S. Core Bonds) | 1.43 | 2.30 | 9.02 | 16.55 |
| Wilshire Risk Parity Index SM - 12% Volatility | (0.04) | 4.74 | 13.28 | 26.43 |

As of August 31, 2021. Source: Bloomberg.

U.S. Economy and Markets

- Domestic equity markets were positive in August, as the FT Wilshire 5000 Total Market IndexSM and the S&P 500 Index returned 2.94% and 3.04%, respectively.
- The CBOE Volatility Index (VIX) ended August at 16.48, a decrease from its July close of 18.24, and has been trending downward during the past twelve months.
- Performance across GICS sectors was mostly positive for the month, with the Financials and Communication sectors leading the group, gaining 5.05% and 4.64%, respectively. The Energy sector suffered the only loss, falling -1.51%.
- Small cap stocks underperformed their large cap counterparts in August, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning 2.37% and 2.99%, respectively.
- For the month of August, value-oriented equities underperformed their growth-oriented counterparts in the large capitalization segment of the market, but outperformed among small capitalization stocks.

| U.S. Equity | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|---|---------|---------|---------|--------|
| FT Wilshire 5000 Total Market Index SM | 2.94 | 4.79 | 20.98 | 33.31 |
| Standard & Poor's 500 | 3.04 | 5.49 | 21.58 | 31.17 |
| Wilshire 4500 Completion Index SM | 2.45 | 1.79 | 18.18 | 47.10 |
| MSCI USA Minimum Volatility | 1.95 | 5.51 | 15.33 | 21.33 |

As of August 31, 2021. Source: Bloomberg.

| U.S. Equity By Size/Style | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| Wilshire U.S. Large Cap Index SM | 2.99 | 5.29 | 21.18 | 32.00 |
| Wilshire U.S. Large Cap Growth Index SM | 3.78 | 6.90 | 21.93 | 31.76 |
| Wilshire U.S. Large Cap Value Index SM | 1.96 | 3.23 | 19.16 | 31.61 |
| Wilshire U.S. Small Cap Index SM | 2.37 | (0.27) | 18.60 | 49.59 |
| Wilshire U.S. Small Cap Growth Index SM | 1.54 | (0.46) | 11.92 | 40.94 |
| Wilshire U.S. Small Cap Value Index SM | 3.17 | (0.09) | 25.46 | 58.68 |
| Wilshire U.S. Micro Cap Index SM | 3.90 | (3.04) | 29.04 | 70.68 |

As of August 31, 2021. Source: Bloomberg.

| GICS Sector Returns* | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|------------------------|---------|---------|---------|--------|
| Communication Services | 4.64 | 7.43 | 29.76 | 40.17 |
| Consumer Discretionary | 2.22 | 2.27 | 14.39 | 24.47 |
| Consumer Staples | 1.36 | 3.35 | 9.18 | 15.09 |
| Energy | (1.51) | (10.01) | 33.71 | 47.65 |
| Financials | 5.05 | 4.47 | 31.64 | 58.16 |
| Health Care | 2.53 | 6.37 | 18.38 | 28.87 |
| Industrials | 0.84 | 1.16 | 16.76 | 36.65 |
| Information Technology | 3.52 | 7.10 | 21.04 | 30.13 |
| Materials | 1.47 | 2.67 | 20.25 | 43.26 |
| Real Estate | 2.16 | 6.74 | 29.57 | 37.69 |
| Utilities | 3.73 | 7.80 | 10.61 | 19.95 |

*GICS Sector returns for the Wilshire 5000 Total Market IndexSM

As of August 31, 2021. Source: Wilshire AtlasSM.

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned 1.76% this month.
- The MSCI Emerging Markets Index gained 2.62% in August.

| Non-U.S. Equity (USD) | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| MSCI AC World ex U.S. | 1.90 | 0.22 | 9.40 | 24.87 |
| MSCI AC World ex U.S. Minimum Volatility | 2.59 | 3.39 | 9.49 | 16.77 |
| MSCI EAFE | 1.76 | 2.53 | 11.58 | 26.12 |
| MSCI Emerging Markets | 2.62 | (4.29) | 2.84 | 21.12 |
| MSCI AC World ex U.S. Small Cap | 2.31 | 3.13 | 15.75 | 35.51 |

As of August 31, 2021. Source: Bloomberg.

| Non-U.S. Equity (Local Currency) | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| MSCI AC World ex U.S. | 2.19 | 0.54 | 12.14 | 24.62 |
| MSCI AC World ex U.S. Minimum Volatility | 2.69 | 3.22 | 11.84 | 16.59 |
| MSCI EAFE | 2.25 | 2.65 | 15.74 | 27.61 |
| MSCI Emerging Markets | 2.26 | (3.98) | 3.65 | 18.27 |
| MSCI AC World ex U.S. Small Cap | 2.51 | 3.44 | 18.92 | 35.01 |

As of August 31, 2021. Source: Bloomberg.

Fixed Income & Real Assets

- The 10-year U.S. Treasury yield ended the month at 1.31%, an increase from its July close of 1.22%.
- The Bloomberg U.S. Aggregate Index posted a loss of -0.19% in August.
- Below investment-grade bonds were the best performing segment within U.S. fixed income, with the Bloomberg U.S. High Yield Index returning 0.51%. Long term investment-grade bonds were the worst performing segment, with the Bloomberg Long Term Corporate Index returning -0.48%.
- Listed U.S. real estate posted positive returns in August, with the Wilshire U.S. Real Estate Securities IndexSM returning 1.90%. Listed global infrastructure was up as well, with the S&P Global Infrastructure Index gaining 1.81%.
- Commodities, as measured by the Bloomberg Commodity Index, fell -0.30% in August.

| U.S. Fixed Income | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|-------------------------------|---------|---------|---------|--------|
| Bloomberg U.S. Aggregate | (0.19) | 0.93 | (0.69) | (0.08) |
| Bloomberg Long Term Treasury | (0.21) | 3.43 | (4.77) | (7.27) |
| Bloomberg Long Term Corporate | (0.48) | 1.81 | (0.67) | 3.95 |
| Bloomberg U.S. TIPS | (0.18) | 2.48 | 4.26 | 5.56 |
| Bloomberg U.S. Credit | (0.24) | 1.06 | (0.23) | 2.26 |
| Bloomberg U.S. High Yield | 0.51 | 0.90 | 4.55 | 10.14 |
| S&P/LSTA Leveraged Loan | 0.47 | 0.46 | 3.76 | 8.39 |

As of August 31, 2021. Source: Bloomberg.

| Global Fixed Income | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|------------------------------------|---------|---------|---------|--------|
| Bloomberg Global Aggregate | (0.42) | 0.91 | (2.33) | 0.52 |
| Bloomberg Global Aggregate (Hdg) | (0.20) | 1.04 | (0.49) | 0.76 |
| Bloomberg EM LC Gov't Unvrsl | 0.83 | 1.40 | 0.21 | 6.57 |
| Bloomberg EM LC Gov't Unvrsl (Hdg) | 0.17 | 1.16 | (0.47) | 0.63 |

As of August 31, 2021. Source: Bloomberg.

| Real Assets | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| Wilshire U.S. Real Estate Securities Index SM | 1.90 | 7.09 | 31.40 | 40.61 |
| Wilshire Global Real Estate Securities Index SM | 1.58 | 5.67 | 24.76 | 36.79 |
| Bloomberg Commodity Index | (0.30) | 1.54 | 23.01 | 31.00 |
| S&P Global Infrastructure Index | 1.81 | 2.81 | 8.36 | 20.91 |
| Alerian Midstream Energy Index | (1.57) | (5.18) | 33.39 | 43.44 |

As of August 31, 2021. Source: Bloomberg.

Alternatives

- The Wilshire Liquid Alternative IndexSM returned 0.48% in August. The Wilshire Liquid Alternative Equity Hedge IndexSM and the Wilshire Liquid Alternative Multi-Strategy IndexSM were the best sub-strategy performers this month, returning 1.23% and 0.52%, respectively.
- The Wilshire Liquid Alternative Global Macro IndexSM lagged, falling -0.01%.

| Alternatives | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| Wilshire Liquid Alternative Index SM | 0.48 | 0.51 | 5.01 | 8.81 |
| Wilshire Liquid Alternative Equity Hedge Index SM | 1.23 | 1.97 | 11.53 | 16.07 |
| Wilshire Liquid Alternative Event Driven Index SM | 0.29 | (0.92) | 2.15 | 6.16 |
| Wilshire Liquid Alternative Global Macro Index SM | (0.01) | (0.32) | 3.86 | 6.73 |
| Wilshire Liquid Alternative Multi-Strategy Index SM | 0.52 | 0.50 | 6.04 | 10.09 |
| Wilshire Liquid Alternative Relative Value Index SM | 0.14 | 0.07 | 1.34 | 4.82 |

As of August 31, 2021. Source: Bloomberg.

Important Information

The Wilshire Indexes are calculated and distributed by Wilshire Advisors LLC (Wilshire). The indices do not represent an investment. It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments derived from that index. Wilshire makes no representations regarding the advisability of investing in investment products based on the Wilshire Indexes not sponsored, endorsed, sold or promoted by Wilshire. Index returns do not reflect payment of certain sales charges or fees an investor may pay to purchase the securities underlying the Index or investment vehicles intended to track the performance of the Index. The imposition of these fees and charges would cause actual performance of the securities/vehicles to be lower than the Index performance shown. Inclusion of a company in the Wilshire Indexes does not in any way reflect an opinion of Wilshire on the investment merits of the company. Index returns are preliminary and are subject to revision.

Wilshire is a global financial services firm providing diverse services to various types of investors and intermediaries. Wilshire's products, services, investment approach and advice may differ between clients and all of Wilshire's products and services may not be available to all clients. For more information regarding Wilshire's services, please see Wilshire's ADV Part 2 available at www.wilshire.com/ADV. The information from third parties contained herein has been obtained from sources believed to be reliable. Wilshire gives no representations or warranties as to the accuracy of such information, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information and for results obtained from its use. Wilshire Advisors LLC (Wilshire) is an investment advisor registered with the SEC. Wilshire® is a registered service mark. All other trade names, trademarks, and/or service marks are the property of their respective holders.

Copyright © 2021 Wilshire. All rights reserved

13445480 E0921

More information

For more information, please contact us directly:

T +1 310 451 3051

Wilshire

1299 Ocean Avenue, Suite 700, Santa Monica, CA 90401

wilshire.com