

JANUARY 2021

Monthly Market Commentary

U.S. Economy and Markets

- Domestic equity markets were negative in January, as the Wilshire 5000 Total Market IndexSM and the S&P 500 Index returned -0.33% and -1.01%, respectively.
- The CBOE Volatility Index (VIX) ended January at 33.09, an increase from its December close of 22.75.
- Performance across GICS sectors was mostly negative for the month, with the Energy and Health Care sectors leading the group, gaining 4.53% and 2.87%, respectively. The Consumer Staples and Industrials sectors trailed, declining -4.43% and -3.01%, respectively.
- Small cap stocks significantly outperformed their large cap counterparts in January, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning 4.43% and -0.80%, respectively.

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, declined -1.07% this month.
- The MSCI Emerging Markets Index gained 3.07% in January.

Fixed Income & Real Assets

- The 10-year U.S. Treasury yield ended the month at 1.11%, an increase from its December close of 0.93%.
- The Bloomberg Barclays U.S. Aggregate Index posted a loss of -0.72% in January.
- Leveraged loans were the best performing segment within U.S. fixed income, with the S&P/LSTA Leveraged Loan Index returning 1.17%. Rising yields weighed on long duration as the Bloomberg Barclays Long-Term Treasury Index declined -3.61%.
- U.S. real estate posted positive returns in January, with the Wilshire U.S. Real Estate Securities IndexSM returning 0.48%. Global real estate securities delivered negative returns, with the Wilshire Global Real Estate Securities IndexSM losing -0.19%.
- Commodities, as measured by the Bloomberg Commodity Index, advanced 2.63% in January

GICS sector returns* Wilshire 5000 Index SM As of January 31, 2021	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Communication Services	(0.98)	(0.98)	(0.98)	22.61
Consumer Discretionary	1.34	1.34	1.34	46.97
Consumer Staples	(4.43)	(4.43)	(4.43)	6.38
Energy	4.53	4.53	4.53	(20.61)
Financials	(1.21)	(1.21)	(1.21)	(0.76)
Health Care	2.87	2.87	2.87	26.44
Industrials	(3.01)	(3.01)	(3.01)	9.75
Information Technology	(0.58)	(0.58)	(0.58)	39.86
Materials	(1.50)	(1.50)	(1.50)	25.97
Real Estate	0.05	0.05	0.05	(5.49)
Utilities	(0.97)	(0.97)	(0.97)	(7.07)

*GICS Sector returns for the Wilshire 5000 Total Market IndexSM
Source: Wilshire AtlasSM

Alternatives

- The Wilshire Liquid Alternative IndexSM returned 0.01% in January. The Wilshire Liquid Alternative Event Driven IndexSM and the Wilshire Liquid Alternative Relative Value IndexSM were the best sub-strategy performers this month, returning 1.03% and 0.17%, respectively.
- The Wilshire Liquid Alternative Equity Hedge IndexSM lagged, returning -0.42%.

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Multi-asset	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Global 60/40 (ACWI/U.S. Core Bonds)	(0.56)	(0.56)	(0.56)	12.74
Wilshire Risk Parity Index SM - 12% Volatility	(0.04)	(0.04)	(0.04)	1.48
U.S. Equity	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire 5000 Total Market Index SM	(0.33)	(0.33)	(0.33)	20.41
Standard & Poor's 500	(1.01)	(1.01)	(1.01)	17.25
Wilshire 4500 Completion Index SM	2.84	2.84	2.84	36.20
MSCI USA Minimum Volatility	(2.67)	(2.67)	(2.67)	0.58
U.S. Equity by size/style	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire U.S. Large Cap Index SM	(0.80)	(0.80)	(0.80)	19.86
Wilshire U.S. Large Cap Growth Index SM	(1.47)	(1.47)	(1.47)	31.16
Wilshire U.S. Large Cap Value Index SM	(0.09)	(0.09)	(0.09)	8.40
Wilshire U.S. Small Cap Index SM	4.43	4.43	4.43	26.23
Wilshire U.S. Small Cap Growth Index SM	4.83	4.83	4.83	38.29
Wilshire U.S. Small Cap Value Index SM	4.02	4.02	4.02	14.98
Wilshire U.S. Micro Cap Index SM	14.11	14.11	14.11	38.40
Non-U.S. Equity (USD)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI AC World ex U.S.	0.22	0.22	0.22	13.95
MSCI AC World ex U.S. Minimum Volatility	(0.65)	(0.65)	(0.65)	1.27
MSCI EAFE	(1.07)	(1.07)	(1.07)	8.94
MSCI Emerging Markets	3.07	3.07	3.07	27.90
MSCI AC World ex U.S. Small Cap	(0.18)	(0.18)	(0.18)	17.72
Non-U.S. Equity (local currency)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI AC World ex U.S.	0.89	0.89	0.89	8.71
MSCI AC World ex U.S. Minimum Volatility	(0.22)	(0.22)	(0.22)	(3.05)
MSCI EAFE	(0.38)	(0.38)	(0.38)	1.71
MSCI Emerging Markets	3.81	3.81	3.81	27.86
MSCI AC World ex U.S. Small Cap	0.55	0.55	0.55	11.58
U.S. Fixed income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg Barclays U.S. Aggregate	(0.72)	(0.72)	(0.72)	4.72
Bloomberg Barclays Long Term Treasury	(3.61)	(3.61)	(3.61)	6.19
Bloomberg Barclays Long Term Corporate	(2.69)	(2.69)	(2.69)	6.65
Bloomberg Barclays U.S. TIPS	0.33	0.33	0.33	9.07
Bloomberg Barclays U.S. Credit	(1.19)	(1.19)	(1.19)	5.58
Bloomberg Barclays U.S. High Yield	0.33	0.33	0.33	7.44
S&P/LSTA Leveraged Loan	1.17	1.17	1.17	3.75
Global fixed income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg Barclays Global Aggregate	(0.88)	(0.88)	(0.88)	6.87
Bloomberg Barclays Global Aggregate (Hedged)	(0.54)	(0.54)	(0.54)	3.15
Bloomberg Barclays EM LC Gov't Universal	(0.34)	(0.34)	(0.34)	6.99
Bloomberg Barclays EM LC Gov't Universal (Hedged)	(0.28)	(0.28)	(0.28)	2.94

Real assets/alternatives	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire U.S. Real Estate Securities Index SM	0.48	0.48	0.48	(8.18)
Wilshire Global Real Estate Securities Index SM	(0.19)	(0.19)	(0.19)	(8.88)
Bloomberg Commodity Index	2.63	2.63	2.63	7.31
S&P Global Infrastructure Index	(2.11)	(2.11)	(2.11)	(9.22)
Alerian Midstream Energy Index	5.40	5.40	5.40	(16.72)
Wilshire Liquid Alternative Index SM	0.01	0.01	0.01	3.52
Wilshire Liquid Alternative Equity Hedge Index SM	(0.42)	(0.42)	(0.42)	3.54
Wilshire Liquid Alternative Event Driven Index SM	1.03	1.03	1.03	5.72
Wilshire Liquid Alternative Global Macro Index SM	(0.25)	(0.25)	(0.25)	4.59
Wilshire Liquid Alternative Multi-Strategy Index SM	(0.03)	(0.03)	(0.03)	1.33
Wilshire Liquid Alternative Relative Value Index SM	0.17	0.17	0.17	4.02

As of January 31, 2021. Source: Bloomberg

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