

FEBRUARY 2022

Monthly Market Commentary

Market Dashboard

- Growth assets were mostly negative in February, as the FT Wilshire 5000 IndexSM returned -2.44%. Defensive investments were also down as the 10-Year Treasury yield rose during the month and credit spreads widened.
- The CBOE Volatility Index (VIX) ended February at 30.15, an increase from its January close of 24.83 and its highest month-end level since January 2021.
- Real assets were up during February as energy enjoyed another strong month and the Bloomberg Commodity Index returned 6.23%. Oil prices were up from \$88.15 per barrel at the end of January to \$95.72 per barrel.

Multi-Asset	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Global 60/40 (ACWI/U.S. Core Bonds)	(2.00)	(5.73)	(5.73)	3.63
Wilshire Risk Parity Index SM – 12% Volatility	1.07	(3.17)	(3.17)	13.70

As of February 28, 2022. Source: Bloomberg

Strategic Allocation Themes	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Growth ¹	(2.58)	(7.37)	(7.37)	7.81
Defensive Growth ²	(0.93)	(6.45)	(6.45)	3.11
Diversified Credit ³	(3.29)	(5.53)	(5.53)	(2.47)
Real Assets ⁴	2.28	1.65	1.65	22.78
Defensive ⁵	(1.12)	(3.25)	(3.25)	(2.64)

As of February 28, 2022. Source: Bloomberg

¹ 100% Global Equity

² 60% Low Vol Global Equity, 40% US Convertibles

³ 42.5% U.S. High Yield, 42.5% EMD, 15% Bank Loans

⁴ 43% Global REITS/GLI, 33% Commodities, 48% TIPS, 9% Gold, -31% Cash

⁵ 100% US Core Bonds

Major Asset Classes	MTD (%)	QTD (%)	YTD (%)	1Y (%)
FT Wilshire 5000 Index SM	(2.44)	(8.03)	(8.03)	13.45
MSCI AC World ex U.S.	(1.98)	(5.59)	(5.59)	(0.40)
Bloomberg U.S. Aggregate	(1.12)	(3.25)	(3.25)	(2.64)
Bloomberg U.S. High Yield	(1.03)	(3.73)	(3.73)	0.64
Wilshire Global Real Estate Securities Index SM	(2.22)	(8.05)	(8.05)	20.13
Bloomberg Commodity Index	6.23	15.56	15.56	34.43

As of February 28, 2022. Source: Bloomberg

U.S. Economy and Markets

- The broad U.S. equity market was down in February as the FT Wilshire 5000 IndexSM returned -2.44%, with a drop of -8.03% to begin the new year.
- Small cap stocks outperformed their large cap counterparts for the month, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning 1.15% and -2.75%, respectively.
- Performance across GICS sectors was mostly negative in February. The Energy sector was again positive on higher oil prices, up 7.86% for the month. The Communication Services and Information Technology sectors were in negative territory, down -6.10% and -4.49%, respectively.

U.S. Equity	MTD (%)	QTD (%)	YTD (%)	1Y (%)
FT Wilshire 5000 Index SM	(2.44)	(8.03)	(8.03)	13.45
Standard & Poor's 500	(2.99)	(8.01)	(8.01)	16.39
Wilshire 4500 Completion Index SM	0.60	(8.64)	(8.64)	(2.12)
MSCI USA Minimum Volatility	(3.05)	(8.77)	(8.77)	13.86

As of February 28, 2022. Source: Bloomberg

U.S. Equity by Size/Style	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire US Large-Cap Index SM	(2.75)	(8.08)	(8.08)	15.03
Wilshire US Large-Cap Growth Index SM	(3.72)	(11.64)	(11.64)	14.19
Wilshire US Large-Cap Value Index SM	(1.56)	(3.38)	(3.38)	15.58
Wilshire US Small-Cap Index SM	1.15	(7.34)	(7.34)	(1.07)
Wilshire US Small-Cap Growth Index SM	1.07	(10.39)	(10.39)	(10.10)
Wilshire US Small-Cap Value Index SM	1.23	(4.24)	(4.24)	9.00
Wilshire US Micro-Cap Index SM	(0.78)	(10.17)	(10.17)	(19.18)

As of February 28, 2022. Source: Bloomberg

GICS sector returns*	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Communication Services	(6.10)	(12.45)	(12.45)	(0.02)
Consumer Discretionary	(3.54)	(13.05)	(13.05)	6.17
Consumer Staples	(1.17)	(2.78)	(2.78)	21.33
Energy	7.86	26.43	26.43	54.20
Financials	(1.23)	(1.59)	(1.59)	21.12
Health Care	(1.06)	(9.26)	(9.26)	9.10
Industrials	(0.13)	(6.11)	(6.11)	8.47
Information Technology	(4.49)	(11.35)	(11.35)	15.27
Materials	1.96	(5.39)	(5.39)	16.59
Real Estate	(3.78)	(11.70)	(11.70)	19.96
Utilities	(1.75)	(5.16)	(5.16)	19.29

*GICS Sector returns for the Wilshire 5000 Total Market IndexSM

As of February 28, 2022. Source: Wilshire AtlasSM

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned -1.77% this month. The MSCI Emerging Markets Index fell -2.99% in February.
- The U.S. dollar weakened slightly versus advanced foreign economies during the month, resulting in local currency returns trailing those measured in dollars.

Non-U.S. Equity (USD)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI ACWI	(2.58)	(7.37)	(7.37)	7.81
MSCI ACWI ex USA	(1.98)	(5.59)	(5.59)	(0.40)
MSCI ACWI ex USA Minimum Volatility	0.53	(2.93)	(2.93)	8.08
MSCI EAFE	(1.77)	(6.51)	(6.51)	2.83
MSCI Emerging Markets	(2.99)	(4.83)	(4.83)	(10.69)
MSCI ACWI ex USA Small Cap	(1.30)	(7.46)	(7.46)	1.03

As of February 28, 2022. Source: Bloomberg

Non-U.S. Equity (local currency)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI ACWI	(2.62)	(7.08)	(7.08)	9.85
MSCI ACWI ex USA	(2.09)	(4.87)	(4.87)	4.25
MSCI ACWI ex USA Minimum Volatility	0.43	(2.36)	(2.36)	11.85
MSCI EAFE	(2.18)	(5.74)	(5.74)	9.45
MSCI Emerging Markets	(2.38)	(4.13)	(4.13)	(8.76)
MSCI ACWI ex USA Small Cap	(1.51)	(6.81)	(6.81)	6.23

As of February 28, 2022. Source: Bloomberg

Country Returns (USD)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI Canada	0.17	(0.69)	(0.69)	19.81
MSCI China	(3.90)	(6.73)	(6.73)	(31.29)
MSCI France	(4.46)	(8.10)	(8.10)	7.96
MSCI Germany	(6.90)	(10.34)	(10.34)	(5.69)
MSCI Japan	(1.12)	(6.13)	(6.13)	(5.00)
MSCI United Kingdom	0.79	1.69	1.69	16.60

As of February 28, 2022. Source: Bloomberg

Fixed Income and Real Assets

- Core bonds posted a loss of -1.12% in February as the 10-year U.S. Treasury yield rose 5 basis points.
- High yield corporate bonds fell -1.03% as credit spreads widened. Leveraged loans benefited from their much shorter duration to outpace high yield bonds.
- Listed real estate and infrastructure were down in February, with the Wilshire Global Real Estate Securities IndexSM returning -2.22% and the FTSE Global Core Infrastructure Index falling -0.36%.
- Commodities, as measured by the Bloomberg Commodity Index, were up 6.23% in February.

U.S. Fixed Income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg U.S. Aggregate	(1.12)	(3.25)	(3.25)	(2.64)
Bloomberg Long Term Treasury	(1.46)	(5.54)	(5.54)	(1.05)
Bloomberg Long Term Corporate	(3.46)	(8.88)	(8.88)	(4.37)
Bloomberg U.S. TIPS	0.85	(1.19)	(1.19)	6.06
Bloomberg U.S. Credit	(1.89)	(5.03)	(5.03)	(3.25)
Bloomberg U.S. Corporate High Yield	(1.03)	(3.73)	(3.73)	0.64
S&P/LSTA Leveraged Loan	(0.51)	(0.15)	(0.15)	3.22

As of February 28, 2022. Source: Bloomberg

Market Rates	FEB 28	JAN 31	DEC 31	SEPT 30
10-Year Treasury	1.83	1.78	1.51	1.49
10-Year Breakeven Inflation	2.62	2.49	2.59	2.38

As of February 28, 2022. Source: Bloomberg

Global Fixed Income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg Global Aggregate	(1.19)	(3.21)	(3.21)	(5.32)
Bloomberg Global Aggregate (Hdg)	(1.33)	(2.88)	(2.88)	(2.19)
Bloomberg EM LC Gov't Universal	(0.46)	(0.68)	(0.68)	0.24
Bloomberg EM LC Gov't Universal (Hdg)	(0.51)	(0.98)	(0.98)	(0.85)

As of February 28, 2022. Source: Bloomberg

Real Assets	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire U.S. Real Estate Securities Index SM	(3.31)	(10.01)	(10.01)	26.63
Wilshire Global Real Estate Securities Index SM	(2.22)	(8.05)	(8.05)	20.13
FTSE Global Core Infrastructure 50/50	(0.36)	(3.36)	(3.36)	14.91
Alerian Midstream Energy Index	5.52	15.82	15.82	43.03
Bloomberg Commodity Index	6.23	15.56	15.56	34.43
Gold	6.22	4.36	4.36	10.09
Bitcoin	8.37	(10.10)	(10.10)	(8.80)

As of February 28, 2022. Source: Bloomberg

Alternatives

- The Wilshire Liquid Alternative IndexSM returned -0.94% in February. The Wilshire Liquid Alternative Global Macro IndexSM was the best performing sub-strategy this month, returning 0.65%.
- The Wilshire Liquid Alternative Equity Hedge IndexSM and the Wilshire Liquid Alternative Relative Value IndexSM were the main negatives, falling -1.57% and -1.11%, respectively.

Alternatives	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire Liquid Alternative Index SM	(0.94)	(2.00)	(2.00)	1.43
Wilshire Liquid Alternative Equity Hedge Index SM	(1.57)	(3.20)	(3.20)	6.89
Wilshire Liquid Alternative Event Driven Index SM	0.02	(0.75)	(0.75)	(0.73)
Wilshire Liquid Alternative Global Macro Index SM	0.65	1.52	1.52	2.90
Wilshire Liquid Alternative Multi-Strategy Index SM	(0.79)	(2.26)	(2.26)	1.79
Wilshire Liquid Alternative Relative Value Index SM	(1.11)	(2.02)	(2.02)	(1.95)

As of February 28, 2022. Source: Bloomberg

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