

JANUARY 2022

Monthly Market Commentary

Market Dashboard

- Growth assets were mostly negative in January, as the FT Wilshire 5000 IndexSM returned -5.73%. Defensive investments were also down as the 10-Year Treasury rose during the month and credit spreads widened.
- The CBOE Volatility Index (VIX) ended January at 24.83, an increase from its December close of 17.22 and above the average reading during the past 12 months.
- While most real assets were down during January, energy enjoyed a strong month and the Bloomberg Commodity Index returned 8.78%. Oil prices were up from \$75.21 per barrel at the end of December to \$88.15 per barrel.

Multi-Asset	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Global 60/40 (ACWI/U.S. Core Bonds)	(3.81)	(3.81)	(3.81)	6.60
Wilshire Risk Parity Index SM – 12% Volatility	(4.20)	(4.20)	(4.20)	10.34

As of January 31, 2022. Source: Bloomberg

Strategic Allocation Themes	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Growth ¹	(4.91)	(4.91)	(4.91)	13.23
Defensive Growth ²	(5.57)	(5.57)	(5.57)	4.60
Diversified Credit ³	(2.32)	(2.32)	(2.32)	0.02
Real Assets ⁴	(0.62)	(0.62)	(0.62)	22.15
Defensive ⁵	(2.15)	(2.15)	(2.15)	(2.97)

As of January 31, 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	(5.73)	(5.73)	(5.73)	19.84
MSCI AC World ex U.S.	(3.69)	(3.69)	(3.69)	3.62
Bloomberg U.S. Aggregate	(2.15)	(2.15)	(2.15)	(2.97)
Bloomberg U.S. High Yield	(2.73)	(2.73)	(2.73)	2.06
Wilshire Global Real Estate Securities Index SM	(5.97)	(5.97)	(5.97)	26.30
Bloomberg Commodity Index	8.78	8.78	8.78	34.73

As of January 31, 2022. Source: Bloomberg

U.S. Economy and Markets

- The broad U.S. equity market was down in January as the FT Wilshire 5000 IndexSM returned -5.73% to begin the new year.
- Small cap stocks underperformed their large cap counterparts for the month, with the Wilshire U.S. Small Cap IndexSM and the Wilshire U.S. Large Cap IndexSM returning -8.39% and -5.48%, respectively.
- Performance across GICS sectors was generally negative in January. The Energy sector produced the only positive return on higher oil prices, up 17.22% for the month. The Consumer Discretionary and Health Care sectors were in negative territory, down -9.86% and -8.29%, respectively.

U.S. Equity	MTD (%)	QTD (%)	YTD (%)	1Y (%)
FT Wilshire 5000 Index SM	(5.73)	(5.73)	(5.73)	19.84
Standard & Poor's 500	(5.17)	(5.17)	(5.17)	23.29
Wilshire 4500 Completion Index SM	(9.19)	(9.19)	(9.19)	2.46
MSCI USA Minimum Volatility	(5.90)	(5.90)	(5.90)	17.00

As of January 31, 2022. Source: Bloomberg

U.S. Equity by Size/Style	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire US Large-Cap Index SM	(5.48)	(5.48)	(5.48)	21.44
Wilshire US Large-Cap Growth Index SM	(8.24)	(8.24)	(8.24)	20.00
Wilshire US Large-Cap Value Index SM	(1.85)	(1.85)	(1.85)	22.35
Wilshire US Small-Cap Index SM	(8.39)	(8.39)	(8.39)	4.54
Wilshire US Small-Cap Growth Index SM	(11.33)	(11.33)	(11.33)	(6.86)
Wilshire US Small-Cap Value Index SM	(5.41)	(5.41)	(5.41)	17.53
Wilshire US Micro-Cap Index SM	(9.46)	(9.46)	(9.46)	(9.16)

As of January 31, 2022. Source: Bloomberg

GICS sector returns*	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Communication Services	(6.76)	(6.76)	(6.76)	13.42
Consumer Discretionary	(9.86)	(9.86)	(9.86)	9.87
Consumer Staples	(1.62)	(1.62)	(1.62)	21.27
Energy	17.22	17.22	17.22	74.89
Financials	(0.36)	(0.36)	(0.36)	36.62
Health Care	(8.29)	(8.29)	(8.29)	8.28
Industrials	(5.99)	(5.99)	(5.99)	15.91
Information Technology	(7.19)	(7.19)	(7.19)	22.16
Materials	(7.21)	(7.21)	(7.21)	20.45
Real Estate	(8.23)	(8.23)	(8.23)	28.76
Utilities	(3.47)	(3.47)	(3.47)	14.59

*GICS Sector returns for the Wilshire 5000 Total Market IndexSM

As of January 31, 2022. Source: Wilshire AtlasSM

International Economy and Markets

- Developed international equity markets, as measured by the MSCI EAFE Index, returned -4.83% this month. The MSCI Emerging Markets Index fell -1.89% in January.
- The U.S. dollar strengthened somewhat during the month, resulting in local currency returns outpacing those measured in dollars.

Non-U.S. Equity (USD)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI ACWI	(4.91)	(4.91)	(4.91)	13.23
MSCI ACWI ex USA	(3.69)	(3.69)	(3.69)	3.62
MSCI ACWI ex USA Minimum Volatility	(3.44)	(3.44)	(3.44)	6.47
MSCI EAFE	(4.83)	(4.83)	(4.83)	7.03
MSCI Emerging Markets	(1.89)	(1.89)	(1.89)	(7.23)
MSCI ACWI ex USA Small Cap	(6.24)	(6.24)	(6.24)	6.06

As of January 31, 2022. Source: Bloomberg

Non-U.S. Equity (local currency)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI ACWI	(4.58)	(4.58)	(4.58)	15.55
MSCI ACWI ex USA	(2.85)	(2.85)	(2.85)	8.85
MSCI ACWI ex USA Minimum Volatility	(2.77)	(2.77)	(2.77)	10.80
MSCI EAFE	(3.64)	(3.64)	(3.64)	14.82
MSCI Emerging Markets	(1.79)	(1.79)	(1.79)	(5.57)
MSCI ACWI ex USA Small Cap	(5.38)	(5.38)	(5.38)	12.03

As of January 31, 2022. Source: Bloomberg

Country Returns (USD)	MTD (%)	QTD (%)	YTD (%)	1Y (%)
MSCI Canada	(0.86)	(0.86)	(0.86)	26.26
MSCI China	(2.95)	(2.95)	(2.95)	(29.24)
MSCI France	(3.81)	(3.81)	(3.81)	18.62
MSCI Germany	(3.69)	(3.69)	(3.69)	3.34
MSCI Japan	(5.07)	(5.07)	(5.07)	(2.48)
MSCI United Kingdom	0.90	0.90	0.90	19.85

As of January 31, 2022. Source: Bloomberg

Fixed Income and Real Assets

- Core bonds posted a loss of -2.15% in January as the 10-year U.S. Treasury yield rose 27 basis points.
- High yield corporate bonds fell -2.73% as credit spreads widened. Leveraged loans benefited from their much shorter duration to end the month up 0.36%.
- Listed real estate and infrastructure were down in January, with the Wilshire Global Real Estate Securities IndexSM returning -5.97% and the FTSE Global Core Infrastructure Index falling -3.01%.
- Commodities, as measured by the Bloomberg Commodity Index, were up 8.78% in January.

U.S. Fixed Income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg U.S. Aggregate	(2.15)	(2.15)	(2.15)	(2.97)
Bloomberg Long Term Treasury	(4.14)	(4.14)	(4.14)	(5.17)
Bloomberg Long Term Corporate	(5.61)	(5.61)	(5.61)	(4.10)
Bloomberg U.S. TIPS	(2.02)	(2.02)	(2.02)	3.47
Bloomberg U.S. Credit	(3.21)	(3.21)	(3.21)	(3.10)
Bloomberg U.S. Corporate High Yield	(2.73)	(2.73)	(2.73)	2.06
S&P/LSTA Leveraged Loan	0.36	0.36	0.36	4.37

As of January 31, 2022. Source: Bloomberg

Market Rates	JAN 31	DEC 31	NOV 30	SEPT 30
10-Year Treasury	1.78	1.51	1.45	1.49
10-Year Breakeven Inflation	2.49	2.59	2.51	2.38

As of January 31, 2022. Source: Bloomberg

Global Fixed Income	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Bloomberg Global Aggregate	(2.05)	(2.05)	(2.05)	(5.83)
Bloomberg Global Aggregate (Hdg)	(1.57)	(1.57)	(1.57)	(2.42)
Bloomberg EM LC Gov't Universal	(0.22)	(0.22)	(0.22)	(1.03)
Bloomberg EM LC Gov't Universal (Hdg)	(0.48)	(0.48)	(0.48)	(1.77)

As of January 31, 2022. Source: Bloomberg

Real Assets	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire U.S. Real Estate Securities Index SM	(6.92)	(6.92)	(6.92)	35.34
Wilshire Global Real Estate Securities Index SM	(5.97)	(5.97)	(5.97)	26.30
FTSE Global Core Infrastructure 50/50	(3.01)	(3.01)	(3.01)	14.35
Alerian Midstream Energy Index	9.76	9.76	9.76	44.14
Bloomberg Commodity Index	8.78	8.78	8.78	34.73
Gold	(1.75)	(1.75)	(1.75)	(2.73)
Bitcoin	(17.04)	(17.04)	(17.04)	10.96

As of January 31, 2022. Source: Bloomberg

Alternatives

- The Wilshire Liquid Alternative IndexSM returned -1.07% in January. The Wilshire Liquid Alternative Global Macro IndexSM was the best sub-strategy this month, returning 0.86%.
- The Wilshire Liquid Alternative Equity Hedge IndexSM and the Wilshire Liquid Alternative Multi-Strategy IndexSM were the main negatives, falling -1.66% and -1.48%, respectively.

Alternatives	MTD (%)	QTD (%)	YTD (%)	1Y (%)
Wilshire Liquid Alternative Index SM	(1.07)	(1.07)	(1.07)	3.60
Wilshire Liquid Alternative Equity Hedge Index SM	(1.66)	(1.66)	(1.66)	11.47
Wilshire Liquid Alternative Event Driven Index SM	(0.77)	(0.77)	(0.77)	0.23
Wilshire Liquid Alternative Global Macro Index SM	0.86	0.86	0.86	3.81
Wilshire Liquid Alternative Multi-Strategy Index SM	(1.48)	(1.48)	(1.48)	3.87
Wilshire Liquid Alternative Relative Value Index SM	(0.95)	(0.95)	(0.95)	(0.68)

As of January 31, 2022. Source: Bloomberg

Important Information

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