

## April 2020 Investment Report

### Highlights

- Global COVID-19 fatalities totaled 187,000 during April—the deadliest month yet for the pandemic.
- During the first quarter of 2020, Gross Domestic Product (GDP) decreased 4.8% in the U.S., 3.8% in the Eurozone and 6.8% in China.
- U.S. stocks rebounded sharply in April. The S&P 500 gained 12.8% as lawmakers and the Federal Reserve announced new programs to support the economy.
- Oil prices fell 8.0%, although prices had declined far more compared to where they ended the month. The price of the futures contract for May delivery of West Texas Intermediate (WTI) crude oil dropped into negative territory for the first time ever—closing at minus \$37.60 on April 20th—as oil supply approached storage capacity. Crude oil sellers were actually paying buyers to take delivery of oil owned by the sellers.
- In April, MAF, USEF, IEF and FIF outperformed their respective benchmarks. IPF underperformed its benchmark during the month.

### Monthly Overview

Social distancing and stay-at-home orders implemented to slow the spread of COVID-19 continued to severely impact world economies during the month of April. Despite these extreme measures, the death toll from the respiratory disease rose significantly worldwide, bringing total fatalities from the pandemic to more than 230,000.

#### United States

GDP fell at a seasonally adjusted annual rate of 4.8% during the first quarter of 2020. This was the largest decline since the fourth quarter of 2008, when U.S. GDP fell 8.4%. Weekly initial jobless claims reached 3.8 million during the week ending April 25th, bringing total claims to more than 30 million in a six-week period.

Despite a lack of positive economic data, the U.S. stock market continued its rebound, which began during the last week of March. During April, the S&P 500 returned 12.8%—its best monthly performance since 1987. The index gained 30% since its 2020 low on March 23. Technology stocks led U.S. market gains, as technology usage continues to increase during shelter-in-place orders. The tech-heavy NASDAQ Composite gained 15.5% in April.

#### Eurozone

Eurozone GDP decreased 3.8% in the first quarter. The European Central Bank (ECB) announced it would lower the interest rate of the Targeted Longer-Term Refinancing Operations (TLTRO) program to negative 1% starting in June. The TLTRO program enables commercial banks to borrow money from the ECB, which they can then relend to promote economic activity.

#### China

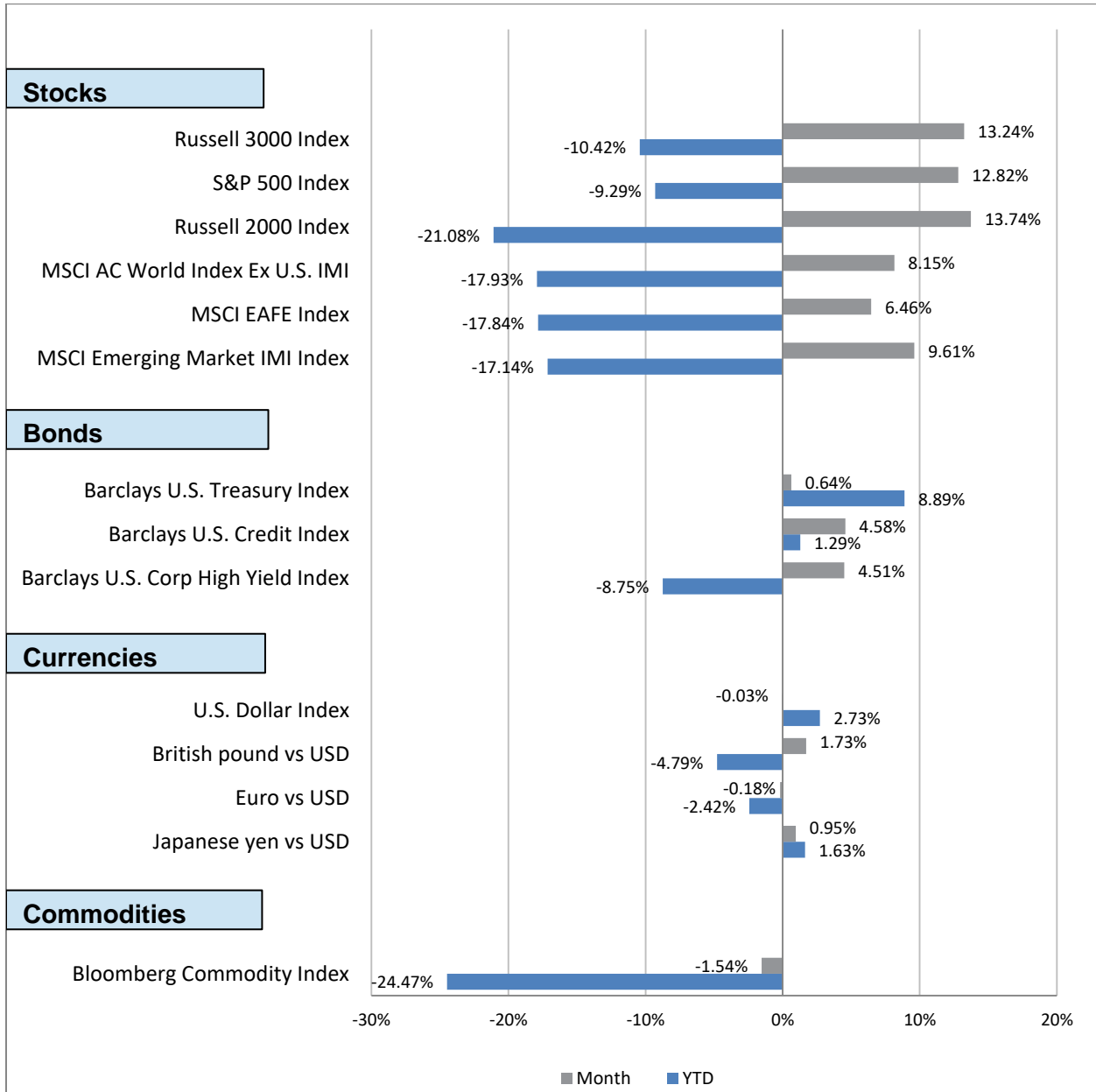
Chinese economic data was mixed in April, as the country slowly emerged from near stand-still at the onset of COVID-19. First quarter Chinese GDP dropped 6.8% from one year ago. This was the first decline since China began reporting GDP in 1992. The China Manufacturing Purchasing Managers Index (PMI), as reported by the National Bureau of Statistics, came in at 50.8 after a reading of 52.0 in March. The PMI index provides an early glimpse of economic activities and an index value of above 50 implies economic expansion.

#### Crude Oil

Oil prices ended the month of April down 8.0%, albeit with dramatic wild swings during the month. The drop in oil demand due to the pandemic caused the May futures contract to trade as low as negative \$37.60 per barrel on April 20—the first occurrence of negative pricing in the history of the oil futures market. The June and July futures contract prices rebounded towards the end of April amid expectations for decreasing supply due to production cuts.

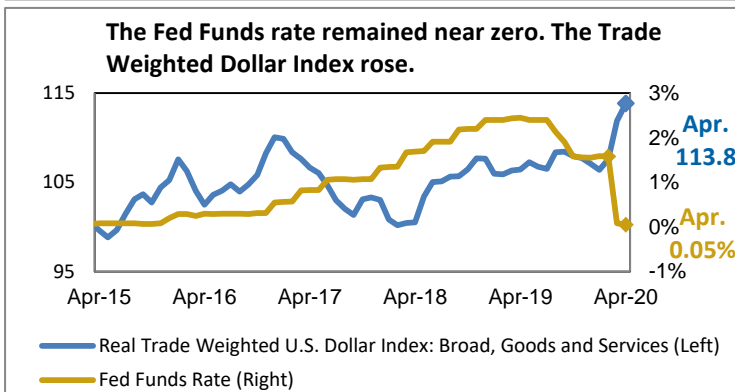
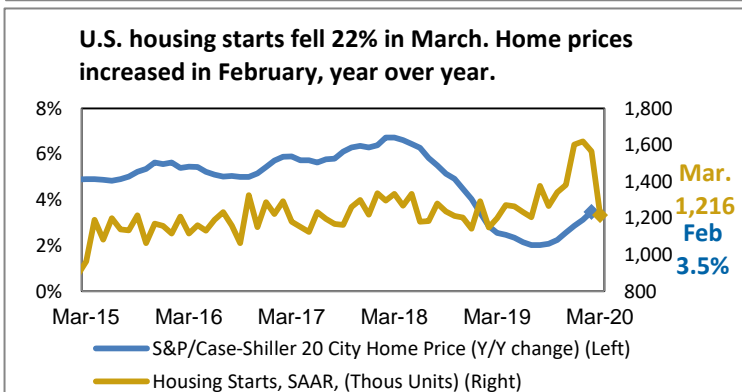
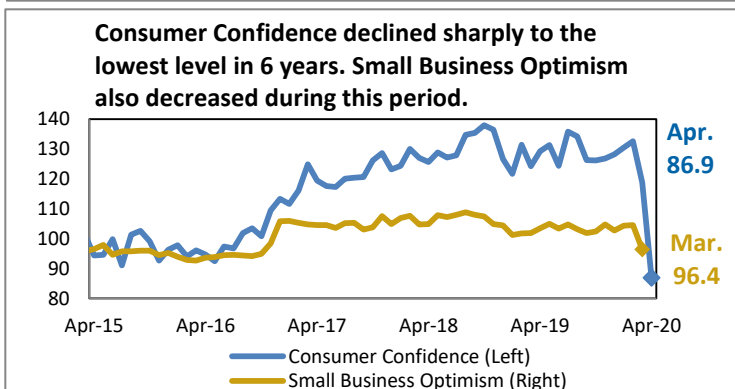
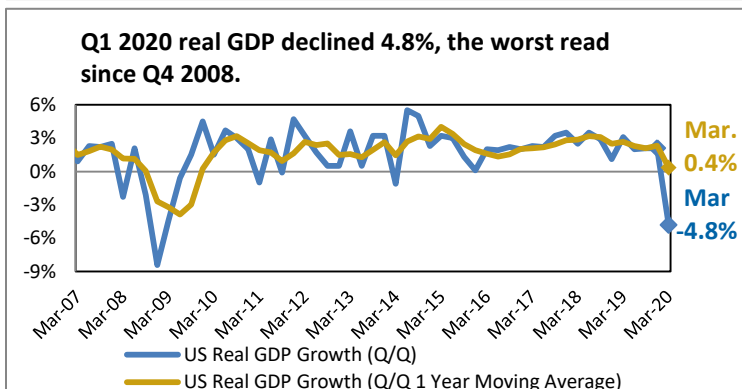
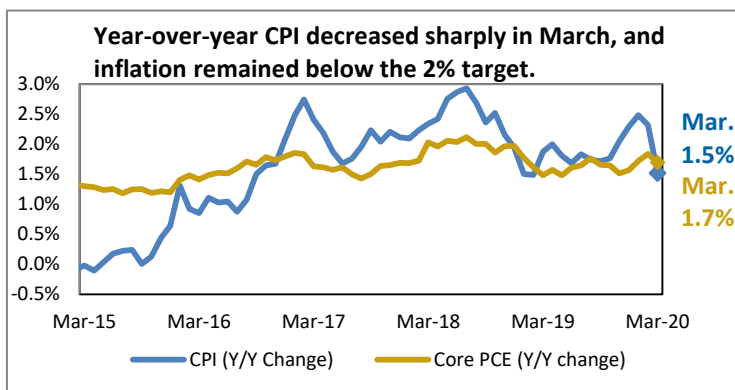
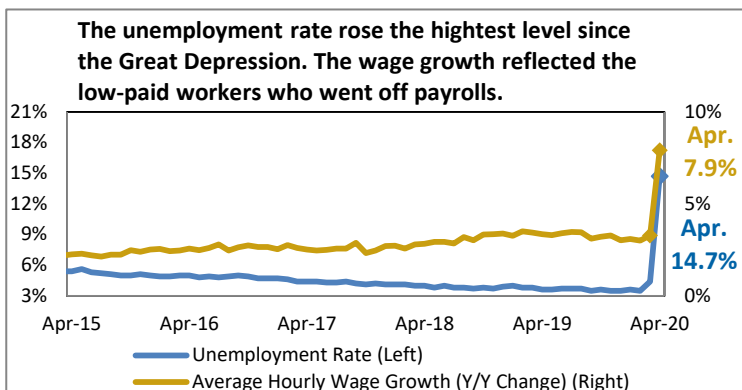
*Source: FactSet; Bloomberg, IMF, ECB, Nikkei, Reuters, WSJ, IHS Markit, World Health Organization, John Hopkins University, BEA.gov and federalreserve.gov.*

## Market Performance



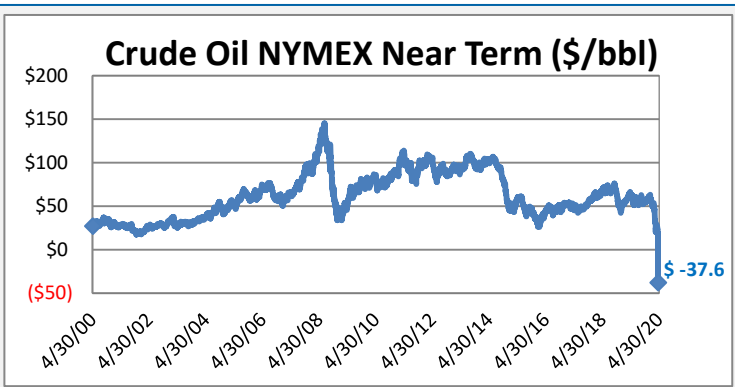
Source: FactSet, as of April 30, 2020

## Key Monthly Economic Statistics



### Chart of Month

- As the drop in crude oil demand due to the pandemic caused oil storage facilities to near capacity, the May WTI futures contract traded at negative \$37.60 per barrel on April 20.
- This was the first negative price in the history of the oil futures market.
- Oil prices rebounded at the end of April due to the expectation of lower oil supply in the coming months.



## Investment Fund Review (Net-of-Fees Performance)<sup>i</sup>

### Equity Funds

#### U.S. Equity Fund–I Series

Fund	April	YTD
U.S. Equity Fund–I Series	+13.98%	-10.73%
Russell 3000 Index	+13.24%	-10.42%
Difference (percentage points)	+0.74	-0.31

- During the month, the fund benefited most from outperforming active managers, as the majority of active strategies beat their respective benchmarks. Also contributing to relative performance was an overweight to small- and mid-cap growth oriented companies and stocks excluded in compliance with WII's Exclusions policy (described [here](#)). To a lesser extent, the fund's underweight to large-cap technology companies and dedicated holdings in private real estate and private equity detracted from performance.
- Year to date, the fund's relative performance was negatively impacted by an overweight allocation to small- and mid-cap companies and a corresponding underweight to large-cap companies. Specifically, the fund's underweight position in a number of well-performing large technology-related companies detracted from relative performance. On the other hand, the fund's relative year-to-date performance benefited from sizable outperformance by a mid-cap strategy and two growth-oriented strategies, along with investments in alternatives and stocks excluded in compliance with WII's Exclusions policy.

#### International Equity Fund–I Series

Fund	April	YTD
International Equity Fund–I Series	+8.33%	-16.75%
MSCI ACWI ex U.S. Investable Market Index (Net)	+8.15%	-17.93%
Difference (percentage points)	+0.18	+1.18

- During the month, the fund benefited most from the majority of active managers outperforming their respective benchmarks and an underweight in the poor performing Japanese equity market. Investments in private equity and private real estate detracted from benchmark-relative performance.
- Year-to-date, the fund benefited from the majority of active managers outperforming their respective benchmarks, as well as investments in alternative strategies and stocks excluded in compliance with WII's Exclusions policy.

### U.S. Equity Index Fund–I Series

Fund	April	YTD
U.S. Equity Index Fund–I Series	+13.25%	-10.54%
Russell 3000 Index	+13.24%	-10.42%
Difference (percentage points)	+0.01	-0.12

- The U.S. Equity Index Fund–I Series is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses. WII's Exclusions policy positively impacted benchmark-relative performance year to date.

### Fixed Income Funds

#### Fixed Income Fund–I Series

Fund	April	YTD
Fixed Income Fund–I Series	+3.04%	-0.17%
Barclays U.S. Universal (ex MBS) Index	+2.40%	+3.30%
Difference (percentage points)	+0.64	-3.47

- The fund outperformed its benchmark during the month due to allocations to corporate credit—both high-yield and investment-grade rated. Security selection in the corporate debt sector also added to benchmark-relative performance.
- Year to date, overweight allocations to emerging market debt and corporate bonds detracted from benchmark-relative performance while exposure to multi-family housing through high-quality U.S. agency commercial mortgage-backed securities and the Positive Social Purpose Lending program added to benchmark-relative performance.

#### Inflation Protection Fund–I Series

Fund	April	YTD
Inflation Protection Fund–I Series	+2.18%	-3.31%
IPF-I Benchmark <sup>ii</sup>	+2.48%	-1.74%
Difference (percentage points)	-0.30	-1.57

- During the month, the fund's overweight exposure to U.S. inflation-linked securities and allocations to below-investment-grade, floating-rate bank loans added to benchmark-relative performance while its underweight exposure to U.K. inflation-linked securities detracted.
- Year to date, the fund's overweight exposure to energy commodities and its allocation to the diversifying strategy of below-investment-grade, floating-rate bank loans detracted from benchmark-relative performance. The fund's underweight exposure to U.K. inflation-linked securities also detracted.

### U.S. Treasury Inflation Protection Fund–I Series

Fund	April	YTD
U.S. Treasury Inflation Protection Fund–I Series	+3.04%	+4.90%
Barclays U.S. Inflation Linked Bond Index	+2.92%	+4.90%
Difference (percentage points)	+0.12	0.00

- The U.S. Treasury Inflation Protection Fund–I Series is a passively managed fund designed so that it closely matches the performance of the fund benchmark, less fees and expenses.

### Short Term Investment Fund–I Series

Fund	April	YTD
Short Term Investment Fund–I Series	+0.08%	+0.46%
BofA Merrill Lynch 3-Month Treasury Bill Index	+0.01%	+0.58%
Difference (percentage points)	+0.07	-0.12

- The Short Term Investment Fund–I Series holds cash, cash equivalents and short-term securities with the objective of preserving capital while earning current income higher than that of money market funds.

## Balanced Fund

### Multiple Asset Fund–I Series

Fund	April	YTD
Multiple Asset Fund–I Series	+8.36%	-8.71%
MAF-I Benchmark <sup>iii</sup>	+7.93%	-8.39%
Difference (percentage points)	+0.43	-0.32

- During the month, the U.S. Equity Fund–I Series, International Equity Fund–I Series and Fixed Income Fund–I Series contributed to benchmark-relative performance, while the Inflation Protection Fund–I Series detracted from benchmark-relative performance.
- Year to date, the International Equity Fund–I Series positively contributed to benchmark-relative performance, while the U.S. Equity Fund–I Series, Fixed Income Fund–I Series and Inflation Protection Fund–I Series detracted from relative performance.

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<sup>i</sup> Historical returns are not indicative of future performance. Fund returns are net of fees. Please refer to the [Investment Funds Description – I Series](#) for more information about the funds. This is not an offer to purchase securities.

<sup>ii</sup> The benchmark for the Inflation Protection Fund–I Series is comprised of 80% Barclays World Government Inflation Linked Bond Index (Hedged), 10% Barclays Emerging Market Tradeable Inflation Linked Bond Index (Unhedged) and 10% Bloomberg Commodity Index.

<sup>iii</sup> The benchmark for the Multiple Asset Fund–I Series is comprised of 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) excluding USA Investable Market Index (IMI), 25% Barclays Capital U.S. Universal Index ex-Mortgage Backed Securities and 10% Inflation Protection Fund (IPF) Benchmark.