February 2022 Investment Report

Highlights

- Russia invaded Ukraine, and the S&P 500 decreased 3.0% in February amid concerns over aggressive Fed tightening, inflation and geopolitical instability.
- Energy prices continued to surge amid increasing demand and supply concerns.
- The Labor Department reported that U.S. employers added 678,000 nonfarm jobs in February, exceeding estimates, and the unemployment rate decreased to 3.8%.
- USEF and IPF outperformed, while MAF, FIF, and IEF underperformed their respective benchmarks for February.

Monthly Overview

Russian Invasion of Ukraine

Following months of military buildup along its border, Russia launched a large-scale military invasion into Ukraine with the aim of toppling its current government. The international community responded to the tragedy with severe financial and economic sanctions against Russian entities and individuals. For the first time in its history, NATO activated its response force to defend alliance territory against potential Russian aggression. The Russian ruble declined more than 20% versus the U.S. dollar in February, and the Russian central bank closed the country's stock market as share prices plunged.

In the U.S., the S&P 500 stock index declined 3.0% in February amid significant volatility as mega-cap stocks underperformed small- and mid-cap stocks. The Russell 2000 Index of small company stocks increased 1.1% during the month. International developed market stocks declined 1.8%, and emerging market stocks declined 2.9%, as measured by MSCI EAFE Index and MSCI Emerging Market Index, respectively. The Bloomberg Commodity Index increased 6.2% for the month as investors evaluated the impact of the Russian invasion and sanctions on the supply of energy and agricultural commodities.

U.S. Inflation, Employment and Interest Rates

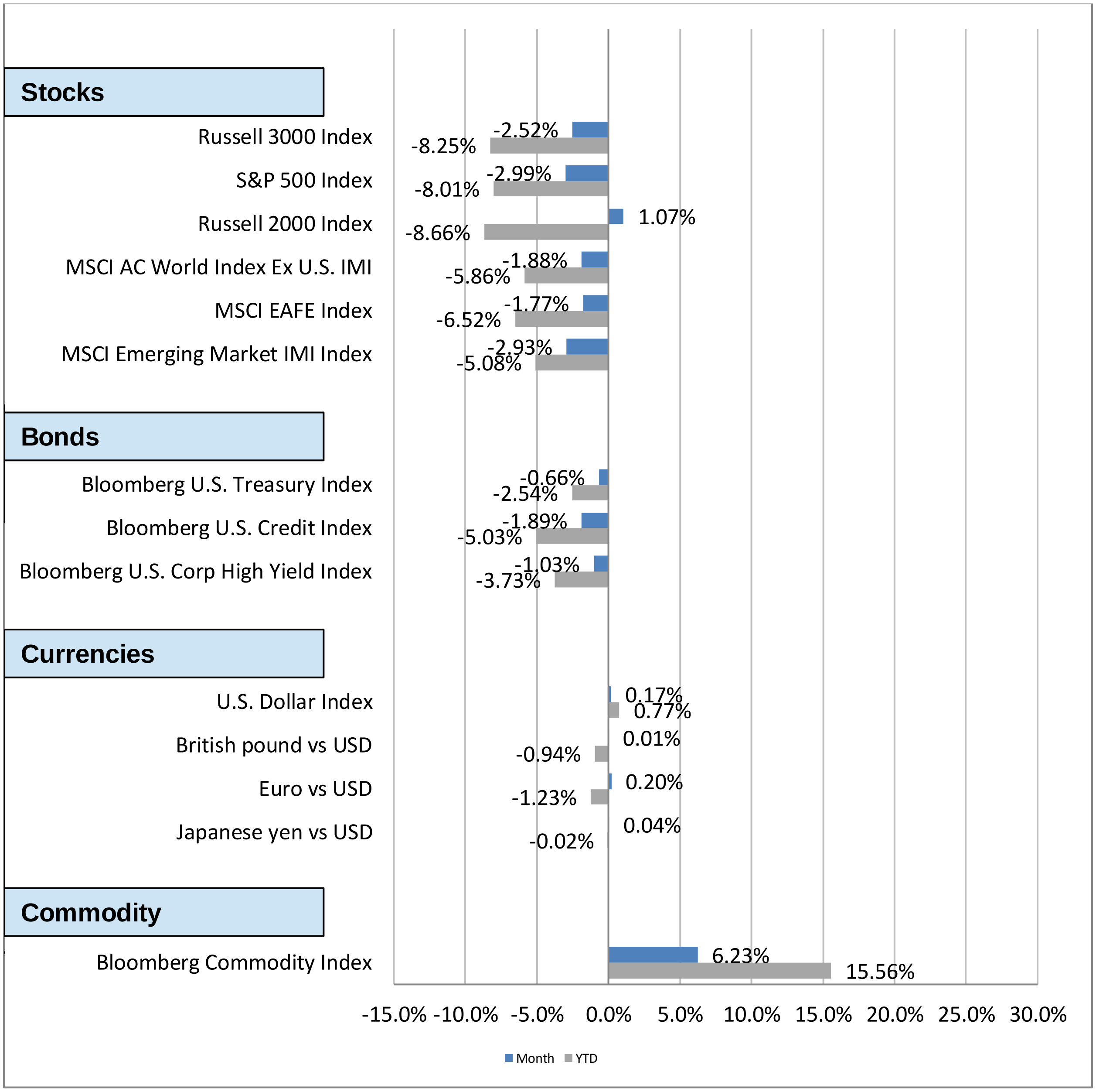
The Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) increased 7.5% versus a year ago, reflecting the highest inflation in 40 years. Food, energy and shelter were the largest contributors to the increase. Core CPI (CPI less food and energy) increased 6.0%. U.S. employers added a robust 678,000 jobs, and the unemployment rate decreased to 3.8% in February. The U.S. Federal Reserve (Fed) signaled its intention to soon begin increasing interest rates to address surging inflation amid strong measures of employment and economic growth. Bond prices declined as yields increased. The Bloomberg U.S. Aggregate Bond Index decreased 1.1% for the month.

Facebook Sets Record for Largest Single Day Decline

Facebook (Meta) stock declined over 32% in February, including a drop of 26% on the day it announced weaker than expected revenue growth forecasts. The company's single-day market capitalization decline of $230 billion was the largest for any company in U.S. stock market history. The company cited changes in Apple's privacy settings which resulted in a $10 billion decline in revenue along with macroeconomic factors like inflation and supply chain disruptions that had a negative impact on advertising budgets. Facebook also reported the first ever decline in daily active users.

Sources: BLS, Reuters, Wall Street Journal, CNN, Seeking Alpha, CNBC, and the New York Times.

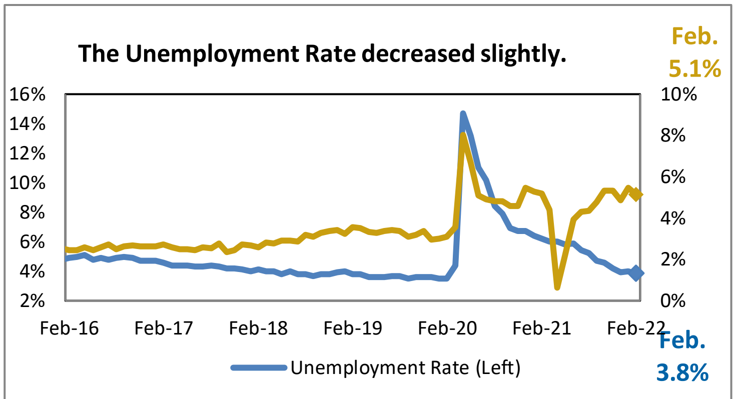
Market Performance



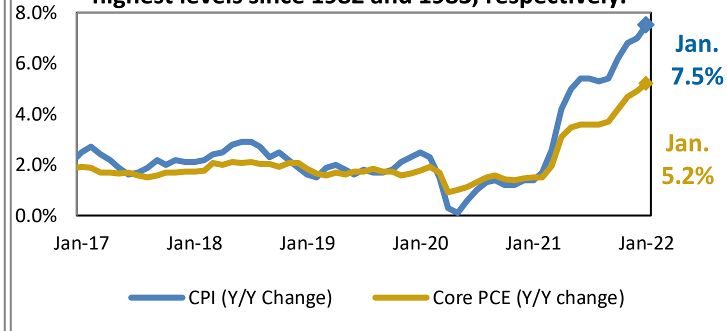
Source: FactSet, as of February 28, 2022

Key Monthly Economic Statistics

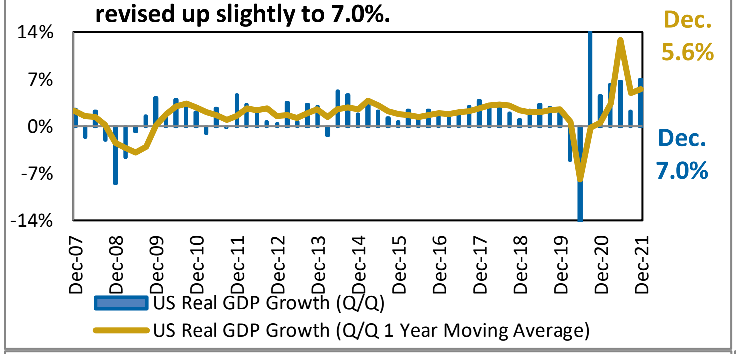
The Unemployment Rate decreased slightly.



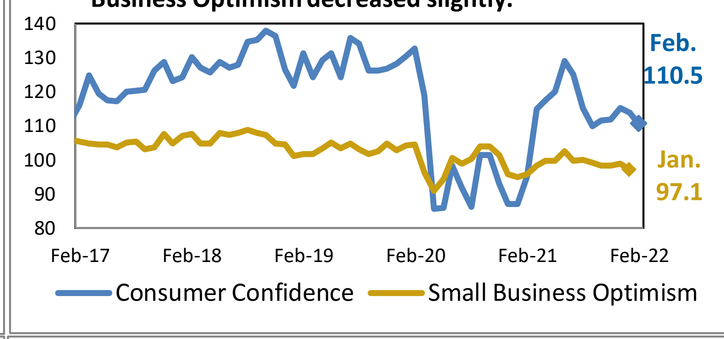
CPI Inflation and Core PCE inflation reached their highest levels since 1982 and 1983, respectively.



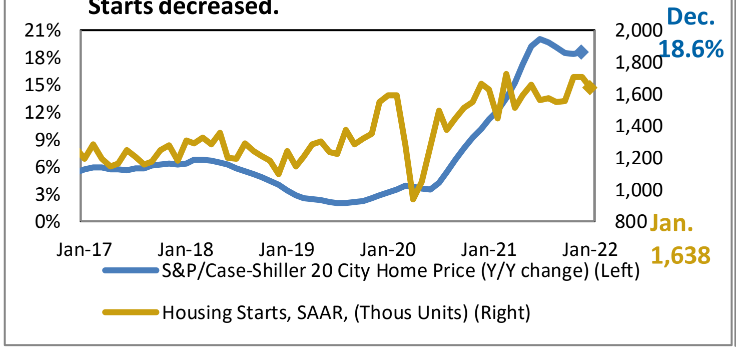
Q4 2021 annualized U.S. Real GDP Growth was revised up slightly to 7.0%.



Consumer Confidence decreased, and Small Business Optimism decreased slightly.



Home Prices remained elevated, and Housing Starts decreased.



The Fed Funds Rate remained near zero. The U.S Dollar Index remained stable.

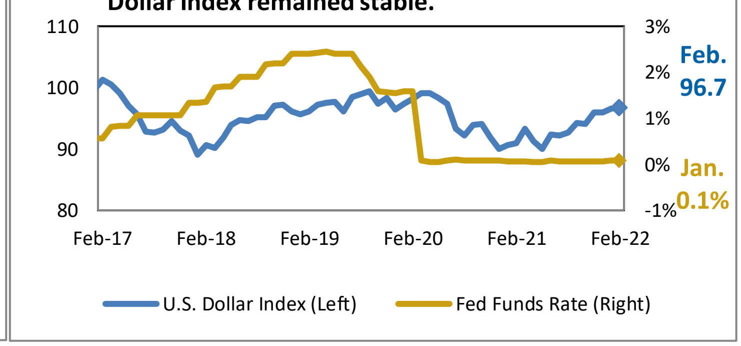
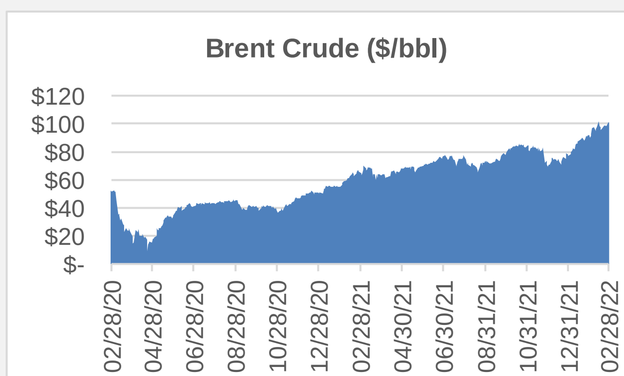


Chart of the Month

- Supply chain issues, rising demand, diminished reserves and global instability drove the price of oil higher.
- Oil prices (Brent) exceeded $100 per barrel for the first time in over a decade
- Instability in energy markets may drive oil prices and volatility higher as global economies continue to develop clean energy sources and transition away from carbon emissions.



Source: FactSet; U.S Bureau of Labor Statistics; The Conference Board; Federal Reserve Bank of St. Louis; Bureau of Economic Analysis; National Realtors Association

Investment Fund Review (Net-of-Fees Performance)[i]

Equity Funds

U.S. Equity Fund – I Series

Fund	February	YTD
U.S. Equity Fund – I Series	-1.88%	-8.04%
Russell 3000 Index	-2.52%	-8.25%
Difference (percentage points)	+0.64	+0.21

- During the month and year to date, the fund outperformed its benchmark due to a strategic underweight to poor performing mega-cap companies and dedicated holdings in private equity and private real estate investments. Stocks excluded in accordance with WII's Exclusions Policy (described here) detracted from relative performance during both periods.

International Equity Fund – I Series

Fund	February	YTD
International Equity Fund – I Series	-3.72%	-8.63%
MSCI ACWI ex U.S. Investable Market Index (Net)	-1.88%	-5.86%
Difference (percentage points)	-1.84	-2.77

- During the month and year to date, the fund underperformed its benchmark mainly due to poor performing investments held by growth-oriented active managers. The fund's exposure to Russia was minimal and similar to that of the benchmark, so relative performance was not meaningfully impacted by the fall in the Russian stock market. The fund's fair market valuation policy (described here) negatively impacted benchmark-relative performance along with stocks excluded in accordance with WII's Exclusions Policy (described here). Investments in private equity and private real estate contributed modestly to relative performance.

U.S. Equity Index Fund – I Series

Fund	February	YTD
U.S. Equity Index Fund – I Series	-2.72%	-8.51%
Russell 3000 Index	-2.52%	-8.25%
Difference (percentage points)	-0.20	-0.26

- The U.S. Equity Index Fund is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses.

Fixed Income Funds

Fixed Income Fund – I Series

Fund	February	YTD
Fixed Income Fund – I Series	-1.84%	-3.72%
Barclays U.S. Universal (ex MBS) Index	-1.48%	-3.85%
Difference (percentage points)	-0.36	+0.13

- The largest detractor from benchmark-relative performance in February was the overweight allocation to emerging market debt. The fund's allocations to U.S. agency commercial mortgage-backed securities, the Positive Social Purpose Lending Program and high yield rated corporate debt positively contributed to benchmark-relative performance.
- Year to date, the fund has outperformed its benchmark due to positive manager security selection and allocations to U.S. agency commercial mortgage-backed securities, the Positive Social Purpose Lending Program, high yield rated corporate debt, and global bonds. The fund's allocation to emerging market debt detracted from benchmark-relative performance.

Inflation Protection Fund – I Series

Fund	February	YTD
Inflation Protection Fund – I Series	+0.93%	+0.56%
IPF-I Benchmark[ii]	+0.93%	+0.34%
Difference (percentage points)	0.00	+0.22

- The fund's underweight exposure to U.K. inflation-linked securities and global bonds positively contributed to benchmark-relative performance during the month. Manager selection of emerging market inflation-linked securities and an overweight allocation to floating-rate senior loans detracted from the fund's benchmark-relative performance.
- On a year-to-date basis, the fund's underweight exposure to U.K. inflation-linked securities and global bonds and its overweight allocation to commodities contributed positively to benchmark-relative performance. The fund's overweight allocation to U.S. inflation-linked bonds and floating-rate senior loans and manager selection of emerging market inflation-linked securities detracted from the fund's benchmark-relative performance.

U.S. Treasury Inflation Protection Fund – I Series

Fund	February	YTD
U.S. Treasury Inflation Protection Fund – I Series	+0.92%	-1.42%
Barclays U.S. Inflation Linked Bond Index	+0.82%	-1.41%
Difference (percentage points)	+0.10	-0.01

- The U.S. Treasury Inflation Protection Fund is a passively managed fund designed to closely match the performance of the fund benchmark, less fees and expenses.

Balanced Fund

Multiple Asset Fund – I Series

Fund	February	YTD
Multiple Asset Fund – I Series	-2.12%	-6.29%
MAF-I Benchmark[iii]	-1.72%	-5.59%
Difference (percentage points)	-0.40	-0.70

- During the month, USEF-I and IPF-I positively contributed to benchmark-relative performance, but IEF-I and FIF-I detracted from benchmark-relative performance.
- Year to date, USEF-I, FIF-I and IPF-I positively contributed to benchmark-relative performance, but IEF-I detracted from benchmark-relative performance.

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[i] 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.

[ii] 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.

[iii] 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% IPF Benchmark.