

June 2023 Investment Report

Highlights

- U.S. stocks gained during the month of June, supported by positive performances from Industrials, Consumer Discretionary and Information Technology.
- The S&P 500 Index of U.S. stocks increased 6.6% in June, while non-U.S. stocks, represented by the MSCI ACWI ex-U.S. IMI Index, increased 4.3%. The Bloomberg U.S. Aggregate Bond Index decreased 0.4%.
- The U.S. Federal Reserve (Fed) kept its Fed funds interest rate steady in June, breaking a string of 10 consecutive rate increases.
- U.S. employers added 209,000 workers in June and the unemployment rate fell to 3.6%.
- The U.S. Equity Fund – I Series, the Fixed Income Fund – I Series, the Inflation Protection Fund – I Series and the Multiple Asset Fund – I Series outperformed their respective benchmarks, while the International Equity Fund – I Series underperformed its benchmark.

Monthly Overview

Mixed Economic Data

In June, the U.S. economy provided mixed economic indicators. The Personal Consumption Expenditures Price Index (PCE), rose 3.8% year over year in May, marking the lowest reading since April 2021. The Core PCE Index, the Federal Reserve's preferred inflation measure which excludes food and energy, increased 4.6% year over year. Household spending showed a slight increase of 0.1% in the month of May. In June, U.S. businesses hired 209,000 employees, down from May's 306,000 new hires. The unemployment rate fell to 3.6% and average hourly earnings grew by 4.4% year over year.

Fed Keeps Rate Steady

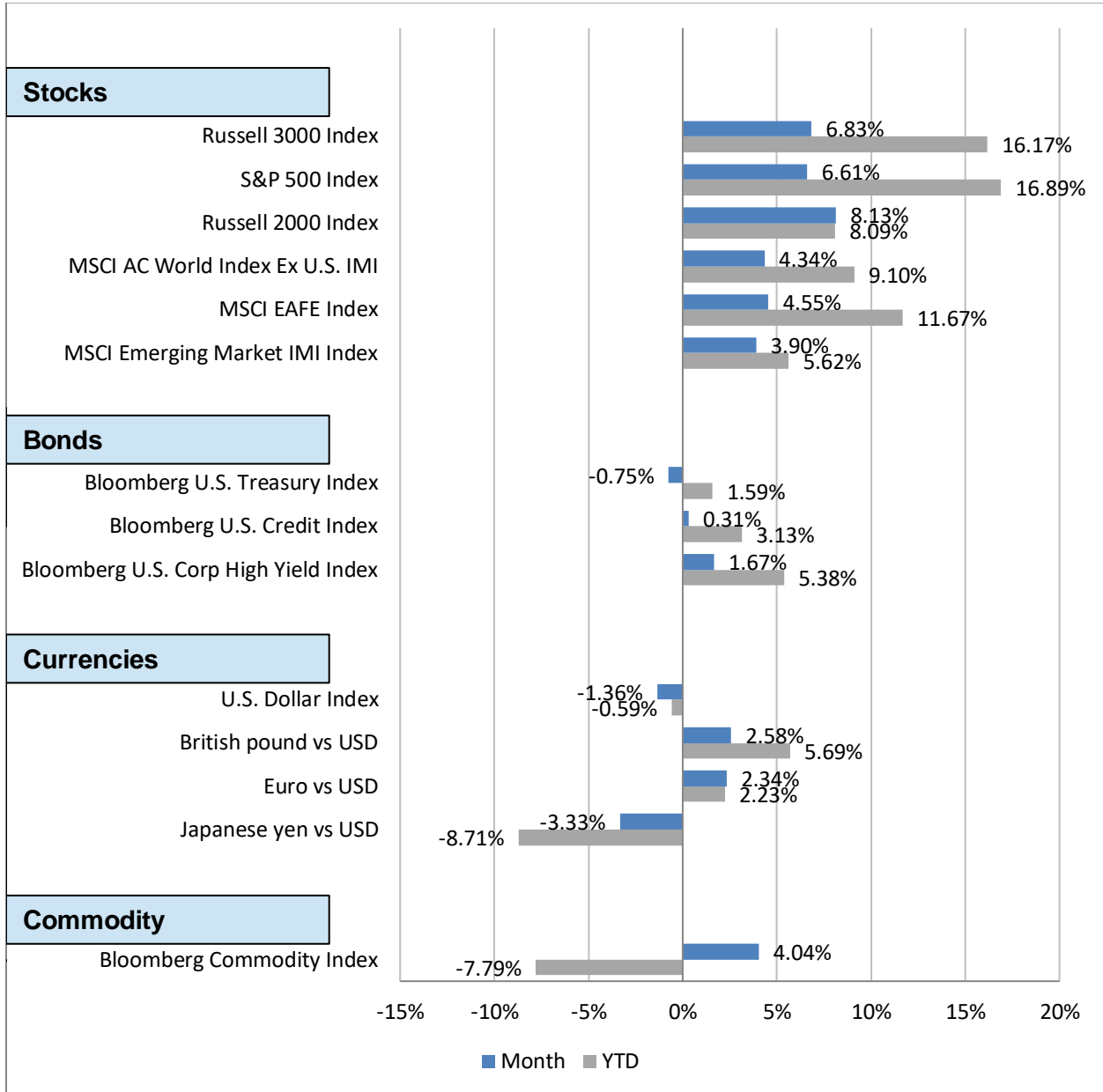
The Fed left the Fed funds interest rate unchanged in June, breaking a streak of 10 consecutive increases that had raised the rate to a range of 5% to 5.25%. Fed Chair Jerome Powell emphasized the central bank is focused on bringing inflation down to 2% and not tied to a specific number of hikes. Elsewhere, the Bank of England raised rates by 0.5%, bringing the UK's lending rate to 5%, the highest since April 2008. The European Central Bank raised rates by 0.25%.

Equity Markets Keep Momentum

The U.S. equity market experienced positive momentum during the month. Notably, the NASDAQ Composite Index had its strongest first half of the year since 1983, driven by investor interest in technology companies and the potential for artificial intelligence advancements. The index concluded June with a year-to-date increase of 32%. Additionally, Apple became the world's first company to surpass a market value of \$3 trillion.

In the bond market, the Bloomberg U.S. Aggregate Index declined 0.4% as the U.S. Treasury yield curve shifted upward. The 10-year Treasury yield increased 0.18%, reaching 3.81% by the end of the month. The Bloomberg Commodities Index rose by 4.0% in June, although the index has declined 7.8% year to date. Bitcoin and other crypto-related assets increased during June. Bitcoin gained 11.9% in June, surpassing the \$30,000 mark for the first time since April, signaling renewed interest in the cryptocurrency market.

Market Performance



Source: FactSet, as of June 30, 2023.

Key Monthly Economic Statistics

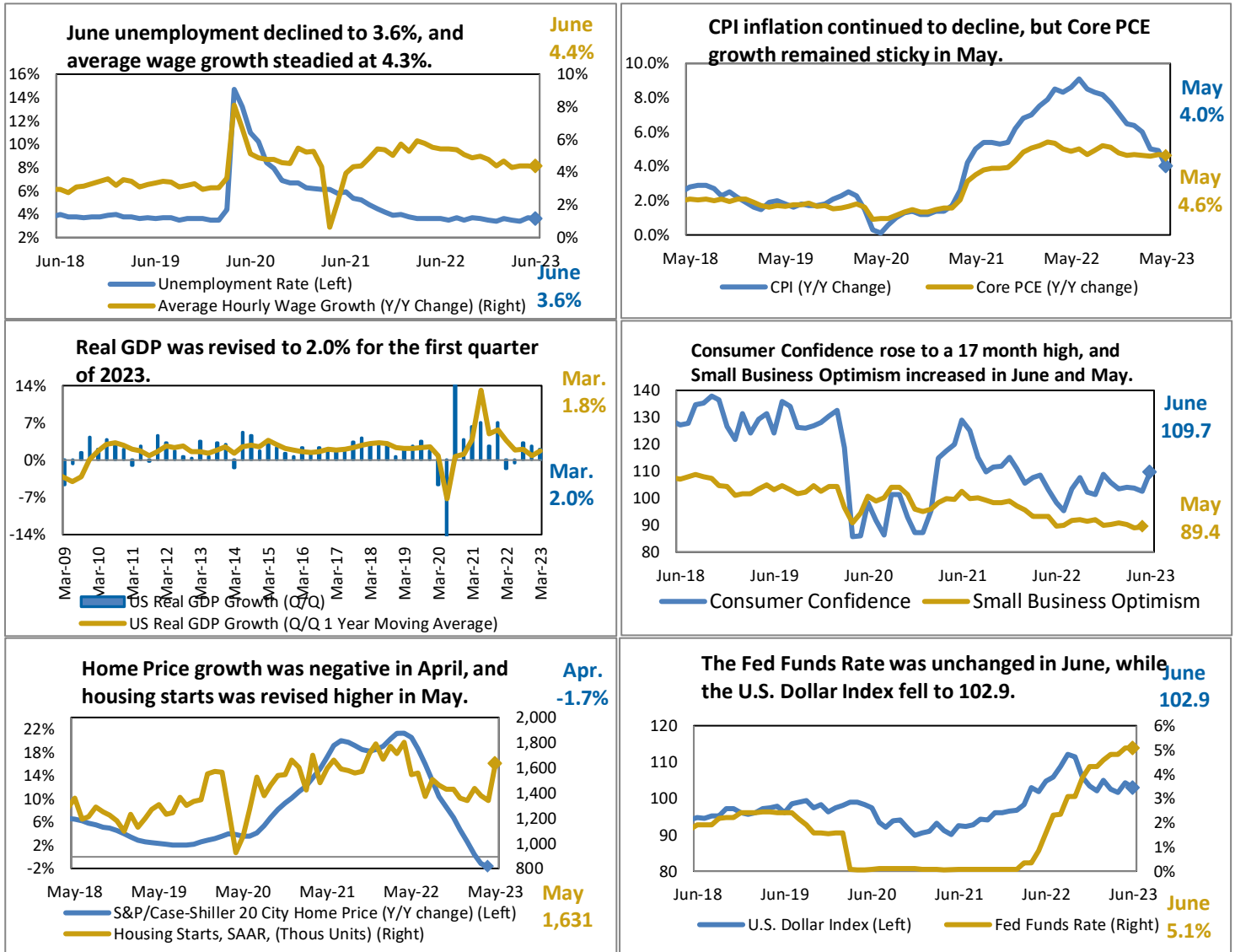
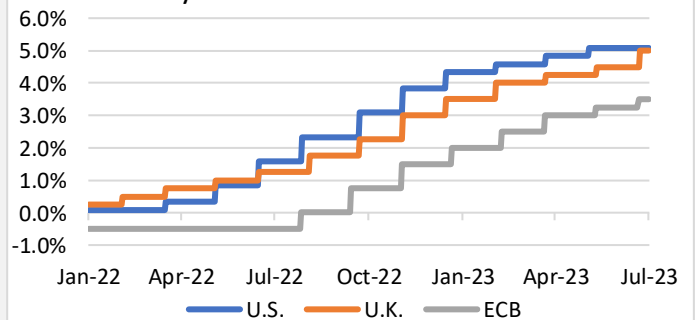


Chart of the Month

- The Fed kept the Fed funds rate steady in June, bringing an end to a string of 10 consecutive rate increases.
- The Fed had raised rates at every meeting since March of 2022, bringing the lending rate to a range of 5.0% to 5.25%
- The Bank of England raised its rate by 50 basis point in June, bringing the UK lending rate to a range similar to that of U.S.
- The European Central Bank was late to rate increases, however it notched an eighth consecutive rate increase in June, bring the policy rate to 3.5%.

Key Central Bank Interest Rates



Source: FactSet, U.S. Bureau of Labor Statistics, The Conference Board, Federal Reserve Bank of St. Louis, Bureau of Economic Analysis, National Association of Realtors, U.S. Census Bureau, S&P Global.

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

Equity Funds

U.S. Equity Fund – I Series

Fund	June	QTD	YTD
U.S. Equity Fund – I Series	6.98%	7.81%	15.33%
Russell 3000 Index	6.83%	8.39%	16.17%
Difference (percentage points)	+0.15	-0.58	-0.84

- During the month, the fund slightly outperformed its benchmark due to the majority of active managers outperforming their respective benchmarks, though the fund's investments in private equity and private real estate detracted from relative performance.
- During the quarter and year to date periods, the fund's investments in private markets and an underweight to strong performing mega-tech companies detracted from relative performance. To a lesser extent, the fund benefited from active managers' investments, particularly growth-oriented strategies, and excluding certain stocks in accordance with WII's Investment Exclusions policies (described [here](#)).

International Equity Fund – I Series

Fund	June	QTD	YTD
International Equity Fund – I Series	4.31%	1.79%	9.43%
MSCI ACWI ex U.S. Investable Market Index (Net)	4.34%	2.38%	9.10%
Difference (percentage points)	-0.03	-0.59	+0.33

- During the month, the fund underperformed its benchmark because of underperforming private equity investments.
- During the quarter, the fund underperformed its benchmark due to the majority of active managers underperforming their respective benchmarks. Year to date, the fund's investments in private equity and private real estate detracted from relative performance.

U.S. Equity Index Fund – I Series

Fund	June	QTD	YTD
U.S. Equity Index Fund – I Series	6.84%	8.40%	16.30%
Russell 3000 Index	6.83%	8.39%	16.17%
Difference (percentage points)	+0.01	+0.01	+0.13

- 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. During the quarter and year to date, certain stocks excluded in accordance with WII's Investment Exclusions policies (described [here](#)) contributed to relative performance.

Fixed Income Funds

Fixed Income Fund – I Series

Fund	June	QTD	YTD
Fixed Income Fund – I Series	0.42%	0.08%	3.17%
Bloomberg U.S. Universal (ex MBS) Index	-0.07%	-0.57%	2.46%
Difference (percentage points)	+0.49	+0.65	+0.71

- The fund's overweight allocation to—and asset manager security selection in—emerging market debt was the largest positive contributor to benchmark-relative performance for the month, quarter and year to date. The overweight allocation to high yield corporate bonds also contributed positively in all three periods.
- The fund's allocation to Positive Social Purpose loans detracted modestly from benchmark-relative performance in June but contributed positively for the quarter and year to date.

Inflation Protection Fund – I Series

Fund	June	QTD	YTD
Inflation Protection Fund – I Series (IPF-I)	0.96%	-0.20%	2.55%
IPF-I Benchmark ⁱⁱ	0.10%	-1.52%	1.44%
Difference (percentage points)	+0.86	+1.32	+1.11

- The fund's allocation to emerging market inflation-linked securities was the largest positive contributor to benchmark-relative performance for the month, quarter and year to date. The fund's allocation to floating rate senior loans also contributed positively during all three periods.

U.S. Treasury Inflation Protection Fund – I Series

Fund	June	QTD	YTD
U.S. Treasury Inflation Protection Fund – I Series	-0.38%	-1.59%	1.79%
Bloomberg U.S. Inflation Linked Bond Index	-0.29%	-1.41%	1.99%
Difference (percentage points)	-0.09	-0.18	-0.20

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

Balanced Fund**Multiple Asset Fund – I Series**

Fund	June	QTD	YTD
Multiple Asset Fund – I Series (MAF-I)	3.96%	3.27%	9.16%
MAF-I Benchmark ⁱⁱⁱ	3.68%	3.34%	9.08%
Difference (percentage points)	+0.28	-0.07	+0.08

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

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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 was 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 through January 31, 2023. Effective February 1, 2023, the benchmark for the Inflation Protection Fund – I Series is 90% Bloomberg U.S. Treasury Inflation-Linked Bond Index 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.