

Wilshire

First Quarter 2025 Market Update Webinar

Today's Agenda

- What policy path might the Fed pursue In the face of significant uncertainty: tighten, ease, wait and see... ?
- Growth is slowing, but is the risk of a recession overblown?
- Not again, "transitory" inflation... did we hear that right?
- The tariff end game, is the global economy in the midst of a cyclical or secular change?
- How have equity and fixed income valuations shifted in 2025?
- Wilshire's dynamic/short-term and strategic/long-term market expectations

Wilshire Advisors

Since 1972, Wilshire has been dedicated to improving investment outcomes for institutional investors and financial intermediaries worldwide.

- Institutional advisory and discretionary services
- Discretionary and advisory solutions for financial intermediaries
- Full spectrum provider of alternative investment solutions

~500

client relationships¹

\$123 Billion

in assets under management²

\$1.5 Trillion

in assets under advisement²

As of 12/31/2024. ¹ Includes institutional investors, financial intermediaries, and Wilshire-sponsored vehicles. Does not include individual retirement plans and retail investors via financial intermediary platforms. ² Assets under management refers to the amount of assets attributable to securities portfolios for which Wilshire provides discretionary and non-discretionary asset management services and is calculated differently than “regulatory assets under management.” Assets under advisement refers to the total amount of assets (inclusive of assets under management) attributable to all of Wilshire’s advisory relationships, including various consulting and advisory relationships for which Wilshire provides investment advisory services without engaging, on either a discretionary or non-discretionary basis, in the direct management of a client’s portfolio.

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Wilshire Monday Market Flash

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For timely market insight, listen to our **weekly 10-minute market update** brought to you by Josh Emanuel, Chief Investment Officer for Wilshire.

Visit [wilshire.com](https://www.wilshire.com) to access the four most recent Wilshire Monday Market Flash updates.

Wilshire

The Week Ahead: 9/27/2021 – 10/1/2021

Economic Data Releases:

- Monday: Durable Goods
- Tuesday: Wholesale Inventories
- Wednesday: Pending Home Sales
- Friday: Personal Income & Spending, PCE Deflator

Wilshire

Market Performance as of 9/24/2021

| | 9/23 | 9/24 | 9/25 | 9/26 | 9/27 | 9/28 | 9/29 | 9/30 | 10/1 | 10/2 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| U.S. Equity | | | | | | | | | | |
| Dow Jones Industrial | 33,000 | 33,050 | 33,100 | 33,150 | 33,200 | 33,250 | 33,300 | 33,350 | 33,400 | 33,450 |
| S&P 500 | 4,500 | 4,510 | 4,520 | 4,530 | 4,540 | 4,550 | 4,560 | 4,570 | 4,580 | 4,590 |
| NASDAQ | 14,000 | 14,050 | 14,100 | 14,150 | 14,200 | 14,250 | 14,300 | 14,350 | 14,400 | 14,450 |
| U.S. Credit | | | | | | | | | | |
| Wilshire US Large Cap | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Mid Cap | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Small Cap | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Divd Growth | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Divd Value | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Small Growth | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Wilshire US Small Value | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| U.S. Sector | | | | | | | | | | |
| Healthcare | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Technology | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Financial | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Consumer Discretionary | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Consumer Staples | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Energy | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Industrials | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Materials | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Real Estate | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Utilities | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |



Presenters



Josh Emanuel, CFA

Chief Investment Officer

20+ years of industry experience

As CIO, leads Wilshire’s investment activities, including:

- investment strategy
- manager research
- quantitative alpha research
- portfolio management



Steve Foresti

Senior Advisor, Investments

30+ years of industry experience

Guides and supports Wilshire’s investment and research efforts, including

- strategic asset allocation research
- capital market forecasts
- thought leadership

Market Performance Summary

Global Equities as of 3/31/2025

| U.S. Equity | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--------------------------------------|---------|---------|---------|--------|
| FT Wilshire 5000 Index SM | (5.91) | (4.84) | (4.84) | 7.11 |
| Standard & Poor's 500 | (5.63) | (4.27) | (4.27) | 8.25 |
| FT Wilshire 4500 Index SM | (6.08) | (7.29) | (7.29) | (2.00) |
| MSCI USA Minimum Volatility | (0.60) | 5.86 | 5.86 | 14.02 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| U.S. Equity by Size/Style | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| FT Wilshire Large Cap Index SM | (5.88) | (4.49) | (4.49) | 8.46 |
| FT Wilshire Large Cap Growth Index SM | (8.70) | (10.47) | (10.47) | 8.43 |
| FT Wilshire Large Cap Value Index SM | (3.02) | 2.18 | 2.18 | 8.42 |
| FT Wilshire Small Cap Index SM | (5.88) | (6.64) | (6.64) | (1.34) |
| FT Wilshire Small Cap Growth Index SM | (7.18) | (8.82) | (8.82) | (2.61) |
| FT Wilshire Small Cap Value Index SM | (4.58) | (4.48) | (4.48) | (0.19) |
| FT Wilshire Micro Cap Index SM | (7.70) | (12.26) | (12.26) | (7.20) |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Non-U.S. Equity | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|-------------------------------------|---------|---------|---------|--------|
| MSCI ACWI | (3.95) | (1.32) | (1.32) | 7.15 |
| MSCI ACWI ex USA | (0.23) | 5.24 | 5.24 | 6.09 |
| MSCI ACWI ex USA Minimum Volatility | 2.17 | 4.39 | 4.39 | 10.54 |
| MSCI EAFE | (0.40) | 6.86 | 6.86 | 4.88 |
| MSCI Emerging Markets | 0.63 | 2.93 | 2.93 | 8.09 |
| MSCI ACWI ex USA Small Cap | 0.39 | 0.64 | 0.64 | 1.87 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Non-U.S. Equity (local currency) | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|-------------------------------------|---------|---------|---------|--------|
| MSCI ACWI | (4.49) | (2.15) | (2.15) | 7.42 |
| MSCI ACWI ex USA | (1.84) | 2.67 | 2.67 | 6.90 |
| MSCI ACWI ex USA Minimum Volatility | 1.16 | 2.73 | 2.73 | 11.18 |
| MSCI EAFE | (2.77) | 2.89 | 2.89 | 4.13 |
| MSCI Emerging Markets | 0.30 | 2.65 | 2.65 | 11.13 |
| MSCI ACWI ex USA Small Cap | (0.98) | (1.87) | (1.87) | 2.74 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

Fixed Income Markets, Real Assets & Alternatives as of 3/31/2025

| U.S. Fixed Income | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|-------------------------------------|---------|---------|---------|--------|
| Bloomberg U.S. Aggregate | 0.04 | 2.78 | 2.78 | 4.88 |
| Bloomberg Long Term Treasury | (0.89) | 4.67 | 4.67 | 1.26 |
| Bloomberg Long Term Corporate | (1.41) | 2.38 | 2.38 | 2.11 |
| Bloomberg U.S. TIPS | 0.64 | 4.17 | 4.17 | 6.17 |
| Bloomberg U.S. Credit | (0.24) | 2.36 | 2.36 | 4.87 |
| Bloomberg U.S. Corporate High Yield | (1.02) | 1.00 | 1.00 | 7.69 |
| S&P/LSTA Leveraged Loan | (0.31) | 0.48 | 0.48 | 6.86 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Market Rates | Mar 31 | Dec 31 | Sept 30 | June 30 |
|-----------------------------|--------|--------|---------|---------|
| 10-Year Treasury | 4.21 | 4.57 | 3.78 | 4.40 |
| 10-Year Breakeven Inflation | 2.37 | 2.34 | 2.19 | 2.29 |

As of 3/31/25 Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Global Fixed Income | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|---------------------------------------|---------|---------|---------|--------|
| Bloomberg Global Aggregate | 0.62 | 2.64 | 2.64 | 3.05 |
| Bloomberg Global Aggregate (Hdg) | (0.42) | 1.17 | 1.17 | 4.59 |
| Bloomberg EM LC Gov't Universal | 0.85 | 1.77 | 1.77 | 4.63 |
| Bloomberg EM LC Gov't Universal (Hdg) | 0.14 | 1.01 | 1.01 | 7.98 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Real Assets | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| Wilshire US Real Estate Securities Index SM | (2.68) | 2.52 | 2.52 | 11.80 |
| Wilshire Global Real Estate Securities Index SM | (2.05) | 2.59 | 2.59 | 8.22 |
| FTSE Global Core Infrastructure 50/50 | 2.14 | 5.02 | 5.02 | 14.00 |
| Alerian Midstream Energy | 1.76 | 6.34 | 6.34 | 39.53 |
| Bloomberg Commodity | 3.93 | 8.88 | 8.88 | 12.28 |
| Gold | 9.30 | 19.02 | 19.02 | 40.08 |
| Bitcoin | (2.13) | (12.05) | (12.05) | 18.33 |

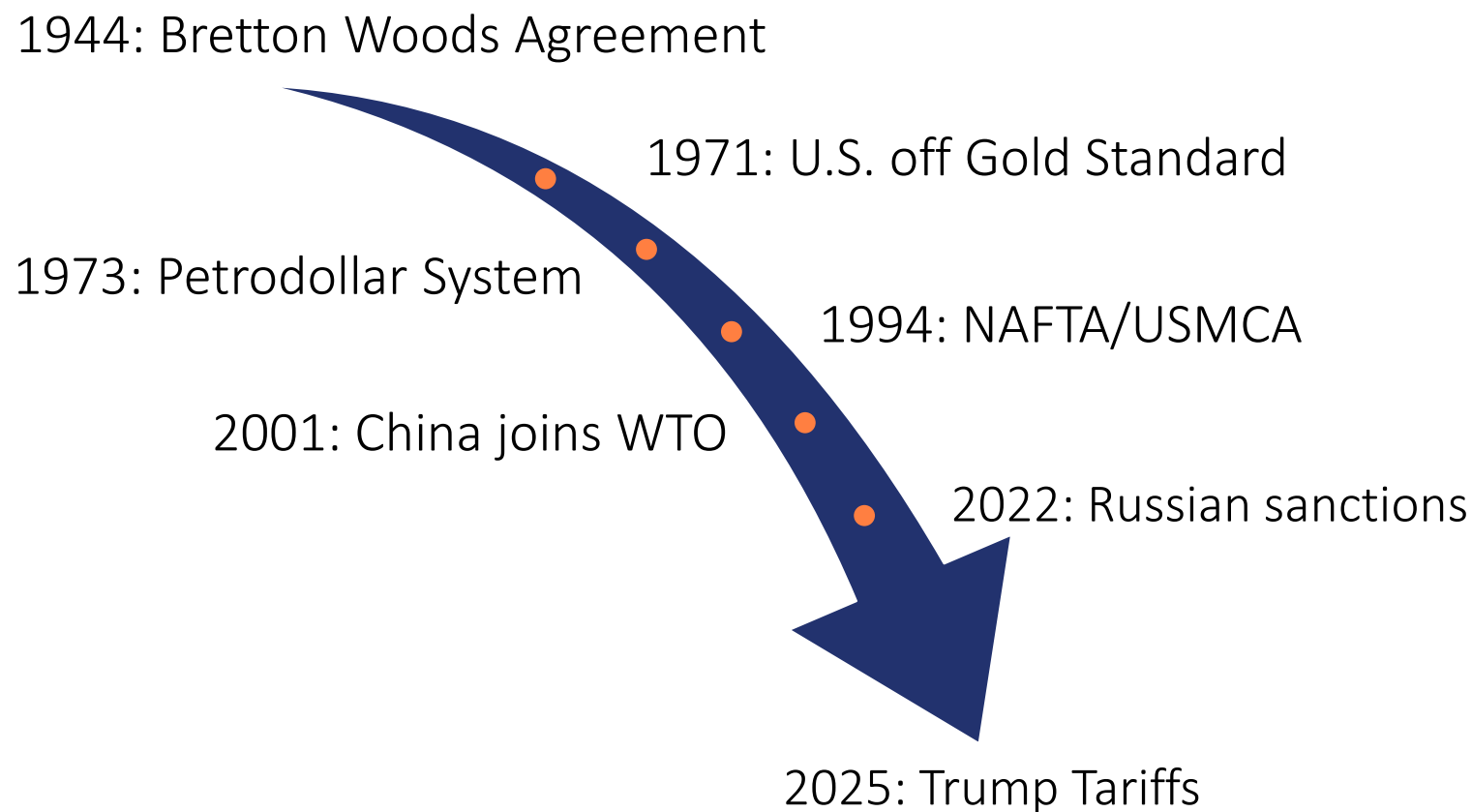
As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

| Alternatives | MTD (%) | QTD (%) | YTD (%) | 1Y (%) |
|--|---------|---------|---------|--------|
| Wilshire Liquid Alternative Index SM | (0.96) | 0.76 | 0.76 | 2.00 |
| Wilshire Liquid Alternative Equity Hedge Index SM | (2.07) | 0.01 | 0.01 | 3.10 |
| Wilshire Liquid Alternative Event Driven Index SM | (0.07) | 1.51 | 1.51 | 1.47 |
| Wilshire Liquid Alternative Global Macro Index SM | (0.64) | (0.45) | (0.45) | (4.75) |
| Wilshire Liquid Alternative Multi-Strategy Index SM | (0.83) | 1.17 | 1.17 | 1.20 |
| Wilshire Liquid Alternative Relative Value Index SM | (0.40) | 1.32 | 1.32 | 3.21 |

As of 3/31/25. Source: Bloomberg. Indexes are total return. For illustrative purposes only.

Trade Pivot: Preparing for the New World Order

Trade/Currency Timeline: From Bretton Woods to “Liberation Day”



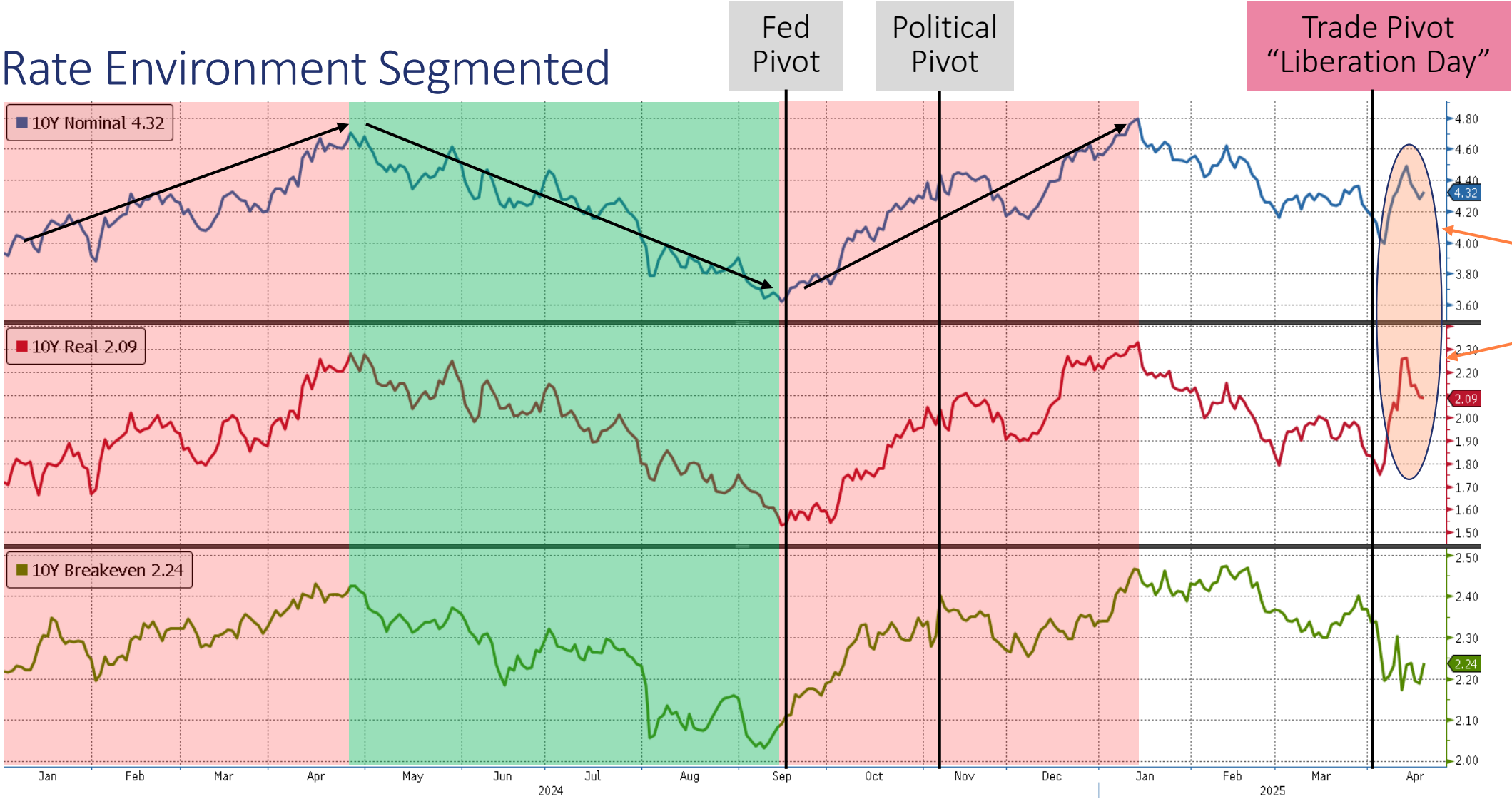
Stated Concerns of Running Persistent Trade Deficits

- **Loss of American Jobs / Manufacturing**
 - As production is moved overseas
 - Places downward pressure on real wage growth
- **Economic and National Security Threat**
 - Dependent on other countries for essential products
 - Mounting levels of indebtedness
- **Unfair Trade Practices (“We’re getting ripped off”)**
 - Targeted tariffs to protect chosen industries
 - Non-tariff barriers (i.e., quotas, government subsidies, technical standards/regulations, licensing requirements, etc.)
- **Wealth Transfer to Other Nations**
 - U.S. Trade Deficit leads to a Capital Surplus
 - Other nations recycle the \$s from their Trade Surpluses into U.S. assets

Treasury Secretary Scott Bessent Priorities

- 3-3-3 Plan
 1. 3% of GDP budget deficit
 2. 3% Real GDP growth
 3. 3 million barrel/day increase in U.S. energy production
- Focus on 10-year Treasury yield
 - Important to item #1 above since interest cost on servicing debt is >\$1T/year (@ >\$36T of debt, a 1% change in the effective borrowing rate represents ~\$360B)
 - Higher yields could indicate a risk premium investors might demand for financing U.S. borrowing

Rate Environment Segmented



USGG10YR Index (US Generic Govt 10 Yr) 10yr Splits Daily 02JAN2024-17APR2025

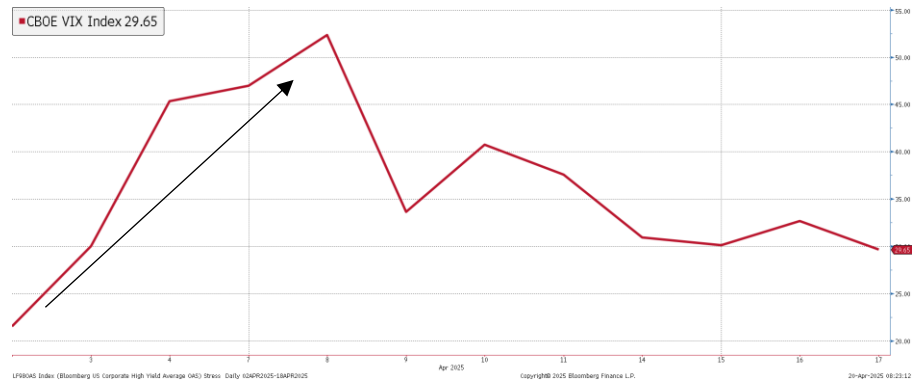
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Data Source: Bloomberg

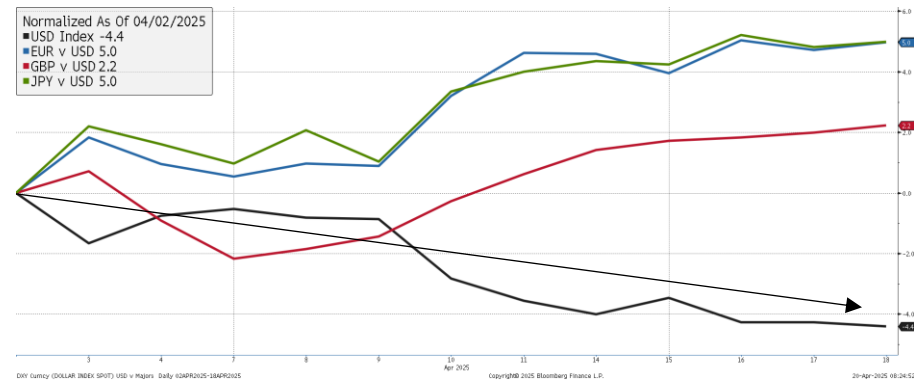
Market Response: The Yips

Spike in Volatility



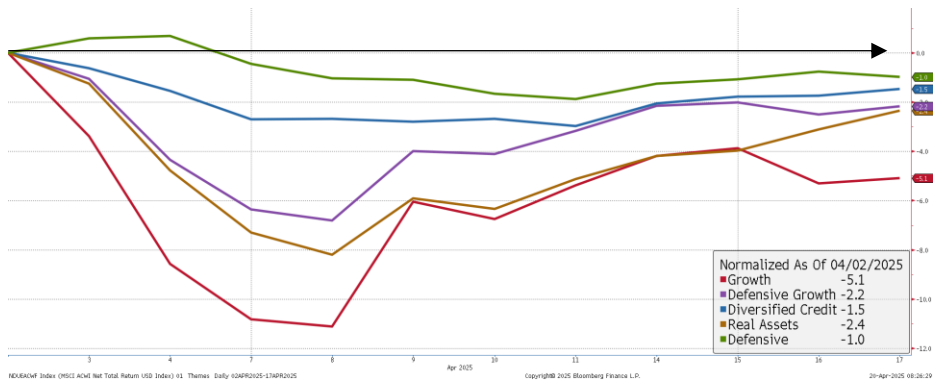
Data Source: Bloomberg

Currency Impact: Dollar Weakness



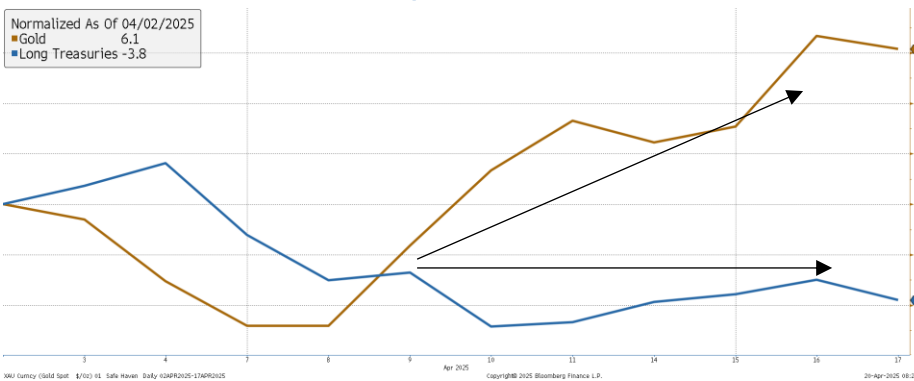
Data Source: Bloomberg

Thematic Returns



Data Source: Bloomberg

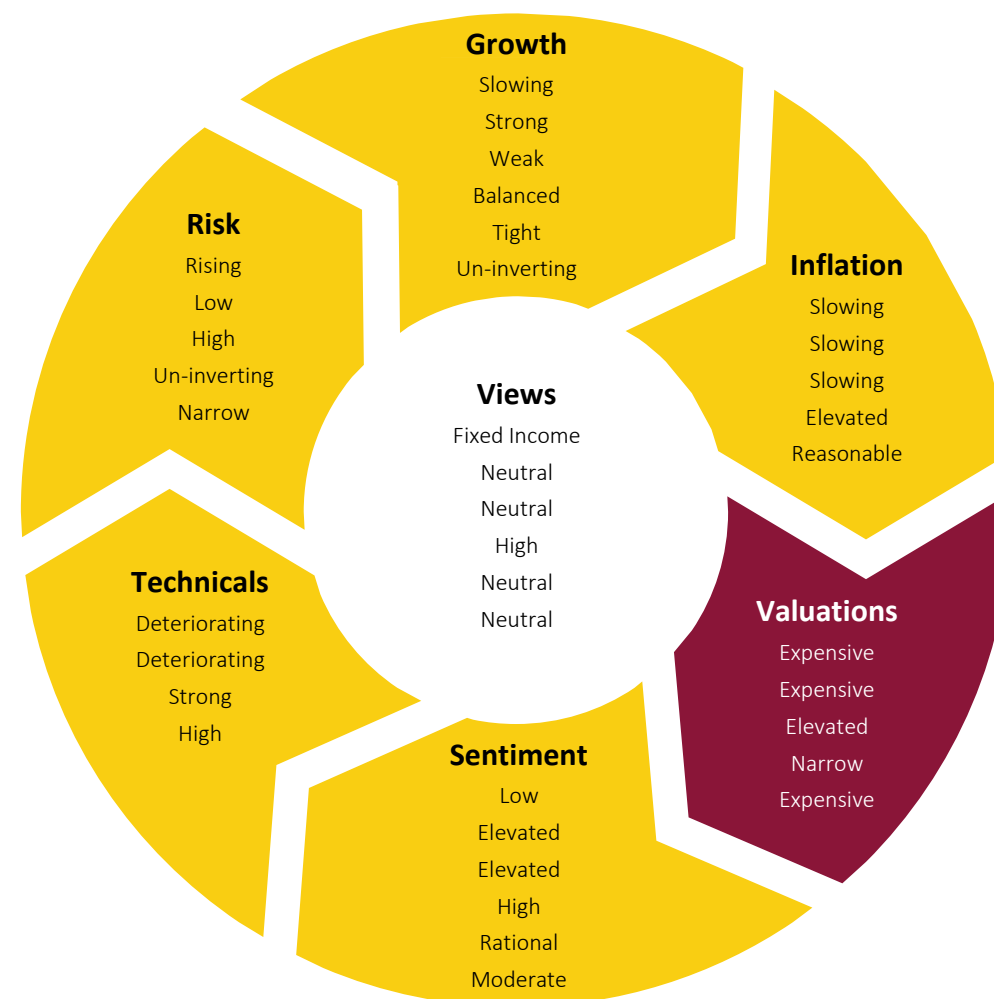
Safe-Haven Asset Returns: Gold & Treasuries Diverge



Data Source: Bloomberg

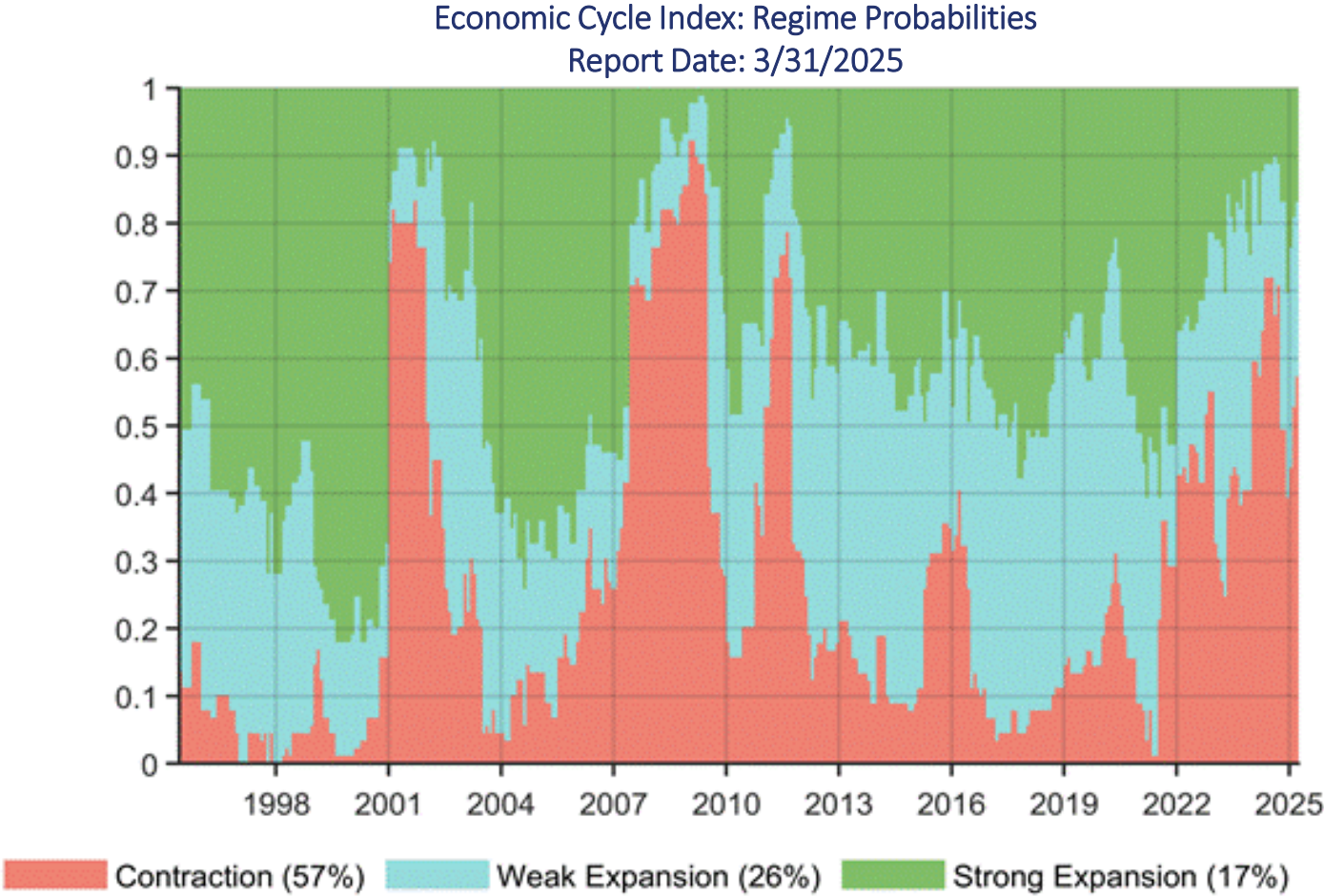
“Economic Uncertainty”

Investment Strategy Process & Outlook



Economic Growth

Wilshire’s Model Indicates that the Probability of Recession Remains Elevated

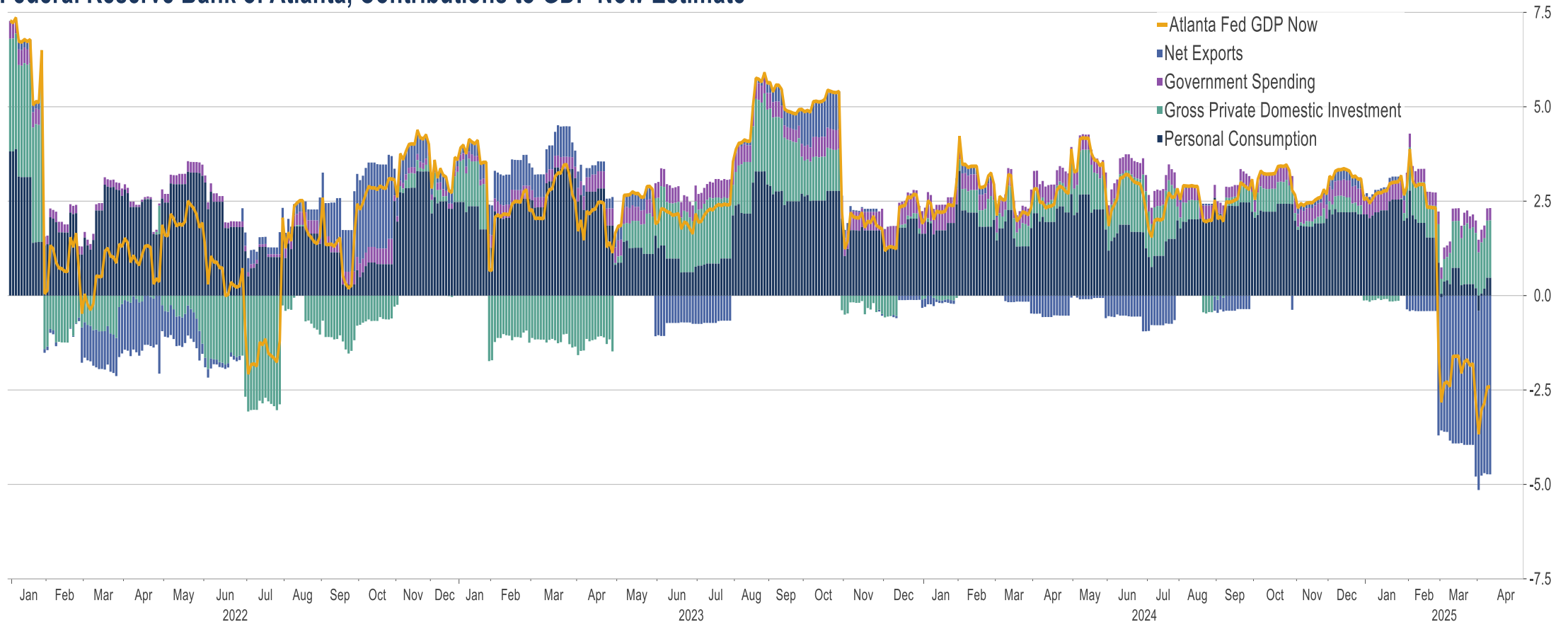


Data Source: Wilshire

Growth

Fed GDPNow Likely Understates Economic Growth in Q1

Federal Reserve Bank of Atlanta, Contributions to GDP Now Estimate



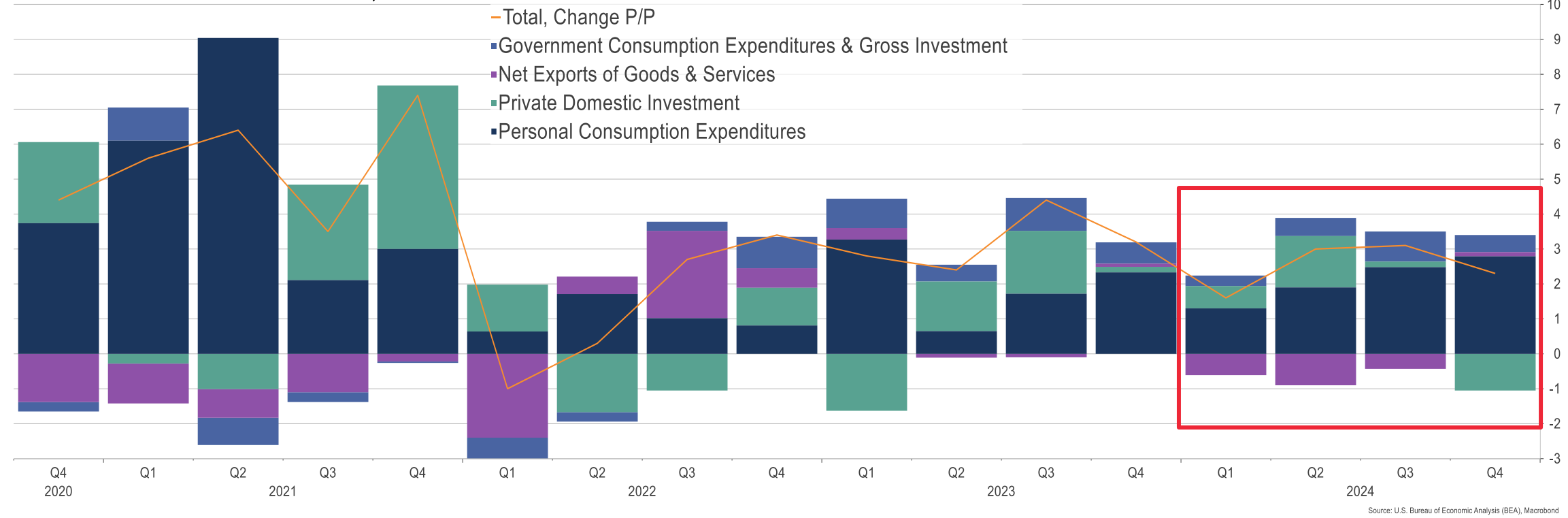
Data Source: Bloomberg

Source: Federal Reserve Bank of Atlanta, Macrobond

Economic Growth

Personal Consumption is Key to Economic Growth

United States Real Gross Domestic Product, SA

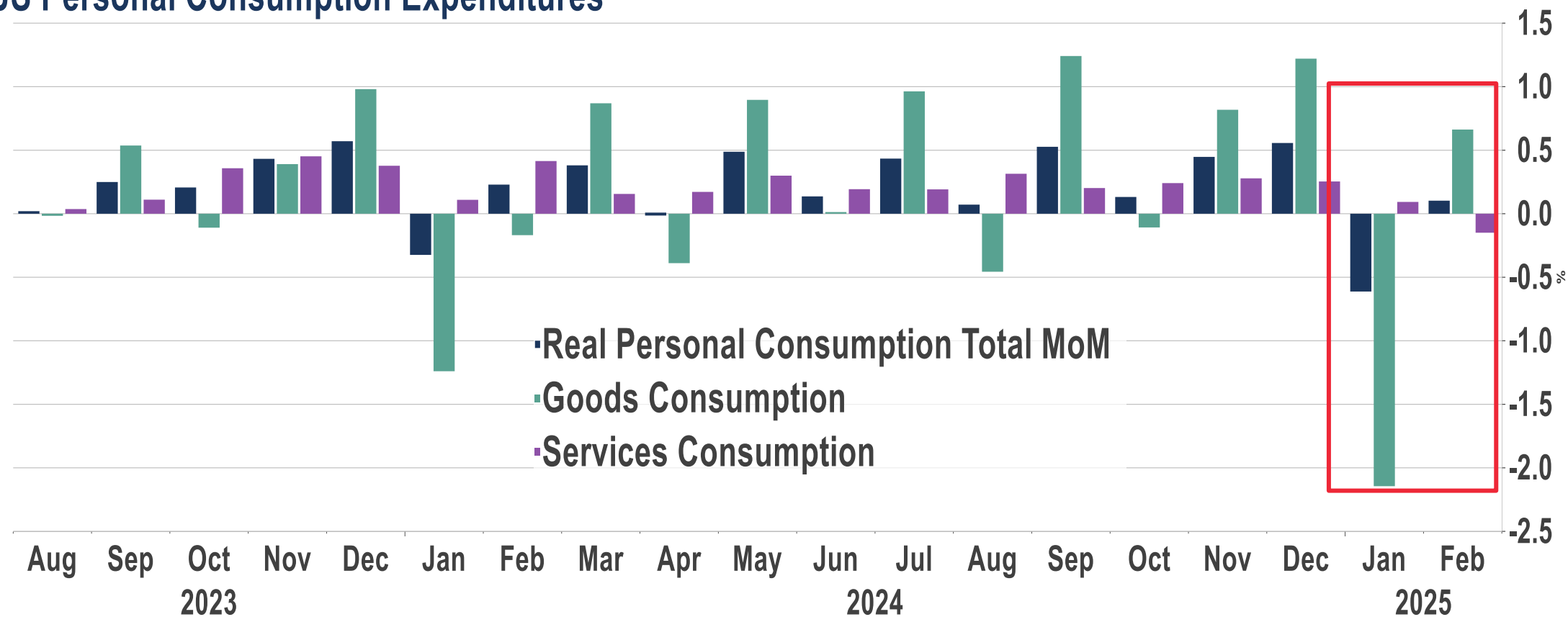


Data Source: Macrobond

Personal Consumption

Personal Consumption was Weaker Due to Weak Demand for Services

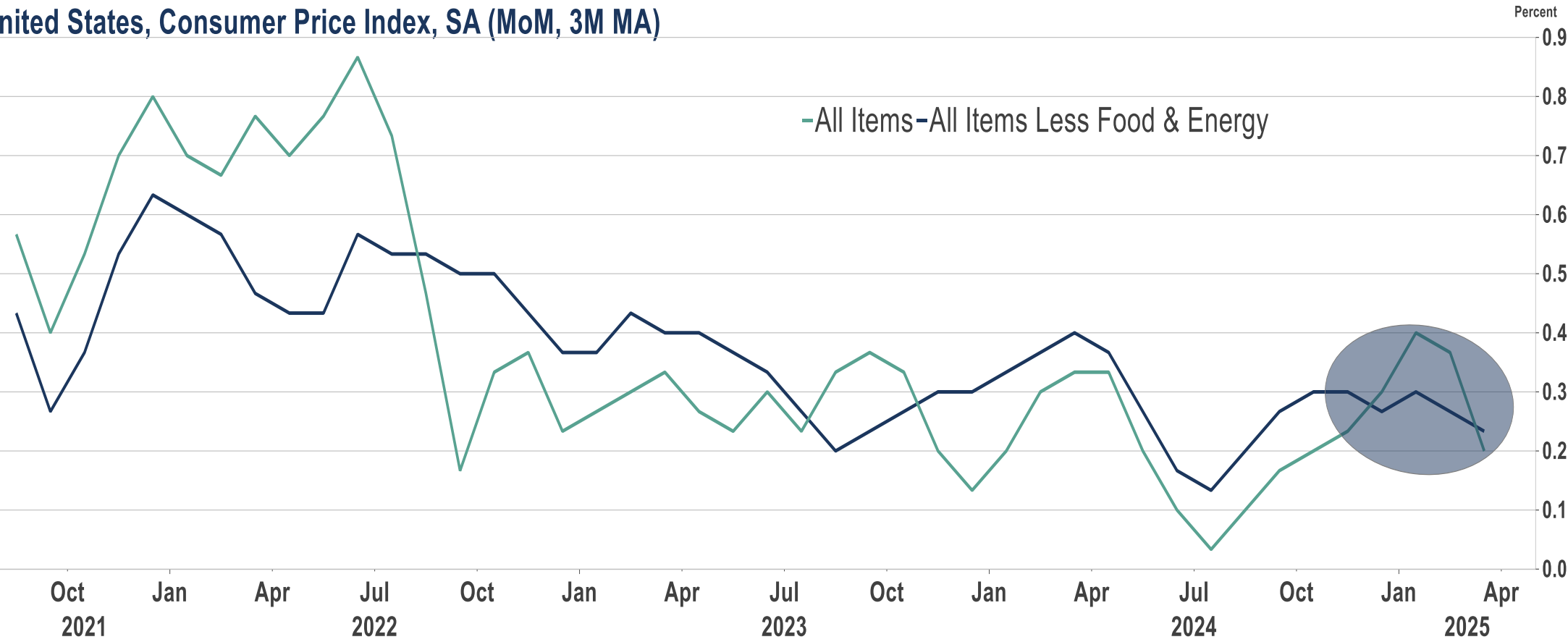
US Personal Consumption Expenditures



Data Source: Macrobond

Consumer Price Inflation Slowed in March

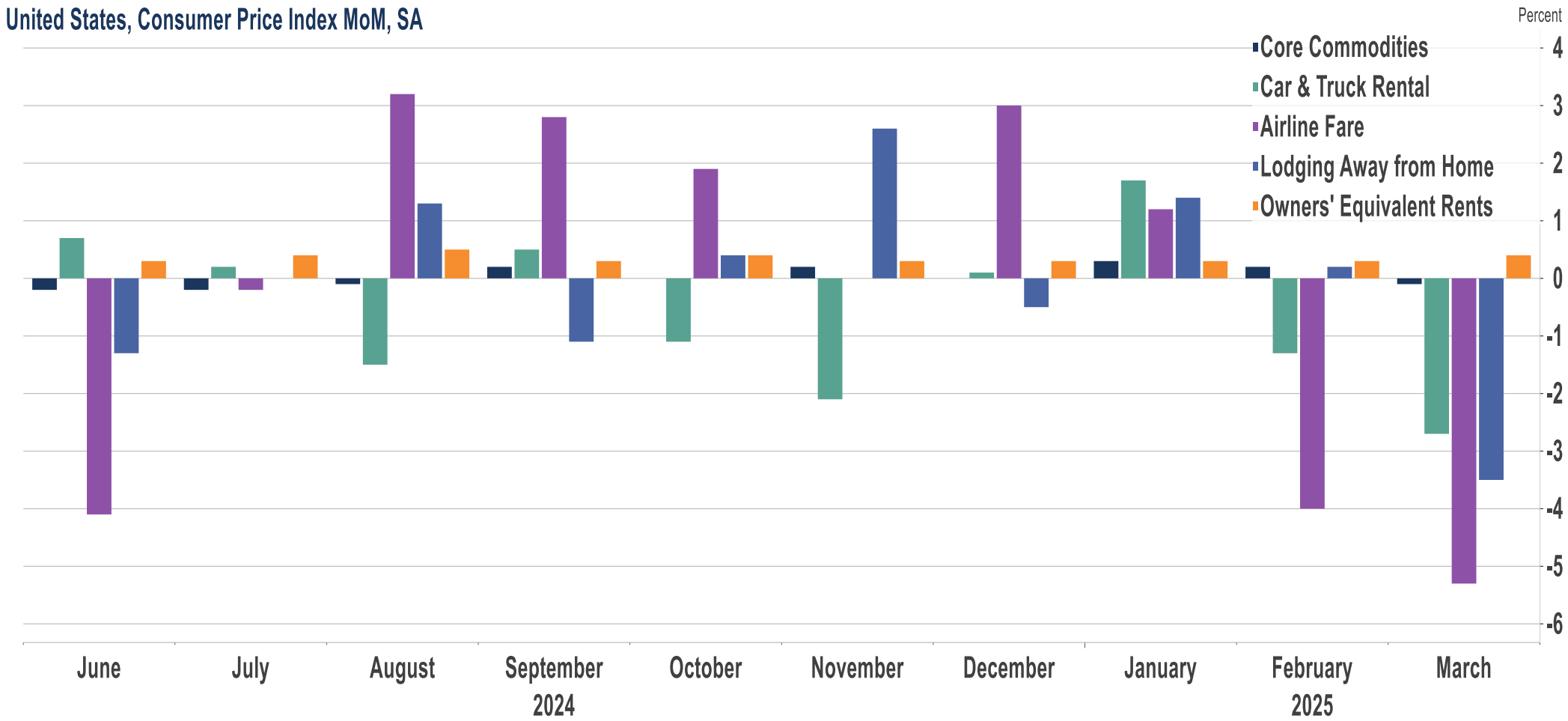
United States, Consumer Price Index, SA (MoM, 3M MA)



Data Source: Bloomberg

Recent Deflation in Multiple Segments of Core CPI — Could this be Recessionary?

United States, Consumer Price Index MoM, SA

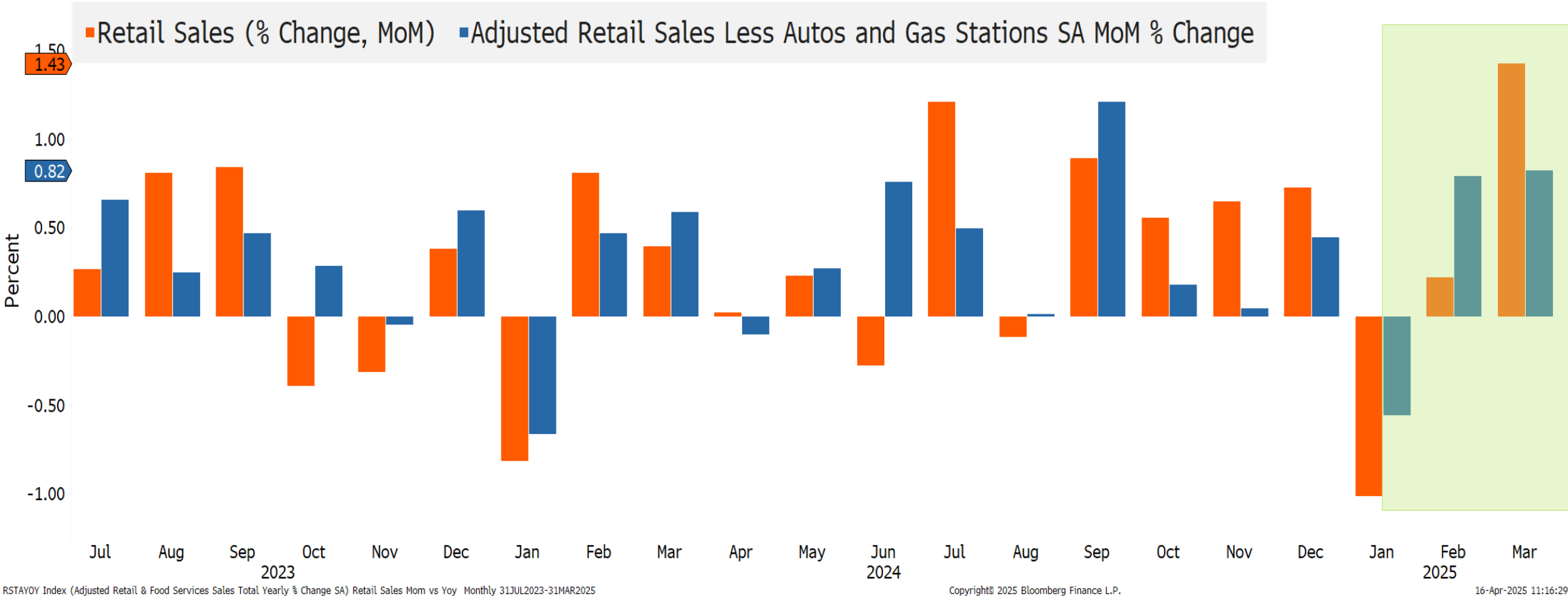


Data Source: Macrobond



Personal Consumption

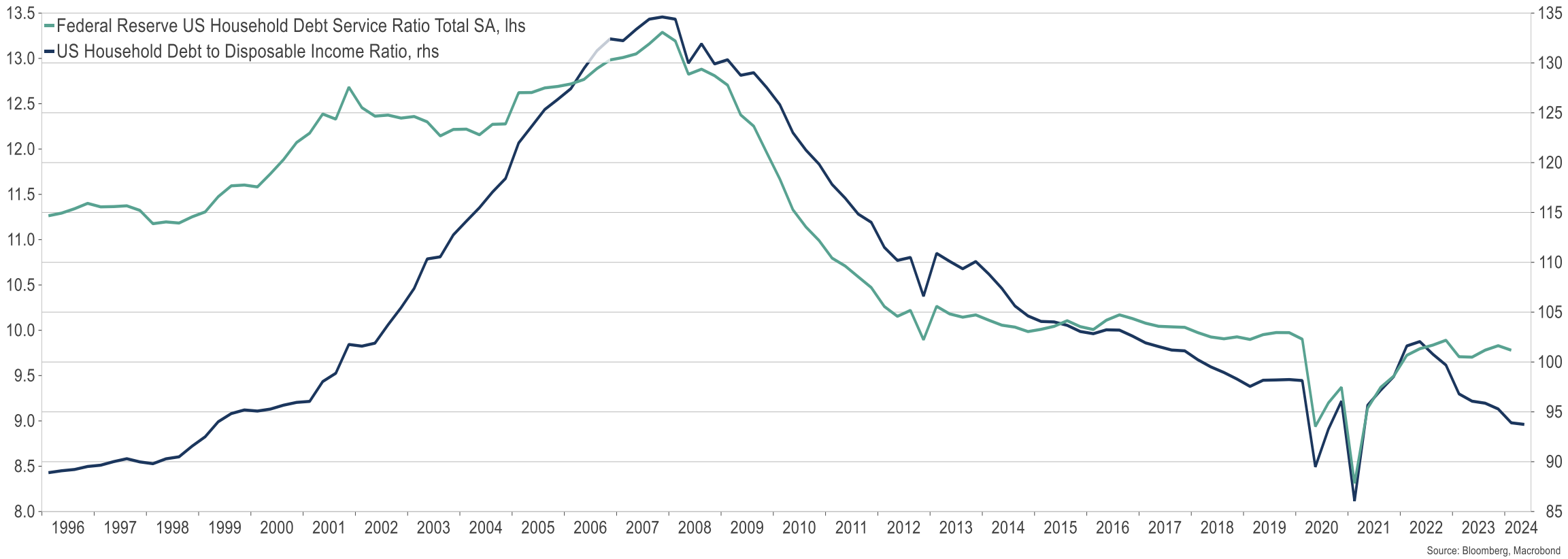
Demand for Goods: Retail Sales Picked Up in March and Revised Higher in February



Data Source: Bloomberg

Capacity to Spend

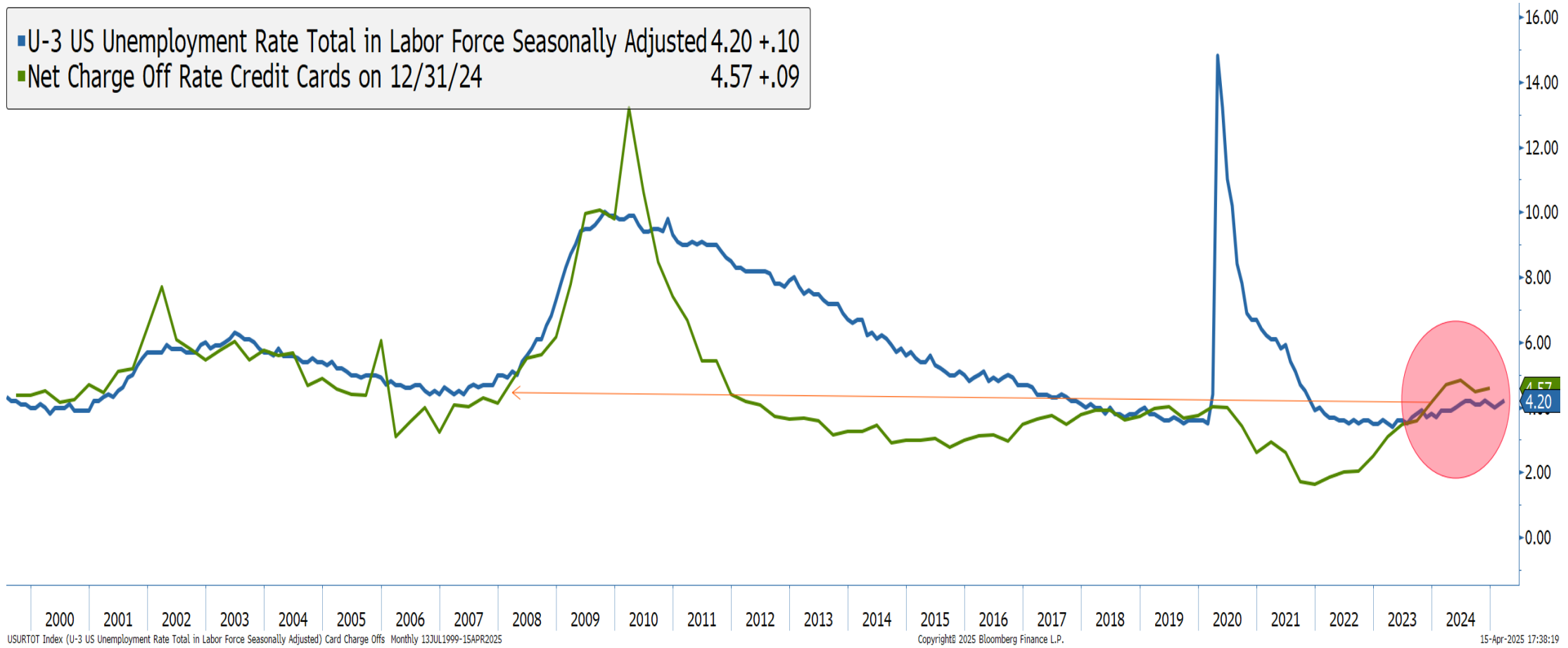
Debt Service Ratios Continue to Benefit from Low Mortgage Rates



Data Source: Macrobond

Growth

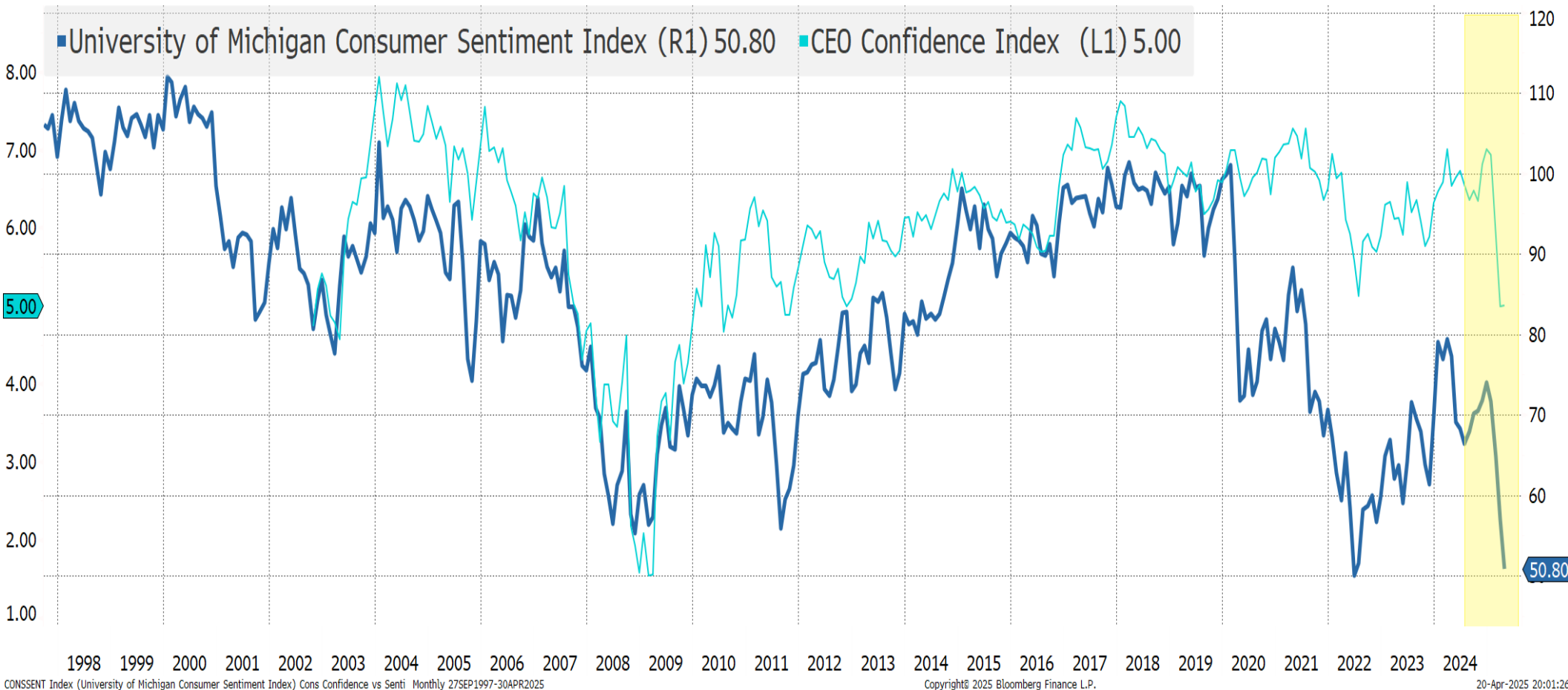
Credit Card Charge-Off Rates and Labor Market May Stabilize



Data Source: Bloomberg

Economic Sentiment

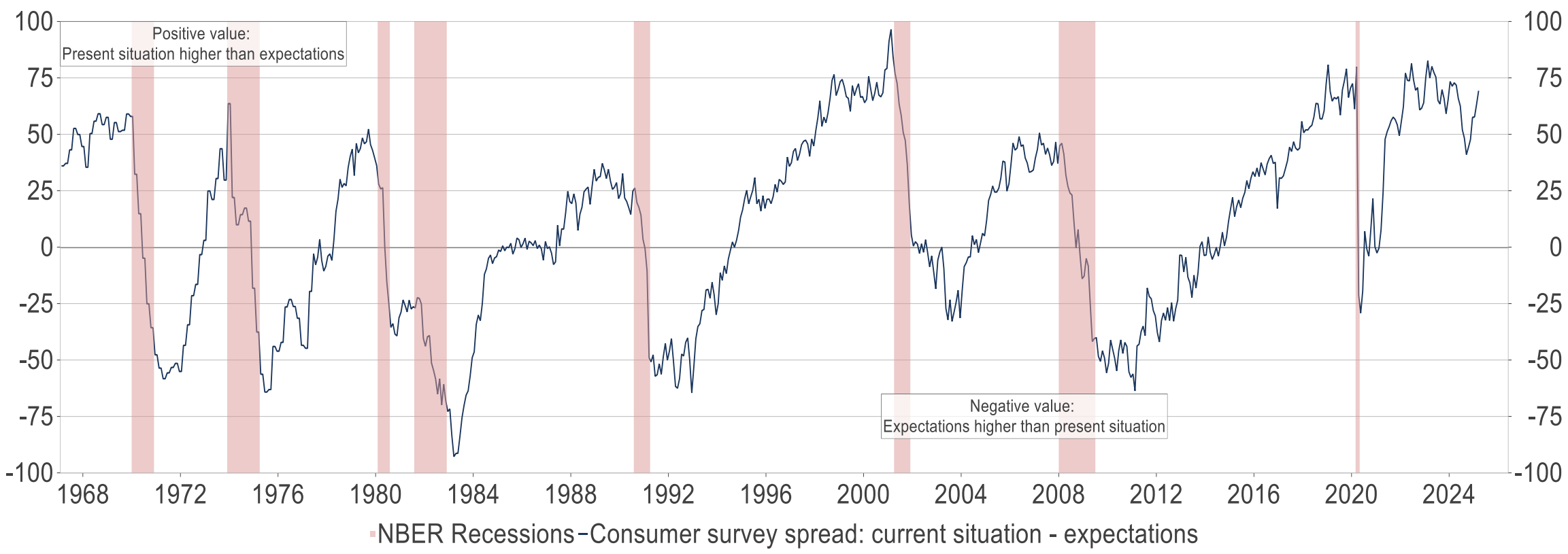
CEO Confidence and Consumer Sentiment Have Tumbled



Data Source: Bloomberg

Consumer Confidence

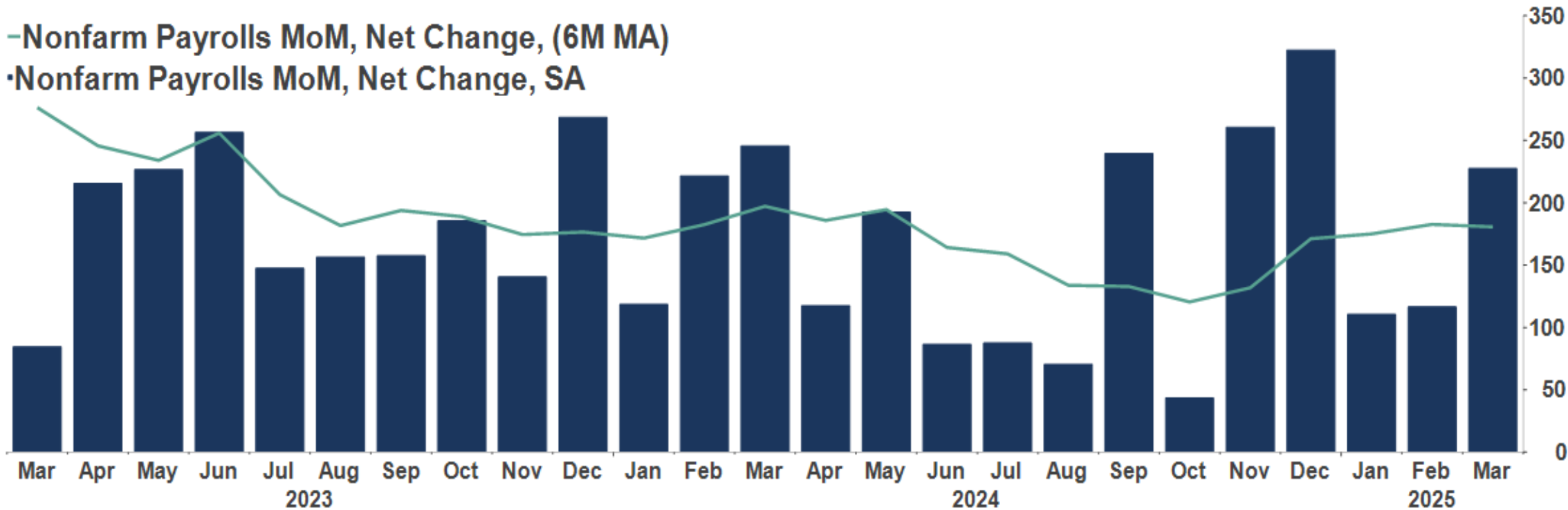
Consumer Confidence Indicates Consumers Feel OK about Today, not Tomorrow



Data Source: Macrobond

Employment

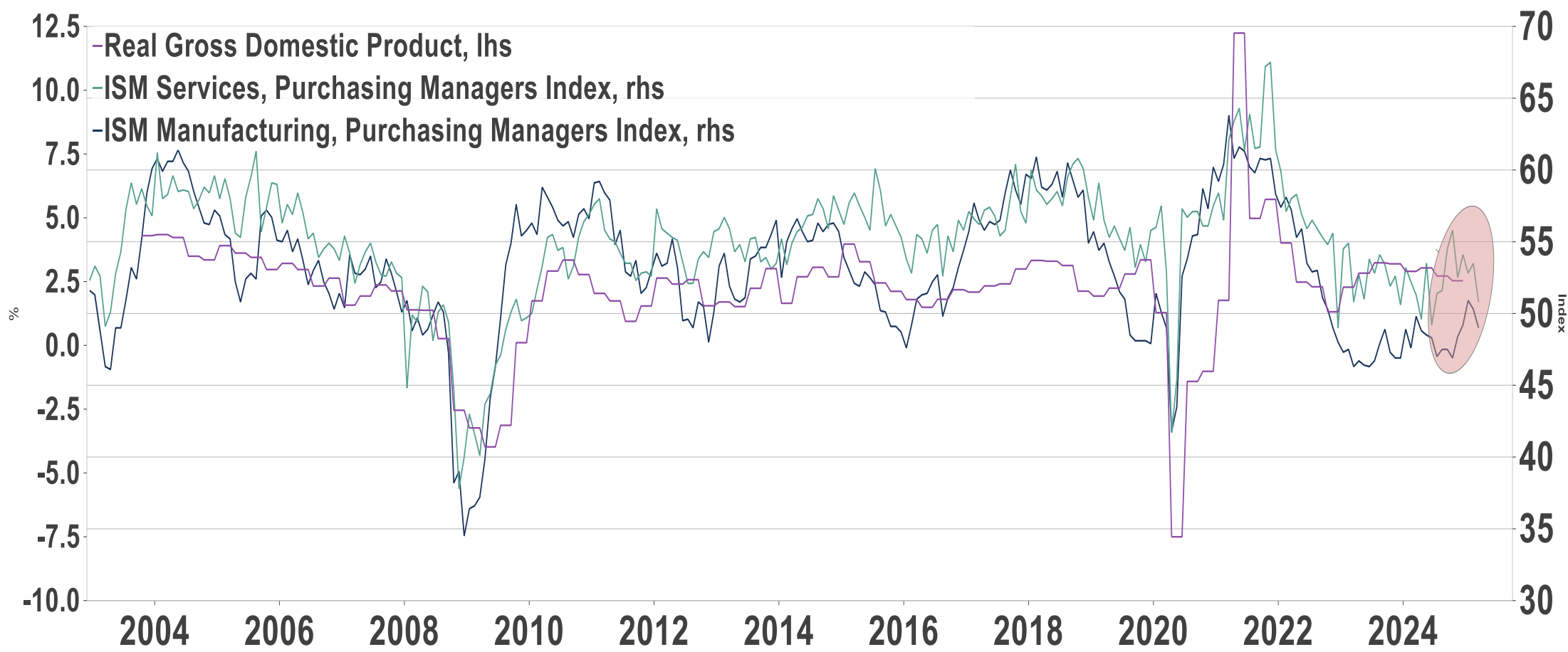
Labor Market is Normalizing, but the Next Few Reports May Come with Volatility...



Data Source: Macrobond

Business Sentiment

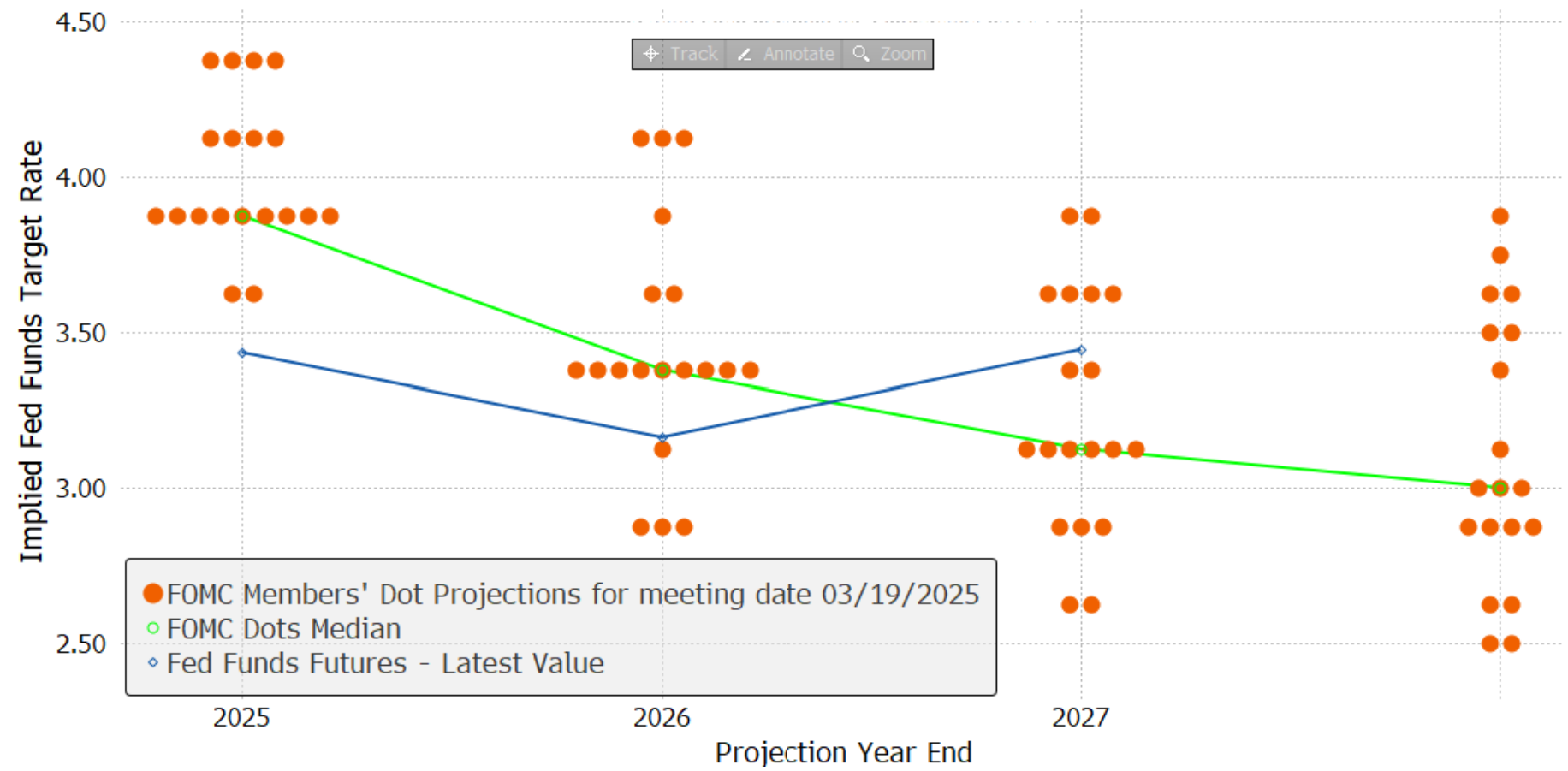
ISM PMIs Show a Recent Negative Turn in Business Sentiment



Data Source: Bloomberg

Market Outlook and Positioning

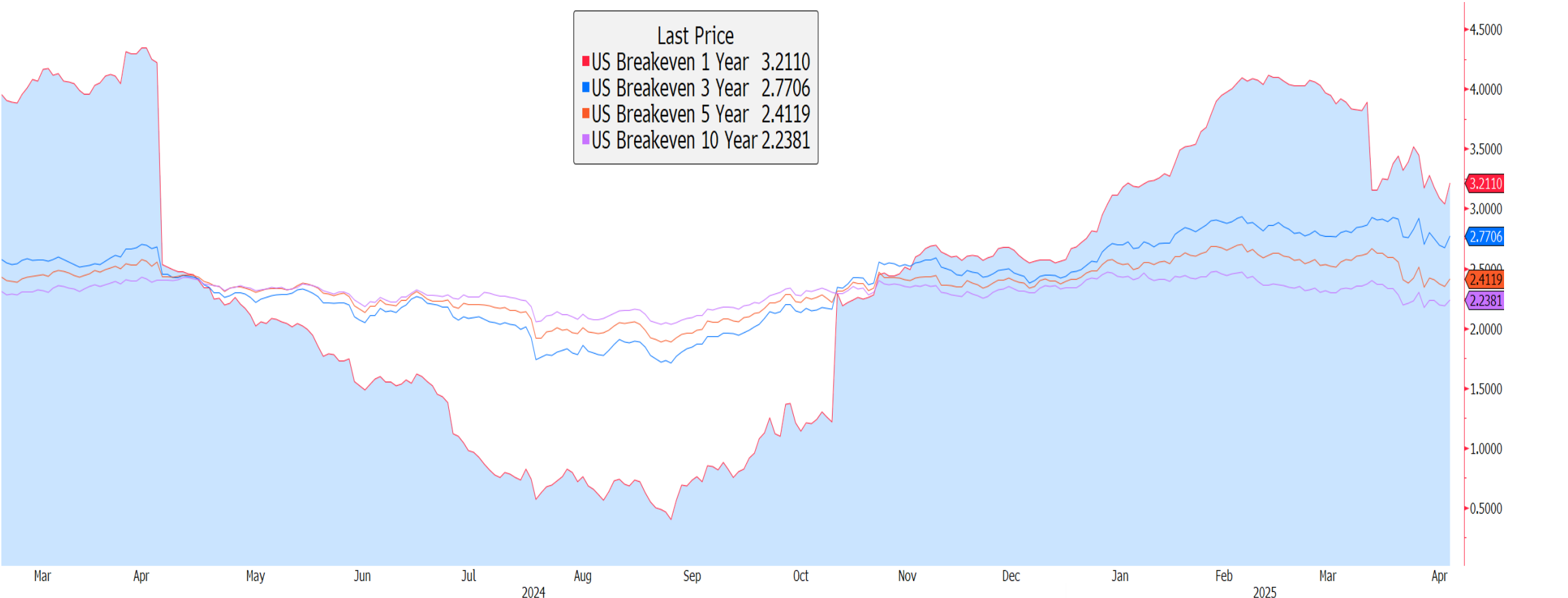
Interest Rate Sentiment
Fed May Be Forced (by Conditions) to Follow the Market on the Path to Lower Rates



Data Source: Bloomberg

Inflation Sentiment

Breakeven Inflation Rates are Moving Lower and Imply a “Transitory” Impact from Tariffs



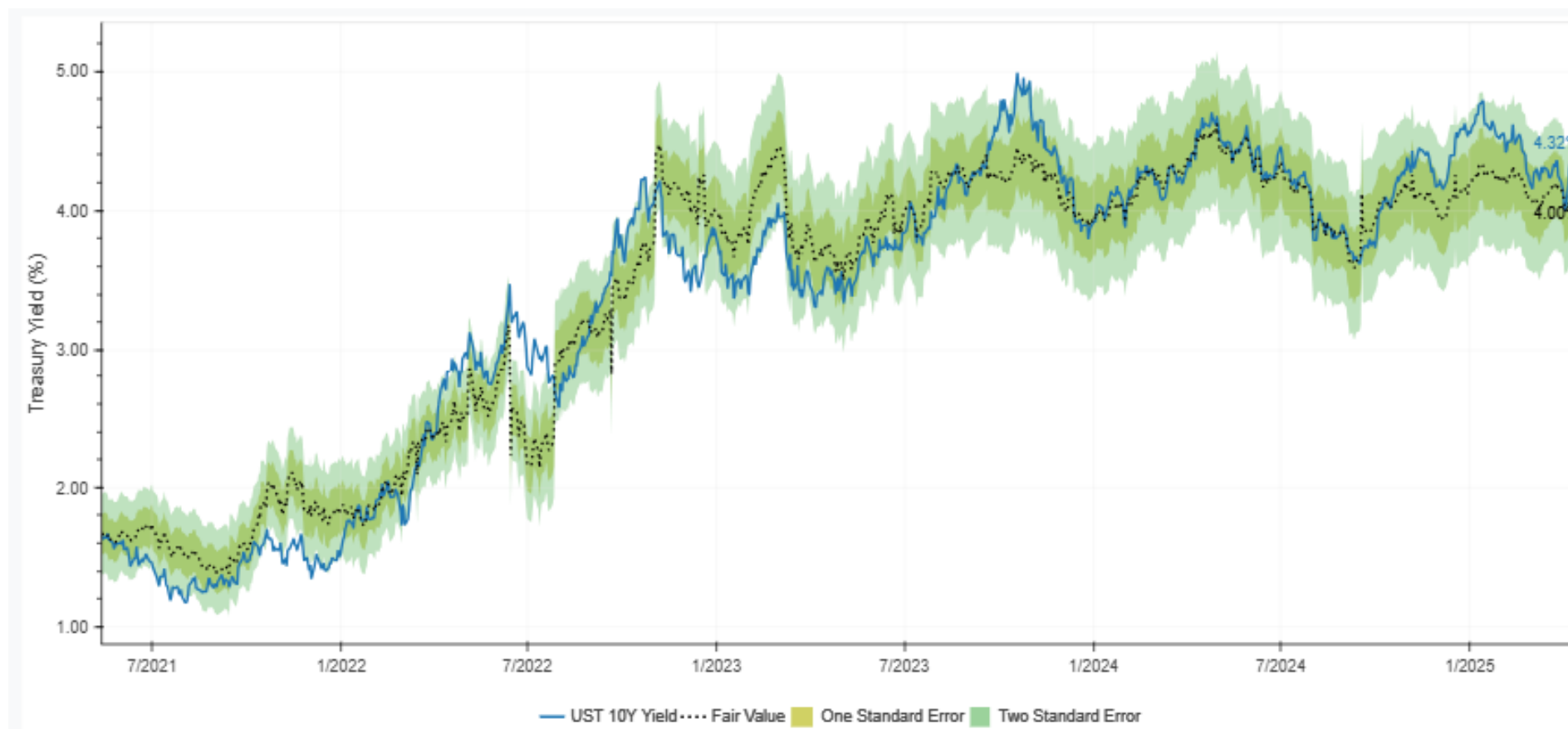
Data Source: Wilshire

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Bond Valuations

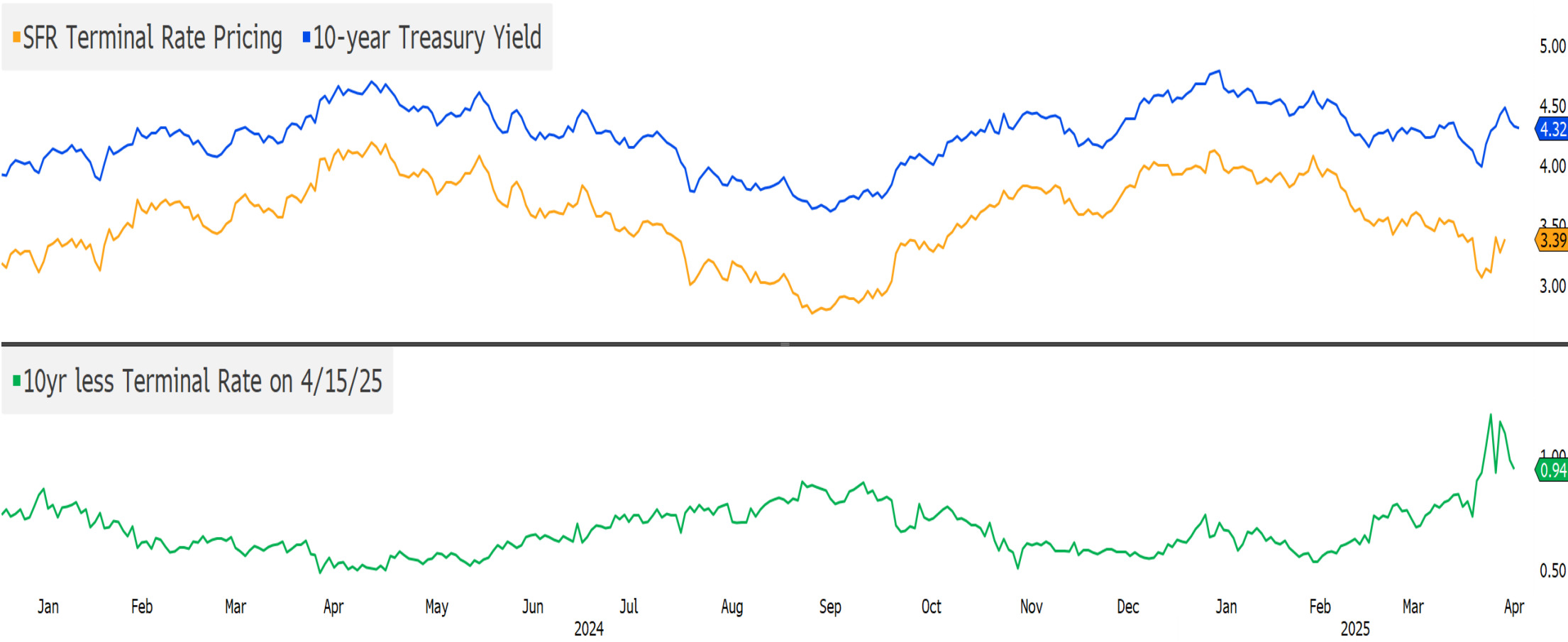
Wilshire's 10-year Fair Value Model Indicates Reasonable Bond Valuations; Tail Risks Remain



Data Source: Wilshire. Data as of 4/17/2025

Fixed Income Technicals

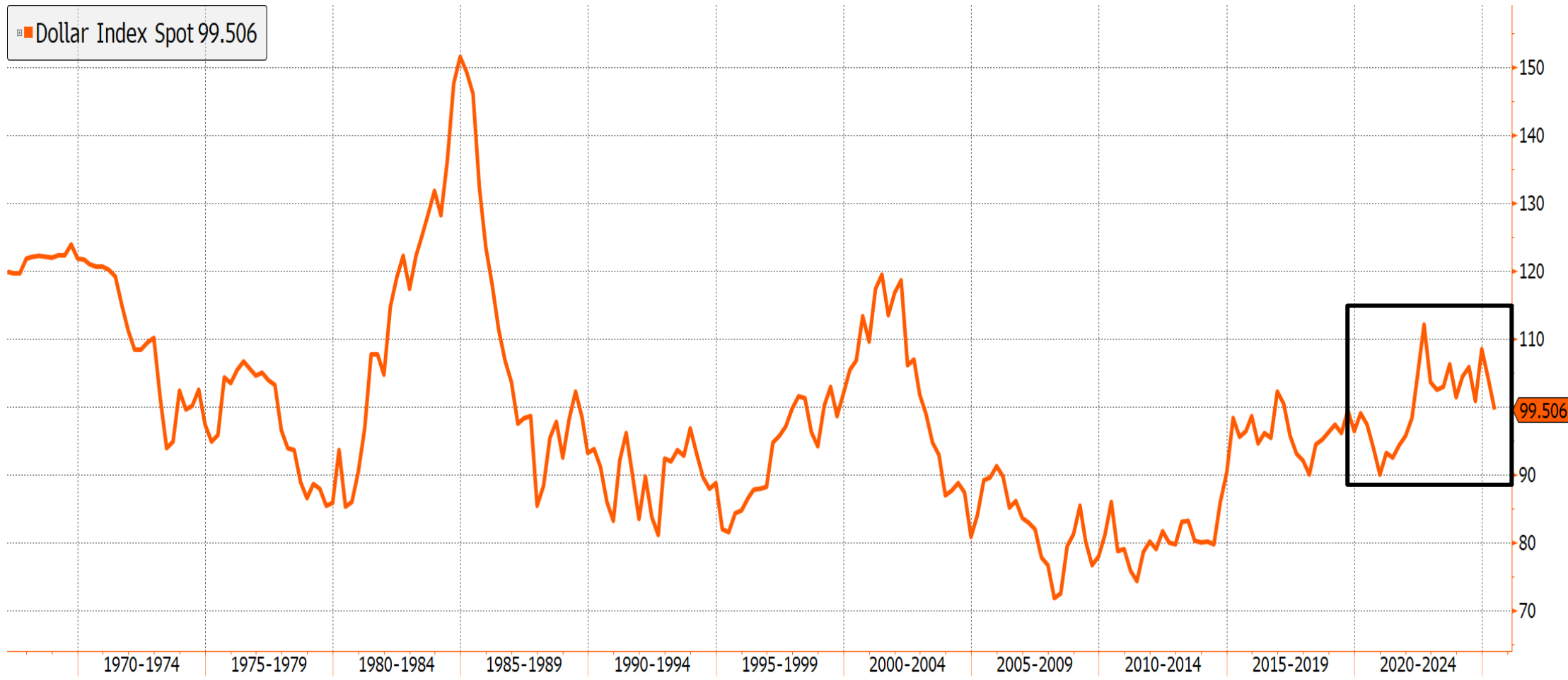
10-year Yield Behavior Detaches from Terminal Rate Pricing



Data Source: Bloomberg Intelligence

Currency

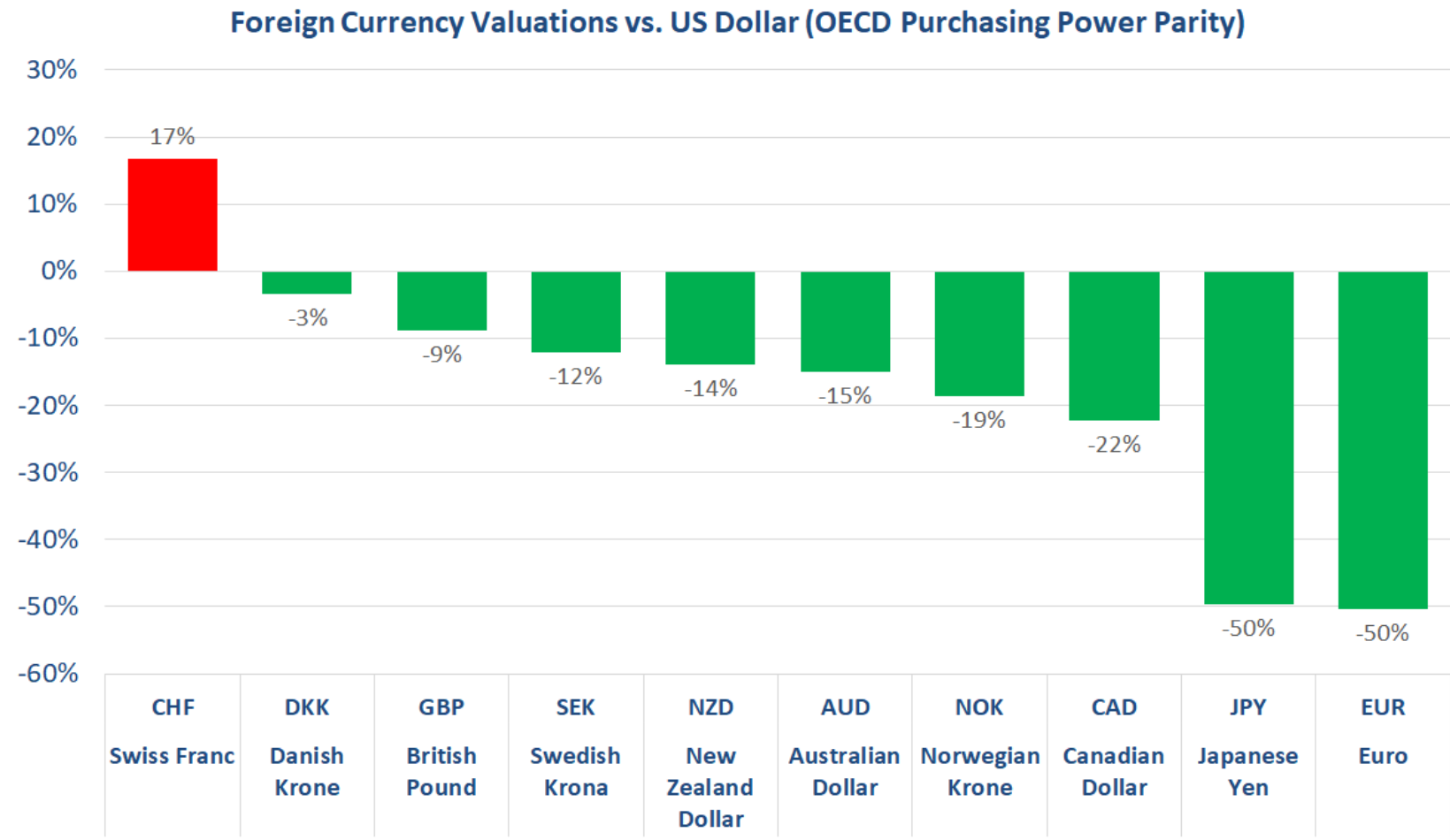
The Recent Correction in the U.S. Dollar is Not Unusual



Data Source: Bloomberg

Currency

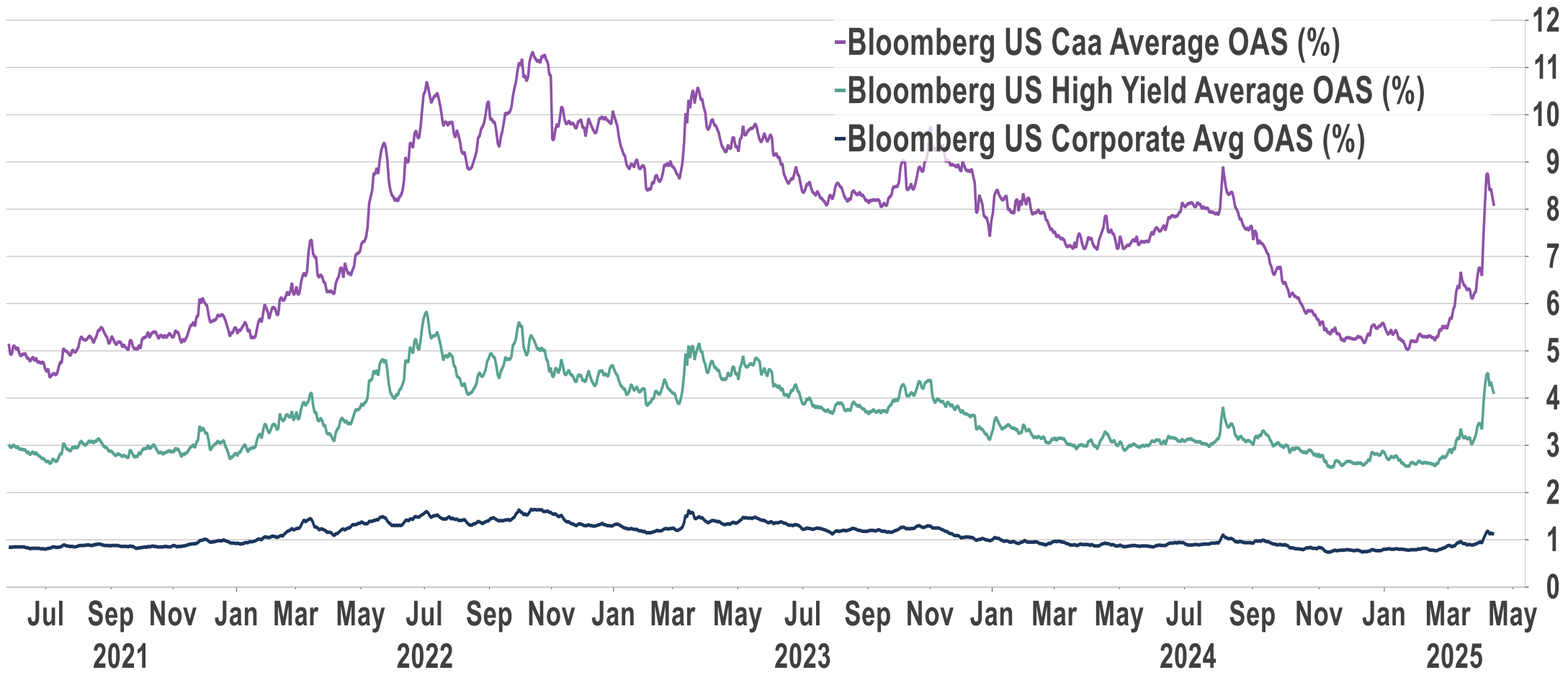
U.S. Dollar has Been Overvalued; Anchored by Interest Rates/Flows in the Short Term



Data Source: Bloomberg

Credit Valuations

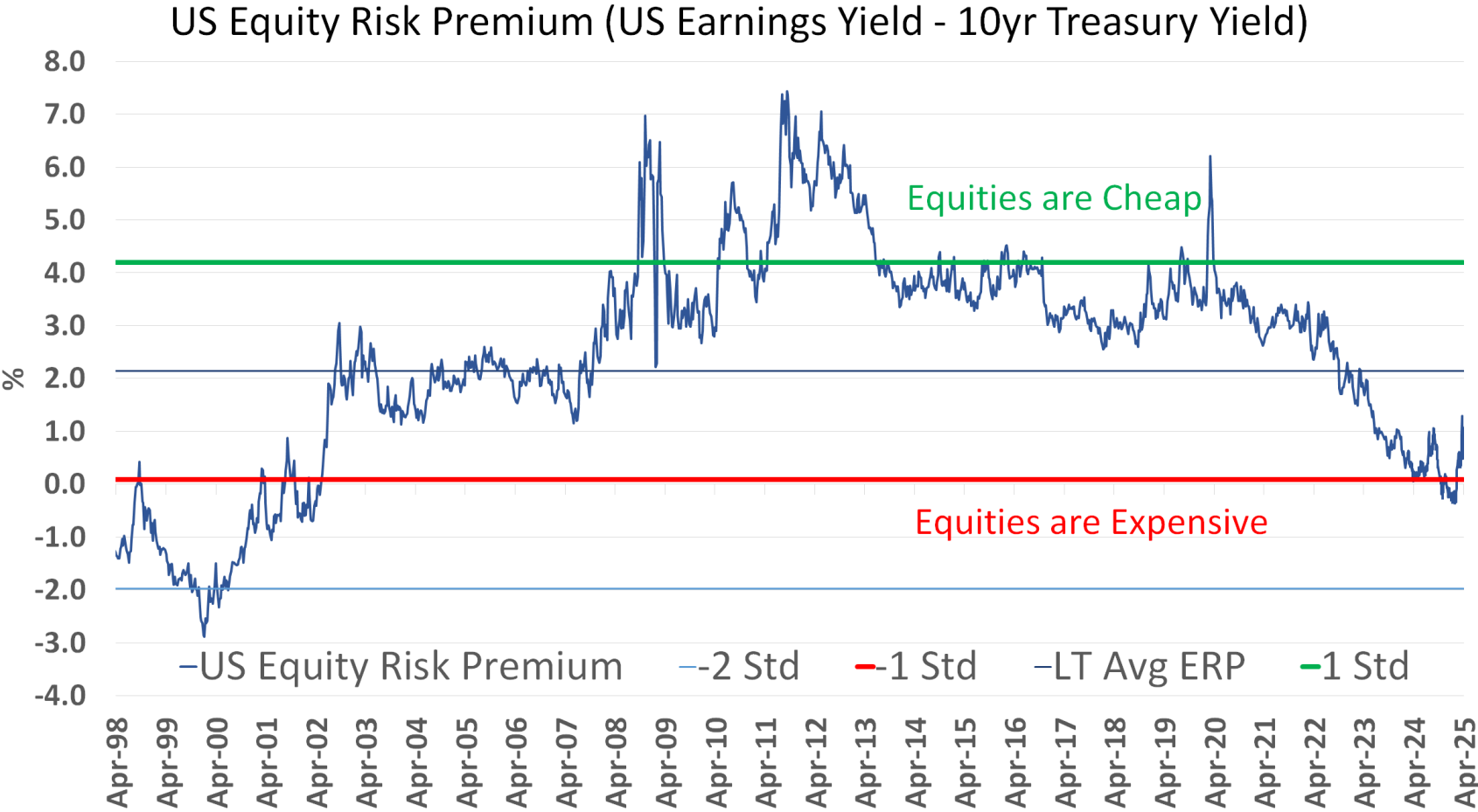
Credit Spreads Widened, Presenting a Potentially Attractive Opportunity



Data Source: Macrobond, Bloomberg

Equity Valuations

Equity Market Valuations Have Improved, but Earnings Remain in Question



Data Source: Wilshire. As of 04/15/2025. Assumes Forward EPS of \$265. For illustrative and discussion purposes only

Equity Valuations

Market Pricing Came Considerably Closer to Equilibrium Valuations
(4/7 Intraday Low)

| | | US 10 Year Treasury Yield (%) | | | | | | | | | | | | | | |
|-------------------------|-----|-------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | | 2.00 | 2.25 | 2.50 | 2.75 | 3.00 | 3.25 | 3.50 | 3.75 | 4.00 | 4.25 | 4.50 | 4.75 | 5.00 | 5.25 | 5.50 |
| US Equity 2025 EPS (\$) | 275 | 37% | 30% | 23% | 16% | 11% | 6% | 1% | -3% | -7% | -11% | -14% | -17% | -20% | -23% | -26% |
| | 270 | 35% | 27% | 20% | 14% | 9% | 4% | -1% | -5% | -9% | -13% | -16% | -19% | -22% | -24% | -27% |
| | 265 | 32% | 25% | 18% | 12% | 7% | 2% | -3% | -7% | -11% | -14% | -17% | -20% | -23% | -26% | -28% |
| | 260 | 30% | 22% | 16% | 10% | 5% | 0% | -5% | -9% | -12% | -16% | -19% | -22% | -25% | -27% | -30% |
| | 250 | 25% | 18% | 11% | 6% | 1% | -4% | -8% | -12% | -16% | -19% | -22% | -25% | -28% | -30% | -32% |
| | 245 | 22% | 15% | 9% | 4% | -1% | -6% | -10% | -14% | -17% | -21% | -24% | -26% | -29% | -31% | -34% |
| | 240 | 20% | 13% | 7% | 2% | -3% | -8% | -12% | -16% | -19% | -22% | -25% | -28% | -30% | -33% | -35% |
| | 235 | 17% | 11% | 5% | -1% | -5% | -10% | -14% | -17% | -21% | -24% | -27% | -29% | -32% | -34% | -36% |
| | 230 | 15% | 8% | 3% | -3% | -7% | -12% | -16% | -19% | -23% | -26% | -28% | -31% | -33% | -36% | -38% |
| | 225 | 12% | 6% | 0% | -5% | -9% | -14% | -17% | -21% | -24% | -27% | -30% | -32% | -35% | -37% | -39% |
| | 220 | 10% | 4% | -2% | -7% | -11% | -16% | -19% | -23% | -26% | -29% | -31% | -34% | -36% | -38% | -40% |
| | 215 | 7% | 1% | -4% | -9% | -13% | -18% | -21% | -25% | -28% | -30% | -33% | -35% | -38% | -40% | -42% |
| | 210 | 5% | -1% | -6% | -11% | -15% | -19% | -23% | -26% | -29% | -32% | -35% | -37% | -39% | -41% | -43% |
| | 205 | 2% | -3% | -9% | -13% | -18% | -21% | -25% | -28% | -31% | -34% | -36% | -38% | -41% | -43% | -45% |
| | 200 | 0% | -6% | -11% | -15% | -20% | -23% | -27% | -30% | -33% | -35% | -38% | -40% | -42% | -44% | -46% |
| | 195 | -3% | -8% | -13% | -18% | -22% | -25% | -28% | -32% | -34% | -37% | -39% | -41% | -44% | -45% | -47% |
| | 190 | -5% | -10% | -15% | -20% | -24% | -27% | -30% | -33% | -36% | -39% | -41% | -43% | -45% | -47% | -49% |
| | 185 | -8% | -13% | -18% | -22% | -26% | -29% | -32% | -35% | -38% | -40% | -42% | -44% | -46% | -48% | -50% |
| | 180 | -10% | -15% | -20% | -24% | -28% | -31% | -34% | -37% | -39% | -42% | -44% | -46% | -48% | -50% | -51% |

Data Source: Wilshire. As of 04/07/25. For illustrative and discussion purposes only

Technicals — Equities

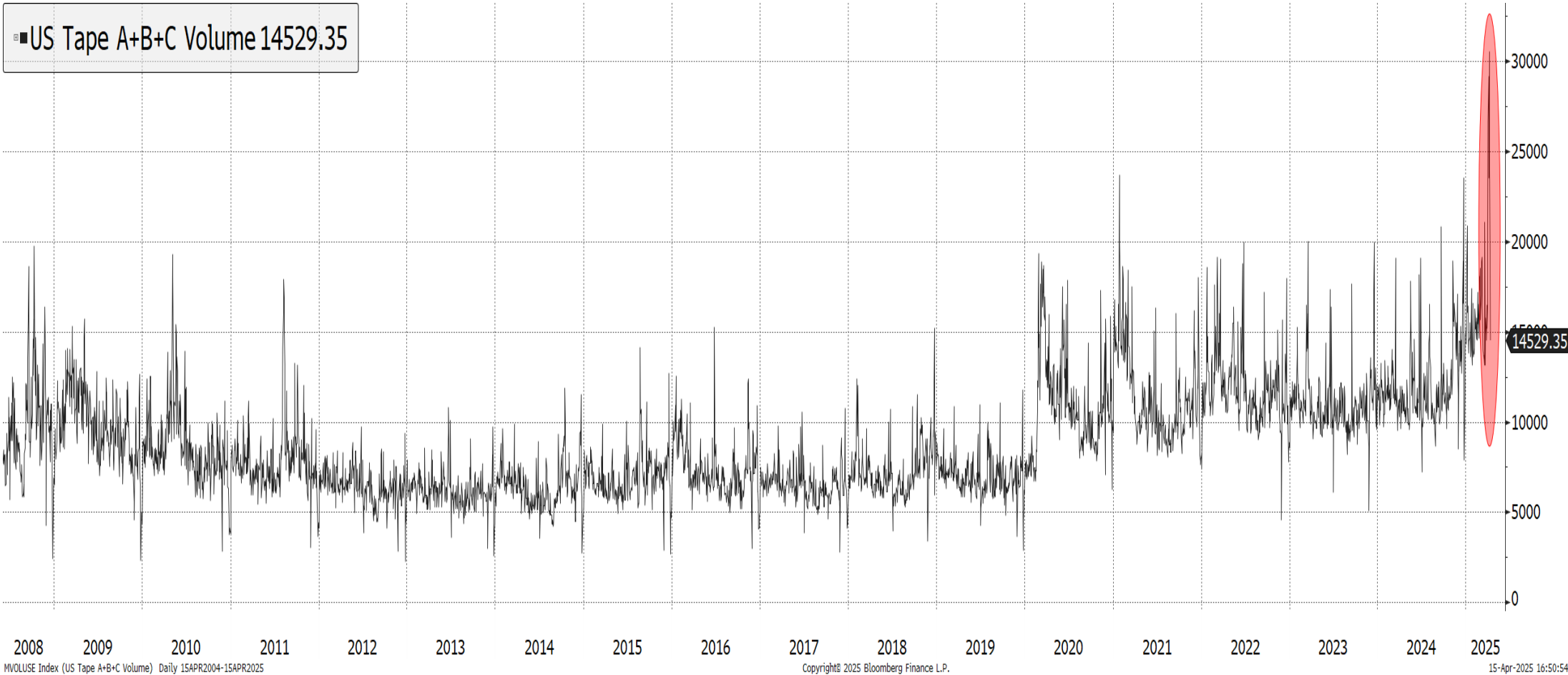
The “Washout” in Equities May be Behind Us...



Data Source: Bloomberg

Technicals — Equities

Highest Volume on Record for the U.S. Stock Market

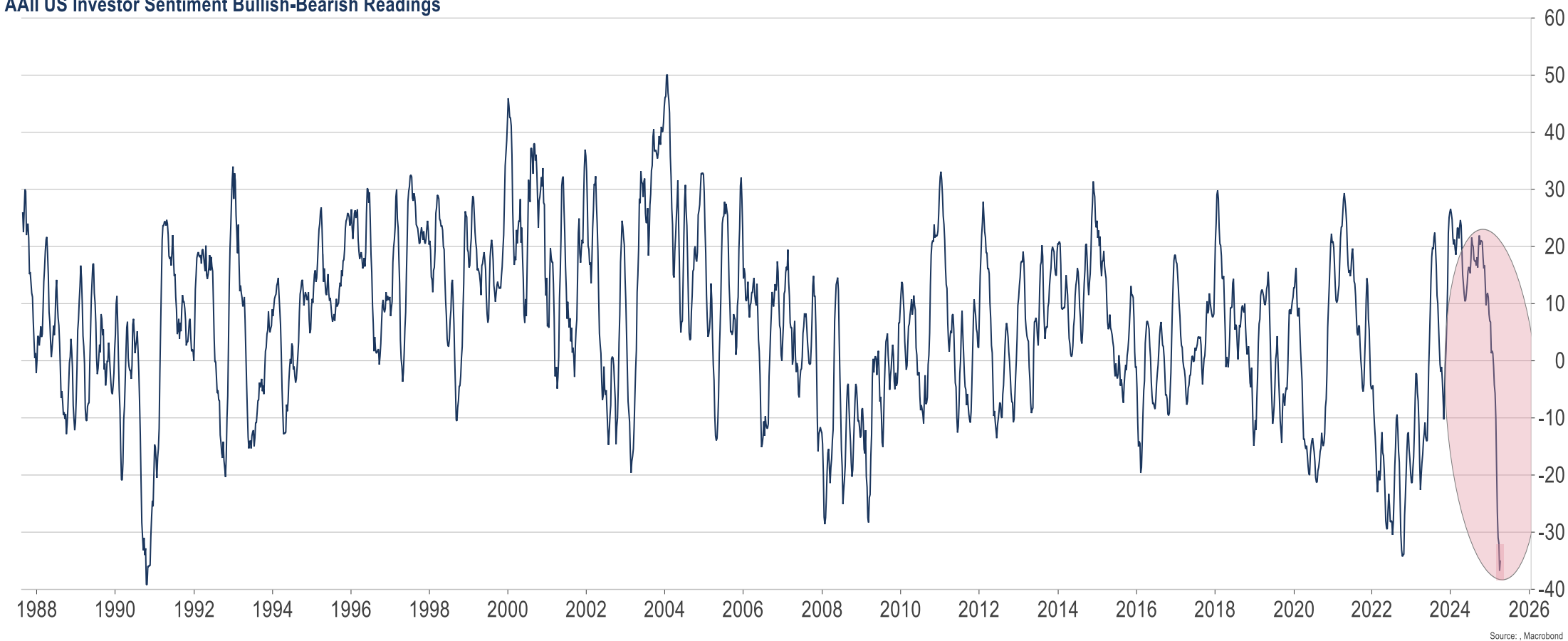


Data Source: Bloomberg

Sentiment and Technicals

Sentiment is at Record Low Levels

AAll US Investor Sentiment Bullish-Bearish Readings

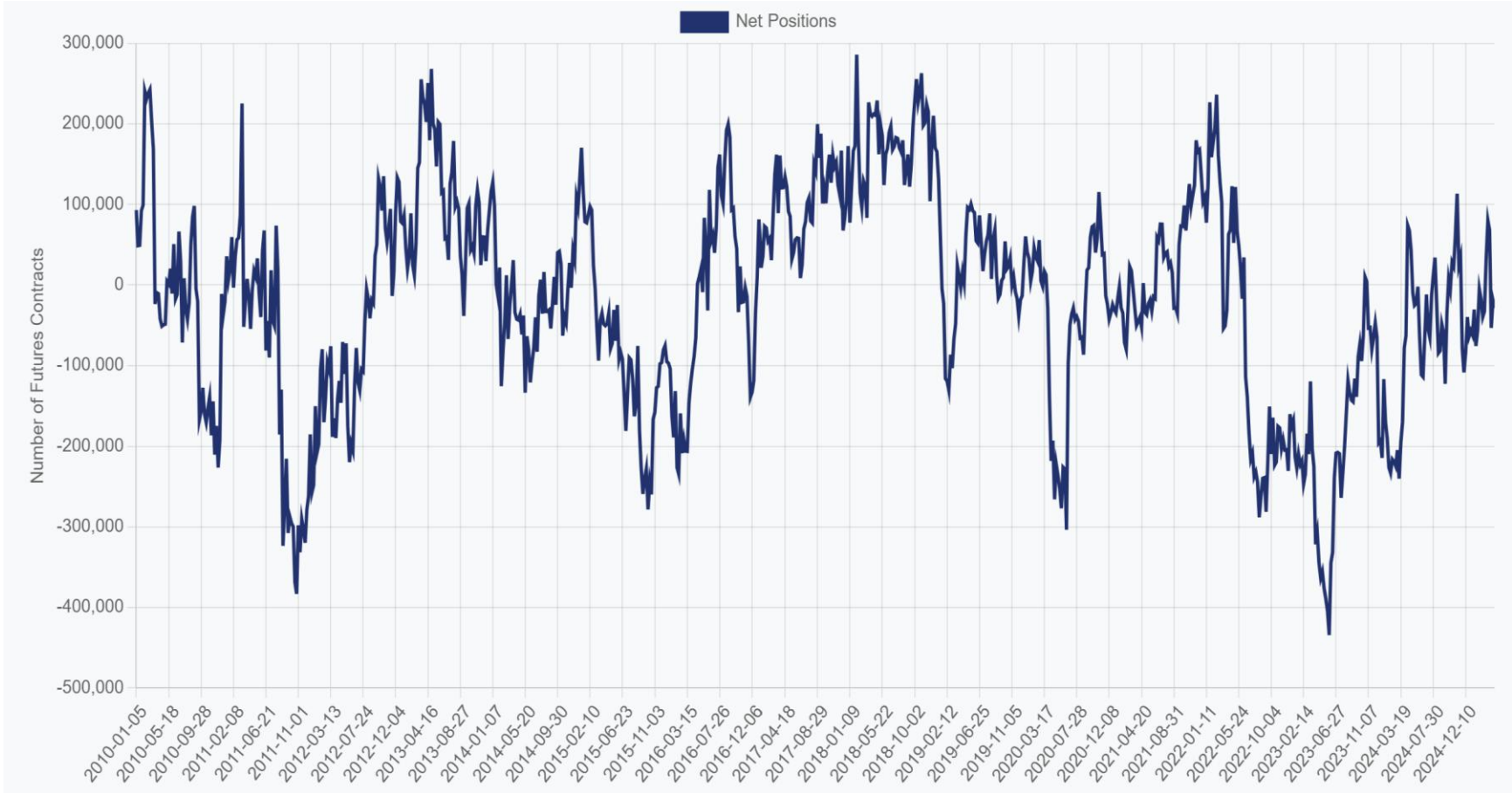


Data Source: Macrobond, Bloomberg

Sentiment and Technicals

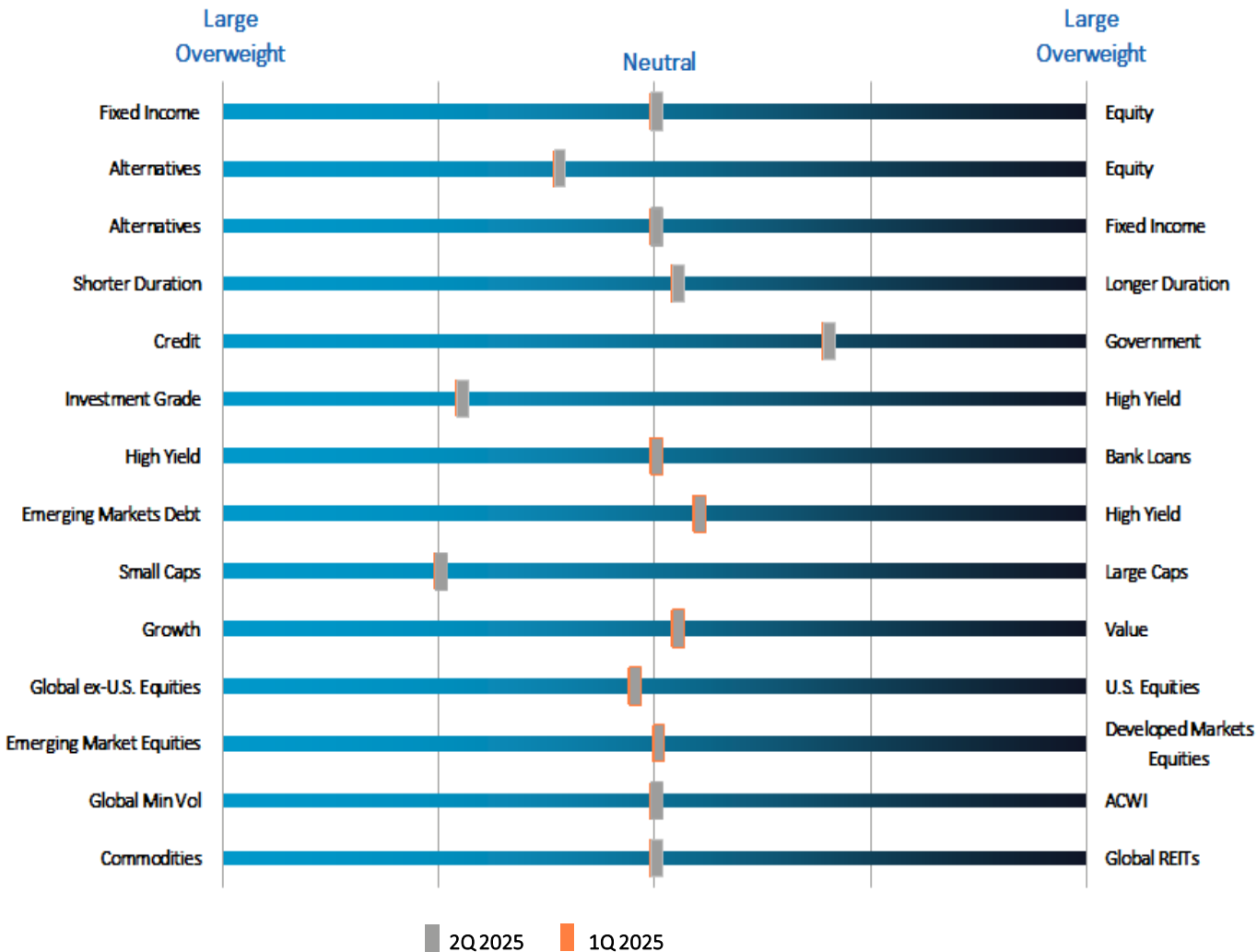
Positioning is Light (Neither very Long or Short)

S&P 500 Index: CFTC Net Non-Comm Futures Positions



Source: Wilshire, CFTC

Wilshire Investment Strategy Views – Q2 2025



For illustrative and discussion purposes only.

Capital Market Forecasts

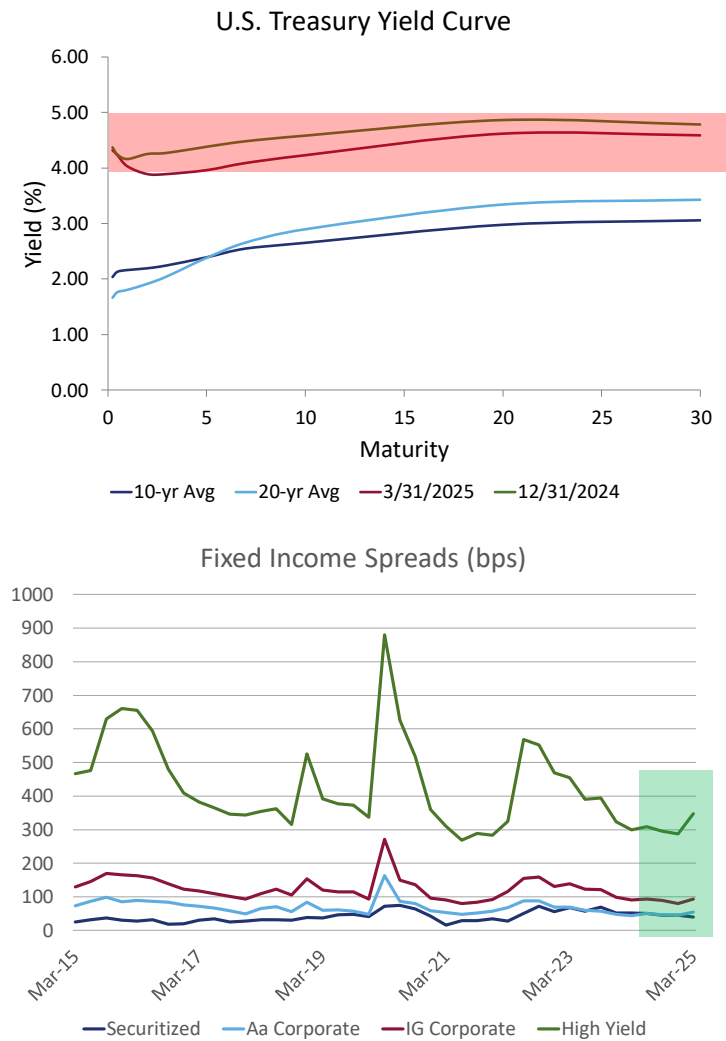
Summary Changes

- Yield curve down across most of the maturity spectrum
 - Curve movements resulted in lower forecasts for fixed income asset classes
 - Increase in spreads for investment grade and high yield bonds
- Yields on real asset securities are little changed from last quarter; inflation assumption unchanged at 2.35%
- Equity assumptions are up; private equity up to a similar degree due to slight changes in leverage costs
- Equity risk premium improved due to an increase in the equity forecast and decrease in core bonds

| Asset Class Assumption | Total Return (%) | | | Risk (%) |
|-------------------------------|------------------|--------|----------|----------|
| | Dec 2024 | Change | Mar 2025 | |
| Inflation | 2.35 | 0.00 | 2.35 | 1.75 |
| Cash Equivalents | 3.60 | 0.00 | 3.60 | 0.75 |
| Treasuries | 4.70 | -0.30 | 4.40 | 5.00 |
| Core Bonds | 5.20 | -0.25 | 4.95 | 4.75 |
| LT Core Bonds | 5.35 | -0.20 | 5.15 | 9.90 |
| High Yield Bonds | 6.35 | -0.05 | 6.30 | 10.00 |
| Private Credit | 7.75 | 0.00 | 7.75 | 12.75 |
| Global RE Securities | 5.85 | 0.00 | 5.85 | 16.55 |
| Private Real Estate | 6.40 | 0.15 | 6.55 | 13.95 |
| U.S. Stocks | 4.35 | 0.25 | 4.60 | 17.00 |
| Dev. ex-U.S. Stocks | 5.35 | 0.25 | 5.60 | 18.00 |
| Emerging Market Stocks | 5.60 | 0.25 | 5.85 | 26.00 |
| Private Equity | 6.25 | 0.20 | 6.45 | 29.65 |
| Hedge Funds | 6.20 | 0.05 | 6.25 | 6.60 |
| Global 60/40 (ACWI/U.S. Core) | 5.30 | 0.05 | 5.35 | 10.75 |

| Implied Risk Premia | Relative Return (%) | | |
|---------------------------------|---------------------|--------|----------|
| | Dec 2024 | Change | Mar 2025 |
| Cash - Inflation | 1.25 | 0.00 | 1.25 |
| Treasury - Cash | 1.10 | -0.30 | 0.80 |
| Core - Treasury | 0.50 | 0.05 | 0.55 |
| Long-Term Core - Core | 0.15 | 0.05 | 0.20 |
| High Yield - Core | 1.15 | 0.20 | 1.35 |
| Global RESI - Core | 0.65 | 0.25 | 0.90 |
| U.S. Stocks - Core | -0.85 | 0.50 | -0.35 |
| Private Equity - U.S. Stocks | 1.90 | -0.05 | 1.85 |
| Implied Real Return (ACA - CPI) | | | |
| U.S. Stocks | 2.00 | 0.25 | 2.25 |
| U.S. Bonds | 2.85 | -0.25 | 2.60 |
| Cash Equivalents | 1.25 | 0.00 | 1.25 |

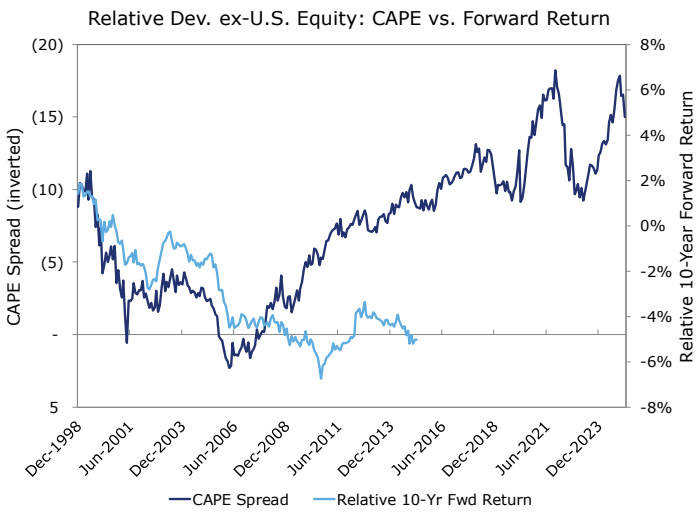
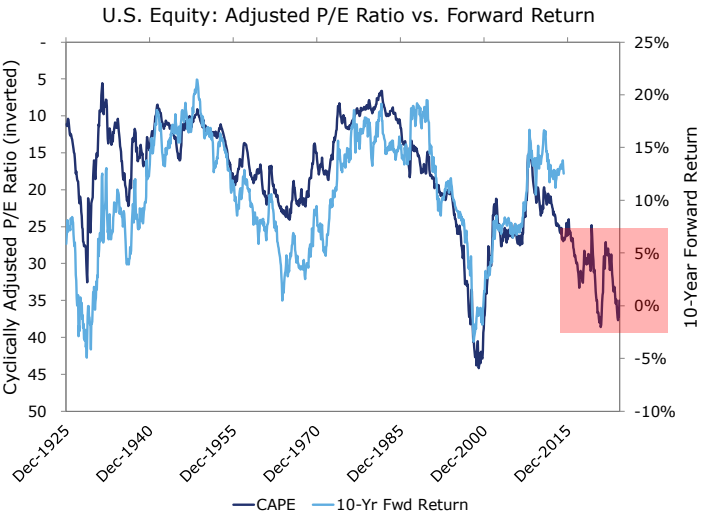
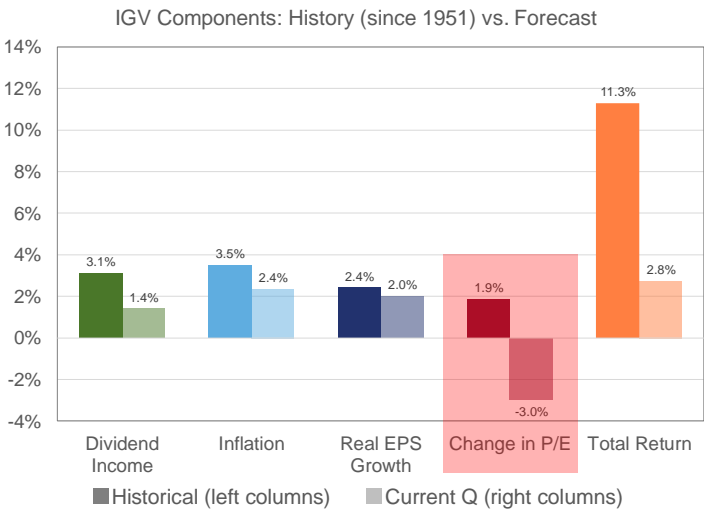
Fixed Income



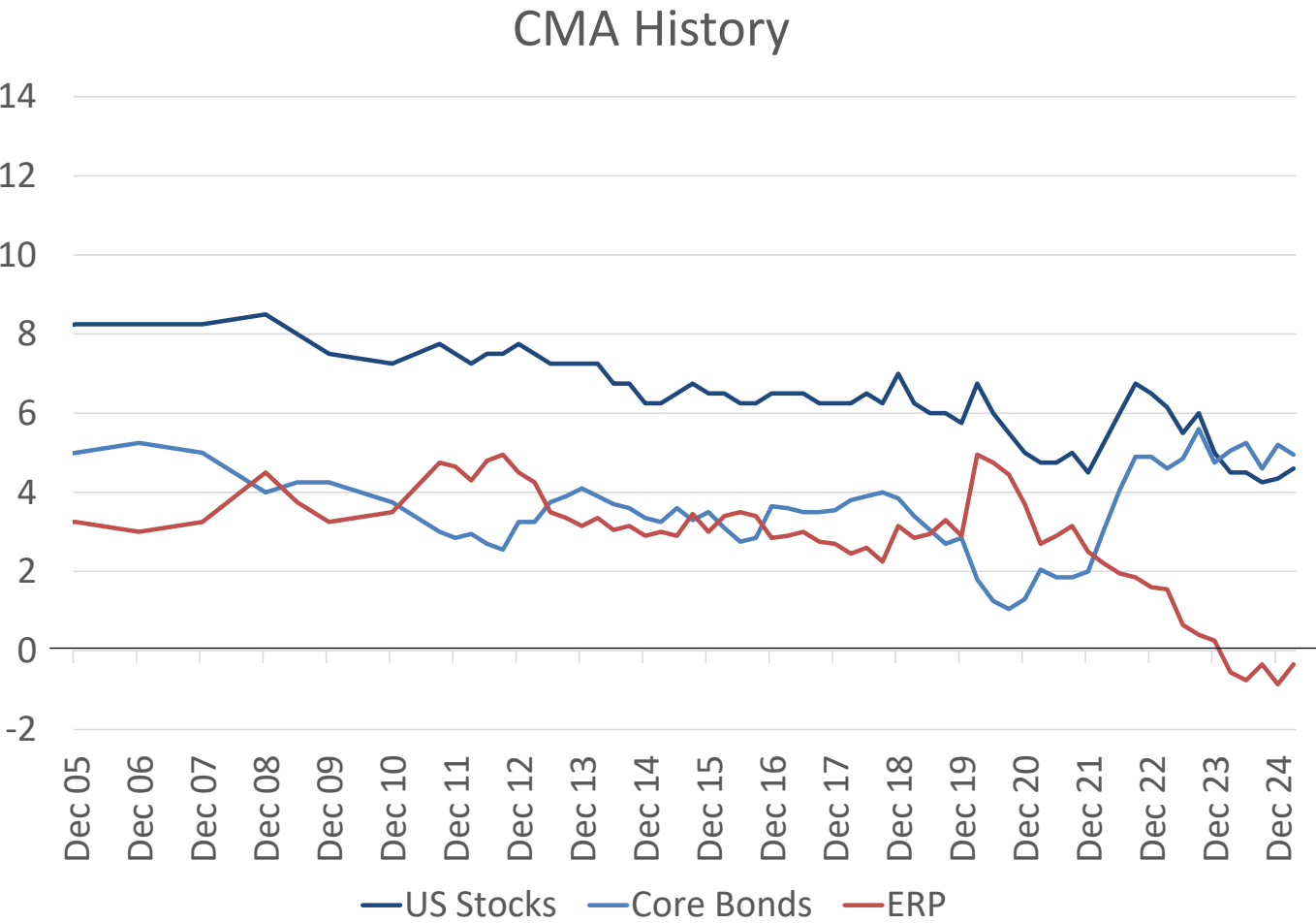
| Inflation & Fixed Income | | Dec 2024 | Change | Mar 2025 |
|--------------------------|---------------------------------|-------------|---------------|-------------|
| Inflation | 10-Year Treasury Yield | 4.57 | (0.37) | 4.21 |
| | 10-Year Real Yield | <u>2.23</u> | <u>(0.39)</u> | <u>1.84</u> |
| | Breakeven Inflation | 2.34 | 0.03 | 2.37 |
| | Inflation Forecast | 2.35 | 0.00 | 2.35 |
| Cash | 91-Day T-Bill Yield | 4.37 | (0.05) | 4.32 |
| | T-Bill Yield in 10 Yrs | 3.50 | 0.00 | 3.50 |
| | Cash Forecast | 3.60 | 0.00 | 3.60 |
| Treasury | U.S. Treasury Idx Yield | 4.45 | (0.35) | 4.11 |
| | Treasury Idx Yield in 10 Yrs | 5.10 | (0.20) | 4.90 |
| | Treasury Idx Forecast | 4.70 | (0.30) | 4.40 |
| | U.S. LT Treasury Idx Yield | 4.86 | (0.24) | 4.62 |
| | LT Treasury Idx Yield in 10 Yrs | 4.91 | (0.16) | 4.75 |
| | LT Treasury Idx Forecast | 4.85 | (0.25) | 4.60 |
| Spread | U.S. Corporate Idx OAS | 0.80 | 0.14 | 0.94 |
| | Corporate Idx OAS in 10 Yrs | 1.48 | 0.00 | 1.48 |
| | Corporate Idx Forecast | 5.65 | (0.20) | 5.45 |
| | U.S. Core Bond Forecast | 5.20 | (0.25) | 4.95 |
| | U.S. LT Core Bond Forecast | 5.35 | (0.20) | 5.15 |
| | U.S. High Yield Idx OAS | 2.87 | 0.60 | 3.47 |
| | High Yield Idx OAS in 10 Yrs | 4.91 | (0.00) | 4.91 |
| | High Yield Bond Forecast | 6.35 | (0.05) | 6.30 |

Equity Markets

| Equity: Public & Private | | Dec 2024 | Change | Mar 2025 |
|---------------------------|--------------------------------|----------|--------|----------|
| Equity | DDM | 6.55 | 0.10 | 6.65 |
| | IGV | 2.30 | 0.50 | 2.80 |
| | CAPE | 1.10 | 1.90 | 3.00 |
| U.S. Equity Forecast | | 4.35 | 0.25 | 4.60 |
| Dev-ex-US Equity Forecast | | 5.35 | 0.25 | 5.60 |
| EM Equity Forecast | | 5.60 | 0.25 | 5.85 |
| Private | Cost of Debt (Public) | 5.85 | (0.10) | 5.75 |
| | Cost of Debt (Private) | 7.55 | 0.00 | 7.55 |
| | Private Market Basket Forecast | 6.25 | 0.20 | 6.45 |



Equity Risk Premium (ERP = U.S. Stocks – U.S. Core Bonds)



Data Source: Wilshire Capital Market Assumptions (CMAs)

Question & Answer

Thank you for joining us!

Please use the Q&A panel to submit questions.



The screenshot shows a web interface for asking questions. At the top, there are three tabs: 'Ask a question' (highlighted in green), 'Rate this', and 'Details'. Below the tabs is a heading 'Ask a question' followed by a text input field with the placeholder 'Type your question here...'. At the bottom left of the panel, there is a link 'Not hearing audio? Click here for help'. At the bottom right, there is a grey button labeled 'Send question'. Two red arrows originate from the text 'Please use the Q&A panel to submit questions.': one points to the 'Ask a question' tab, and the other points to the 'Send question' button.

To find out more about our solutions or speak to one of our experts, we're ready to connect you to the right team and answer any of your questions.

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