

Wilshire

Wilshire: Benchmark Change and Cessation Policy

Preamble

This policy regards the processes and policy of Wilshire Opco UK Ltd (“Wilshire”) as the Administrator of Wilshire’s Benchmarks with regards to the possible material change to the methodology of, or cessation of calculation of one or more of its benchmarks. Non-material changes to the rules are under the control of the Wilshire Benchmark Oversight Committee, guided by the Wilshire methodology documents.

Material Changes to Benchmark Methodologies

Material Change Definition

Materiality is difficult to define with respect to benchmarks, where for example the impact of a rule change can depend on the particular market circumstances at the time of the proposed change. For example, liquidity rules generally have a reduced impact on Benchmark constituent selection when general market liquidity is high and rising.

As such, the Wilshire Benchmark Oversight Committee (“Oversight Committee”) will determine whether a proposed change is material. Primarily, they will consider whether the proposed change would reasonably be considered to significantly change the investment or risk profile of the Benchmark, or its future performance.

Examples of changes that would likely be deemed material are:

- A change to a Benchmark’s objective
- A change to a Benchmark’s composition

Change Procedure

Changes to the methodology of any Wilshire Benchmark may be requested by Wilshire or by a member of the Oversight Committee. Suggestions or input from the wider investment community are also considered. Changes to Benchmarks used within the EU (those Benchmarks considered to be “benchmarks” under Benchmark Regulation can additionally be requested by the Committee).

- Requested changes will in most instances be considered at the next programmed Oversight Committee, but if a member of that committee considers the requested change to be urgent, a special meeting of the committee can be convened via teleconference.
- Consideration and analysis of the impact of Benchmark methodology changes, and the feasibility of implementing them, is the responsibility of the Oversight Committee, who may, if appropriate, work with Advisory Committees in doing so.
- Where a proposed change is considered material by the Oversight Committee, Wilshire will consult more broadly with users. Such a consultation will be arranged so as to give sufficient time for considered responses to be given before the change is approved and will be carried out in line with Wilshire’s Consultation Policy.
- Where a consultation is held, a summary of comments received, and of Wilshire’s response, will be made available to stakeholders, other than where the stakeholder has requested anonymity.
- Any change to the Benchmark methodology used for the determination (or calculation) of a Wilshire Benchmark must be agreed by the Oversight Committee.

Benchmark Cessation

Users of Wilshire Benchmarks should be aware that it may at some point become impossible to continue calculation of one or more of the Benchmarks, for reasons both within Wilshire’s control and external to their control. These might include, for example, a lack of required data or substantiated concerns regarding data quality, or insufficient constituents to make a

viable Benchmark.

Nonetheless, products based upon the Benchmark should have procedures or processes to enable them to address the possibility of a complete cessation of the calculation of one or more Wilshire Benchmark.

Wilshire pays particular attention to ensuring its Benchmark methodology is kept under review, and that methodology updates necessary to reflect changes in the underlying economic interest are made as rapidly as is appropriate given Benchmark users' needs. As a result, Wilshire considers it highly unlikely any of its Benchmarks will undergo a cessation event. Due to the unlikely nature of the event, and due to the regular changes in the underlying investment opportunity, Wilshire does not consider it appropriate to recommend potential alternative Benchmarks.

- A possible Benchmark cessation will, where time permits, be considered at the next programmed Oversight Committee. If the potential cessation scenario is more urgent a special meeting of the committee will be convened via teleconference.
- Consideration and analysis of the potential cessation of one or more Wilshire Benchmark is the responsibility of the Oversight Committee, who will work with the Advisory Committees.
- Where possible, Wilshire will consult with users regarding a potential cessation. Such a consultation will be arranged so as to give sufficient time for considered responses to be given before a cessation is given final consideration by the Committee. Wilshire will seek to consult via its Benchmark Advisory Group, directly with licensees, and with other stakeholders via its website.
- Where a consultation is held, a summary of comments received, and of Wilshire's response, will be made available to stakeholders, other than where the stakeholder has requested anonymity.
- The final decision to cease calculation of one or more Wilshire Benchmark will be taken by the Oversight Committee.

Communication Process

Where possible, material methodology changes that impact existing Benchmarks will be announced at least one quarter ahead of their implementation. In each case, a clear timetable for the implementation of the change will be made available.

Should circumstances arise that might lead to a Benchmark ceasing to be calculated, where possible, Wilshire will use its best endeavors to give the greatest possible advance warning to Benchmark users. If a cessation is confirmed, Wilshire will identify (to the best of its ability) Benchmark users, and issue a notification of cessation and the expected cessation date.

Policy Approval

This Benchmark Change & Cessation Policy was approved by the Oversight Committee.