Wilshire Indexes
Queries and Complaints Policy

January 2023
Summary

The UK Benchmark Regulation requires benchmark administrators to have a written policy for the effective consideration and proper handling of queries and complaints received in respect of the determination of the administrator’s benchmarks. Queries and complaints may be received from clients, former clients and prospective clients. Queries and complaints can also be received from other stakeholders or market participant including, for example, constituent companies, trading venues and regulators.

Scope of This Document

This policy concerns queries and complaints received in connection with the following areas:

- The determination of a benchmark, that is its level (price or value) and/or its composition
  - Examples include queries regarding the price used for a constituent, the weight of a constituent or the composition of a benchmark
- Instances of potential market abuse, whether concerning a constituent or prospective constituent company, a market participant or an employee of Wilshire Indexes
  - Examples include instances where a company may have influenced its price or misstated its free float in order to become eligible for index inclusion
- Instances where a decision taken with respect to a benchmark where the potential exists for the decision to have been influenced by a conflict of interest
  - Examples include index management decisions that required the exercise of expert judgement and where different clients may have expressed different preferences (see the Wilshire Policy for the Exercise of Expert Judgement), and decisions taken by Wilshire Indexes that were potentially conflicted by virtue of its position in a wider group of companies.

This policy does not cover complaints made in respect of the commercials or delivery of a Wilshire benchmark; these complaints should be addressed to the client’s relationship manager.

Complaints Handling

In the first instance, complaints should be addressed to benchmark.support@wilshire.com. The Benchmark Support team will forward the complaint to the Benchmark Administration Manager, the Wilshire Indexes Risk Officer and the Wilshire Indexes Compliance Officer. For complaints with respect to suspected market abuse and decisions that may have been taken where a potential conflict of interest exists, complainants may if they so wish address their concerns directly to the Wilshire Indexes Compliance Officer at compliance@wilshire.com.

The procedures that Wilshire Indexes will follow when a query or complaint is received are set out below.

Benchmark Determination

Queries or complaints concerning the determination of a benchmark, that is its level or composition, are forwarded to the Benchmark Administration Manager. The Benchmark Administration Manager will ask the Index Management Committee to investigate the query and determine whether an error has occurred in the determination of the index.

If the Index Management Committee determines that no error has occurred, the Benchmark Administration Manager will relay the response to the complainant, copying the Benchmark Support team, the Risk Officer and the Compliance Officer.

If the complainant does not accept the explanation, they have the right to appeal against the initial decision. Appeals will be heard by the Wilshire Indexes Executive Committee whose decision on the matter will be final. The complainant may address the Executive Committee at the hearing in person if they so wish but will be required to leave the meeting before a decision is reached. The Executive Committee will decide whether the appeal should be upheld or whether the original decision should stand; however, no indication of the decision will be provided to the appellant until details of the issue and
its intended remediation have been provided to the market. If the appeal is upheld, the Index Management Committee will proceed on the basis that an error has occurred as set out below.

If the Index Management Committee concurs that an error has occurred, correction of the error will generally follow the procedures set out in the Wilshire Indexes Equity Indexes Error Correction Policy. The policy provides for minor errors of calculation to be corrected retrospectively, and for minor errors regarding constituent weighting or constituent eligibility to be corrected on a go-forward basis. In these circumstances, Wilshire will publish a notice providing details of the error and its proposed correction. Subsequent to the publication of the notice, the Benchmark Administration Manager will follow up with the complainant to ensure that the issue has been adequately addressed.

If the Index Management Committee determines that a serious error has occurred, for example in the reconstitution of a benchmark, Wilshire will publish a notice to that effect and communicate directly with all licensees of the benchmark. In determining the most appropriate method of remediating the error, the Benchmark Administration Manager may consult users of the benchmark to solicit their preferred method of resolution, but no confirmation of the proposed method of correction will be provided during the consultation phase. The final decision on how the error will be corrected will be taken by the Wilshire Indexes Executive Committee and will first be relayed to the market via the publication of a notice.

**Suspicions of Market Abuse**

Complaints received in respect of suspected market abuse will be directed to the Wilshire Indexes Compliance Officer in the first instance.

If the Compliance Officer determines that the complaint concerns an external actor, for example a potential constituent company seeking to manipulate its price or reported free float in order to gain entry to a Wilshire benchmark at an imminent reconstitution, the Benchmark Administration Manager will be informed. The Benchmark Administration Manager may request that the Index Management Committee undertakes an investigation into the issue. If market abuse is confirmed, in so far as is reasonably practicable, the Wilshire Indexes Exercise of Expert Judgement Policy allows for the inclusion of suspect companies to be deferred to a subsequent reconstitution.

If the Compliance Officer determines that the complaint concerns one or more Wilshire Indexes employees, the Compliance Officer will escalate the complaint to the Wilshire group Chief Compliance Officer. The Wilshire Compliance Manual provides for sanctions against employees who breach its Code of Ethics.

**Conflicts of Interest**

Complaints received in respect of potential conflicts of interest will be directed to the Wilshire Indexes Compliance Officer in the first instance. The Compliance Officer will escalate the complaint to the Wilshire Conflict Management Committee who will determine whether a conflict of interest has unduly influenced a decision or course of action.

**Complaint Resolution File**

The Compliance Officer will maintain a formal complaint file, archived for at least five years, to document:

- a) each written complaint received by Wilshire
- b) a written summary of material oral complaints received by Wilshire
- c) the date Wilshire received such complaint
- d) Wilshire’s written response to such complaint
- e) the date Wilshire responded to the complaint
- f) any actions taken in response to the complaint
- g) the resolution of the complaint.

Any additional communications received from or given to any client with respect to a complaint must also be placed or documented in Wilshire’s complaint file.
Approval

This Complaints Handling Policy was approved by the Wilshire Indexes Executive Committee and is reviewed annually as a standing item on the Executive Committee agenda.

More information

For more information, please contact us directly:
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