Statement of compliance with the IOSCO Principles for Financial Benchmarks
1.0 Introduction:

1.1 Summary

The International Organization of Securities Commissions ("IOSCO") is the international body that brings together the world’s securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda.

In July 2013 IOSCO published a series of Principles for Financial Benchmarks ("the Principles"). These were developed in response to global concern regarding the potential vulnerabilities in the methodology, transparency and governance arrangements for financial Benchmarks.

In the majority of jurisdictions globally, the Principles are recognized as the global standard for best practice for the calculation and administration for Benchmarks and indexes. Where there is specific Benchmark Regulation, for example in the UK and EU, the Principles specifically note that regulation enforced by National Competent Authorities supersedes the Principles in those jurisdictions.

A requirement of the Principles is for Benchmark Administrators to publish on an annual basis an analysis of their compliance with the Principles. This document represents Wilshire’s analysis of its compliance with the Principles.

Wilshire’s Indexes are administered by Wilshire OpCo UK Ltd. ("Wilshire"). Wilshire is a wholly owned entity of Wilshire Advisors LLC ("Wilshire Group" or “Group”). Wilshire declares that it administers its Indexes in compliance with the Principles.

Where reference is made to other Wilshire Group entities, this is made clear in the document.

1.2 Benchmark Regulation

No Wilshire Index is currently a “Benchmark” under the definition of that term within the Principles.

Wilshire and its nominees believe Wilshire Indexes are administered in compliance with UK and EU Benchmark Regulation (“BMR”) and is in the process of making an application to its National Competent Authority to be registered as a Benchmark Administrator, and expects to publish updates regarding this shortly.

As the status and use of Wilshire Indexes changes, this statement will be revised and updated.

1.3 This Document

The following sections offer a summary of each of the requirements within each of the Principles and statements of how Wilshire meets these requirements. In the Annex are the relevant policies that Wilshire operates and maintains to ensure the Principles are met.

This document has been prepared by Wilshire’s Benchmark Oversight Function, with input from the firm’s internal audit, legal, compliance and operations departments, and has been reviewed and approved by Wilshire’s Board.
2.0 Company Information:

2.1 Overview

Wilshire Group is a provider of market-leading Indexes such as the Wilshire 5000 (rebranded as the FT Wilshire 5000 in June 2021), advanced analytics and alternative and multi-asset investment solutions that combine innovative technologies with time-tested quantitative and qualitative insights.

Wilshire Group is an investment consultant and partner to more than 500 leading institutional and financial professional clients globally, including pension funds, foundations, endowments, fund managers, financial advisors and other institutional intermediaries.

2.2 Products

Wilshire produces numerous Indexes. These include equity Indexes which are created from the most liquid sources of trading. A number of these can be overlaid with Wilshire’s proprietary factor processes, for example around Environmental, Social and Governance (“ESG”) criteria. Wilshire also publishes digital asset data and Indexes and is expanding its product offering into other asset classes.
### 3.0 Assessment of Wilshire’s compliance against each Principle

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<td>1</td>
<td><strong>Overall responsibility of the Administrator</strong></td>
<td>Wilshire retains primary responsibility for all aspects of the Index determination process. Through the Wilshire Benchmark Oversight Committee (“the Oversight Committee”), Wilshire exercises control over: the definition of its’ Indexes, and Index methodologies; determination and dissemination of the Indexes; transparency over significant decisions affecting the compilation of the Index and any related determination process, including contingency measures and all aspects of governance. The Administrator and the Committee both report directly to the Board of Wilshire.</td>
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<td></td>
<td>The Administrator should retain primary responsibility for all aspects of the</td>
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<td>Benchmark determination process. For example, this includes:</td>
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<td>a) Development: The definition of the Benchmark and Benchmark Methodology;</td>
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<td>b) Determination and Dissemination: Accurate and timely compilation and</td>
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<td>publication and distribution of the Benchmark;</td>
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<td>c) Operation: Ensuring appropriate transparency over significant decisions</td>
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<td>affecting the compilation of the Benchmark and any related determination process,</td>
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<td>including contingency measures in the event of absence of or insufficient inputs,</td>
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<td>market stress or disruption, failure of critical infrastructure, or other</td>
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<td>relevant factors; and</td>
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<td>d) Governance: Establishing credible and transparent governance, oversight and</td>
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<td><strong>Oversight of Third Parties</strong></td>
<td>Wilshire uses certain third parties as data sources for the Indexes. Where these are not Regulated Markets or Exchanges (which are excepted from the scope of the Principles), there are service level agreements or other similar arrangements in place to govern this. These agreements define and substantiate the roles and obligations of these third parties to adhere and ensure operational risk related to the participation of third parties in the Index determination process is minimized. Third parties’ compliance with these agreements is monitored by the Committee, and the agreements are subject to regular review by the Committee. Wilshire makes available to Stakeholders and relevant Regulatory Authorities the identity and roles of third parties who participate in the Index determination process.</td>
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<td>Where activities relating to the Benchmark determination process are undertaken</td>
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<td>by third parties - for example collection of inputs, publication or where a third</td>
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<td>party acts as Calculation Agent - the Administrator should maintain appropriate</td>
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<td>oversight of such third parties. The Administrator (and its oversight function)</td>
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<td>should consider adopting policies and procedures that:</td>
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<td></td>
<td>a) Clearly define and substantiate through appropriate written arrangements the</td>
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<td>roles and obligations of third parties who participate in the Benchmark</td>
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<td>determination process, as well as the standards the Administrator expects these</td>
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<td>third parties to comply with;</td>
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<td>b) Monitor third parties’ compliance with the standards set out by the</td>
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<td>Administrator;</td>
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<td>c) Make Available to Stakeholders and any relevant Regulatory Authority the</td>
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<td>identity and roles of third parties who participate in the Benchmark</td>
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<td>determination process; and</td>
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<td>3</td>
<td><strong>Oversight of Third Parties (Continued)</strong>&lt;br&gt;Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.</td>
<td>Wilshire’s contingency plans address the use of third parties, including redundancy and replication of data sources and data supply mechanisms.</td>
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<td>3</td>
<td><strong>Conflicts of Interest for Administrators</strong>&lt;br&gt;To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate.&lt;br&gt;Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority, if any.&lt;br&gt;The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</td>
<td>The Administrator is a distinct entity within the Wilshire Group and has sole responsibility for all Wilshire Group Index administration.&lt;br&gt;Wilshire has embedded a strong regulatory culture and philosophy, as established by the Board of Directors, and senior management including through the operation of the Code of Ethics, Outside Business Activities Policy, Undue Influence Policy and personal own account dealing policy.&lt;br&gt;Internal governance policies and structures ensure that all staff involved in the administration of Indexes and the determination of Indexes can do so without influence from other staff involved in other Wilshire Group activities. This includes segregation of reporting lines and clear definition of responsibilities for all staff.&lt;br&gt;Index methodologies provide for supervision and, as required, intervention by appropriately trained and experienced staff prior to releasing Index determinations.&lt;br&gt;Wilshire maintains a conflicts of interest policy at group level. This is reviewed at least annually and overseen by the group level Wilshire Conflicts Management Committee.&lt;br&gt;Wilshire also maintains a Benchmark conflicts of interest policy specific to its operation and administration of Indexes. This is reviewed at least annually and overseen by the Wilshire Conflicts Management Committee.&lt;br&gt;Collectively these policies provide a framework that describes how Wilshire documents, implements and enforces policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest, including the maintenance of conflicts of interest registers.&lt;br&gt;The framework ensures that existing or potential conflicts of interest do not inappropriately influence Index determinations. It also mitigates existing or potential conflicts created by its ownership structure and control, particularly</td>
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<td>4</td>
<td><strong>Control Framework for Administrators</strong>&lt;br&gt;An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities, if any. A summary of its main features should be Published or Made Available to Stakeholders.&lt;br&gt;This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:&lt;br&gt;  a) Conflicts of interest in line with Principle 3 on conflicts of interests;</td>
<td>Wilshire has a Control Framework overseen by several functions responsible for the overall operational management, governance and oversight of the Index determination process. This includes and is not limited to the Board, the Committee, and operational, IT, legal, compliance and audit functions. The policies that enact this framework are ultimately the responsibility of the Wilshire Board, who maintain the Control Framework and keep it under review. The Control Framework is published on the Wilshire website and so available to the public as well as available to all stakeholders including Regulatory Authorities upon request.&lt;br&gt;The framework includes the following:&lt;br&gt;Wilshire Conflicts of Interest Policies, as described above,</td>
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### Control Framework for Administrators (Continued)

**b)** Integrity and quality of Benchmark determination:
- i. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15 on the quality of the Benchmark and Methodology;
- ii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources;
- iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19; and
- iv. Providing robust infrastructure, policies and procedures for the management of risk, including operational risk.

**c)** Whistleblowing mechanism:
Administrators should establish an effective whistleblowing mechanism to facilitate early awareness of any potential misconduct or irregularities that may arise. This mechanism should allow for external reporting of such cases where appropriate.

**d)** Expertise:
- i. Ensuring Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence; and
- ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.

### Doctorally available Methodology documents for all Indexes administered by Wilshire, that ensure the quality and integrity of Indexes is maintained, in line with principles 6 to 15, below.

Terms of Reference for the Committee are publicly available, which include arrangements to promote the integrity of Index inputs, including adequate due diligence on input sources.

All staff are subject to, and must regularly affirm that they understand and will be bound by a suite of policies to ensure accountability and provide an effective complaints mechanism. These include the Wilshire Group Code of Ethics and Wilshire Group Compliance Manual. These ensure that accountability, complaints and whistleblowing mechanisms are in place and understood by all Wilshire and Wilshire Group staff.

The Wilshire Group Compliance Manual ensures that all staff, including Wilshire personnel have the relevant levels of expertise, and includes requirements for periodic and ongoing review of their competence.

Wilshire staff receive ongoing training on information security, compliance, ethics, and conflicts of interest.

Wilshire Group maintains and regularly review a Succession Plan. This forms part of the Group Compliance manual, which requires that there is a team of Senior Management who collectively are trained in all critical roles and are able to execute multiple roles if necessary. Further succession planning is detailed in the Group Business Continuity plans.

Wilshire Indexes have no submitters or contributors, as described either by IOSCO or Index Regulation.

### 5 Internal Oversight

Administrators should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.

Wilshire has established a Benchmark Oversight Committee to oversee all aspects of the Administration of Indexes.

The members of this Committee and all Wilshire staff are subject to the Conflicts of Interest Policy described above. Each time this group meets, a standing agenda item is to consider any new or lapsing conflicts of interest or potential conflicts of interest.
Internal Oversight (Continued)

The oversight function should be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle. An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities, if any. The main features of the procedures should be Made Available to Stakeholders. These procedures should include:

a) The terms of reference of the oversight function;
b) Criteria to select members of the oversight function;
c) The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members

The responsibilities of the oversight function include:

a) Oversight of the Benchmark design:
   i. Periodic review of the definition of the Benchmark and its Methodology;
   ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);
   iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorizing or requesting the Administrator to undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12; and
   iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation.

The Board of Wilshire maintains, reviews and publishes Terms of Reference for the Committee. These are also available to any relevant Regulatory Authority. These ensure that the Committee is:

- Appropriate to provide effective scrutiny of the Administrator
- Able to select appropriately trained and experienced individuals to serve on the Committee
- Able to select, nominate and replace members as appropriate

The Terms of Reference for the Committee include responsibility for:

- Oversight of the design of the Index
- Periodic review of all aspects of the definition and methodology of the Index, including its accuracy and representativeness of the underlying market it seeks to measure
- Commissioning and then considering audits and public consultation with stakeholders on all aspects of the design and operation of the Indexes and proposed change to these, per Principle 12
- Monitoring the implementation of identified remedial actions arising from their governance activities, audits or consultations
- Periodic review of the definition of the Index and its Methodology
- Overseeing the activities of third parties involved in the calculation of the Indexes
- Ensuring the published methodologies of the Indexes have been followed at all times

Wilshire also convenes a number of Advisory Panels. These are constituted of Wilshire Staff and recognized external industry experts. These panels may advise on Indexes in a particular asset class, or strategy such as ESG. Wilshire also convenes committees to provide advice on technical issues such as the industry classification of Wilshire Index constituents. Members of these committees are invited by Wilshire on the basis of their expertise and experience and provide their advice as individuals, rather than as representatives of any other interest.

As noted previously, Wilshire Indexes do not have submitters.
Internal Oversight (Continued)

b) Oversight of the integrity of Benchmark determination and control framework:

i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;

ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and

iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.

Where conflicts of interests may arise in the Administrator due to its ownership structures or controlling interests, or due to other activities conducted by any entity owning or controlling the Administrator or by the Administrator or any of its affiliates; the Administrator should establish an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.

Benchmark Design

The design of the Benchmark should seek to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.

Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:

a) Adequacy of the sample used to represent the Interest;

b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);

c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;

The indexes are designed to be suitable for their intended use as Benchmarks, including tradability where appropriate. All Index methodologies are fit for purpose to ensure Wilshire Indexes are representative of the underlying markets they seek to represent. The sources for Wilshire equity Indexes are executed trades on regulated exchanges.

The Committee reviews the data sources for Wilshire Indexes regularly and at least annually to ensure that the Indexes are representative of each of the underlying markets.

As the inputs are prices from instruments listed on regulated exchanges, Wilshire believes that there is widespread distribution in trading amongst Market.
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<td><strong>Benchmark Design (Continued)</strong></td>
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<td>d) The distribution of trading among Market Participants (market concentration);</td>
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<td>e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).</td>
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<td><strong>Data Sufficiency</strong></td>
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<td>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</td>
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<td>a) Be based on prices, rates, indexes or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</td>
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<td>b) Be anchored by observable transactions entered into at arm’s length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indexes or values.</td>
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<td>This Principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions. This does not mean that every individual Benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending upon the Administrator’s Methodology, this could result in an individual Benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8. Provided that subparagraphs (a) and (b) above are met, Principle 7 does not preclude Benchmark Administrators from using executable bids or offers as a means to construct Benchmarks where anchored in an observable market consisting of Bona Fide, Arms-Length transactions.</td>
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Data Sufficiency (Continued)

This Principle also recognizes that various indexes may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behavior of an index or market or other aspects of an active market. Principle 7 does not preclude the use of non-transactional data for such indexes that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indexes, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus “anchored” in an actual functioning securities or options market.

Hierarchy of Data Inputs

An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include:

a) Where a Benchmark is dependent upon Submissions, the Submitters’ own concluded arms-length transactions in the underlying interest or related markets;

b) Reported or observed concluded Arm’s-length Transactions in the underlying interest;

c) Reported or observed concluded Arm’s-length Transactions in related markets;

d) Firm (executable) bids and offers; and

e) Other market information or Expert Judgments.

Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator’s flexibility to use inputs consistent with the Administrator’s approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator’s Methodology. The Administrator should retain flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark. For example, certain Administrators may decide to

The sources for equity Wilshire Indexes are executed trades on regulated exchanges.

There is no expert judgment exercised in the day to day calculation of Wilshire Indexes.
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<td><strong>Hierarchy of Data Inputs (Continued)</strong></td>
<td>rely upon Expert Judgment in an active albeit low liquidity market when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</td>
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<td><strong>Transparency of Benchmark Determinations</strong></td>
<td>Wilshire publishes the methodologies for all its administered Indexes which allow users to understand how the determinations are developed and understand the objective of each Benchmark. Wilshire also publishes the minutes of the Benchmark Oversight Committee, including its regular periodic reviews of the Indexes, their methodologies and the underlying economic interest they seek to measure. Expert Judgment is not used in the day to day establishing of Wilshire Index determinations.</td>
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<td>a) A concise explanation, sufficient to facilitate a Stakeholder’s or Market Authority’s ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</td>
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<td>10</td>
<td><strong>Periodic Review</strong></td>
<td>The Committee reviews the conditions in the underlying interest of all Administered Indexes on an at least annual basis and publishes a summary of these reviews, including any cases where material revisions have been made to an Index, including the rationale for the revisions.</td>
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<td>The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.</td>
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Periodic Review (Continued)

The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.

11 Content of the Methodology

The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments. At a minimum, the Methodology should contain:

a) Definitions of key terms;

b) All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;

c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;

d) The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);

e) The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;

f) Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;

g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and

Wilshire Index Methodologies are public documents. These documents include the rationale for adopting each methodology and a description of the underlying economic reality they are designed to represent. Methodologies contain definitions of key terms, criteria and procedures. Wilshire Methodologies require the use of the deepest, most liquid markets, but it is recognized that even these may become stressed or disrupted, so all methodologies contain procedures for how to operate and appropriately calculate and publish Index determinations in such times. Wilshire operates a transparent recalculation and re-statement policy which is detailed in the Methodologies and has a publicly detailed and accessible complaints procedure. Wilshire Methodologies require that all Methodologies are themselves subject to regular review, typically once per year. Wilshire Methodologies and Committee Terms of Reference also contain procedures that allow for methodologies to be updated more frequently as may be required by changes in the underlying markets that the Indexes measure, the results of consultations, or proposals by Wilshire Staff, the Committee or other stakeholders. Wilshire Methodologies are reviewed by the Committee. Wilshire will consult users and other stakeholders on all potential substantial changes to Wilshire Indexes in an open, public fashion and will publish at the least a summary of all responses and the rationale for any change or no change. The process and governance for consultations is contained within the Wilshire Consultation Process Policy, which is published on the Wilshire website. The Responsibilities of the Committee, within its Terms of Reference document, state that the Committee is responsible for the review of Indexes including in illiquid or fragmented markets and the possible concentration of constituents.
12 Changes to the Methodology

An Administrator should publish or make available the rationale of any proposed material change in its Methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark’s use) of changes.

Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply. The Administrator should specify how changes to the Methodology will be scrutinized, by the oversight function. The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark’s use and the nature of the Stakeholders. Procedures should:

a) Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyze and comment on the impact of such proposed material changes, having regard to the Administrator’s assessment of the overall circumstances; and

b) Provide for Stakeholders’ summary comments, and the Administrator’s summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.

Wilshire publishes on its website the Wilshire policy for Index methodology changes. The policy describes and differentiates between minor and material changes and what process Wilshire will follow in implementing these. Material changes will normally follow a period of public consultation with users and other stakeholders, and all changes to Methodologies must be approved by the relevant Committee(s). An underlying principle of this policy is that the greater the change, or the longer it may take stakeholders to adapt to it, the longer the lead time will be for implementation of the change.

Wherever feasible, Wilshire will provide at least three months’ notice of any change to the procedures, implementation or timing of Index reviews. This may not be possible, particularly in cases of Force Majeure.

The Wilshire Consultation Process Policy provides details on how potential changes will be publicized and is designed to ensure that all stakeholders have reasonable opportunity to analyze and comment upon material changes (as defined in the Wilshire Policy for Index Change and Cessation).

The Wilshire Consultation Process Policy also requires Wilshire to publish at least summary comments from respondents to consultations, except where confidentiality is requested and Wilshire’s considered responses to these. The contents of all consultations must be approved by the Committee before publication, and Wilshire’s response to consultations must be approved by the Committee.

13 Transition

Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change,
Transition (Continued)

product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.

These written policies and procedures should be Published or Made Available to all Stakeholders.

Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:

a) Contracts or other financial instruments that reference a Benchmark, have robust fallback provisions in the event of material changes to, or cessation of, the referenced Benchmark; and

b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.

Administrators' written policies and procedures to address the possibility of Benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the Administrator:

a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark’s characteristics (e.g., credit quality, maturities and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;

b) An open process involving consultation and dialogue with users should be followed, particularly around the timing of any change. This will include encouraging users and other stakeholders to put in place and keep under review their fallback procedures when using an Index. These are holistic procedures and take into account not just the Index they use but the wider dynamics and structural changes that affect all markets.

Through the publicly available Methodology documents that Wilshire produces, other publicly available documents as detailed above and below in this document, Committee minutes plus its analysis, research, and the underlying data made available on the Indexes, Wilshire believes that users and other stakeholders, have the information and tools available to them to ensure that they are using particular Wilshire Indexes in particular markets appropriately.

Further, in considering this information, Wilshire believes that users and other stakeholders are well positioned to decide if a Index is no longer appropriate for their no longer meets their needs, and how to proceed if it becomes clear a Index may need to be terminated or changed materially by Wilshire.

Wilshire states that all users of its' indexes should be aware of the possibility that an index may cease, and encourages all users to put in place robust fallback arrangements.

Whilst units within Wilshire may from time to time provide specific advice to clients, Wilshire as a Index administrator, does not act as an advisor. Wilshire believes there are credible alternatives to Wilshire products.
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<tr>
<td>14</td>
<td><strong>Submitter Code of Conduct</strong>&lt;br&gt;Where a Benchmark is based on Submissions, the following additional Principle also applies</td>
<td>Wilshire Indexes do not have Submitters.</td>
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<td>15</td>
<td><strong>Internal Controls over Data Collection</strong>&lt;br&gt;When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of</td>
<td>Wilshire has established a Data Oversight Committee. Its Terms of Reference include regular review of data controls, permissioning, transmission and storage to ensure its integrity and confidentiality.</td>
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No. | Principle Summary | Observation
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| **Complaints Procedures** | Wilshire’s Benchmarks Complaints Handling Policy is available on the Wilshire public website. This is supported by internal procedures and policies and other relevant Wilshire Policies such as the company Code of Ethics, Compliance manual, Conflicts of Interest Policies, data retention policies and data security procedures. These last two ensure that all records of a complaint are retained for a minimum of five years.

Wilshire operates a complaints submission process that allows any stakeholder to submit details of complaints via a form on its public website. Wilshire distinguishes between queries and complaints received via its public submission tool. Anyone using this tool can specify whether their communication should be treated as a query or a complaint. All complaints are handled via the Complaints Handling Policy.

Complaints regarding all aspects of Wilshire’s Index administration are received and initially handled by Wilshire Benchmark Supervision and Oversight function with input from Wilshire Group Compliance, who are responsible for maintaining a record of each complaint and tracking its consideration and resolution.

Where the Benchmark Supervision and Oversight function cannot immediately resolve the complaint and considers that a complaint is in regard of a Index determination, the full details of the complaint shall be passed to the Committee. The Committee’s Terms of Reference explicitly include consideration of complaints as a responsibility of the body.

If, after consideration by the compliance function and the Committee, a complainant is unsatisfied with the response to their complaint, the Complaints Handling Policy provides for final recourse to the Wilshire Board.

The Wilshire Complaints Handling Policy requires all complaints to be answered in a timely fashion and requires Wilshire to ensure that the complainant is informed of the progress and expected timing of the resolution of their complaint.

The Administrator should establish and publish or make available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination. The complaints procedures policy should:

a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;

b) Contain procedures for receiving and investigating a complaint made about the Administrator’s Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;

c) Contain a process for escalating complaints, as appropriate, to the Administrator’s governance body; and

d) Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator’s own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements. Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be published or made available to Subscribers and published or made available to Stakeholders as soon as possible as set out in the Methodology
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<td>17</td>
<td><strong>Audits</strong>&lt;br&gt;The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator’s adherence to its stated criteria and with the Principles. The frequency of audits should be proportionate to the size and complexity of the Administrator’s operations.&lt;br&gt;Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator’s adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator’s Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</td>
<td>All aspects of Wilshire’s Index Administration are subject to an annual audit. Audits are considered by the Wilshire Audit Committee, who may escalate any issues to the Wilshire Board. Wilshire will require audits to be internal or external based on an assessment of the nature of any existing or potential Conflicts of Interest, and the size and complexity of the Index operations, and the usage of the Indexes. Wilshire Group maintains an audit function with sufficient experience and capability to review and report on Wilshire’s Index operations and adherence to the IOSCO Principles and all other relevant regulation.</td>
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| 18  | **Audit Trail**<br>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on: <ul>  
| a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;  
| b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;  
| c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;  
| d) The identity of each person involved in producing a Benchmark determination; and  
<p>| e) Any queries and responses relating to data inputs. If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements. | Wilshire Group Compliance Policy requires retention of all relevant records mentioned in this principle for at least five years. Wilshire Indexes do not have submitters, and expert judgment is not used in reaching Index determinations. Operational guidelines and procedures require changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption to be recorded. Wilshire Indexes do not require expert judgment, and inputs are publicly available regulated prices from exchanges. Where extraordinary circumstances require change or deviation from standard procedures, the identity of these individuals is recorded. All queries and responses relating to data inputs are held for at least five years. |</p>
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<td><strong>Audit Trail (Continued)</strong></td>
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<td><strong>When a Benchmark is based on Submissions, the following additional Principle also applies</strong></td>
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<td>19</td>
<td><strong>Cooperation with Regulatory Authorities</strong></td>
<td>Wilshire regards itself as a good corporate citizen and as such will co-operate with all requests and interactions with relevant Regulatory Authorities in the pursuit of the regulatory or supervisory duties. This is made clear in Wilshire Group's Compliance Manual. All staff receive regular training on relevant regulation, and the Compliance Manual and are required to regularly certify that they have read, understood and comply with the Compliance Manual.</td>
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4.0 Annex: Wilshire Policies relating to the Principles.

Policies / documents to be appended when approved:

- Complaints handling Policy
- Committee Terms of Reference
- Wilshire Conflicts of interest Policy
- Management of Illiquid Benchmarks Policy
- Wilshire Benchmarks Accountability Framework
- Wilshire Benchmark Change and Cessation Policy
- Wilshire Benchmarks Conflicts of Interest Register
- Wilshire Benchmarks consultation policy
- Wilshire Benchmarks record retention policy

More information

For more information, please contact us directly:

T: 310 451 3051  E: benchmark.support@wilshire.com

Wilshire
1299 Ocean Avenue, Suite 700, Santa Monica, CA 90401

wilshire.com