

# Wilshire Bond Index<sup>SM</sup>

The Wilshire Bond Index<sup>SM</sup> is designed to represent the total U.S. currently investible bond market. The Wilshire Bond Index includes all U.S. debt securities that are held by institutional investors represented by Wilshire Trust Universe Comparison Service® (TUCS®). Wilshire TUCS<sup>1</sup> is the world's largest data set of its kind, and is widely accepted as a definitive benchmark for the performance and allocation of institutional assets. It includes approximately 1,000 plans representing over \$4.0 trillion in assets.

## Membership

To be included in the Wilshire Bond Index, an issue must:

- Be in the Wilshire TUCS Bonds holdings file;
- Be denominated in U.S. dollar;
- Have an outstanding par value greater than \$100 million;
- Have a maturity greater than 12 months; and
- Be fully taxable.

The index excludes the following:

- 0% coupon bonds, including U.S. Treasury STRIPS;
- Preferred stock;
- Convertible bonds; and
- Defaulted securities.

## Adjustments & Maintenance

Changes to composition and updates of component shares for the Wilshire Bond Index are based on the following rules:

### Composition Changes

The composition of the Wilshire Bond Index is rebalanced quarterly. Additions and deletions are made after the close of calendar quarter and are pre-announced by the 15th of the calendar quarter.

- Additions include any new non-component bond included in the Wilshire TUCS database on the month-end of the second month of the quarter.
- Deletions include any issues that have been called, have less than 12 months remaining to maturity, or are no longer in the Wilshire TUCS database on the month-end of the second month of the quarter.
- In addition to the scheduled composition reviews, any issue that at any time fails to meet one or more of the index membership requirements is removed from the indexes as soon as prudently possible.
- The Wilshire Index Oversight Committee may, at its discretion and if it has determined a company to be in extreme financial distress, remove the company's bonds from a Wilshire Index to which that company belongs if the committee deems the removal necessary to protect the integrity of the index and interests of investors in products linked to that index.

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<sup>1</sup> Wilshire TUCS is a cooperative effort between Wilshire (Wilshire®) and major custodian banks and trust companies. Custodians and plan consultants blind-submit to Wilshire their client's trust plan performance, asset allocation and holdings detail. Wilshire combines the submitted data for plan comparison to universes of like-styled plans.

## Holdings Updates

- Component holdings are updated quarterly after the close of trading on month-end of March, June, September and December. The changes become effective at the opening of trading on the next business day.
- In addition to the scheduled shares and float factor reviews, if the cumulative impact of corporate actions during the period between scheduled updates changes a company's float-adjusted shares outstanding by ten percent (10%) or more, the company's shares and float factor are updated as soon as prudently possible. Share and float changes based on corporate actions are implemented using standard Wilshire Indexes procedures.
- Shares and float factors of bulletin-board and pink-sheet stocks are not adjusted until they are returned to exchange listings, except to account for stock splits and reverse splits. Companies that are re-listed as of the close of trading on the second Friday of each month will have their shares and float adjustments made at the same time as the monthly index additions and deletions, after the close of trading on the third Friday of each month.

## Weighting

The index is weighted by the combined market value of the holdings within Wilshire TUCS.

## For Further Information

Please visit [wilshire.com](http://wilshire.com) or email [wilshireindexes@wilshire.com](mailto:wilshireindexes@wilshire.com).

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