

# Wilshire TargetIncome 5% Plus Index<sup>SM</sup>

The Wilshire TargetIncome 5% Plus Index<sup>SM</sup> measures an investment strategy that provides broad exposure to income-producing asset classes using a universe of exchange-traded funds (ETFs), with the goal of achieving an annualized target income yield in excess of 5% ('5% Plus'). The index uses an optimization approach which aims to minimize overall portfolio risk while meeting the stated yield target. The defined income-producing asset classes are each represented by an ETF, which collectively comprise the eligible universe of ETFs that can be selected into the index.

## Membership

To be included in the Wilshire TargetIncome 5% Plus Index, an issue is approved as eligible for inclusion from a subjectively pre-selected universe of ETFs using criteria that include, but are not limited to:

- Asset class representation;
- Yield;
- ETF liquidity; and,
- ETF fees.

Asset class representation is based on the following asset classes:

- Global Equities
- U.S. Equities
- U.S. REITs
- Preferreds
- MLPs and Energy Infrastructure Equities
- U.S. Treasuries
- U.S. Investment Grade Bonds
- U.S. High Yield Bonds
- U.S. TIPS
- Emerging Market Bonds
- Senior Loans

## Adjustments & Maintenance

Composition changes to the Wilshire TargetIncome 5% Plus Index and updates of ETF shares are based on the following rules:

### Composition Changes

The composition of the Wilshire TargetIncome 5% Plus Index is rebalanced quarterly on the last trading day of March, June, September and December.

- Deletions include issues no longer in the subjectively pre-selected universe of ETFs, or the optimizer assigns a zero weight.
- Additions include non-component ETFs added to the subjectively pre-selected universe of ETFs and assigned a non-zero weight by the optimizer.
- The Wilshire Index Oversight Committee may, at its discretion and if it has determined an ETF to be in extreme financial distress or to have significantly changed its investment objective in a manner that no longer provides exposure to the relevant income-producing asset class, remove the ETF from a Wilshire Index to which that ETF 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. In the case of extreme financial distress or significant change to investment objective, an ETF may be removed as soon as prudently possible.

## Weighting

- The Index is weighted based on a process designed to optimize the diversification benefits of each ETF while obtaining a yield greater than five percent net of the expected acquired fees of the underlying ETFs.
- At each quarterly rebalance, individual ETF position sizes are weighted in increments of 5%, with a minimum weight of 0% and a maximum weight of 20% of the Index.

## For Further Information

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

The Wilshire Indexes<sup>SM</sup> are calculated and distributed by Wilshire. It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments derived from that index. Wilshire makes no representations regarding the advisability of investing in investment products based on the Wilshire Indexes not sponsored, endorsed, sold or promoted by Wilshire. Index returns do not reflect payment of certain sales charges or fees an investor may pay to purchase the securities underlying the Index or investment vehicles intended to track the performance of the Index. The imposition of these fees and charges would cause actual performance of the securities/vehicles to be lower than the Index performance shown. Inclusion of a company in the Wilshire Indexes does not in any way reflect an opinion of Wilshire on the investment merits of the company.

This material is based upon information generally available to the public and from third party sources believed to be reliable. Wilshire does not independently verify any of the information it receives. Wilshire gives no representations or warranties as to the accuracy of such information, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information and for results obtained from its use. Information is as of the date indicated, and is subject to change without notice. This material is intended for informational purposes only and should not be construed as legal, accounting, tax, investment, or other professional advice. Wilshire receives compensation in connection with licensing of its indices to third parties.

Wilshire Advisors LLC (Wilshire) is an investment advisor registered with the SEC. Wilshire® is a registered service mark. All other trade names, trademarks, and/or service marks are the property of their respective holders. Copyright © 2021 Wilshire. All rights reserved.

21-0829-IXMEIM-24