

Wilshire TargetIncome +2% Plus IndexSM

The Wilshire TargetIncome 10-Year Treasury +2% Plus IndexSM 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 providing exposure sufficient to support an annualized yield in excess of the U.S. 10-Year Treasury plus two percent (US 10-Year Treasury 'Plus 2%'), net of fees. 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 10-Year Treasury Plus 2% Index, an issue is approved as eligible for inclusion 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 10-Year Treasury Plus 2% Index and updates of ETF shares are based on the following rules:

Composition Changes

The composition of the Wilshire TargetIncome 10-Year Treasury Plus 2% 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 which is added to the subjectively pre-selected universe of ETFs and is 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 diversification benefits of each ETF, while obtaining a yield greater than the U.S. 10-Year Treasury yield plus two percent net of 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 or email wilshireindexes@wilshire.com.

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