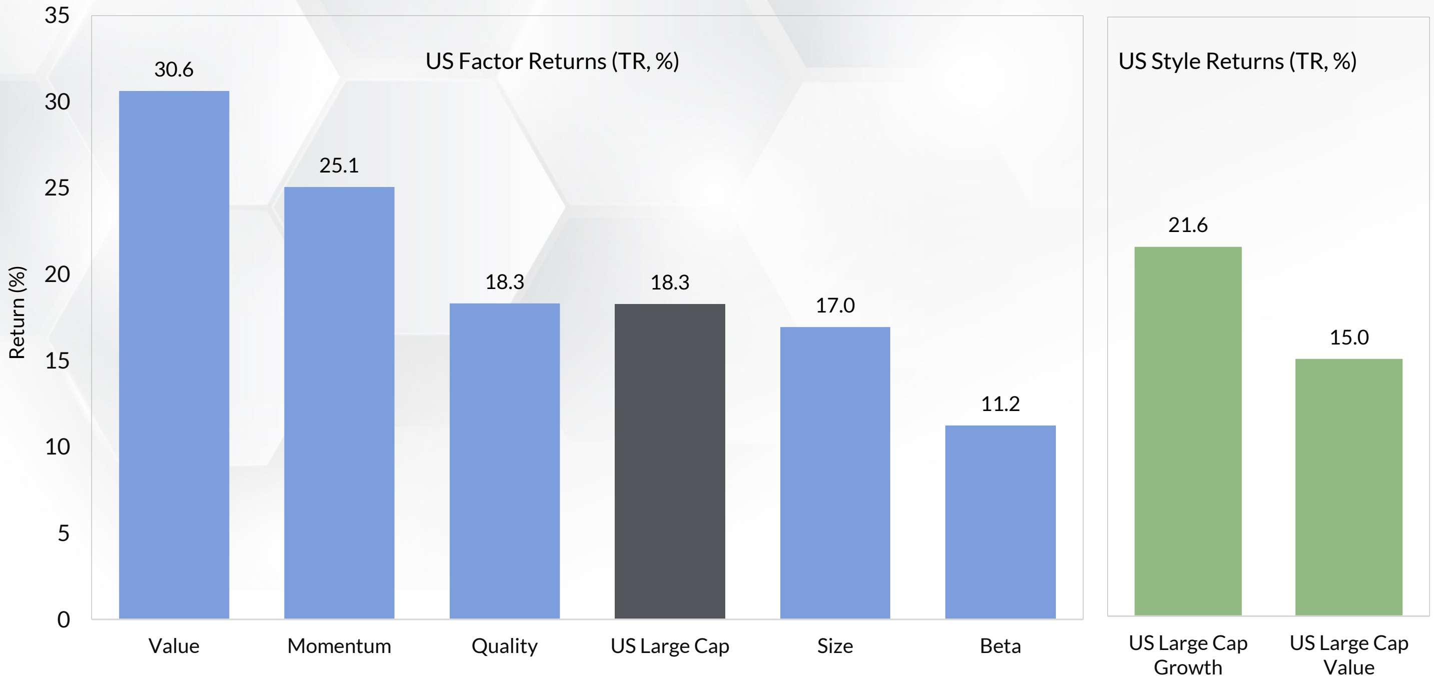
2025 US FACTOR & STYLE INDEX REPORT

December 2025

Pure Value led US Factor and Style performance in 2025

Pure Value and Momentum delivered the strongest returns among US factor and style indexes in 2025, with Pure Value delivering twice the return of Value Style.



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Source: Wilshire Indexes. Data as of December 31, 2025.

US Pure Factors and Style: Q4 2025

Inside the Report

Relative Performance

+4.7%	-4.4%
Q4 Excess Return US Large Pure Value	Q4 Excess Return US Large Pure Momentum

Pure Factors Q4
Pure Value and Pure Momentum move in opposite directions relative to the benchmark (page 3)

+0.6%	+1.2%
Q4 LC Growth Style Outperforms LC Value Style	Q4 SC Value Style Outperforms SC Growth Style

Style Q4
Growth beats Value for large caps whilst the opposite holds in small caps (page 5)

Absolute Performance

2.7%	1.4%
Q4 US Large Cap Growth Style	Q4 Large Cap Pure Quality

Growth vs Quality Q4
Growth outperforms Pure Quality for large caps (page 6)

+2.1%	7.1%
Q4 US Large Cap Value Style	Q4 US Large Cap Pure Value

Value Style vs Pure Value Q4
Pure Value significantly outperforms Value Style for large caps (page 7)

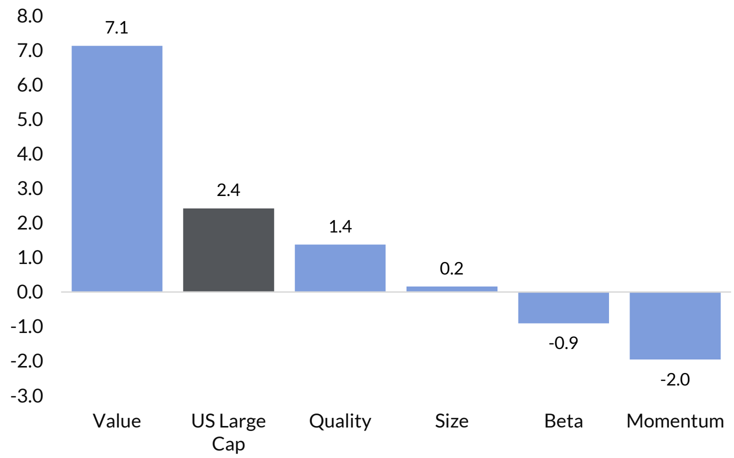
INSIGHTS

2025 Alternative Weighted Index Performance
In-depth performance and attribution for 2025

Source: Wilshire Indexes. Data as of December 31, 2025

US Pure Single Factors: Pure Value strongly outperforms US Large Cap in Q4 whilst other factors underperform

Chart 1: Q4 Pure Factor Performance (%, TR USD)



Pure Value delivered the strongest Q4 performance, posting a 7.1% gain , leading both the benchmark and all other factors.

Momentum trailed with a -2.0% return, while Low Beta also underperformed, finishing modestly negative.

Quality held up reasonably well, finishing ahead of Size, but below US Large Cap's quarterly return of 2.4%.

Chart 2: Returns Table (%, TR USD)

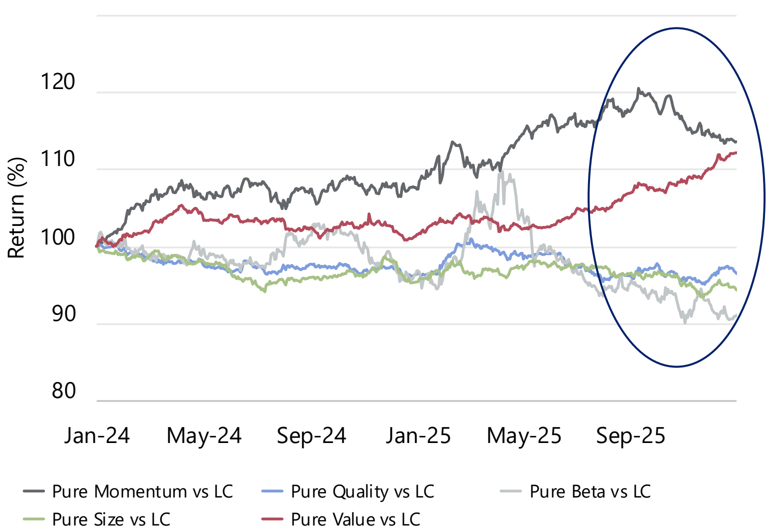
Returns	Q4	12M	3Y	5Y	10Y
US Large Cap	2.4	18.3	23.6	14.3	15.0
Pure Low Beta	-0.9	11.2	13.4	9.3	12.2
Pure Momentum	-2.0	25.1	29.7	15.5	17.5
Pure Quality	1.4	18.3	21.9	15.5	14.5
Pure Size	0.2	17.0	18.8	11.5	13.6
Pure Value	7.1	30.6	29.0	18.3	15.1

In 2025, Momentum, Value, and Quality all outperformed US Large Cap, while Low Beta and Size lagged.

Value joins Momentum as a factor that has outperformed across all longer periods.

Low Beta and Size underperform over all time horizons.

Chart 3: Pure Factor Relative Return (%)



Value extended its outperformance versus US Large Cap through Q4, while Momentum faltered and Low Beta continued to decline.

Size and Quality drifted downwards over the period.

Source: Wilshire Indexes. Data as of December 31, 2025

Dissecting Pure Single Factors: All Pure Factor excess returns align well with their targeted premiums in Q4

Chart 1: Factor Attribution Q4 2025

All Pure Factor excess returns are dominated by their targeted components. Non-targeted factors and industry components are negligible. Stock specific components are relatively small.

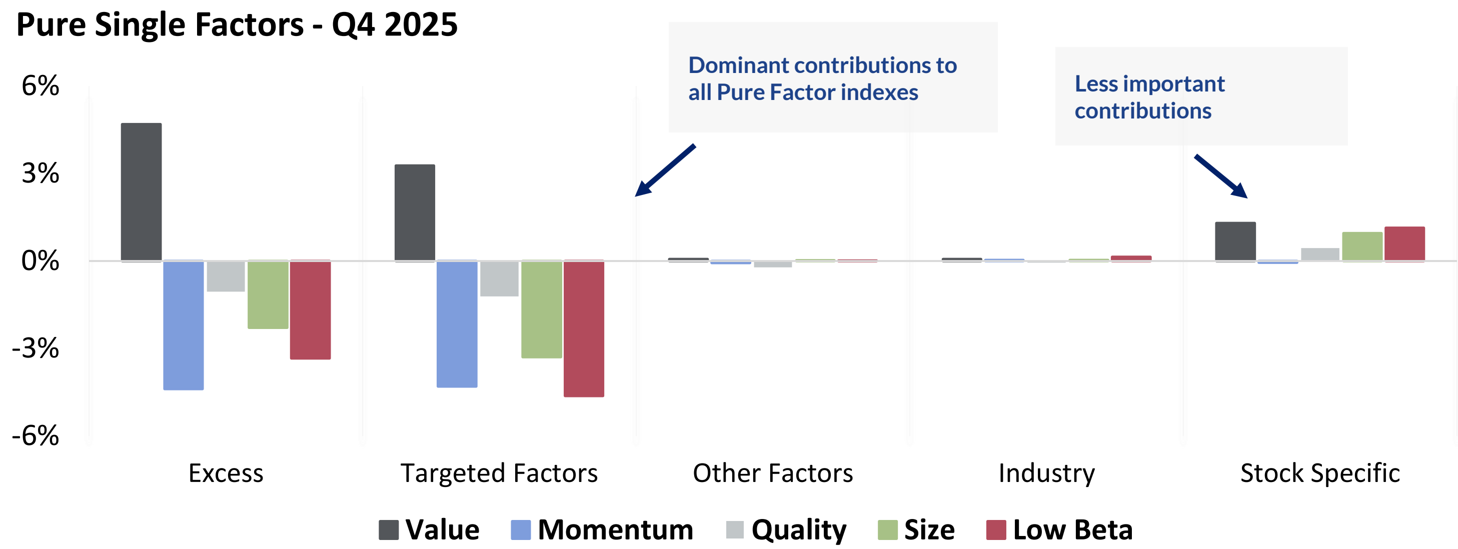


Chart 2: Factor Attribution - 3 Year

Return to all pure factor indexes are well aligned with their targeted premia. Off target and stock specific components are negligible or small.

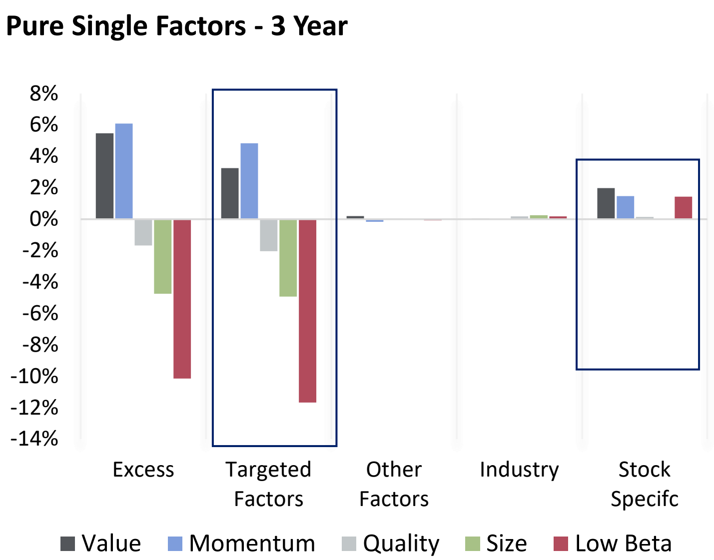


Chart 3: Correlation of Excess Return - 5 Year

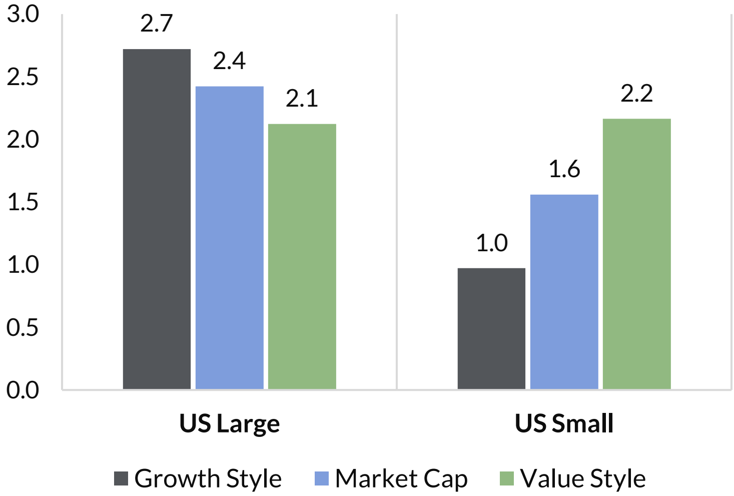
Off-diagonal correlations are small in magnitude except the negative and positive ones between Value & Momentum and Quality & Size respectively.

	Low Beta	Momen-tum	Quality	Size	Value
Low Beta	1.00	-0.07	0.16	0.03	-0.07
Momen-tum	-0.07	1.00	-0.02	0.14	-0.20
Quality	0.16	-0.02	1.00	0.24	0.10
Size	0.03	0.14	0.24	1.00	0.08
Value	-0.07	-0.20	0.10	0.08	1.00

Source: Wilshire Indexes. Data as of December 31, 2025

US Style Performance: Value/Growth leadership different for large and small caps in Q4

Chart 1: Q4 Style Performance (%, TR USD)



Large Cap: Growth outperformed both Market Cap and Value in Q4.

Small Cap: Value led the group, while Growth and Market Cap posted more modest gains.

Large caps outperformed small caps by 0.8% for the quarter.

Chart 2: Returns Table (%, TR USD)

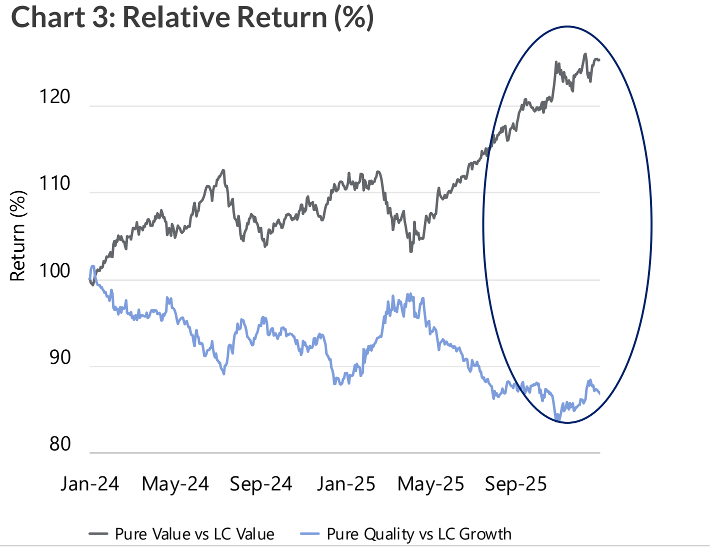
Returns	Q4	12M	3Y	5Y	10Y
US Large Cap	2.4	18.3	23.6	14.3	15.0
US Large Cap Growth	2.7	21.6	34.0	16.2	18.1
US Large Cap Value	2.1	15.0	13.8	12.0	11.7
US Small Cap	1.6	8.5	14.0	7.8	10.6
US Small Cap Growth	1.0	7.7	14.9	4.8	10.7
US Small Cap Value	2.2	9.4	13.0	10.6	10.3

Large Cap: Growth outperformed Value across all reported periods.

Small Cap: Leadership between Value and Growth remains mixed over longer horizons, indicating no clear long-term style trend.

Large caps outperformed small caps consistently across all horizons.

Chart 3: Relative Return (%)



Pure Quality weakened further relative to Large Cap Growth in Q4.

Pure Value continued its strong outperformance of Large Cap Value Style.

Source: Wilshire Indexes. Data as of December 31, 2025

Growth vs Pure Quality: Growth outperformance secured by large cap and high beta return contributions in Q4

Absolute Performance: **2.7%** Q4 2025 US LC Growth Style | **1.4%** Q4 2025 LC Pure Quality

Chart 1: Q4 2025 Exposures: Growth is strong on large cap, momentum, high beta, negative value and targeted factors except Low Accruals. Pure Quality displays positive exposure to all targeted factors.

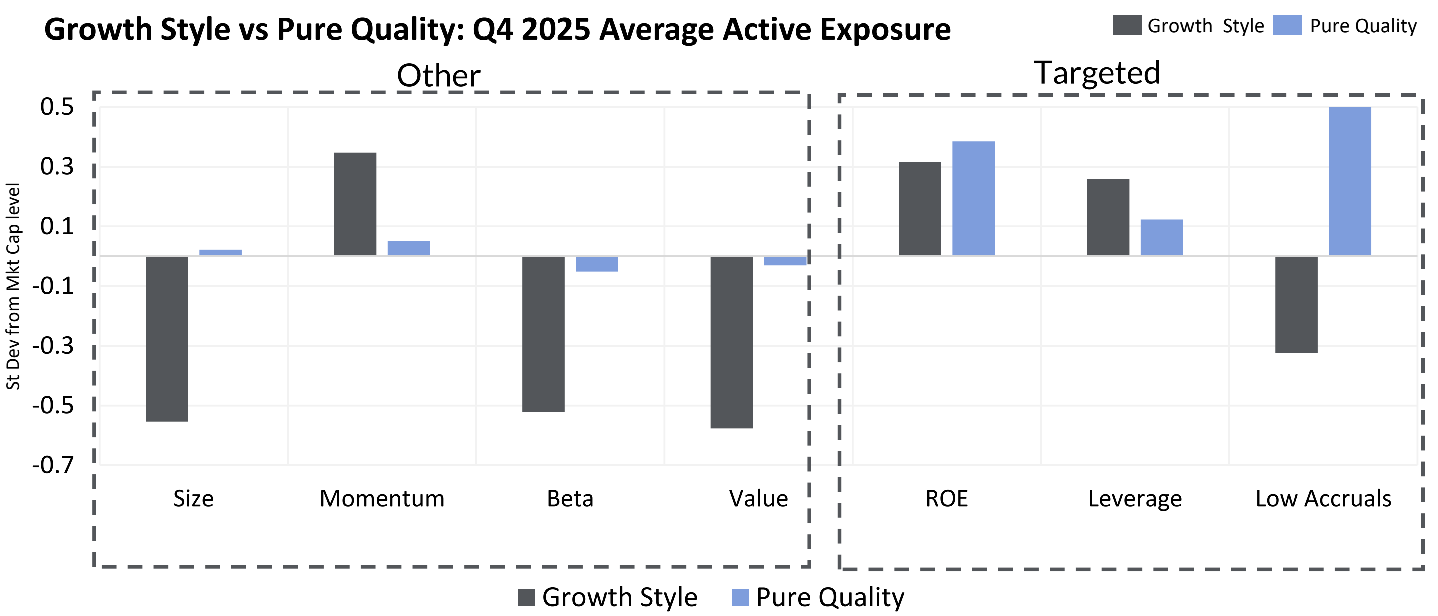
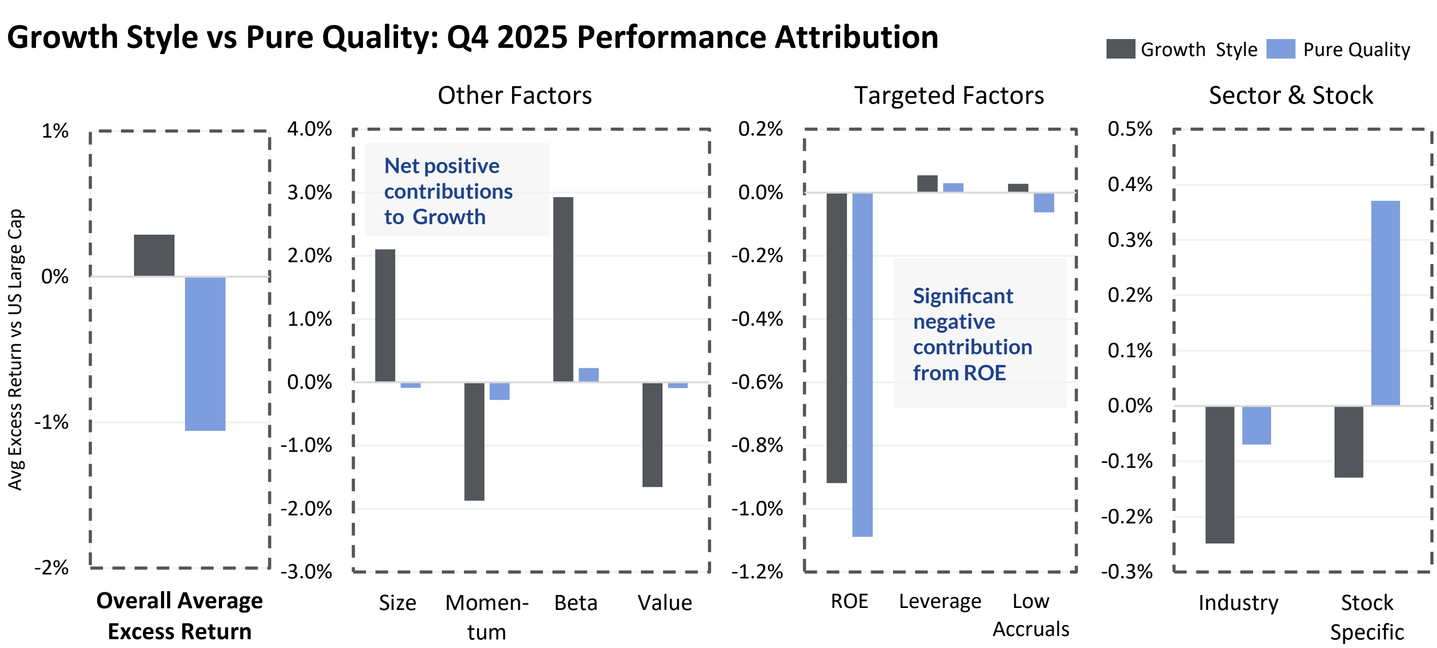


Chart 2: Q4 2025 Attribution: Growth's modest outperformance arises from a mix of targeted and non-targeted exposures. Pure Quality's underperformance results from a significant negative contribution from ROE offsetting a positive stock specific component.



Source: Wilshire Indexes. Data as of December 31, 2025.

Value Style vs Pure Value: Strong outperformance of Pure Value arises mostly from targeted valuation measures in Q4

Absolute Performance: **+2.1%** Q4 2025 US LC Value Style | **+7.1%** Q4 2025 LC Pure Value

Chart 1: Q4 2025 Exposures: Value Style is positive on all valuation, low beta and size exposures, but is negative on momentum and quality. Pure Value exhibits exposure only to valuation measures.

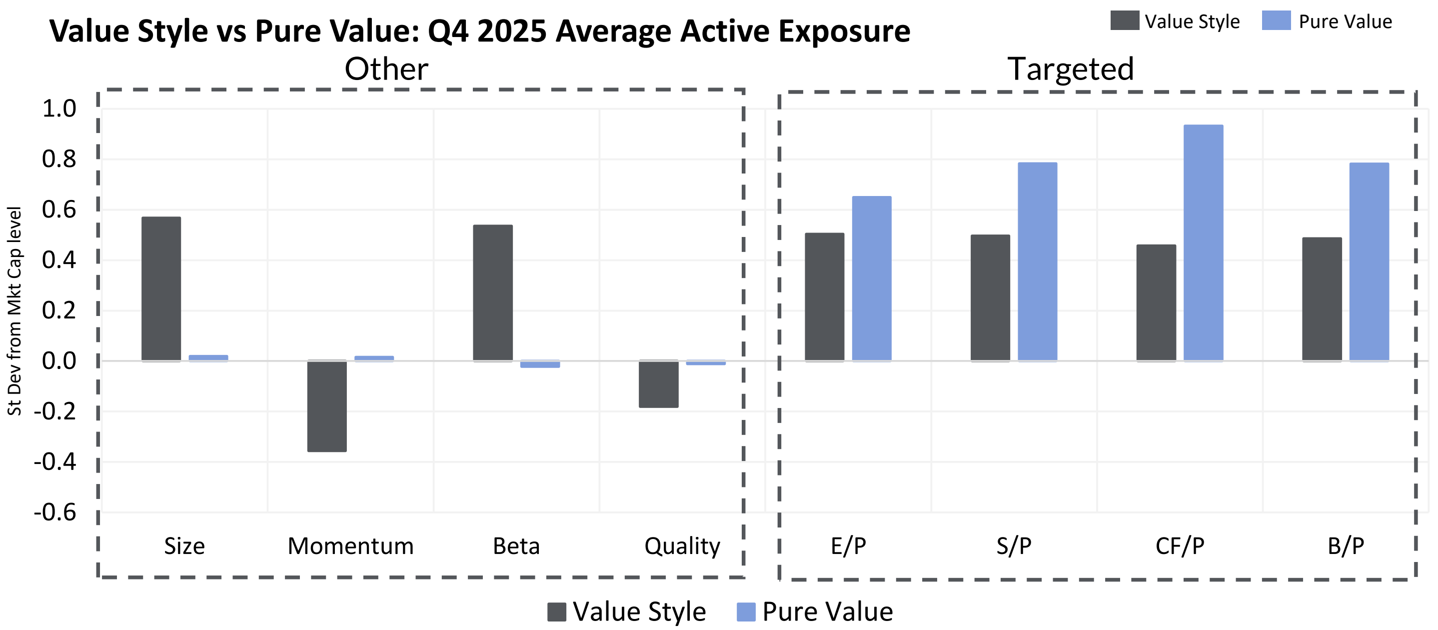
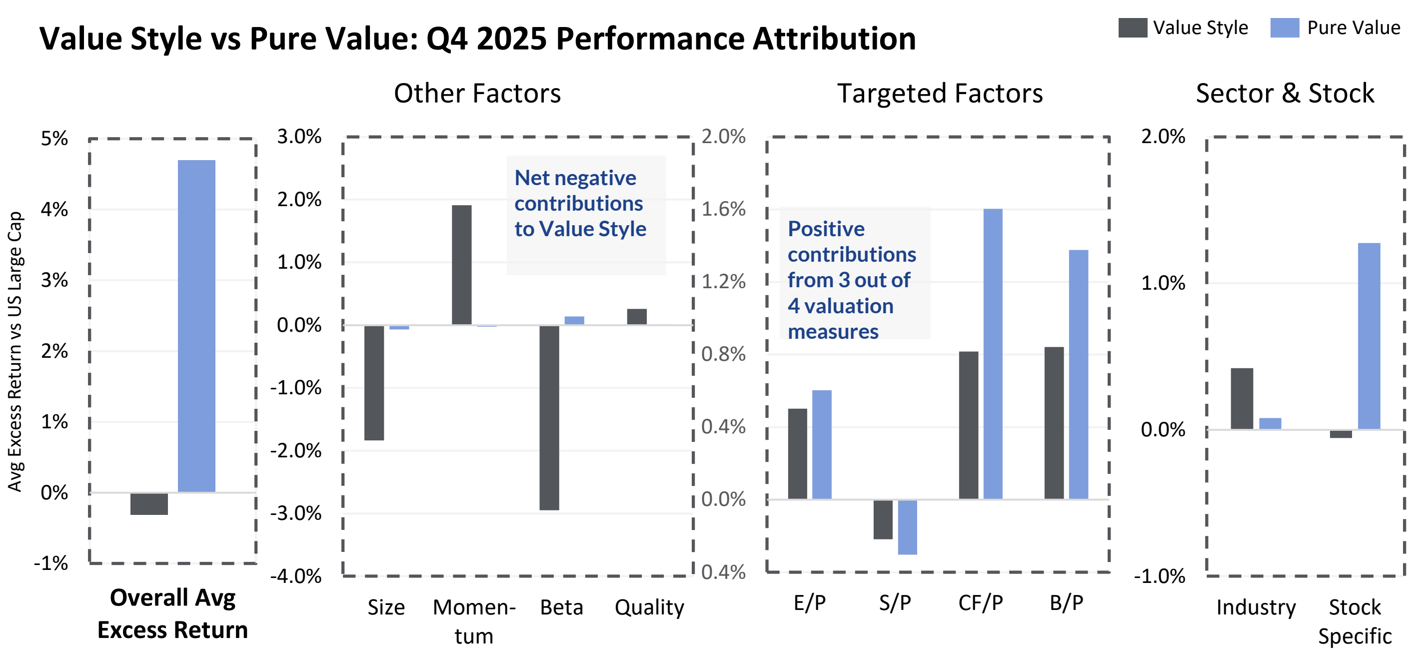


Chart 2: Q4 2025 Attribution: Value Style's slight underperformance results from a mix of targeted and un-targeted components. Pure Value's significant outperformance arises from positive contributions from all valuation measures except sales to price (S/P).



Source: Wilshire Indexes. Data as of December 31, 2025.

Wilshire Indexes

2025 Alternative Weighted Index Performance

Factor Indexes

Designed to target specific exposures - Value, Momentum, Size, Quality, and Low Beta - while ensuring purity by maximizing on-target exposures and minimizing off-target ones.

Style Indexes

Designed to split cap-weighted index performance into Value and Growth styles, Often used to track the performance of stocks that are considered relatively cheap or expensive.

NxtGen Indexes

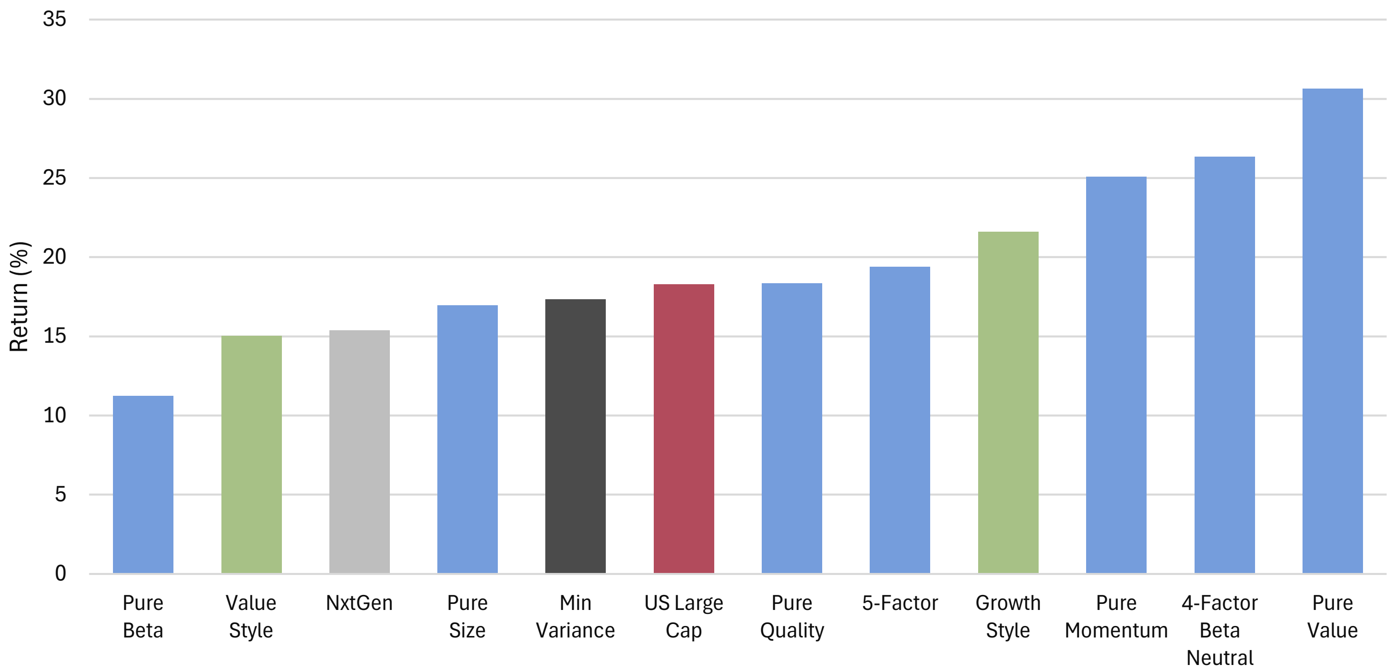
Designed to improve risk -adjusted returns using mean-tracking error optimization. Machine learning analyzes 100+ signals to generate robust stock return predictions.

Minimum Variance

Designed to reduce index volatility and drawdown versus cap-weighted indexes by minimizing portfolio volatility while imposing industry, concentration, and diversification constraints.

2025 Return

Exhibit 1 presents the 2025 total returns for Wilshire's US Large Cap Alternative Weighted indexes and FTW US Large Cap index. The return is ranked from smallest on the left to largest on the right.



2025 Performance: Alternative Weighted Index leadership shifted in a year dominated by tariff uncertainty

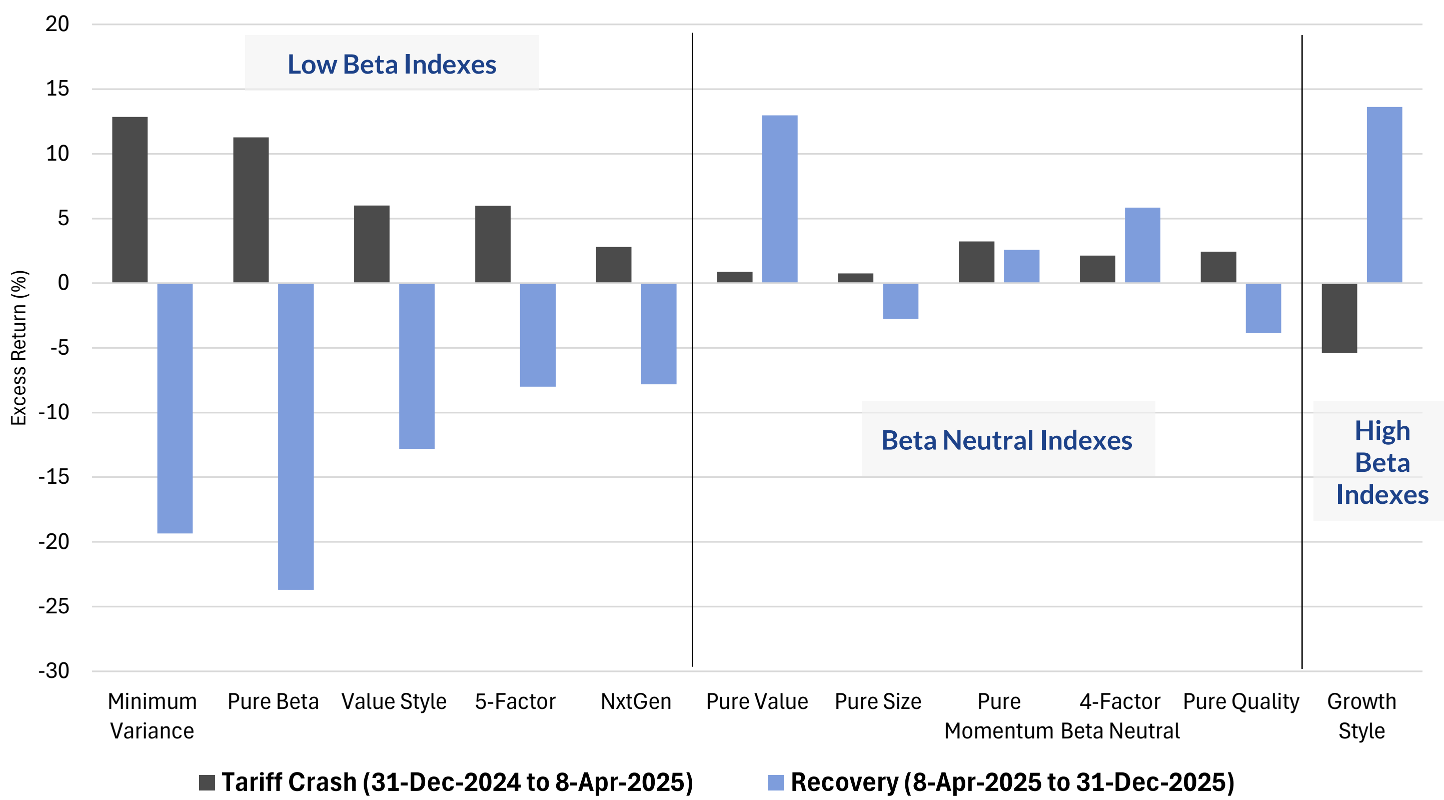
Pure Value was the standout performer in 2025, delivering excess returns of around 12%. Next best were the multifactor 4-Factor Beta Neutral and Pure Momentum indexes outperforming by circa 8% and 7%, respectively.

As for style indexes, Growth outperformed while Value lagged the benchmark by about 3%. At first glance, that would suggest a difficult year for value stocks. However, the sharp outperformance of Pure Value relative to **both** style indexes points to specific value factor exposure rather than style classification as the key driver of returns (Are You Getting Value from Your Value Index?).

Most underperforming strategies shared one feature: low beta exposure. This proved supportive during the tariff-driven sell-off, but became a drag as markets rebounded.

Exhibit 2 decomposes 2025 performance into the tariff shock period and subsequent recovery. Low beta strategies outperformed during the drawdown but lagged as markets rebounded, while the beta-neutral strategies lacked this sensitivity—indeed Pure Value, Pure Momentum and the 4-Factor Beta Neutral index delivered positive relative performance in both periods.

Exhibit 2: Return for Alternatively Weighted indexes: Tariff Crash versus Recovery Period



Source: Wilshire Indexes. Data as of September 30, 2025.

2025 Performance: Value and Momentum drove gains amid Low Beta drag

2025 Excess Return Attribution

Exhibit 3 presents a 2025 performance attribution for each alternatively weighted index, ranked by excess return relative to the FTW US Large Cap index. Excess returns are decomposed into factor, industry and residual components and displayed as a heat map.

Exhibit 3: 2025 Performance Attribution for Alternative Weighted indexes

	Excess*	Low Beta	Value	Momentum	Size	Quality	Industry	Residual
Pure Value	12.33%	0.15%	7.54%	0.11%	-0.10%	0.00%	0.09%	4.54%
4-Factor Beta Neutral	8.04%	-0.46%	3.53%	2.50%	-1.37%	-1.43%	0.28%	4.98%
Pure Momentum	6.77%	-0.19%	-0.08%	5.04%	-0.11%	0.04%	0.10%	1.98%
Growth Style	3.29%	5.07%	-4.13%	0.84%	1.55%	-0.51%	1.49%	-1.00%
5-Factor	1.09%	-4.07%	2.89%	2.14%	-1.08%	-1.09%	0.33%	1.97%
Pure Quality	0.02%	0.13%	-0.20%	0.02%	-0.06%	-2.62%	0.17%	2.59%
Minimum Variance	-0.97%	-8.77%	3.06%	-0.14%	-1.36%	0.41%	0.81%	5.03%
Pure Size	-1.34%	-0.34%	0.05%	0.22%	-2.66%	0.04%	0.24%	1.10%
NxtGen Index	-2.93%	-2.31%	-0.82%	1.41%	-0.68%	0.41%	0.70%	-1.64%
Value Style	-3.25%	-5.13%	4.73%	-0.94%	-1.71%	0.52%	-1.61%	0.88%
Pure Beta	-7.06%	-8.45%	0.11%	-0.14%	-0.10%	0.01%	0.37%	1.15%

* Relative to US Large

Low Beta exposure was the most significant source of negative excess return across the universe in 2025, with most strategies carrying a Low Beta tilt underperforming as a result. The 5-Factor index was the notable exception, offsetting this headwind through positive contributions from other factors and stock-specific effects to deliver a modest positive excess return.

Value and Momentum exposures were both important and well rewarded when positive, driving the strong outcomes for Pure Value, Pure Momentum and the 4-Factor Beta Neutral index. Size and Quality played a more limited role and, where positive, generally detracted from performance.

Residual contributions are sizeable across many indexes, indicating that much of the impact of tariff uncertainty in 2025 was not well captured by standard factor exposures.

Source: Wilshire Indexes. Data as of September 30, 2025.

2025 Alternative Weighted Performance

Conclusions

Value, Momentum and Low Beta Exposure Dominate Performance Outcomes of Alternatively Weighted Indexes in 2025

1. 2025 delivered a wide spread of outcomes across Wilshire Indexes' US Large Cap Alternatively Weighted indexes with performance varying widely across strategies rather than clustering around the benchmark.

2. Pure Value emerged as the clear leader, with Momentum-oriented and beta-neutral multifactor approaches also producing strong excess returns.

3. Indexes with low beta exposure clustered toward the weaker end of the performance range, while strategies with greater market sensitivity captured more of the upside.

4. Attribution results reinforce that style labels like "Value" and "Growth" are insufficient for understanding returns, with realised performance shaped by multiple exposures rather than by any single factor.

5. Outcomes differed materially across the index set, reflecting distinct combinations of factor and residual contributions.

Source: Wilshire Indexes. Data as of September 30, 2025.

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