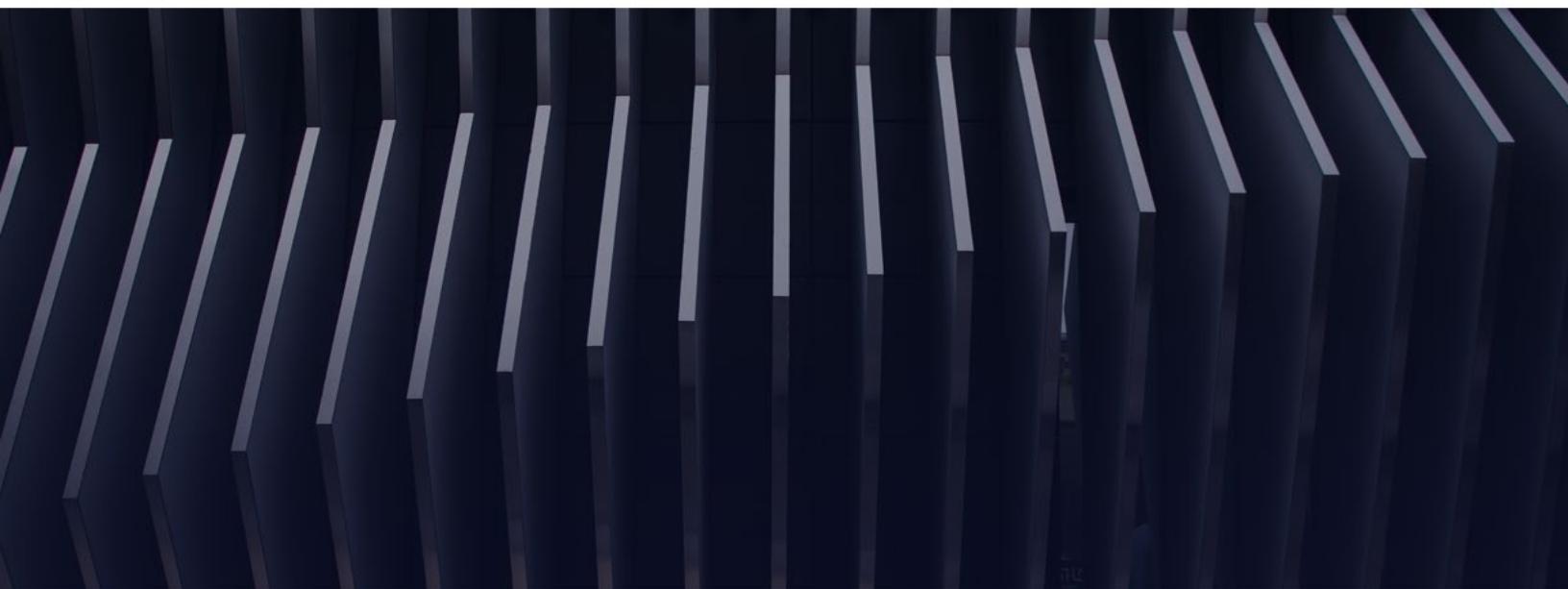


Wilshire Indexes

FT Wilshire Style Indexes Methodology

January 2026



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Introduction

The indexes in the FT Wilshire Style Index Series are designed to measure the performance of the Growth and Value Segments of the Global and US markets.

Price, total, and net return indexes are calculated for all member indexes. The reinvestment of all dividend payments is reflected in the total-return indexes at the close on the ex-dividend date but is not reflected in the price indexes. Only special dividends affect the price indexes.

Indexes are calculated in USD and variants converted to GBP, EUR and JPY (using WM/Reuters 4pm London time exchange rates) are provided in index product files.

This document describes the procedures used to construct and maintain the FT Wilshire Style Index Series. The document is reviewed at least annually but more frequent updates may be made in the light of market events or as a result of feedback obtained via a consultation. It should be read in conjunction with the [Wilshire Indexes Equity Index Calculation and Corporate Action Guide](#) which describes the index treatment of corporate actions and events, and the procedures to be followed for suspended or delisted securities, and at times of market disruption. The Equity Index Calculation and Corporate Events Guide applies to all standard FT Wilshire equity indexes and to other indexes calculated or administered by Wilshire Indexes where this is stated in the methodology documentation for those indexes.

In addition to this document, the indexes will have eligibility criteria including liquidity, nationality, and minimum size thresholds based upon the rules of the underlying index.

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1 Index Construction

The following sections describe the style factors and index components that go into style index construction. In addition to the style factors, further index eligibility criteria such as liquidity, size, and nationality will be based upon the criteria contained within the methodologies for the underlying indexes, namely, the [FT Wilshire Global Equity Market Series](#) and [FT Wilshire 5000 Index Series](#) methodologies.

1.1 Constituents and Free Float Market Capitalization Weights

Constituents, free float, and shares of the Underlying Index are taken from post close updates on the third Friday of the reconstitution month. Price is defined as the closing price of the cut-off date, adjusted for corporate actions between the cut-off date and the post close updated data on third Friday of the reconstitution month.

A constituent's free float market capitalization is then defined as the product of its free-float, shares and adjusted cut-off price. A constituent's free float market capitalization weight is then defined by its free float market capitalization divided by the total free float market capitalization of the entire set of constituents.

1.2 Style Factor Definitions

The components of Value and Growth set out in this section are in broad consensus with those found in academic literature. They have been chosen to reflect a balance between forward-looking, trailing, long-term and short-term measures.

1.2.1 Book to Price Ratio (BP)

Book to Price Ratio is defined as company's trailing 12-month Book Value divided by its full Market Capitalization at the cut-off date

1.2.2 Cash Flow to Price Ratio (CP)

Cash Flow to Price Ratio is defined as company's trailing 12-month Net Operating Cash Flow divided by its full Market Capitalization at the cut-off date.

1.2.3 Forward Earnings to Price Ratio (FEP)

Forward Earnings to Price Ratio is defined as company's 12-month forward estimate of earnings per share divided by its price as of the cut-off date.

1.2.4 Long-Term Sales Growth (LSG)

Long-Term Sales Growth is defined as company's compound annual sales growth rate calculated over the last 5 years.

$$LSG_t = \left(\frac{Sales_t - Sales_{t-5}}{|Sales_{t-5}|} + 1 \right)^{1/5} - 1 \quad (1)$$

where $Sales_t$ is company's annual Sales for fiscal year t.

1.2.5 Long-Term EBITDA Growth (LEG)

Long-Term EBITDA Growth is defined as company's compound annual EBITDA growth rate calculated over the last 5 years.

$$LEG_t = \left(\frac{EBITDA_t - EBITDA_{t-5}}{|EBITDA_{t-5}|} + 1 \right)^{1/5} - 1 \quad (2)$$

where $EBITDA_t$ is company's annual EBITDA for fiscal year t.

1.2.6 Forecast Earnings Growth (FEG)

Forecast Earnings Growth is defined as the ratio of difference between the company's forward 12-month EPS and its trailing 12-month EPS to the absolute value the trailing 12-month EPS.

1.3 Calculation of Composite Z-Scores

The quantities defined in Section 1.2 range over different scales. To put them on the same scale within each region-size block (see section 1.5) of the Underlying Index, we subtract each quantity's cross-sectional mean from its raw value and then divide by its cross-sectional standard deviation. Stocks with non-numeric data values excluded from this process.

A normalization and winsorization process is then applied to ensure that all the results lay in the range -3 to +3. The resulting Z-scores will be denoted by $Z_{F,i}$ where F is one of $\{BP, CP, FEP, LSG, LEG, FEG\}$.

A stock with a missing style factor value is assigned the average Z-score of the most relevant peer group within its country as defined by its GATS classification. This is done at the lowest level containing a minimum of five stocks with Z-scores, starting with Subsector followed by Sector, Supersector and finally Industry. If there are fewer than five stocks with Z-scores in the Industry, the Z-score is assigned to zero.

Separate Value and Growth composite style factors are now calculated for each stock according to:

$$V_i = (Z_{BP,i} + Z_{CP,i} + Z_{FEP,i})/3 \quad \text{and} \quad G_i = (Z_{LSG,i} + Z_{LEG,i} + Z_{FEG,i})/3 \quad (3)$$

respectively. The normalization and winsorization process is reapplied to these composite quantities to yield Value and Growth Z-scores, $Z_{V,i}$ and $Z_{G,i}$, which have mean zero and standard deviation one.

A combined value-growth composite style factor is defined by:

$$C_i = (Z_{V,i} - Z_{G,i})/2 \quad (4)$$

Finally, this is used to define a composite Z-score, $Z_{C,i}$, using the normalization and winsorization process applied earlier.

1.4 Value and Growth Probability Scores

Value and Growth style scores are defined by:

$$P_{V,i} = \Phi[Z_{C,i}] \quad \text{and} \quad P_{G,i} = \Phi[-Z_{C,i}] \quad (5)$$

where $\Phi[Z]$ is the cumulative normal function with standard deviation parameter set to 0.5, defined by:

$$\Phi[Z] = \sqrt{2/\pi} \int_{-\infty}^Z e^{-x^2} dx \quad (6)$$

Note that, since $0 \leq \Phi[Z] \leq 1$ and $\Phi[Z] + \Phi[-Z] = 1$, we may interpret $P_{V,i}$ and $P_{G,i}$ as the “probability” that stock i is a Value or Growth stock. To improve the stability of probability estimation and prevent unnecessary turnover in the index, these probabilities are redefined by averaging them with those assigned at the previous reconstitution. Finally, to avoid assigning small probabilities, we round down to zero when a probability is less than 0.1 and up to one when it is greater than 0.90.

A final step ensures that the total Value market capitalization is equal to the total Growth market capitalization within each region-size block of the Underlying Index.

Let M_i be the free-float market capitalization of stock i of the Underlying Index. Then the total Value market capitalization and Growth market capitalization within a region-size block of the Underlying Index is given by:

$$VMC = \sum_{i=1}^Q P_{V,i} \times M_i \quad \text{and} \quad GMC = \sum_{i=1}^Q P_{G,i} \times M_i \quad (7)$$

respectively, where Q is the number of stocks in the region-size block.

If $VMC > GMC$ we order the stocks by their value probabilities, smallest to largest. Moving up the list we then set:

$$P_{V,i} = 0.0 \quad \text{and} \quad P_{G,i} = 1.0 \quad (8)$$

recalculate VMC and GMC , and continue iteratively until we reach a stock for which $VMC < GMC$. For this and subsequent stocks we either partially allocate (so that $P_{V,i} \geq 0.1$) or completely allocate (with $P_{V,i} = 0.0$) to Growth until $VMC = GMC$. Otherwise, if initially $VMC < GMC$, the value and growth roles are reversed, and the process again achieves $VMC = GMC$.

Note that, despite these modifications, $P_{V,i} + P_{G,i}$ still equals one and that style scores are now defined for all stocks in each region-size block of the Underlying Index.

1.5 Region-Size Blocks

As outlined above, the style scores are calculated within region-size blocks. In summary:

For Global Equity Market Series (GEMS):

Size Segments: Large Cap, Small Cap

Developed Regions: Canada, Developed Europe ex UK, Developed Asia Pacific ex Japan, Israel, Japan, United Kingdom, USA

Emerging Regions: China, Emerging Americas, Emerging Asia Pacific ex China, Emerging Europe, Emerging Middle East and Africa

Therefore, there are a total of 24 region-size blocks for GEMS. For example, Developed Europe ex UK Large Cap represents one such region-block.

For FT Wilshire 5000:

Size Segments: Large Cap, Small Cap, Micro Cap, 1000, 2000, 3001-bottom

Region: USA

Therefore, there are a total of six region-size blocks for FT Wilshire 5000, the first three of which are used to construct the percentile indexes and last three of which are used to construct numeric indexes.

For detailed definitions of regions and size segments please see the [FT Wilshire Global Equity Market Series](#) and [FT Wilshire 5000 Index Series](#) methodologies.

1.6 Value and Growth Index Weights

Value and Growth are weights are defined for each stock in the Underlying Index by:

$$W_{V,i} = \frac{P_{V,i} \times M_i}{\sum_{j=1}^N P_{V,j} \times M_j} \quad \text{and} \quad W_{G,i} = \frac{P_{G,i} \times M_i}{\sum_{j=1}^N P_{G,j} \times M_j} \quad (9)$$

respectively, where N is the number of stocks in the Underlying Index.

Note that, since $P_{V,i} + P_{G,i}$ equals one and the total Value market capitalization is equal to the Growth market capitalization within each region-size block of the Underlying Index, we have the important property that:

$$\frac{1}{2}(W_{V,i} + W_{G,i}) = \frac{M_i}{\sum_{j=1}^N M_j} = W_{M,i} \quad (10)$$

In other words, the average of a stock's Value and Growth weights is equal to its weight in the Underlying Index.

1.7 Determination of Wilshire 5000 Binary Style Indexes

The Wilshire 5000 binary style indexes will be determined based on the final probabilities assigned in the respective FT Wilshire 5000 numerically ranked index (FT Wilshire 1000, 2000, or 3001-bottom). Companies with a growth probability of 0.5 or greater will be assigned to the growth binary indexes. Companies with a growth probability of less than 0.5 will be assigned to the value binary indexes. The Wilshire 5000 binary style indexes are listed in Table 3.

2 Available Style Indexes

The following tables set out the various Style indexes and the Underlying Indexes that define them:

Table 1: Available Style Indexes based on the FT Wilshire Global Equity Market Series

Index Name	Underlying Index	Rebalance Schedule
FT Wilshire Developed Large Cap Value (Growth) Index	FT Wilshire Developed Large Cap Index	March and September
FT Wilshire Developed Small Cap Value (Growth) Index	FT Wilshire Developed Small Cap Index	March and September
FT Wilshire Developed Value (Growth) Index	FT Wilshire Developed Index	March and September
FT Wilshire Emerging Large Cap Value (Growth) Index	FT Wilshire Emerging Large Cap Index	March and September
FT Wilshire Emerging Small Cap Value (Growth) Index	FT Wilshire Emerging Small Cap Index	March and September
FT Wilshire Emerging Value (Growth) Index	FT Wilshire Emerging Index	March and September
FT Wilshire Global Large Cap Value (Growth) Index	FT Wilshire Global Large Cap Index	March and September
FT Wilshire Global Small Cap Value (Growth) Index	FT Wilshire Global Small Cap Index	March and September
FT Wilshire Global Value (Growth) Index	FT Wilshire Global Index	March and September

Further details on Underlying Index methodology are available within the [FT Wilshire Global Equity Index Series Methodology](#)

Table 2: Available Style Indexes based on the FT Wilshire 5000 Index Series

Index Name	Underlying Index	Rebalance Schedule
FT Wilshire US Large Cap Value (Growth) Index	FT Wilshire US Large Cap Index	March and September
FT Wilshire US Small Cap Value (Growth) Index	FT Wilshire US Small Cap Index	March and September
FT Wilshire US Bottom 2% Value (Growth) Index	FT Wilshire US Micro Cap Index	March and September
FT Wilshire 1000 Value (Growth) Index	FT Wilshire 1000 Index	March and September
FT Wilshire 2000 Value (Growth) Index	FT Wilshire 2000 Index	March and September
FT Wilshire 3000 Value (Growth) Index	FT Wilshire 3000 Index*	March and September
FT Wilshire 200 Value (Growth) Index	FT Wilshire 200 Index*	March and September
FT Wilshire Mid Cap 800 Value (Growth) Index	FT Wilshire Mid Cap 800 Index*	March and September
FT Wilshire 500 Value (Growth) Index	FT Wilshire 500 Index*	March and September
FT Wilshire Micro Cap Value (Growth) Index	FT Wilshire Micro Cap Index*	March and September
FT Wilshire 2500 Value (Growth) Index	FT Wilshire 2500 Index*	March and September
FT Wilshire 5000 Value (Growth) Index	FT Wilshire 5000 Index*	March and September

*Further information on styles ranking is available in Section 1.5

Further details on Underlying Index methodology are available within the [FT Wilshire 5000 Index Series Methodology](#)

Table 3: Available Style Indexes based on the Wilshire 5000 Index Series

Index Name	Underlying Index	Rebalance Schedule
Wilshire US Large-Cap Value (Growth) Index**	Wilshire US Large-Cap Index	March and September
Wilshire US Small-Cap Value (Growth) Index**	Wilshire US Small-Cap Index	March and September
Wilshire US Mid-Cap Value (Growth) Index**	Wilshire US Mid-Cap Index	March and September
Wilshire 2500 Value (Growth) Index**	Wilshire 2500 Index	March and September

**These are binary styles indexes. Please see Section 1.7 for more information.

Further details on Underlying Index methodology are available within the [Wilshire 5000 Index Series Methodology](#)

3 Index Maintenance

3.1 Index Reconstitution

The FT Wilshire Style Index Series will be reconstituted semi-annually in March and September. The data cut-off date is Wednesday before the first Friday of the reconstitution month. Constituent and free-float changes are updated after the close of trading on the third Friday of the reconstitution month.

3.2 Intra-Reconstitution Additions

Additions to the underlying FT Wilshire index will be eligible for inclusion in the corresponding Style index immediately, with Value and Growth scores set to 0.5.

3.3 Intra-Reconstitution Deletions

A constituent will be removed from a FT Wilshire Style index if it is removed from the corresponding underlying FT Wilshire index. The deletion will be concurrent with that from the underlying index and its weight will be distributed pro-rata amongst the remaining constituents in the FT Wilshire Style index.

4 Corporate Events

4.1 Corporate Action Treatment

The Corporate action treatment for the FT Wilshire Style Index Series can be found in the Wilshire Indexes Equity Index Calculation and Corporate Action Guide. The Index Series will follow the market capitalization sections of the guide.

4.2 Suspension of Dealing

Suspension of Dealing rules can be found in the [Wilshire Indexes Equity Index Calculation and Corporate Action Guide](#).

4.3 Takeovers, Mergers and Spinoffs

The treatment of takeovers, mergers and spinoffs can be found in the [Wilshire Indexes Equity Index Calculation and Corporate Action Guide](#).

Methodology Approval

This FT Wilshire Style Indexes Methodology was approved by the Index Management Committee on 20 January 2026.

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