The Wilshire Risk Parity Index – 15% Target Volatility℠ (Wilshire Risk Parity Index℠) is designed to measure the performance of a multi-asset risk parity strategy that allocates risk equally among three risk baskets: equity, rates and inflation while targeting an ex-ante volatility level of 15%. Each risk basket is designed to contain a diverse, yet still representative set of highly-liquid futures to help not only capture main asset class risk drivers, but also minimize index turnover. To maximize risk diversification while maintaining asset class exposure as specified, baskets are first risk-weighted at the individual basket, then main asset class level. To leverage a proxy for rates and inflation that is both widely accepted and highly liquid, U.S. Treasury Inflation Protected Securities (TIPS) are incorporated. Additionally, a long- and short-term realized variance-covariance matrix not only anchors the index to long-term volatility trends, but also provide responsiveness to short term shifts; and, a 1-month equity dampener triggered by a jump in equity volatility, as represented by the S&P VIX, aims to further amplify short term responsiveness.

Membership
The following futures and cash instruments are used for exposure to each of the three risk baskets:

- Four equity futures - one from each major global region:
  - U.S.: S&P 500
  - UK: FTSE 100
  - Europe: EURO STOXX 50
  - Asia: Nikkei 225

- Four fixed income futures - mirroring the equity covered regions:
  - U.S.: T-Notes (10-year)
  - UK: Gilts (10-year)
  - Europe: Euro-Bund (10-year)
  - Asia: JGB (10-year)

- Four commodity futures - one from each major sector:
  - Energy: WTI Crude Oil (CL)
  - Agriculture: Soybeans (S)
  - Industrial Metals: Copper (HG)
  - Precious Metals: Gold (GC)

U.S. Treasury Inflation Protected Securities (TIPS)
- Cash instruments are utilized for exposure given the lack of a liquid derivatives market

Adjustments & Maintenance
Changes to composition of the Wilshire Risk Parity Index are based on the following rules:

Monthly Rebalance
To maintain an expectation of equal risk-weighting within and across the investable baskets, the index is rebalanced monthly on the month end. Each investible basket is equal risk-weighted using returns through the fifth business day prior to the rebalance date. These baskets with TIPS positions are then optimized using long-term (15 years) and short-term (3 months) realized variance-covariance to obtain the desired volatility target of 15 percent risk on an ex-ante basis.

- The TIPS security is selected from U.S. inflation-linked bonds with years to maturity between 7 and 10 years using the latest issuance near the rebalance date.
- The TIPS risk exposure is split between the rates and inflation baskets.
- In order to maintain enough margin for the expected leverage, the long TIPS exposure is capped at 50 percent.
- In order to manage leverage, the notional exposure is capped at 450 percent.
- An equity dampener of 80 percent is applied when the combined equity notional exposure is above 60 percent and the forecast volatility of the VIX is above 30.
• The Wilshire Index Oversight Committee may, at its discretion, reduce exposure to, remove or replace any future if the committee deems the change necessary to protect the integrity of the index and interests of investors in products linked to that index.

Futures Roll
The index utilizes the most liquid version of each future and thus utilizes a roll schedule consistent with industry standards utilizing the Wilshire Risk Parity Contract Calendar.

• Financial futures roll two days prior to their expiration date (with the exception of US T-Notes and UK Gilts, which roll two days prior to their first notice date).
• Commodity futures roll 20 percent per day from the fifth business day to the ninth business day of the expiration month.

Wilshire Risk Parity Contract Calendar

<table>
<thead>
<tr>
<th>Month*</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
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<th>Oct</th>
<th>Nov</th>
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<tbody>
<tr>
<td>S&amp;P 500</td>
<td>Mar</td>
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<td>FTSE 100</td>
<td>Mar</td>
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<td>STOXX 50</td>
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<td>Nikkei 225</td>
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<td>US T-Notes</td>
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* Denotes the contract in place at the beginning of each given month.

Weighting
The index is equal risk-weighted.

For Further Information
Please visit www.wilshire.com, email WilshireIndexes@wilshire.com, or call Jeffrey Foley at 1.310.260.6616.

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