Wilshire Credit Alternatives Portfolio

As of December 31, 2017 > Enhance Diversification With An Allocation To Alternatives

Wilshire Advisor Solutions

Portfolio Objectives

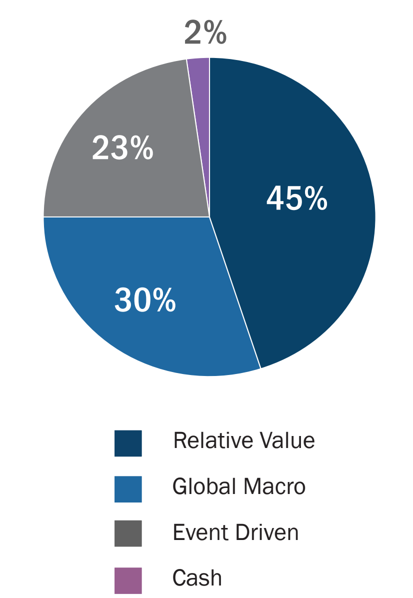
- **Return:** 90 Day T-Bill plus 2% to 4% annually
- **Risk:** 2% to 4% annualized standard deviation
- **Beta:** Below 0.2 versus traditional equity asset classes

There is no guarantee that any of the Portfolio Objectives will be met.

Portfolio Highlights

1. **Diversification -** Seeks to provide a source of return lowly correlated to traditional portfolio risk factors.
2. **Return -** Seeks to maximize absolute return by allocating to less correlated managers and strategies.
3. **Risk Management -** Maintain manager and strategy diversification through rigorous monitoring of manager and portfolio risk attributes.

Portfolio Allocation



Summary

The Wilshire Credit Alternatives Portfolio (the "Portfolio") is an actively managed, multi strategy alternative investments portfolio of mutual funds with a low volatility and absolute return mandate. The Portfolio allows advisors to provide their clients with risk managed exposure to liquid alternative mutual funds:

- Each strategy under consideration is comprehensively evaluated by Wilshire's team of hedge fund manager research analysts utilizing a proprietary six factor qualitative research process.
- Qualitative and quantitative inputs are employed in the manager selection and portfolio construction processes, seeking to maximize risk adjusted return while maintaining low correlation to traditional portfolio risk factors.
- Wilshire's approach to portfolio construction is grounded in a risk optimized framework designed to maximize the benefits of diversification across a broad opportunity set of liquid alternative mutual funds.

Wilshire Associates Incorporated ("Wilshire") has a deep heritage of advising its clients on the use of alternatives in an effort to enhance holistic portfolio solutions:

- Wilshire has been advising its institutional clients on alternatives and recommending hedge fund solutions since 2000.
- Today, Wilshire is able to design solutions utilizing liquid alternative mutual funds for financial advisors thanks to the growing universe of high caliber investment strategies available. These strategies were previously only available to institutional and high net wealth investors.

		Ticker	Target Alloc. (%)
Relative Value	JPMorgan Strategic Income Opps Select	JSOSX	11.0
	Metropolitan West Unconstrained Bond Fund	MWCIX	11.0
	John Hancock Strategic Income Opps Fund	JIPIX	11.0
	Guggenheim Macro Opps Instl	GIOIX	12.0
Global Macro	Virtus Multi-Strategy Target Return I	VMSIX	10.0
	AQR Managed Futures Strategy	AQMIX	10.0
	Natixis ASG Managed Futures Strategy	ASFYX	10.0
Event Driven	BlackRock Global Long/Short Credit	BILPX	8.0
	Kellner Merger	GAKIX	15.0
Cash	Cash	n/a	2.0

Strategies

Relative Value strategies invest long and short in fixed income securities and derivatives seeking to add value through hedging or security selection.

Global Macro strategies invest directionally long and short across global equity, fixed income, commodity and currency markets driven by either a fundamental or a systematic approach.

Event Driven Credit strategies maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety, expecting the idiosyncratic risk of these events to drive returns.

Wilshire Advisor Solutions

The Wilshire Advantage

Access

Wilshire's institutional heritage grants superior access to leading investment managers

70+ associates contributing to manager research

Wilshire's Manager Research Group conducts over **1,200** manager meetings a year

Experience

40+ years providing institutional investors with analytics, investment consulting, research, and innovative investment solutions

Wilshire Funds Management: Over **$195 billion** in assets under advisement (as of 9/30/17)

Wilshire Consulting: Over **$988 billion** in pension fund, endowment and foundation assets under advisement (as of 9/30/17)

Innovation

1970s: Wilshire founded, earlier innovator in asset/liability modeling to help large institutional investors. Developed comprehensive U.S. stock market index, the Wilshire 5000 Total Market Index℠

1980s: Pension consulting practice started

1990s: Wilshire Funds Management established

2017: Wilshire serves in excess of **500** clients across **20** countries with combined assets exceeding **$8 trillion***

Insight

Wilshire Trust Universe Comparison Service (TUCS®) tracks the asset allocation of nearly **900** institutional plans representing **$3.8+ trillion** in assets

* Client assets are as represented by Pensions & Investments (P&I), detailed in P&I's "Largest Retirement Funds" and P&I's "Largest Money Managers (U.S. institutional tax-exempt assets)" as of 9/30/16 and 12/31/16, and published 2/6/17 and 5/29/17, respectively.

To learn more about these portfolios please have your Financial Advisor contact:

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Important Information

This material is for information purposes only. Wilshire Funds Management ("WFM") is a business unit of Wilshire Associates Incorporated that uses mathematical and statistical investment processes to allocate assets, select managers and construct portfolios and funds in ways that seek to outperform their specific benchmarks. WFM delivers Wilshire Advisor Solutions, which include models designed to provide a broad range of outcome-oriented investment portfolios for advisors to use with their clients. Past performance is not indicative of future results, and processes used may not achieve the desired results. Actual portfolios and results may vary. All investments involve risk including the potential loss of principal.

Alternative investment strategies are speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment.

Investments in bonds are subject to interest rate, inflation, credit, currency and sovereign risks. **Investments in high-yield bonds** are subject to greater credit risk and price fluctuations than higher-quality issues.

Model portfolios are exposed to the specific risks of the underlying funds in direct proportion to their percentage allocation. The funds comprising the models and the allocations to those funds have changed over time and may change in the future.

Investments in equities are subject to market risk so that shares, when redeemed, may be worth more or less than their original cost. Security prices can fluctuate significantly in the short term or over extended periods of time. These price fluctuations may result from factors affecting individual companies, industries, or the securities market as a whole. **Investments in small-cap stocks** may be subject to a higher degree of market risk than large-cap stocks, or more established companies' securities. Furthermore, the illiquidity of the small-cap market may adversely affect the value of an investment.

Investments in international securities involve additional risks including currency rate fluctuations, political and economic instability, differences in financial reporting standards, and less stringent regulation of securities markets.

Investments in commodities and commodity-index-linked securities may be affected by overall market movements and other factors that affect the value of a particular industry or commodity, such as weather, disease, embargoes, or political and regulatory developments.

Diversification and asset allocation do not guarantee a profit, nor do they protect against loss, including the loss of principal.

Definitions:

Standard Deviation: A statistical measurement shedding light on historical volatility. For example, a volatile stock will have a high standard deviation while the deviation of a more stable stock will be lower.

Beta: A measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of 1 indicates that the portfolio's value will move with the market. A beta of less than 1 means that the portfolio's value will be less volatile than the market.

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