

**WILSHIRE MUTUAL FUNDS, INC.**  
**(the “Company”)**

**Wilshire Income Opportunities Fund**  
Investment Class Shares (WIORX)  
Institutional Class Shares (WIOPX)

**Supplement to the Summary Prospectus, Statutory Prospectus,  
and Statement of Additional Information (“SAI”)**  
**Each dated May 1, 2017**

Effective February 12, 2018, B. Scott Miner and Adam Bloch, each of Guggenheim Partners Investment Management, LLC (“Guggenheim”), have been named portfolio managers of Wilshire Income Opportunities Fund (the “Fund”). As of February 12, 2018, James W. Michal is no longer a portfolio manager for the Fund. As a result, all references to Mr. Michal are hereby removed from the prospectus and SAI. Anne B. Walsh, CFA, and Steven H. Brown, CFA, will continue to serve as portfolio managers of the Fund, along with Messrs. Miner and Bloch.

Accordingly, the *Guggenheim* portfolio manager information in the sub-section titled “Subadvisers and Portfolio Managers” in the section titled “Management” in the Fund’s summary prospectus should be replaced with the following:

**Subadvisers and Portfolio Managers**

*DoubleLine*

Jeffrey E. Gundlach, Chief Executive Officer of DoubleLine and Portfolio Manager of the Income Fund. Mr. Gundlach has served as Portfolio Manager since March 2016.

Jeffrey Sherman, Deputy Chief Investment Officer of DoubleLine and Portfolio Manager of the Income Fund. Mr. Sherman has served as Portfolio Manager since May 2017.

*Guggenheim*

B. Scott Miner, Chairman of Investments, Global Chief Investment Officer, Managing Partner, Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Mr. Miner has served as Portfolio Manager since February 2018.

Anne B. Walsh, CFA, Senior Managing Director, Assistant Chief Investment Officer and Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Ms. Walsh has served as Portfolio Manager since March 2016.

Steven H. Brown, CFA, Managing Director and Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Mr. Brown has served as Portfolio Manager since March 2016.

Adam Bloch, Director, Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Mr. Bloch has served as Portfolio Manager since February 2018.

In addition, the third paragraph related to the biographical information of Mr. Michal should be replaced with the biographical information of Messrs. Miner and Bloch detailed below in the *Guggenheim* sub-section in the section titled “Investment Subadvisers” in the Fund’s statutory prospectus. All other disclosures in the *Guggenheim* sub-section remain unchanged.

## ***Guggenheim***

**B. Scott Miner**d, Chairman of Investments, Global Chief Investment Officer, Managing Partner and Portfolio Manager of Guggenheim. Mr. Miner joined Guggenheim (or its affiliate or predecessor) in May 1998. Mr. Miner guides the firm's investment strategies and oversees client accounts across a broad range of fixed-income and equity securities. Previously, Mr. Miner was a Managing Director with Credit Suisse First Boston in charge of trading and risk management for the Fixed Income Credit Trading Group. In this position, he was responsible for the corporate bond, preferred stock, money markets, U.S. government agency and sovereign debt, derivatives securities, structured debt and interest rate swaps trading business units. Prior to that, Mr. Miner was Morgan Stanley's London based European Capital Markets Products Trading and Risk Manager responsible for Eurobonds, Euro-MTNs, domestic European Bonds, FRNs, derivative securities and money market products in 12 European currencies and Asian markets. Mr. Miner has also held capital markets positions with Merrill Lynch and Continental Bank. Prior to that, he was a Certified Public Accountant and worked for the public accounting firm of Price Waterhouse. Mr. Miner is a member of the Federal Reserve Bank of New York's Investor Advisory Committee on Financial Markets, helping advise the NY Fed President and senior management at the bank about the current financial markets and ways the public and private sectors can better understand and mitigate systematic risks. Mr. Miner also works with the Organization for Economic Cooperation and Development (OECD), advising on research and analysis of private sector infrastructure investment, and is a contributing member of the World Economic Forum (WEF). Mr. Miner holds a B.S. degree in Economics from the Wharton School, University of Pennsylvania, Philadelphia, and has completed graduate work at the University of Chicago Graduate School of Business and the Wharton School, University of Pennsylvania.

**Adam Bloch**, Director and Portfolio Manager of Guggenheim. Mr. Bloch joined Guggenheim in 2012 and is a portfolio manager for Guggenheim's Active Fixed Income and Total Return Mandates. Mr. Bloch works with the CIOs and other portfolio managers to develop portfolio strategy in line with the firm's views. He oversees strategy implementation, working with research analysts and traders to generate trade ideas, hedge portfolios, and manage day-to-day risk. Prior to joining Guggenheim, he worked in Leveraged Finance at Bank of America Merrill Lynch in New York where he structured high-yield bonds and leveraged loans for leveraged buyouts, restructurings, and corporate refinancings across multiple industries. Mr. Bloch graduated with a Bachelor's degree from the University of Pennsylvania.

Also, the second paragraph and accompanying table outlining the details regarding the number of registered investment companies, other pooled investment vehicles, other accounts managed, total assets under management for each type of account, and total assets in each type of account with performance-based advisory fees for each portfolio manager of *Guggenheim* in the section titled "Investment Advisory and Other Services" in the Fund's SAI should be replaced with the disclosure provided below. Except as provided herein, all other disclosures in the *Guggenheim* sub-section remain unchanged.

## ***Guggenheim***

The portfolio managers who are currently responsible for the day-to-day management of Guggenheim's portion of the Income Fund are B. Scott Miner, Chairman of Investments, Global Chief Investment Officer, Managing Partner and Portfolio Manager; Anne B. Walsh, Senior Managing Director, Assistant Chief Investment Officer and Portfolio Manager; Steven H. Brown, Managing Director and Portfolio Manager; and Adam Bloch, Director and Portfolio Manager, respectively. The table below includes details regarding the number of registered investment companies, other pooled investment vehicles, and other accounts managed by Ms. Walsh and Messrs. Miner, Brown and Bloch, total assets under management for each type of account, and total assets in each type of account with performance-based advisory fees, as of December 31, 2017.

Type of Accounts	Total # of Accounts Managed	Total Assets (millions)	# of Accounts Managed With Performance Based Advisory Fee	Total Assets With Performance-Based Advisory Fee (millions)
<i>B. Scott Miner</i>				
Registered Investment Companies	19	\$22,400.7	0	\$0
Other Pooled Investment Vehicles	85	\$23,455.8	41	\$11,303.0
Other Accounts	146	\$144,704.5	8	\$1,482.3
<i>Anne B. Walsh</i>				
Registered Investment Companies	20	\$25,628.5	0	\$0
Other Pooled Investment Vehicles	3	\$2,708.0	2	\$2,611.9
Other Accounts	31	\$94,455.0	2	\$392.3
<i>Steven H. Brown</i>				
Registered Investment Companies	15	\$21,275.5	0	\$0
Other Pooled Investment Vehicles	5	\$3,472.3	2	\$2,611.9
Other Accounts	14	\$3,248.7	5	\$669.9
<i>Adam Bloch</i>				
Registered Investment Companies	14	\$19,852.2	0	\$0
Other Pooled Investment Vehicles	5	\$3,472.3	2	\$2,611.9
Other Accounts	14	\$3,248.7	5	\$669.9

Lastly, the last sentence in the disclosure related to Compensation in the *Guggenheim* sub-section in the section titled "Investment Advisory and Other Services" in the Fund's SAI should be replaced with the sentence below. All other disclosures regarding Compensation in the *Guggenheim* sub-section remain unchanged.

**Compensation**

As of December 31, 2017, Messrs. Miner, Brown and Bloch and Ms. Walsh did not own any shares of the Income Fund.

If you have any questions regarding the Fund, please call (866) 591-1568.

*Investors Should Retain this Supplement for Future Reference.*

**WILSHIRE MUTUAL FUNDS, INC.**  
(the “Company”)

**Small Company Growth Portfolio**  
Investment Class Shares (DTSGX)  
Institutional Class Shares (WSMGX)

**Supplement to the Summary Prospectuses, Statutory Prospectus,  
and Statement of Additional Information (“SAI”)**  
Each dated May 1, 2017

On August 29, 2017, the Board of Directors approved an amendment to the expense limitation agreement with Wilshire Associates Incorporated (the “Adviser”), pursuant to which the Adviser agrees to lower the expense limit of the Small Company Growth Portfolio (the “Fund”) effective September 29, 2017. The Fund’s Summary Prospectus, Prospectus, and SAI are supplemented as follows.

**The following replaces the information under the heading “Fees and Expenses of the Small Company Growth Portfolio” of the Prospectus and Summary Prospectus:**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.85%	0.85%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.48%	0.49%
Total Annual Portfolio Operating Expenses .....	1.58%	1.34%
Less Fee Waiver <sup>(2)</sup> .....	(0.22)%	(0.22)%
Total Annual Portfolio Operating Expenses After Fee Waiver .....	1.36%	1.12%

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio’s administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated (“Wilshire”) has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the “Company”), on behalf of the Portfolio to waive a portion of its management fee to limit expenses of the Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.35% and 1.10% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2019 or upon the termination of the Advisory Agreement. To the extent that the Portfolio’s expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived/expenses reimbursed within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver/expense reimbursement.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes one year of capped expenses, that your investment has a 5% return each year and that the Portfolio’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 139	\$ 439	\$ 770	\$ 1,753
Institutional Class .....	\$ 115	\$ 362	\$ 634	\$ 1,444

**The following supplements the information under the heading “Management of the Portfolios – Investment Adviser” of the Prospectus and the heading “Investment Advisory Agreements and Fees” of the SAI:**

Wilshire has entered into contractual expense limitation agreements to waive a portion of its management fee to limit expenses of the Small Company Growth Portfolio and Small Company Value Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.35% and 1.10% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continue through at least April 30, 2019 or upon the termination of the Advisory Agreement.

Wilshire has entered into contractual expense limitation agreements to waive a portion of its management fee to limit expenses of the International Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. Wilshire has entered into a contractual expense limitation agreement with the Company, on behalf of the Income Fund to waive a portion of its management fee or reimburse expenses to limit expenses of the Income Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.15% and .90% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. These agreements to limit expenses continue through at least April 30, 2018 or upon the termination of the Advisory Agreement.

To the extent that a Portfolio’s expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived or expenses reimbursed within three years after the year in which Wilshire incurred the expense, if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver or expense reimbursement.

If you have any questions regarding the Funds, please call (866) 591-1568.

***Investors Should Retain this Supplement for Future Reference.***

**WILSHIRE MUTUAL FUNDS, INC.**  
(the “Company”)

**Small Company Value Portfolio**  
Investment Class Shares (DTSVX)  
Institutional Class Shares (WSMVX)

**Supplement to the Summary Prospectuses, Statutory Prospectus,  
and Statement of Additional Information (“SAI”)**  
Each dated May 1, 2017

On August 29, 2017, the Board of Directors approved an amendment to the expense limitation agreement with Wilshire Associates Incorporated (the “Adviser”), pursuant to which the Adviser agrees to lower the expense limit of the Small Company Value Portfolio (the “Fund”) effective September 29, 2017. The Fund’s Summary Prospectus, Prospectus, and SAI are supplemented as follows.

**The following replaces the information under the heading “Fees and Expenses of the Small Company Value Portfolio” of the Prospectus and Summary Prospectus:**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.85%	0.85%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.49%	0.50%
Total Annual Portfolio Operating Expenses .....	1.59%	1.35%
Less Fee Waiver <sup>(2)</sup> .....	(0.23)%	(0.23)%
Total Annual Portfolio Operating Expenses After Fee Waiver .....	1.36%	1.12%

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio’s administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated (“Wilshire”) has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the “Company”), on behalf of the Portfolio to waive a portion of its management fee to limit expenses of the Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.35% and 1.10% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2019 or upon the termination of the Advisory Agreement. To the extent that the Portfolio’s expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived/expenses reimbursed within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver/expense reimbursement.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes one year of capped expenses, that your investment has a 5% return each year and that the Portfolio’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 137	\$ 432	\$ 757	\$ 1,722
Institutional Class .....	\$ 115	\$ 362	\$ 634	\$ 1,444

**The following supplements the information under the heading “Management of the Portfolios – Investment Adviser” of the Prospectus and the heading “Investment Advisory Agreements and Fees” of the SAI:**

Wilshire has entered into contractual expense limitation agreements to waive a portion of its management fee to limit expenses of the Small Company Growth Portfolio and Small Company Value Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.35% and 1.10% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continue through at least April 30, 2019 or upon the termination of the Advisory Agreement.

Wilshire has entered into contractual expense limitation agreements to waive a portion of its management fee to limit expenses of the International Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. Wilshire has entered into a contractual expense limitation agreement with the Company, on behalf of the Income Fund to waive a portion of its management fee or reimburse expenses to limit expenses of the Income Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.15% and .90% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. These agreements to limit expenses continue through at least April 30, 2018 or upon the termination of the Advisory Agreement.

To the extent that a Portfolio’s expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived or expenses reimbursed within three years after the year in which Wilshire incurred the expense, if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver or expense reimbursement.

If you have any questions regarding the Funds, please call (866) 591-1568.

***Investors Should Retain this Supplement for Future Reference.***

## **Shareholder Reports**

You will receive semi-annual reports dated June 30 and annual reports dated December 31 each year. These reports contain additional information about each Portfolio's investments. The annual report contains a discussion of the market conditions and investment strategies that significantly affected each Portfolio's investment performance during the last fiscal year.

## **Statement of Additional Information**

The SAI provides more detailed information about each Portfolio and is legally considered to be part of this prospectus.

## **How to Obtain Reports**

You can get free copies of annual and semi-annual reports and SAIs on the Company's website at <http://advisor.wilshire.com>. You may also request the annual and semi-annual reports, SAIs and other information about the Portfolios, and discuss your questions about the Portfolios, by contacting us at:

Wilshire Mutual Funds, Inc.  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

or by calling toll free 1-866-591-1568

You can also review and copy information about each Portfolio, including the annual and semi-annual reports and SAIs, at the Public Reference Room of the SEC. For information about the Public Reference Room call 1-202-551-8090. You can also obtain copies:

- For a duplicating fee, by writing to the Public Reference Section of the SEC, 100 F Street NE, Room 1580, Washington, D.C. 20549 or sending an email to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).
- Free from the SEC's EDGAR database on its internet website at <http://www.sec.gov>.

**(Investment Company Act File No. 811-07076)**

[WIL-PS-004-0700]



**INVESTMENT CLASS SHARES**

**INSTITUTIONAL CLASS SHARES**

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**PROSPECTUS**

**MAY 1, 2017**



**MUTUAL FUNDS, INC.**

**Large Company Growth Portfolio  
Investment Class Shares (DTLGX)  
Institutional Class Shares (WLCGX)**

**Large Company Value Portfolio  
Investment Class Shares (DTLVX)  
Institutional Class Shares (WLCVX)**

**Small Company Growth Portfolio  
Investment Class Shares (DTSGX)  
Institutional Class Shares (WSMGX)**

**Small Company Value Portfolio  
Investment Class Shares (DTSVX)  
Institutional Class Shares (WSMVX)**

**Wilshire 5000 Index<sup>SM</sup> Fund  
Investment Class Shares (WFIVX)  
Institutional Class Shares (WINDX)**

**Wilshire International Equity Fund  
Investment Class Shares (WLCTX)  
Institutional Class Shares (WLITX)**

**Wilshire Income Opportunities Fund  
Investment Class Shares (WIORX)  
Institutional Class Shares (WIOPX)**

**<http://advisor.wilshire.com>**

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**As with all mutual funds, the Securities and Exchange Commission (the “SEC”) has not approved or disapproved any shares of these Portfolios or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

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*Shares of a Portfolio are not deposits or obligations of, or guaranteed or endorsed by, any bank. The shares are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. You could lose money by investing in a Portfolio.*

# FUND SUMMARIES

## Large Company Growth Portfolio

### Investment Objective

The Large Company Growth Portfolio's (the "Portfolio") investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the large cap growth sub-category.

### Fees and Expenses of the Large Company Growth Portfolio

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.75%	0.75%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.32%	0.29%
<b>Total Annual Portfolio Operating Expenses .....</b>	<b>1.32%</b>	<b>1.04%</b>

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio's administration agreement, which became effective on October 1, 2016.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 134	\$ 418	\$ 723	\$ 1,590
Institutional Class .....	\$ 106	\$ 331	\$ 574	\$ 1,271

### Portfolio Turnover

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 75% of the average value of its portfolio.

### Principal Investment Strategies

- The Portfolio focuses on the large company growth segment of the U.S. equity market.
- The Portfolio invests substantially all of its assets in common stock of companies with larger market capitalizations—generally greater than \$10 billion at the time of purchase.
- The Portfolio invests in companies that historically have above average earnings or sales growth and retention of earnings, often such companies have above average price to earnings ratios.

- The Portfolio uses a multi-manager strategy with multiple subadvisers who employ different strategies. Each subadviser's strategy is set forth below:

*Loomis, Sayles & Company, L.P. ("Loomis Sayles").* Loomis Sayles is an active manager with a long-term, private equity approach to investing. Through its proprietary, bottom-up research framework, Loomis Sayles looks to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a significant discount to intrinsic value.

*Los Angeles Capital Management and Equity Research, Inc. ("Los Angeles Capital").* In managing its portion of the Portfolio, Los Angeles Capital uses its Dynamic Alpha Stock Selection Model®, a proprietary model, which seeks to generate incremental returns above the Portfolio's benchmark, the Russell 1000® Growth Index, while attempting to control investment risk relative to the benchmark. Securities with declining alphas or those which increase portfolio risk may become sell candidates while securities with improving alphas or those which decrease portfolio risk may become buy candidates. Alpha is a measure of expected performance on a risk-adjusted basis.

*Victory Capital Management Inc. ("Victory Capital").* Victory Capital constructs its portion of the Portfolio by investing its assets in stocks of approximately 25 to 35 companies that have exhibited faster-than-average earnings growth over the past few years and are expected to continue to show high levels of profit growth. Victory Capital analyzes the price, earnings, price histories, balance sheet characteristics, perceived management skills, and perceived prospects for earnings growth when deciding which stocks to buy and sell for its portion of the Portfolio. Victory Capital sells a stock when the fundamental characteristics deteriorate, relative valuation has become less favorable or when a better investment opportunity is identified, and a position is reduced when a 10% position size limit is reached.

The Portfolio may appeal to you if:

- you are a long-term investor;
- you seek growth of capital;
- you believe that the market will favor a particular investment style, such as large cap growth stocks, over other investment styles in the long term and you want a more focused exposure to that investment style; or
- you own other funds or stocks which provide exposure to some but not all investment styles and would like a more complete exposure to the equity market.

## ***Principal Risks***

You may lose money by investing in the Portfolio. In addition, investing in the Portfolio involves the following principal risks:

*Active Management Risk.* The Portfolio is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Portfolio will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Portfolio's portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Portfolio because of brokerage charges, spreads or mark-up charges, which may lower the Portfolio's performance. Active trading could raise transaction costs, thereby lowering the Portfolio's returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the Portfolio. As a result, the Portfolio may have large inflows or outflows of cash from time to time. This could have adverse effects on the Portfolio's performance if the Portfolio were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Portfolio's transaction costs.

*Cyber Security Risks.* The Adviser, subadvisers and the Portfolio's service providers' use of the internet, technology and information systems may expose the Portfolio to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the Portfolio's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or Portfolio assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Portfolio does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Equity Risk.* The principal risk of investing in the Portfolio is equity risk. This is the risk that the prices of stocks held by the Portfolio will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Portfolio's shares will go up and down due to movement in the collective returns of the individual securities held by the Portfolio. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*Large-Cap Company Risk.* Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Portfolio to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Portfolio's NAV, causing the Portfolio to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the Portfolio potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the Portfolio's NAV. Declines in the Portfolio's NAV will result from decline in the market prices for specific securities held by the Portfolio. There is also the possibility that the price of the security held by the Portfolio will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

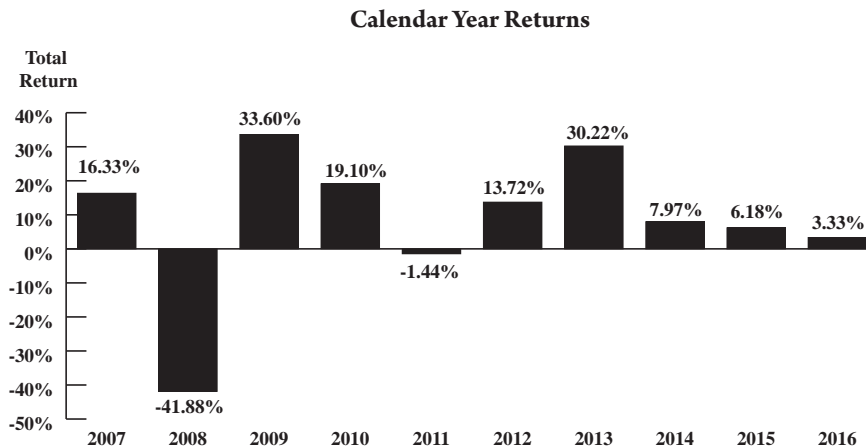
*Multi-Managed Fund Risk.* The Portfolio is a multi-managed fund with multiple subadvisers who employ different strategies. As a result, the Portfolio may have buy and sell transactions in the same security on the same day.

*Quantitative Risk.* Some of the Portfolio's subadvisers portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. A subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashes, or various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the Portfolio. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go undetected for a period of time. In many cases, it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadvisers have many controls and business continuity measures in place designed to assure that the portfolio construction process for the Portfolio operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, a subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the Portfolio and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Portfolio would have been if the subadviser had not adjusted or deviated from the models.

*Style Risk.* Another risk of investing in the Portfolio is the risk that the Portfolio's growth style will perform poorly or fall out of favor with investors. For example, at times the market may favor large capitalization stocks over small capitalization stocks, value stocks over growth stocks, or vice versa.

## Past Performance

The bar chart and the performance table below provide an indication of the risks of investing in the Portfolio by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the Portfolio's average annual total returns compare to those of a broad measure of market performance. The Portfolio's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.



During the periods shown in the bar chart, the highest return for a quarter was 15.69% (quarter ended 3/31/12) and the lowest return for a quarter was (23.30)% (quarter ended 12/31/08).

The returns for the Portfolio's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.

## Average Annual Total Returns (periods ended December 31, 2016)

	<u>1 year</u>	<u>5 years</u>	<u>10 years</u>
Investment Class			
Return Before Taxes .....	3.33%	11.90%	6.40%
Return After Taxes on Distributions .....	0.37%	9.21%	4.75%
Return After Taxes on Distributions and Sale of Shares .....	3.86%	9.10%	4.93%
Institutional Class			
Return Before Taxes .....	3.61%	12.23%	6.75%
Russell 1000® Growth Index (reflects no deduction for fees, expenses or taxes) .....	7.08%	14.50%	8.33%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

## ***Management***

### **Adviser**

*Wilshire Associates Incorporated*

### **Subadvisers and Portfolio Managers**

*Loomis Sayles*

Aziz V. Hamzaogullari, CFA, is Vice President of Loomis Sayles and Portfolio Manager of the Portfolio. Mr. Hamzaogullari has served as Portfolio Manager since September 2015.

*Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Stevens has served as Portfolio Manager since April 2002.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Reynolds has served as Portfolio Manager since January 2011.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Allen has served as Portfolio Manager since January 2011.

*Victory Capital*

Erick F. Maronak, Chief Investment Officer of Victory Capital's NewBridge Asset Management investment franchise and Senior Portfolio Manager of the Portfolio. Mr. Maronak has served as Portfolio Manager since January 2007.

Scott R. Kefer, CFA, Senior Portfolio Manager of the Portfolio. Mr. Kefer has served as Portfolio Manager since January 2007.

Jason E. Dahl, CFA, Senior Portfolio Manager of the Portfolio. Mr. Dahl has served as Portfolio Manager since January 2007.

Michael B. Koskuba, Senior Portfolio Manager of the Portfolio. Mr. Koskuba has served as Portfolio Manager since January 2007.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Portfolio are as follows:

Investment Class Shares. The minimum initial investment in the Portfolio is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the Portfolio must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Portfolio. Subsequent investments must be at least \$100,000.

**To Redeem Shares**

You may sell your shares back to the Portfolio (known as redeeming shares) on any business day by telephone or mail.

***Tax Information***

The Portfolio's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Portfolio through a broker-dealer or other financial intermediary (such as a bank), the Portfolio and its related companies may pay the intermediary for the sale of Portfolio shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Portfolio over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



# Large Company Value Portfolio

## Investment Objective

The Large Company Value Portfolio's (the "Portfolio") investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the large cap value sub-category.

## Fees and Expenses of the Large Company Value Portfolio

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<u>Investment Class</u>	<u>Institutional Class</u>
Management Fees .....	0.75%	0.75%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.26%	0.29%
Total Annual Portfolio Operating Expenses .....	<u>1.26%</u>	<u>1.04%</u>

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio's administration agreement, which became effective on October 1, 2016.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Investment Class .....	\$ 128	\$ 400	\$ 692	\$ 1,523
Institutional Class .....	\$ 106	\$ 331	\$ 574	\$ 1,271

## Portfolio Turnover

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 174% of the average value of its portfolio.

## Principal Investment Strategies

- The Portfolio focuses on the large company value segment of the U.S. equity market.
- The Portfolio invests substantially all of its assets in the common stock of companies with larger market capitalizations—generally greater than \$10 billion at the time of purchase.
- The Portfolio invests, generally, in companies with relatively low price to book value ratios, low price to earnings ratios and higher than average dividend yields (which means that their prices are low relative to the size of their dividends).

- The Portfolio uses a multi-manager strategy with multiple subadvisers who employ different strategies. Each subadviser's strategy is set forth below:

*Los Angeles Capital Management and Equity Research, Inc. ("Los Angeles Capital").* In managing its portion of the Portfolio, Los Angeles Capital uses its Dynamic Alpha Stock Selection Model®, a proprietary model, which seeks to generate incremental returns above the Portfolio's benchmark, the Russell 1000® Value Index, while attempting to control investment risk relative to the benchmark. Securities with declining alphas or those which increase portfolio risk may become sell candidates while securities with improving alphas or those which decrease portfolio risk may become buy candidates. Alpha is a measure of expected performance on a risk adjusted basis.

*Pzena Investment Management, LLC ("Pzena").* Pzena focuses exclusively on companies that it believes are underperforming their historically demonstrated earnings power. Pzena applies intensive fundamental research to such companies to determine whether the problems that caused the earnings shortfalls are temporary or permanent. Pzena invests in a company only when it judges that the company's problems are temporary, the company's management has a viable strategy to generate earnings recovery, and Pzena believes there is meaningful downside protection in case the earnings recovery does not materialize. Pzena generally sells a security when it believes there are more attractive opportunities available, or there is a change in the fundamental characteristics of the issuer.

*Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS").* BHMS is a value-oriented manager with a bottom-up, fundamentally driven investment process that emphasizes total return produced from a combination of cash dividends, growth of dividends and capital appreciation. In managing its portion of the Portfolio, BHMS utilizes its active investment approach, designed to protect assets and generate current income in declining markets and to produce attractive capital appreciation in robust market environments. BHMS takes a contrarian approach that looks for stocks with attractive valuations.

The Portfolio may appeal to you if:

- you are a long-term investor;
- you seek growth of capital;
- you believe that the market will favor a particular investment style, such as large cap value stocks, over other investment styles in the long term and you want a more focused exposure to that investment style; or
- you own other funds or stocks which provide exposure to some but not all investment styles and would like a more complete exposure to the equity market.

## ***Principal Risks***

You may lose money by investing in the Portfolio. In addition, investing in the Portfolio involves the following principal risks:

*Active Management Risk.* The Portfolio is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Portfolio will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Portfolio's portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Portfolio because of brokerage charges, spreads or mark-up charges, which may lower the Portfolio's performance. Active trading could raise transaction costs, thereby lowering the Portfolio's returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the Portfolio. As a result, the Portfolio may have large inflows or outflows of cash from time to time. This could have adverse effects on the Portfolio's performance if the Portfolio were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Portfolio's transaction costs.

*Cyber Security Risks.* The Adviser, subadvisers and the Portfolio's service providers' use of the internet, technology and information systems may expose the Portfolio to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the Portfolio's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or Portfolio assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Portfolio does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Equity Risk.* The principal risk of investing in the Portfolio is equity risk. This is the risk that the prices of stocks held by the Portfolio will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Portfolio's shares will go up and down due to movement in the collective returns of the individual securities held by the Portfolio. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*Foreign Investment Risk.* Foreign investments often involve risks such as political instability, differences in financial reporting standards and less stringent regulation of securities markets.

*Large-Cap Company Risk.* Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Portfolio to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Portfolio's NAV, causing the Portfolio to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the Portfolio potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the Portfolio's NAV. Declines in the Portfolio's NAV will result from decline in the market prices for specific securities held by the Portfolio. There is also the possibility that the price of the security held by the Portfolio will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

*Multi-Managed Fund Risk.* The Portfolio is a multi-managed fund with multiple subadvisers who employ different strategies. As a result, the Portfolio may have buy and sell transactions in the same security on the same day.

*Portfolio Turnover Risk.* The Portfolio may experience high rates of portfolio turnover, which may result in above average transaction costs and the payment by shareholders of taxes on above-average amounts of realized investment gains, including net short-term capital gains, which are taxed as ordinary income for federal income tax purposes.

*Quantitative Risk.* Some of the Portfolio's subadvisers portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. A subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashers, or various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the Portfolio. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go

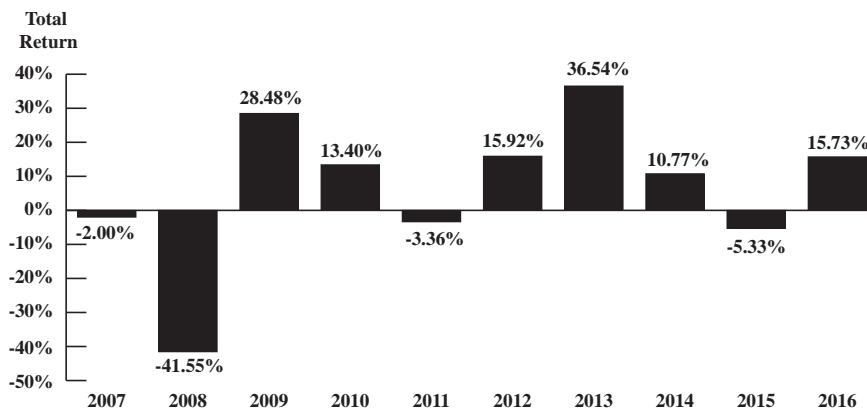
undetected for a period of time. In many cases, it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadvisers have many controls and business continuity measures in place designed to assure that the portfolio construction process for the Portfolio operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, a subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the Portfolio and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Portfolio would have been if the subadviser had not adjusted or deviated from the models.

*Style Risk.* Another risk of investing in the Portfolio is the risk that the Portfolio's value style will perform poorly or fall out of favor with investors. For example, at times the market may favor large capitalization stocks over small capitalization stocks, value stocks over growth stocks, or vice versa.

### **Past Performance**

The bar chart and the performance table below provide an indication of the risks of investing in the Large Company Value Portfolio by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the Portfolio's average annual total returns compare to those of a broad measure of market performance. The chart and table assume reinvestment of dividends and distributions. The Portfolio's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.

**Calendar Year Returns**



During the periods shown in the bar chart, the highest return for a quarter was 21.38% (quarter ended 9/30/09) and the lowest return for a quarter was (22.30)% (quarter ended 12/31/08).

The returns for the Portfolio's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.

**Average Annual Total Returns**  
**(periods ended December 31, 2016)**

	<u>1 year</u>	<u>5 years</u>	<u>10 years</u>
Investment Class			
Return Before Taxes .....	15.73%	13.95%	4.48%
Return After Taxes on Distributions .....	13.85%	12.38%	3.25%
Return After Taxes on Distributions and Sale of Shares .....	9.72%	10.91%	3.37%
Institutional Class			
Return Before Taxes .....	15.78%	14.18%	4.68%
Russell 1000 Value Index (reflects no deduction for fees, expenses or taxes) .....	17.34%	14.80%	5.72%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

***Management***

**Adviser**

*Wilshire Associates Incorporated*

**Subadvisers and Portfolio Managers**

*Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Stevens has served as Portfolio Manager since April 2013.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Reynolds has served as Portfolio Manager since April 2013.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Allen has served as Portfolio Manager since April 2013.

*Pzena*

Richard S. Pzena, Managing Principal and Chief Executive Officer and Co-Chief Investment Officer of Pzena and Portfolio Manager of the Portfolio. Mr. Pzena has served as Portfolio Manager since December 2004.

Benjamin Silver, Principal of Pzena and Portfolio Manager of the Portfolio. Mr. Silver has served as Portfolio Manager since May 2015.

John Flynn, Principal of Pzena and Portfolio Manager of the Portfolio. Mr. Flynn has served as Portfolio Manager since January 2017.

*BHMS*

Ray Nixon, Jr., Executive Director of BHMS and Portfolio Manager of the Portfolio. Mr. Nixon has served as Portfolio Manager since June 2016.

Lewis Ropp, Managing Director of BHMS and Portfolio Manager of the Portfolio. Mr. Ropp has served as Portfolio Manager since June 2016.

Brian Quinn, CFA, Director of BHMS and Portfolio Manager of the Portfolio. Mr. Quinn has served as Portfolio Manager since June 2016.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Portfolio are as follows:

Investment Class Shares. The minimum initial investment in the Portfolio is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the Portfolio must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Portfolio. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the Portfolio (known as redeeming shares) on any business day by telephone or mail.

## ***Tax Information***

The Portfolio's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

## ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Portfolio through a broker-dealer or other financial intermediary (such as a bank), the Portfolio and its related companies may pay the intermediary for the sale of Portfolio shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Portfolio over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## Small Company Growth Portfolio

### *Investment Objective*

The Small Company Growth Portfolio's (the "Portfolio") investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the small-cap growth sub-category.

### *Fees and Expenses of the Small Company Growth Portfolio*

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.85%	0.85%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.48%	0.49%
Total Annual Portfolio Operating Expenses .....	1.58%	1.34%
Less Fee Waiver <sup>(2)</sup> .....	(0.07%)	(0.07%)
Total Annual Portfolio Operating Expenses After Fee Waiver .....	1.51%	1.27%

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio's administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated ("Wilshire") has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the "Company"), on behalf of the Portfolio to waive a portion of its management fee to limit expenses of the Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2018 or upon the termination of the Advisory Agreement. To the extent that the Portfolio's expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived/expenses reimbursed within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver/expense reimbursement.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes one year of capped expenses, that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 154	\$ 477	\$ 824	\$ 1,802
Institutional Class .....	\$ 129	\$ 403	\$ 697	\$ 1,534

### **Portfolio Turnover**

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 114% of the average value of its portfolio.

## ***Principal Investment Strategies***

- The Portfolio focuses on the small company growth segment of the U.S. equity market.
- The Portfolio invests substantially all of its assets in the common stock of companies with smaller market capitalizations—which is market capitalizations one or both of the following: less than \$4 billion or within the range of companies comprising the Russell 2000 Growth Index (as of March 31, 2017, this range was between approximately \$19 million and \$13.2 billion) at the time of purchase.
- The Portfolio invests in companies that historically have above average earnings or sales growth and retention of earnings, often such companies have above average price to earnings ratios.
- The Portfolio places less emphasis on companies with a long history of established growth than the Large Company Growth Portfolio.
- The Portfolio invests in small-cap companies that may still further develop.
- The Portfolio uses a multi-manager strategy with multiple subadvisers who employ different strategies. Each subadviser's strategy is set forth below:

*Los Angeles Capital Management and Equity Research, Inc. ("Los Angeles Capital")*. In managing its portion of the Portfolio, Los Angeles Capital uses its Dynamic Alpha Stock Selection Model®, a proprietary model, which seeks to generate incremental returns above the Portfolio's benchmark, the Russell 2000® Growth Index, while attempting to control investment risk relative to the benchmark. Securities with declining alphas or those which increase portfolio risk may become sell candidates while securities with improving alphas or those which decrease portfolio risk may become buy candidates. Alpha is a measure of expected performance on a risk adjusted basis.

*Ranger Investment Management, L.P. ("Ranger")*. Ranger's investment team searches for quality growth companies by implementing a bottom-up, fundamental research driven security selection process. In the research process, Ranger focuses on identifying small- and mid-capitalization U.S. issuers characterized by accelerating revenue and earnings growth, high recurring revenues, strong balance sheets and free cash flow generation. In addition to extensive quantitative analysis, Ranger gives careful consideration to qualitative analysis and judgment of the management team, accounting practices, corporate governance, and the company's competitive advantage. Ranger utilizes a proprietary system to identify companies that violate the firm's sell disciplines. Ranger seeks to identify problem stocks early and enhance performance by removing them before they become significant problems.

The Portfolio may appeal to you if:

- you are a long-term investor;
- you seek growth of capital;
- you believe that the market will favor a particular investment style, such as small-cap growth stocks, over other investment styles in the long term and you want a more focused exposure to that investment style; or
- you own other funds or stocks which provide exposure to some but not all investment styles and would like a more complete exposure to the equity market.

## ***Principal Risks***

You may lose money by investing in the Portfolio. In addition, investing in the Portfolio involves the following principal risks:

*Active Management Risk*. The Portfolio is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Portfolio will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Portfolio's portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.



*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Portfolio because of brokerage charges, spreads or mark-up charges, which may lower the Portfolio's performance. Active trading could raise transaction costs, thereby lowering the Portfolio's returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the Portfolio. As a result, the Portfolio may have large inflows or outflows of cash from time to time. This could have adverse effects on the Portfolio's performance if the Portfolio were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Portfolio's transaction costs.

*Cyber Security Risks.* The Adviser, subadvisers and the Portfolio's service providers' use of the internet, technology and information systems may expose the Portfolio to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the Portfolio's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or Portfolio assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Portfolio does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Equity Risk.* The principal risk of investing in the Portfolio is equity risk. This is the risk that the prices of stocks held by the Portfolio will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Portfolio's shares will go up and down due to movement in the collective returns of the individual securities held by the Portfolio. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Portfolio to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Portfolio's NAV, causing the Portfolio to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the Portfolio potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the Portfolio's NAV. Declines in the Portfolio's NAV will result from decline in the market prices for specific securities held by the Portfolio. There is also the possibility that the price of the security held by the Portfolio will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

*Multi-Managed Fund Risk.* The Portfolio is a multi-managed fund with multiple subadvisers who employ different strategies. As a result, the Portfolio may have buy and sell transactions in the same security on the same day.

*Portfolio Turnover Risk.* The Portfolio may experience high rates of portfolio turnover, which may result in above average transaction costs and the payment by shareholders of taxes on above-average amounts of realized investment gains, including net short-term capital gains, which are taxed as ordinary income for federal income tax purposes.

*Quantitative Risk.* Some of the Portfolio's subadvisers portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. A subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashers, or

various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the Portfolio. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go undetected for a period of time. In many cases, it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadvisers have a number of controls and business continuity measures in place designed to assure that the portfolio construction process for the Portfolio operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, a subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the Portfolio and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Portfolio would have been if the subadviser had not adjusted or deviated from the models.

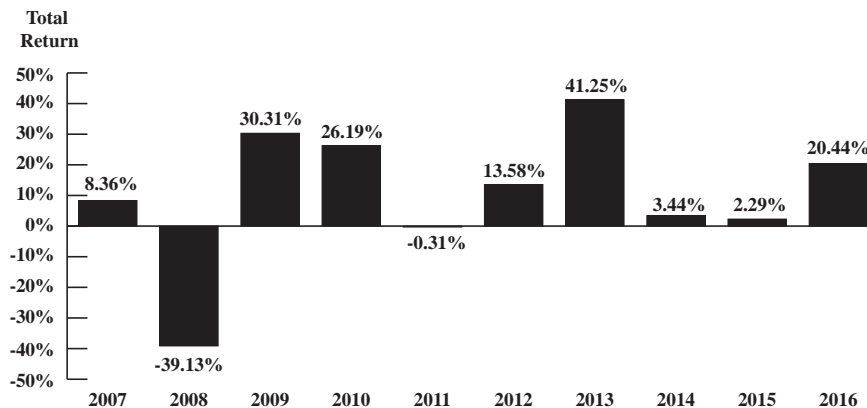
**Small-Cap Risk.** Small-cap companies may lack the management experience, financial resources, product diversity and competitive strengths of larger companies, and may be traded less frequently. These companies may be in the developmental stage or may be older companies undergoing significant changes. Small-cap companies may also be subject to greater business risks and more sensitive to changes in economic conditions than larger more established companies. As a result, the prices of small-cap companies may rise and fall more sharply.

**Style Risk.** Another risk of investing in the Portfolio is the risk that the Portfolio's growth style will perform poorly or fall out of favor with investors. For example, at times the market may favor large capitalization stocks over small capitalization stocks, value stocks over growth stocks, or vice versa.

## Past Performance

The bar chart and the performance table below provide an indication of the risks of investing in the Portfolio by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the Portfolio's average annual total returns compare to those of a broad measure of market performance. The Portfolio's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.

**Calendar Year Returns**



During the periods shown in the bar chart, the highest return for a quarter was 18.16% (quarter ended 6/30/09) and the lowest return for a quarter was (26.62)% (quarter ended 12/31/08).

The returns for the Portfolio's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.

**Average Annual Total Returns**  
**(periods ended December 31, 2016)**

	<u>1 year</u>	<u>5 years</u>	<u>10 years</u>
Investment Class			
Return Before Taxes .....	20.44%	15.38%	8.25%
Return After Taxes on Distributions .....	16.67%	13.63%	7.14%
Return After Taxes on Distributions and Sale of Shares .....	13.31%	12.03%	6.49%
Institutional Class			
Return Before Taxes .....	20.79%	15.66%	8.51%
Russell 2000 Growth Index (reflects no deduction for fees, expenses or taxes) .....	11.32%	13.74%	7.76%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

***Management***

**Adviser**

*Wilshire Associates Incorporated*

**Subadvisers and Portfolio Managers**

*Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Stevens has served as Portfolio Manager since April 2002.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Reynolds has served as Portfolio Manager since January 2011.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Allen has served as Portfolio Manager since January 2011.

*Ranger*

W. Conrad Doenges, Principal and Chief Investment Officer of Ranger and Portfolio Manager of the Portfolio. Mr. Doenges has served as Portfolio Manager since September 2007.

Andrew Hill, Principal and Portfolio Manager of Ranger and Portfolio Manager of the Portfolio. Mr. Hill has served as Portfolio Manager since May 2017.

Joseph LaBate, Principal and Portfolio Manager of Ranger and Portfolio Manager of the Portfolio. Mr. LaBate has served as Portfolio Manager since May 2017.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Portfolio are as follows:

Investment Class Shares. The minimum initial investment in the Portfolio is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the Portfolio must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Portfolio. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the Portfolio (known as redeeming shares) on any business day by telephone or mail.

### ***Tax Information***

The Portfolio's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

### ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Portfolio through a broker-dealer or other financial intermediary (such as a bank), the Portfolio and its related companies may pay the intermediary for the sale of Portfolio shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Portfolio over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## Small Company Value Portfolio

### Investment Objective

The Small Company Value Portfolio's (the "Portfolio") investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the small-cap value sub-category.

### Fees and Expenses of the Small Company Value Portfolio

This table describes the fees and expenses that you may pay if you buy and hold shares of the Portfolio.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.85%	0.85%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.49%	0.50%
Total Annual Portfolio Operating Expenses .....	1.59%	1.35%
Less Fee Waiver <sup>(2)</sup> .....	(0.08%)	(0.08%)
Total Annual Portfolio Operating Expenses After Fee Waiver .....	1.51%	1.27%

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Portfolio's administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated ("Wilshire") has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the "Company"), on behalf of the Portfolio to waive a portion of its management fee to limit expenses of the Portfolio (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2017 or upon the termination of the Advisory Agreement. To the extent that the Fund's expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived/expenses reimbursed within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver/expense reimbursement.

**Example:** This example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes one year of capped expenses, that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 154	\$ 477	\$ 824	\$ 1,802
Institutional Class .....	\$ 129	\$ 403	\$ 697	\$ 1,534

### Portfolio Turnover

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 99% of the average value of its portfolio.

## ***Principal Investment Strategies***

- The Portfolio focuses on the small company value segment of the U.S. equity market.
- The Portfolio invests substantially all of its assets in the common stock of companies with smaller market capitalizations—which is one or both of the following: less than \$4 billion or within the range of companies comprising the Russell 2000 Value Index (as of March 31, 2017, this range was between approximately \$35 million and \$13.7 billion) at the time of purchase.
- The Portfolio invests, generally, in companies with relatively low price to book value ratios, low price to earnings ratios and relatively high dividend yields (dividend yields for small companies are generally less than those of large companies).
- The Portfolio invests in small-cap companies that may still further develop.
- The Portfolio uses a multi-manager strategy with multiple subadvisers who employ different strategies. Each subadviser's strategy is set forth below:

*Los Angeles Capital Management and Equity Research, Inc. ("Los Angeles Capital").* In managing its portion of the Portfolio, Los Angeles Capital uses its Dynamic Alpha Stock Selection Model®, a proprietary model, which seeks to generate incremental returns above the Portfolio's benchmark, the Russell 2000® Value Index, while attempting to control investment risk relative to the benchmark. Securities with declining alphas or those which increase portfolio risk may become sell candidates while securities with improving alphas or those which decrease portfolio risk may become buy candidates. Alpha is a measure of expected performance on a risk adjusted basis.

*NWQ Investment Management Company, LLC ("NWQ").* NWQ seeks to provide superior risk-adjusted returns through an analyst-driven value-oriented process. NWQ invests in companies which it believes are undervalued and where it believes catalysts exist to unlock value or improve profitability regardless of market movements or industry developments. Investment decisions are made on an opportunistic basis, capitalizing on NWQ's evaluation of situations created by investor over-reaction, misperception, and short-term focus. NWQ's stock selection process is driven by rigorous bottom-up fundamental research. Quantitative measures include price-to-cash flow, price-to-sales, price-to-earnings, price-to-book, and earnings quality. Qualitatively, NWQ focuses on management strength, corporate strategy, competitive position, and shareholder value orientation. NWQ does extensive bottom-up research on each current and potential common stock holding, having direct contact with corporate management and assessing the expected risk/reward ratio of an investment to determine the absolute downside versus the expected upside. NWQ typically either eliminates or trims positions when NWQ believes a security no longer meets the three criteria at the core of its investment discipline: attractive valuation, favorable risk/reward ratio and belief in a catalyst.

The Portfolio may appeal to you if:

- you are a long-term investor;
- you seek growth of capital;
- you believe that the market will favor a particular investment style, such as small-cap value stocks, over other investment styles in the long term and you want a more focused exposure to that investment style; or
- you own other funds or stocks which provide exposure to some but not all investment styles and would like a more complete exposure to the equity market.

## ***Principal Risks***

You may lose money by investing in the Portfolio. In addition, investing in the Portfolio involves the following principal risks:

*Active Management Risk.* The Portfolio is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Portfolio will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Portfolio's portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Portfolio because of brokerage charges, spreads or mark-up charges, which may lower the Portfolio's performance. Active trading could raise transaction costs, thereby lowering the Portfolio's returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the Portfolio. As a result, the Portfolio may have large inflows or outflows of cash from time to time. This could have adverse effects on the Portfolio's performance if the Portfolio were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Portfolio transaction costs.

*Cyber Security Risks.* The Adviser, subadvisers and the Portfolio's service providers' use of the internet, technology and information systems may expose the Portfolio to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the Portfolio's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or Portfolio assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Portfolio does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Equity Risk.* The principal risk of investing in the Portfolio is equity risk. This is the risk that the prices of stocks held by the Portfolio will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Portfolio's shares will go up and down due to movement in the collective returns of the individual securities held by the Portfolio. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Portfolio to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Portfolio's NAV, causing the Portfolio to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the Portfolio potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the Portfolio's NAV. Declines in the Portfolio's NAV will result from decline in the market prices for specific securities held by the Portfolio. There is also the possibility that the price of the security held by the Portfolio will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

*Multi-Managed Fund Risk.* The Portfolio is a multi-managed fund with multiple subadvisers who employ different strategies. As a result, the Portfolio may have buy and sell transactions in the same security on the same day.

*Quantitative Risk.* Some of the Portfolio's subadvisers portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. A subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashers, or various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the Portfolio. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go undetected for a period of time. In many cases, it is not

possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadvisers have many controls and business continuity measures in place designed to assure that the portfolio construction process for the Portfolio operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, a subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the Portfolio and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Portfolio would have been if the subadviser had not adjusted or deviated from the models.

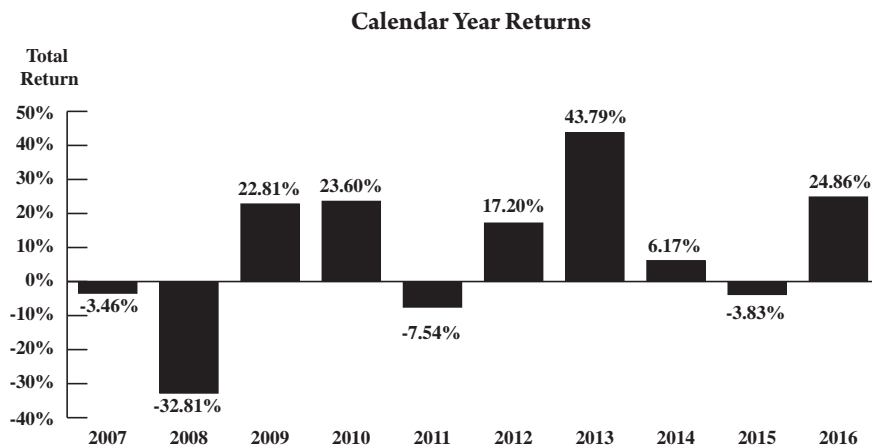
**Small-Cap Risk.** Small-cap companies may lack the management experience, financial resources, product diversity and competitive strengths of larger companies, and may be traded less frequently. These companies may be in the developmental stage or may be older companies undergoing significant changes. Small-cap companies may also be subject to greater business risks and more sensitive to changes in economic conditions than larger more established companies. As a result, the prices of small-cap companies may rise and fall more sharply.

**Style Risk.** Another risk of investing in the Portfolio is the risk that the Portfolio's value style will perform poorly or fall out of favor with investors. For example, at times the market may favor large capitalization stocks over small capitalization stocks, value stocks over growth stocks, or vice versa.

### **Past Performance**

The bar chart and the performance table below provide an indication of the risks of investing in the Portfolio by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the Portfolio's average annual total returns compare to those of a broad measure of market performance. The Portfolio's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.

Performance during 2014 was primarily attributable to the Portfolio's holdings of Integrated Device Technology and International Rectifier (specifically during the third quarter).



During the periods shown in the bar chart, the highest return for a quarter was 25.22% (quarter ended 9/30/09) and the lowest return for a quarter was (24.52)% (quarter ended 12/31/08).

The returns for the Portfolio's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.



**Average Annual Total Returns**  
**(periods ended December 31, 2016)**

	<u>1 year</u>	<u>5 years</u>	<u>10 years</u>
Investment Class			
Return Before Taxes .....	24.86%	16.53%	6.94%
Return After Taxes on Distributions .....	21.77%	14.74%	5.86%
Return After Taxes on Distributions and Sale of Shares .....	15.44%	13.02%	5.37%
Institutional Class			
Return Before Taxes .....	25.16%	16.83%	7.29%
Russell 2000 Value Index (reflects no deduction for fees, expenses or taxes) .....	31.74%	15.07%	6.26%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their Portfolio shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

***Management***

**Adviser**

*Wilshire Associates Incorporated*

**Subadvisers and Portfolio Managers**

*Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Stevens has served as Portfolio Manager since April 2002.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Reynolds has served as Portfolio Manager since January 2011.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Allen has served as Portfolio Manager since January 2011.

*NWQ*

Phyllis G. Thomas, CFA, is a Senior Managing Director of NWQ and has served as a Portfolio Manager of NWQ since 1996. Ms. Thomas has served as Portfolio Manager of the Portfolio since April 2013 and previously served as Portfolio Manager of the Portfolio from October 2004 to June 2011.

Andrew C. Hwang, is a Managing Director, Portfolio Manager and Equity Analyst of NWQ. Mr. Hwang has served as Portfolio Manager of the Portfolio since February 2016.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Portfolio are as follows:

Investment Class Shares. The minimum initial investment in the Portfolio is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the Portfolio must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Portfolio. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the Portfolio (known as redeeming shares) on any business day by telephone or mail.

### ***Tax Information***

The Portfolio's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

### ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Portfolio through a broker-dealer or other financial intermediary (such as a bank), the Portfolio and its related companies may pay the intermediary for the sale of Portfolio shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Portfolio over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Wilshire 5000 Index<sup>SM</sup> Fund

## Investment Objective

The Wilshire 5000 Index<sup>SM</sup> Fund's (the "Index Fund") investment objective is to replicate as closely as possible the performance of the Wilshire 5000 Index<sup>SM</sup> (the "Index") before the deduction of Index Fund expenses.

## Fees and Expenses of the Wilshire 5000 Index<sup>SM</sup> Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Index Fund.

**Annual Portfolio Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.10%	0.10%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.32%	0.26%
<b>Total Annual Fund Operating Expenses .....</b>	<b>0.67%</b>	<b>0.36%</b>

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Index Fund's administration agreement, which became effective on October 1, 2016.

**Example:** This example is intended to help you compare the cost of investing in the Index Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Index Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 68	\$ 214	\$ 373	\$ 835
Institutional Class .....	\$ 37	\$ 116	\$ 202	\$ 456

## Portfolio Turnover

The Index Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the Index Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Index Fund's performance. During the most recent fiscal year, the Index Fund's portfolio turnover rate was 5% of the average value of its portfolio.

## Principal Investment Strategies

- The Index Fund invests at least 80% of its assets in the common stock of companies included in the Index that are representative of the Index.
- The Index Fund may invest in the common stock of companies of any size, including small-cap companies.
- The Index Fund uses enhanced "stratified sampling" techniques in an attempt to replicate the performance of the Index. Stratified sampling is a technique that uses sector weighting and portfolio characteristics profiling to keep the Index Fund within acceptable parameter ranges relative to the benchmark.
- The Index Fund normally holds stocks representing at least 90% of the total market value of the Index.

The Index is an unmanaged index that measures the performance of all equity securities of U.S. headquartered issuers with readily available price data. The Index includes over 3,500 stocks, with each stock weighted according to its market value. This means that companies having larger stock capitalizations will have a larger impact on the market value of the Index. The Index has been computed continuously since 1974 and is published daily in many major U.S. news outlets and is the broadest measure of the U.S. equity market. The Index Fund normally holds stocks representing at least 90% of the Index's total market value, which ranges between 1,500 and 3,000 stocks.

The Index Fund may appeal to you if:

- you are a long-term investor;
- you seek growth of capital;
- you seek to capture investment returns that are representative of the entire U.S. equity market;
- you seek to potentially reduce risk through broad diversification across large and small capitalization stocks and value and growth stocks; or
- you seek an index fund which, unlike a traditional index fund, includes the common stocks of small- and mid-capitalization companies as well as large capitalization companies.

### ***Principal Risks***

You may lose money by investing in the Index Fund. In addition, investing in the Index Fund involves the following principal risks:

*Cyber Security Risks.* The Adviser, subadviser and the Portfolio's service providers' use of the internet, technology and information systems may expose the Portfolio to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the Portfolio's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or Portfolio assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Portfolio does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Equity Risk.* The principal risk of investing in the Index Fund is equity risk. This is the risk that the prices of stocks held by the Index Fund will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Index Fund's shares will go up and down due to movement in the collective returns of the individual securities held by the Index Fund. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*Index Risk.* There is a risk that the Index Fund's performance may not exactly match the performance of the Index. The Index Fund does not hold every stock contained in the Index and the performance of the stocks held in the Index Fund may not track exactly the performance of the stocks held in the Index. Furthermore, unlike the Index, the Index Fund incurs management fees, 12b-1 fees (for Investment Class Shares only), administrative expenses and transaction costs in trading stocks.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Index Fund to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Index Fund's NAV, causing the Index Fund to sell the investment at a lower market price and unable to realize what a subadviser believes

should be the price of the investment. In addition, the Index Fund potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

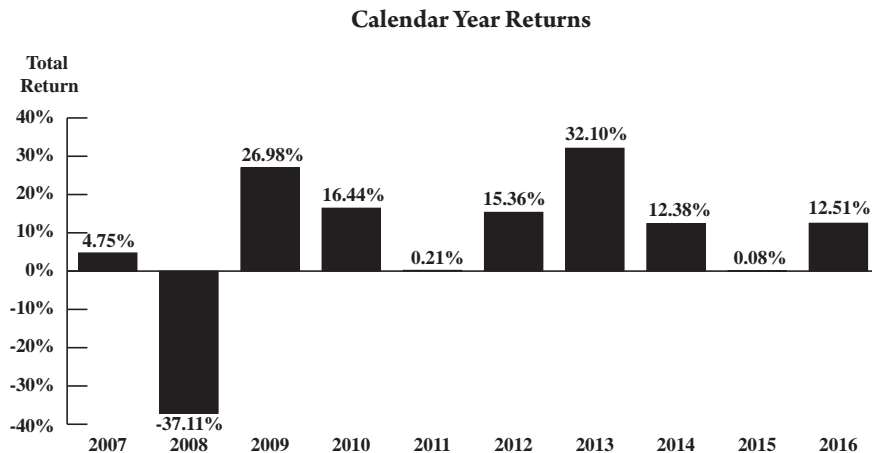
*Market Risk.* For equity securities, stock market movements may affect the Index Fund's NAV. Declines in the Index Fund's NAV will result from decline in the market prices for specific securities held by the Index Fund. There is also the possibility that the price of the security held by the Index Fund will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

*Small-Cap Risk.* Small-cap companies may lack the management experience, financial resources, product diversity and competitive strengths of larger companies, and may be traded less frequently. These companies may be in the developmental stage or may be older companies undergoing significant changes. Small-cap companies may also be subject to greater business risks and more sensitive to changes in economic conditions than larger more established companies. As a result, the prices of small-cap companies may rise and fall more sharply.

*Quantitative Risk.* The Portfolio's subadviser's portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. The subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashers, or various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the Portfolio. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go undetected for a period of time. In many cases, it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadviser has many controls and business continuity measures in place designed to assure that the portfolio construction process for the Portfolio operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, the subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the Portfolio and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Portfolio would have been if the subadviser had not adjusted or deviated from the models.

## Past Performance

The bar chart and the performance table below provide an indication of the risks of investing in the Index Fund by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the Portfolio's average annual total returns compare to those of a broad measure of market performance. The Index Fund's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.



During the periods shown in the bar chart, the highest return for a quarter was 16.27% (quarter ended 9/30/09) and the lowest return for a quarter was (22.36)% (quarter ended 12/31/08).

The returns for the Index Fund's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.

### Average Annual Total Returns (periods ended December 31, 2016)

	<u>1 year</u>	<u>5 years</u>	<u>10 years</u>
Investment Class			
Return Before Taxes .....	12.51%	14.04%	6.53%
Return After Taxes on Distributions .....	10.86%	13.45%	6.11%
Return After Taxes on Distributions and Sale of Shares .....	8.26%	11.25%	5.21%
Institutional Class			
Return Before Taxes .....	12.81%	14.31%	6.76%
Wilshire 5000 Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes) .....	13.37%	14.71%	7.17%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their Index Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

## ***Management***

### **Adviser**

*Wilshire Associates Incorporated*

### **Subadviser and Portfolio Managers**

*Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Stevens has served as Portfolio Manager since April 2002.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Reynolds has served as Portfolio Manager since January 2011.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the Portfolio. Mr. Allen has served as Portfolio Manager since January 2011.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Index Fund are as follows:

Investment Class Shares. The minimum initial investment in the Index Fund is \$1,000. Subsequent investments for the Index Fund must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Index Fund. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the Index Fund (known as redeeming shares) on any business day by telephone or mail.

## ***Tax Information***

The Index Fund's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

## ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Index Fund through a broker-dealer or other financial intermediary (such as a bank), the Index Fund and its related companies may pay the intermediary for the sale of Index Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Index Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Wilshire International Equity Fund

## Investment Objective

The Wilshire International Equity Fund (the “International Fund”) seeks capital appreciation.

## Fees and Expenses of the International Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the International Fund.

### Shareholder Fees (fees paid directly from your investment)

	<u>Investment Class</u>	<u>Institutional Class</u>
Maximum Sales Charge (load) imposed on purchases .....	None	None
Maximum Deferred Sales Charge (load) .....	None	None
Redemption Fee (as a percentage of amount redeemed) on Shares held for 60 days or less .....	1.00%	1.00%
Maximum Account Fee .....	None	None

### Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	<u>Investment Class</u>	<u>Institutional Class</u>
Management Fees .....	1.00%	1.00%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.73%	0.31%
Total Annual Fund Operating Expenses .....	1.98%	1.31%
Less Fee Waiver <sup>(2)</sup> .....	(0.46%)	(0.04%)
Total Annual Fund Operating Expenses After Fee Waiver .....	<u>1.52%</u>	<u>1.27%</u>

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Fund’s administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated (“Wilshire”) has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the “Company”), on behalf of the International Fund to waive a portion of its management fee to limit expenses of the International Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2018 or upon the termination of the Advisory Agreement. To the extent that the International Fund’s expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation.

**Example:** This example is intended to help you compare the cost of investing in the International Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes one year of capped expenses, that your investment has a 5% return each year and that the International Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Investment Class .....	\$ 155	\$ 480	\$ 829	\$ 1,813
Institutional Class .....	\$ 129	\$ 403	\$ 697	\$ 1,534



## **Portfolio Turnover**

The International Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when International Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the International Fund’s performance. During the most recent fiscal year, the International Fund’s portfolio turnover rate was 79% of the average value of its portfolio.

## **Principal Investment Strategies**

The International Fund invests, under normal circumstances, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Fund invests in companies organized outside of the United States. Since the Fund may invest in companies of any size, it may at times invest in small-cap companies. The International Fund intends to diversify its investments in operating companies among at least three different countries. The International Fund primarily invests in equity securities of established companies that the subadvisers believe have favorable characteristics and that are listed on foreign exchanges. The International Fund may invest up to 35% of its net assets in emerging market securities, including exchange-traded funds (“ETFs”). The International Fund may also invest in fixed-income securities of foreign governments and companies.

The International Fund uses a multi-manager strategy with subadvisers who may employ different strategies. Each of Cambiar Investors, LLC (“Cambiar”), WCM Investment Management (“WCM”) and Los Angeles Capital Management and Equity Research, Inc. (“Los Angeles Capital”) manage a portion of the International Fund’s portfolio.

Cambiar utilizes a relative value qualitative investment discipline. Cambiar seeks quality companies that are trading at the lower end of their long-term valuation range, yet possess a catalyst that can enable the company to generate improved operating performance over a forward one- to two-year timeframe.

WCM’s international equity strategy employs a bottom-up approach that seeks to identify companies with attractive fundamentals, such as long-term growth in revenue and earnings, and that show a strong probability for superior future growth.

Los Angeles Capital uses its Dynamic Alpha Stock Selection Model<sup>®</sup>, a proprietary model, which seeks to generate incremental returns above the MSCI All Country World Index ex U.S.<sup>®</sup> Index, while attempting to control investment risk relative to that index. Securities with declining alphas or those that increase portfolio risk may become sell candidates while securities with improving alphas or those which decrease portfolio risk may become buy candidates. Alpha is a measure of expected performance on a risk-adjusted basis.

## **Principal Risks**

You may lose money investing in the International Fund. In addition, investing in the International Fund involves the following principal risks:

*Active Management Risk.* The Fund is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Fund will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Fund’s portfolio. There is no guarantee that the investment objective of the Fund will be achieved.

*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Fund because of brokerage charges, spreads or mark-up charges, which may lower the Fund’s performance. Active trading could raise transaction costs, thereby lowering the Fund’s returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the International Fund. As a result, the International Fund may have large inflows or outflows of cash from time to time. This could have adverse effects on the International Fund's performance if the International Fund were required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the International Fund's transaction costs.

*Asset Allocation Risk.* Although asset allocation among different asset categories and investment strategies generally reduces risk and exposure to any one category or strategy, the risk remains that the Adviser may favor an asset category or investment strategy that performs poorly relative to other asset categories and investment strategies.

*Currency Risk.* Non-U.S. dollar-denominated securities are subject to fluctuations in the exchange rates between the U.S. dollar and foreign currencies which may negatively affect an investment. Adverse changes in exchange rates may erode or reverse any gains produced by foreign currency denominated investments, and may widen any losses.

*Cyber Security Risks.* The Adviser, subadvisers and the International Fund's service providers' use of the internet, technology and information systems may expose the International Fund to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the International Fund's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or International Fund assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the International Fund does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Emerging Market Risk.* Foreign investment risk may be particularly high to the extent the International Fund invests in securities of issuers based in countries with developing economies (i.e., emerging markets). These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign (non-U.S.) countries.

*Equity Risk.* A principal risk of investing in the International Fund is equity risk. This is the risk that the prices of stocks held by the International Fund will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the International Fund's shares will go up and down due to movement in the collective returns of the individual securities held by the International Fund. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stock shareholders.

*ETF Risk.* ETFs in which the International Fund may invest involve certain inherent risks generally associated with investments in a portfolio of common stocks, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weightings of securities of the number of stocks held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses.

*Foreign Investment Risk.* Foreign investments often involve risks such as political instability, differences in financial reporting standards and less stringent regulation of securities markets.

*Geographic Concentration Risks.* There is the risk that investments could be concentrated in companies located in similar regions with similar reactions to political, social, and economic developments with the potential for being adversely affected by legislative changes affecting the values of companies in such regions.

*Globalization Risks.* There is a risk that the growing interrelationship of all global economies and financial markets has increased the effect of conditions in one country or region on issuers of securities in a different country or region.

*Large-Cap Company Risk.* Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the International Fund to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the International Fund's NAV, causing the Fund to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the International Fund potentially will be unable to pay redemption proceeds within the allowable period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the International Fund's NAV. Declines in the International Fund's NAV will result from decline in the market prices for specific securities held by the International Fund. There is also the possibility that the price of the security held by the International Fund will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. Market risk may affect a single security, company, industry, sector or the entire market.

*Multi-Managed Fund Risk.* The International Fund is a multi-managed fund with multiple subadvisers who employ different strategies. As a result, the International Fund may have buy and sell transactions in the same security on the same day.

*Quantitative Risk.* Some of the International Fund's subadvisers' portfolio construction process relies on the use of proprietary and non-proprietary software, and intellectual property that is licensed from a variety of sources. A subadviser may use a trading system or model to construct a portfolio which could be compromised by an unforeseeable software or hardware malfunction and other technological failures, including, but not limited to, power loss, software bugs, malicious codes, viruses or system crashers, or various other events or circumstances beyond the control of the subadviser. The subadviser make reasonable efforts to protect against such events, but there is no guarantee that such efforts will be successful, and the aforementioned events may, on occasion, have an adverse effect on the performance of the International Fund. The nature of complex quantitative investment management processes is such that errors may be hard to detect and in some cases, an error can go undetected for a period. In many cases, it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the subadvisers have many controls and business continuity measures in place designed to assure that the portfolio construction process for the International Fund operates as intended, analytical errors, software errors, developmental and implementation errors, as well as data errors are inherent risks. Additionally, a subadviser may adjust or enhance the model or, under certain adverse conditions, deviate from the model. Such adjustments, enhancements or deviations may not achieve the objectives of the International Fund and may produce lower returns and/or higher volatility compared to what the returns and volatility of the International Fund would have been if the subadviser had not adjusted or deviated from the models.

*Small-Cap Risk.* Small-cap companies may lack the management experience, financial resources, product diversity and competitive strengths of larger companies, and may be traded less frequently. These companies may be in the developmental stage or may be older companies undergoing significant changes. Small-cap companies may also be subject to greater business risks and more sensitive to changes in economic conditions than larger more established companies. As a result, the prices of small-cap companies may rise and fall more sharply.

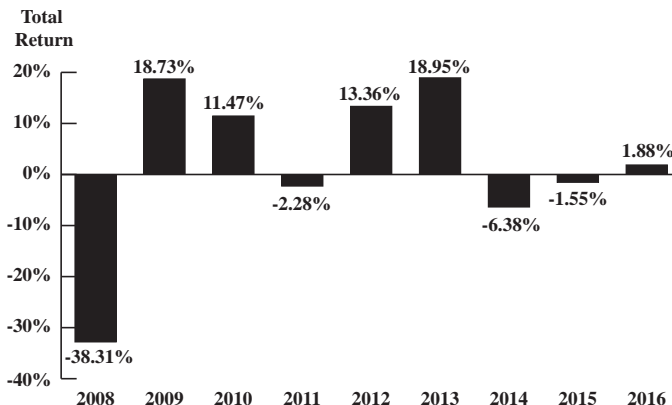
*Style Risk.* During certain market conditions, a fund with a more specific investment style (such as value or growth) may perform less well than a fund that allows greater flexibility in the investment of assets.

## Past Performance

The bar chart and the performance table below provide an indication of the risks of investing in the International Fund by showing how the investment performance of the Investment Class Shares has varied from year to year and by showing how the International Fund's average annual total returns compare to those of a broad measure of market performance. The International Fund's past investment performance (before and after taxes) does not necessarily indicate how it will perform in the future. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.

On April 2, 2013, the International Fund's investment strategy was changed. Consequently, prior period performance may have been different if the new investment strategy had been in effect during these periods.

### Calendar Year Returns



During the periods shown in the bar chart, the highest return for a quarter was 14.05% (quarter ended 9/30/09) and the lowest return for a quarter was (22.84)% (quarter ended 12/31/08).

The returns for the International Fund's Investment Class shares were lower than the Institutional Class Shares because Investment Class Shares pay distribution (12b-1) fees.

### Average Annual Total Returns (periods ended December 31, 2016)

	<u>1 year</u>	<u>5 years</u>	<u>Since Inception (11/16/07)</u>
Investment Class			
Return Before Taxes . . . . .	1.88%	4.83%	0.24%
Return After Taxes on Distributions . . . . .	1.49%	4.51%	(0.04%)
Return After Taxes on Distributions and Sale of Shares . . . . .	1.39%	3.82%	0.22%
Institutional Class			
Return Before Taxes . . . . .	2.16%	5.05%	0.49%
MSCI All Country World Index ex U.S. (reflects no deduction for fees, expenses and taxes) . . . . .	4.50%	5.00%	(0.60%)*

\* As of 11/30/2007.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates for each year in the period and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who are tax exempt or hold their International Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

After-tax returns are shown for only Investment Class Shares. After-tax returns for Institutional Class Shares will vary.

## ***Management***

### **Adviser**

*Wilshire Associates Incorporated*

### **Subadvisers and Portfolio Managers**

#### *Cambiar*

Jennifer M. Dunne, CFA, Investment Principal, joined Cambiar in 2005, and has served as a Co-Lead Portfolio Manager of the Fund since 2015.

Brian M. Barish, CFA, President, Chief Investment Officer, joined Cambiar in 1997, and has served as a Co-Lead Portfolio Manager of the Fund since 2015.

Anna (Ania) A. Aldrich, CFA, Investment Principal, joined Cambiar in 1999 and has served as Portfolio Manager for the Fund since 2015.

Andrew P. Baumbusch, Investment Principal, joined Cambiar in 2004 and has served as Portfolio Manager for the Fund since 2015.

Todd L. Edwards, PhD, Investment Principal, joined Cambiar in 2007 and has served as Portfolio Manager for the Fund since 2015.

Alvaro Shiraishi, Investment Principal, joined Cambiar in 2007 and has served as Portfolio Manager for the Fund since 2015.

#### *WCM*

Paul R. Black, President and co-CEO of WCM since December 2004 and Portfolio Manager of WCM's portion of the Fund since October 2013.

Peter J. Hunkel, Portfolio Manager and Business Analyst of WCM since 2007 and Portfolio Manager of WCM's portion of the Fund since October 2013.

Michael B. Trigg, Portfolio Manager and Business Analyst of WCM since 2006 and Portfolio Manager of WCM's portion of the Fund since October 2013.

Kurt E. Winrich, CFA, Chairman and co-CEO of WCM since 2004 and Portfolio Manager of WCM's portion of the Fund since October 2013.

#### *Los Angeles Capital*

Thomas D. Stevens, CFA, Chairman and CEO of Los Angeles Capital and Portfolio Manager of the International Fund. Mr. Stevens has served as Portfolio Manager since May 2014.

Hal W. Reynolds, CFA, Chief Investment Officer of Los Angeles Capital and Portfolio Manager of the International Fund. Mr. Reynolds has served as Portfolio Manager since May 2014.

Daniel E. Allen, CFA, President of Los Angeles Capital and Portfolio Manager of the International Fund. Mr. Allen has served as Portfolio Manager since May 2014.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the International Fund are as follows:

Investment Class Shares. The minimum initial investment in the International Fund is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the International Fund must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the International Fund. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the International Fund (known as redeeming shares) on any business day by telephone or mail.

### ***Tax Information***

The International Fund's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

### ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the International Fund through a broker-dealer or other financial intermediary (such as a bank), the International Fund and its related companies may pay the intermediary for the sale of International Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the International Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Wilshire Income Opportunities Fund

## Investment Objective

The Wilshire Income Opportunities Fund's (the "Income Fund") primary investment objective is to maximize current income. Long-term capital appreciation is a secondary objective.

## Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Income Fund.

**Annual Fund Operating Expenses** (expenses that you pay each year as a percentage of the value of your investment):

	<b>Investment Class</b>	<b>Institutional Class</b>
Management Fees .....	0.60%	0.60%
Distribution and Service (12b-1) Fees .....	0.25%	None
Other Expenses <sup>(1)</sup> .....	0.41%	0.26%
Total Annual Fund Operating Expenses .....	1.26%	0.86%
Less Fee Waiver <sup>(2)</sup> .....	(0.11%)	—
Total Annual Fund Operating Expenses After Fee Waiver .....	1.15%	0.86%

<sup>(1)</sup> Other Expenses have been restated to reflect contractual changes to the Fund's administration agreement, which became effective on October 1, 2016.

<sup>(2)</sup> Wilshire Associates Incorporated ("Wilshire") has entered into a contractual expense limitation agreement with Wilshire Mutual Funds, Inc. (the "Company"), on behalf of the Income Fund to waive a portion of its management fee to limit expenses of the Income Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.15% and 0.90% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. This agreement to limit expenses continues through at least April 30, 2018 or upon the termination of the Advisory Agreement. To the extent that the International Fund's expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived within three years after the year in which Wilshire incurred the expense if the recoupment does not exceed the existing expense limitation.

**Example:** This example is intended to help you compare the cost of investing in the Income Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Income Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Investment Class .....	\$ 117	\$ 365	\$ 633	\$ 1,398
Institutional Class .....	\$ 88	\$ 274	\$ 477	\$ 1,061

## Portfolio Turnover

The Income Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Income Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Income Fund's performance. During the fiscal period March 30, 2016 (commencement of operations) to December 31, 2016, the Income Fund's portfolio turnover rate was 74% of the average value of its portfolio.

## ***Principal Investment Strategies***

Under normal market conditions, the Income Fund seeks to achieve its investment objectives by investing at least 80% of its total assets in a multi-sector portfolio of income producing securities of varying maturities. Derivative investments that provide exposure to debt securities or have similar economic characteristics may be used to satisfy the Income Fund's 80% policy.

The Income Fund will generally allocate its assets among several investment sectors, without limitation, which may include: high yield debt securities (also known as "junk bonds") and investment grade corporate bonds of issuers located in the United States and non-U.S. countries, including emerging market countries; fixed income securities issued by U.S. and non-U.S. governments (including emerging market governments), their agencies and instrumentalities; mortgage-related and other asset backed securities (such as collateralized debt obligations ("CDO"), collateralized loan obligations ("CLO"), and collateralized mortgage obligations ("CMO")); and foreign currencies, including those of emerging market countries. However, the Income Fund is not required to gain exposure to any one investment sector, and the Income Fund's exposure to any one investment sector will vary over time. The Income Fund may invest an unlimited amount of its assets in any sector. The Income Fund may invest, without limitation, in either U.S. Dollar-denominated or non-U.S. Dollar-denominated fixed-income securities. The Income Fund has the flexibility to invest in a broad range of fixed-income securities in both developed and emerging market countries. In general for DoubleLine® Capital LP ("DoubleLine"), a security is deemed to be an emerging market security if issued by either a sovereign, quasi-sovereign or corporate entity which resides within an emerging market country. An emerging market country generally includes all low-to-middle income countries as defined by the World Bank or countries considered emerging market for purposes of constructing major indices. In general for Guggenheim Partners Investment Management, LLC ("Guggenheim"), a security is deemed to be an emerging market security if issued by either a sovereign or corporate entity which resides within an emerging market country as defined by the Bloomberg Barclays Emerging Market Aggregate Index. The Income Fund's investments may include U.S. and non-U.S. corporate debt securities and sovereign debt securities. There is no limit on the average maturity of the Income Fund's securities. The targeted weighted average duration of the portfolio is consistent with the Bloomberg Barclays Universal Index, which has a current weighted average duration of 5.5 years. However, it is expected that the Income Fund may deviate substantially from the benchmark duration, with a lower and upper bound of 1 and 10 years, respectively.

Although the Income Fund may invest an unlimited amount of its assets in high yield debt securities, which may include securities having the lowest rating for non-subordinated debt instruments (i.e., rated C by Moody's Investors Service or CCC+ or lower by Standard & Poor's Ratings Services and Fitch Ratings) and unrated securities determined to be of comparable investment quality, the Income Fund expects its allocation to high yield bonds to range from 30% to 70% of its assets. The Income Fund also may invest in investment grade securities, bank loans, commercial paper, private placements, unregistered or restricted securities (including securities issued in reliance on Regulation D, Rule 144A and Regulation S) and convertible debt (which may result in equity received in a conversion or a workout). The Income Fund may seek to obtain exposure to the securities in which it invests through a variety of investment vehicles, principally closed-end funds, exchange-traded funds ("ETFs") and other mutual funds. The Income Fund may also use leverage to the extent permitted by applicable law by entering into reverse repurchase agreements and borrowing transactions (typically lines of credit) for investment purposes.

The Income Fund may invest an unlimited amount in derivative instruments, such as options, futures, forwards, or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in this Prospectus or the Income Fund's Statement of Additional Information. The Income Fund may enter into standardized derivatives contracts traded on domestic or foreign securities exchanges, boards of trade, or similar entities, and non-standardized derivatives contracts traded in the over-the-counter market. The Income Fund may use derivatives to gain exposure to non-dollar denominated securities markets to the extent it does not do so through direct investments. The Income Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Income Fund may, without limitation, seek to obtain market exposure to the securities in which



it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Income Fund may invest up to 20% of its total assets in preferred stocks and dividend-paying common stocks.

The Income Fund uses a multi-manager strategy with subadvisers who may employ different strategies. DoubleLine and Guggenheim each manage a portion of the Income Fund's portfolio.

In managing its portion of the Income Fund, DoubleLine has broad flexibility to use various investment strategies and to invest in a wide variety of fixed income instruments that DoubleLine believes offer the potential for current income, capital appreciation, or both.

In managing its portion of the Income Fund, Guggenheim uses a process for selecting securities for purchase and sale that is based on intensive credit research and involves extensive due diligence on each issuer, region and sector. Guggenheim also considers macroeconomic outlook and geopolitical issues. Guggenheim's process for determining whether to buy a security is a collaborative effort between various groups including: (i) economic research, which focuses on key economic themes and trends, regional and country-specific analysis, and assessments of event-risk and policy impacts on asset prices, (ii) the Portfolio Construction Group, which utilizes proprietary portfolio construction and risk modeling tools to determine allocation of assets among a variety of sectors, (iii) its Sector Specialists, who are responsible for security selection within these sectors and for implementing securities transactions, including the structuring of certain securities directly with the issuers or with investment banks and dealers involved in the origination of such securities, and (iv) portfolio managers, who determine which securities best fit the Income Fund based on the Income Fund's investment objective and top-down sector allocations. In managing the Income Fund, Guggenheim uses a process for selecting securities for purchase and sale that is based on intensive credit research and involves extensive due diligence on each issuer, region and sector. Guggenheim also considers macroeconomic outlook and geopolitical issues. Guggenheim maintains targets with respect to portfolio maturity and duration. These targets are reviewed continually by various teams including the portfolio management team. These targets are set based on the interest rate outlook, the macro environment, and can be either absolute or relative to a portfolio's positioning to a benchmark.

### ***Principal Risks***

You may lose money by investing in the Income Fund. In addition, investing in the Income Fund involves the following principal risks:

*Active Management Risk.* The Fund is subject to active management risk, the risk that the investment techniques and risk analyses applied by the subadvisers and individual portfolio managers of the Fund will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to the managers in connection with managing the Fund's portfolio. There is no guarantee that the investment objective of the Fund will be achieved.

*Active Trading Risk.* Active trading that can accompany active management will increase the expenses of the Fund because of brokerage charges, spreads or mark-up charges, which may lower the Fund's performance. Active trading could raise transaction costs, thereby lowering the Fund's returns, and could result in adverse tax consequences, such as increased taxable distributions to shareholders and distributions that may be taxable to shareholders at higher federal income tax rates.

*Adjustable Rate Mortgage Securities Risk.* The Income Fund may invest in adjustable rate mortgage securities. Adjustable rate mortgage securities are pass-through mortgage securities collateralized by mortgages with adjustable rather than fixed rates.

*Affiliated Funds Risk.* Certain Wilshire funds are permitted to invest in the Income Fund. As a result, the Income Fund may have large inflows or outflows of cash from time to time. This could have adverse effects on the Income Fund's performance if the Income Fund was required to sell securities or invest cash at times when it otherwise would not do so. This activity could also accelerate the realization of capital gains and increase the Income Fund's transaction costs.

*Asset Allocation Risk.* Although asset allocation among different asset categories and investment strategies generally reduces risk and exposure to any one category or strategy, the risk remains that a subadviser may favor an asset category or investment strategy that performs poorly relative to other asset categories and investment strategies.

*Asset-Backed and Mortgage-Backed Securities Risk.* Investors in asset-backed securities (“ABS”), including mortgage-backed securities (“MBS”) and structured finance investments, generally receive payments that are part interest and part return of principal. These payments may vary based on the rate at which the underlying borrowers pay off their loans or other future expected receivables of assets or cash flows. Some ABS, including MBS, may have structures that make their reaction to interest rates and other factors difficult to predict, making them subject to liquidity risk.

*Residential Mortgage-Backed Securities.* Some residential mortgage-backed securities (“RMBS”) are guaranteed or supported by U.S. government agencies or by government sponsored enterprises but there is no assurance that such guarantee or support will remain in place. Non-agency RMBS are not guaranteed or supported by these government agencies or government sponsored enterprises and, thus, are subject to heightened credit risk and liquidity and valuation risk. RMBS are subject to the risks of asset-backed securities generally and may be particularly sensitive to prepayment and extension risk. A rising interest rate environment can cause the prices of RMBS to be increasingly volatile, which may adversely affect the Income Fund’s holdings of RMBS.

*Commercial Mortgage-Backed Securities.* Commercial mortgage backed securities (“CMBS”) may not be guaranteed or supported by U.S. government agencies or by government sponsored enterprises. Investments in CMBS are subject to the risks of asset-backed securities generally and may be particularly sensitive to prepayment and extension risk. CMBS may be less liquid and exhibit greater price volatility than other types of mortgage- or asset-backed securities.

*Bank Loan Risk.* To the extent the Income Fund invests in bank loans, it is exposed to additional risks beyond those normally associated with more traditional debt securities. The Income Fund’s ability to receive payments in connection with the loan depends primarily on the financial condition of the borrower and whether a loan is secured by collateral. Bank loans also often have contractual restrictions on resale, which can delay the sale and adversely impact the sale price. Bank loan investments may not be considered securities and may not have the protections afforded by the federal securities law. In addition, it may take longer than seven days for bank loan transactions to settle. Please see “Liquidity and Valuation Risk” below for a discussion of the liquidity issues that may arise due to such a settlement period.

*Changing Fixed Income Market Conditions.* When the Federal Reserve raises the federal funds rate, there is a risk that interest rates across the U.S. financial system will rise. These policy changes may expose fixed income markets to heightened volatility and may reduce liquidity for certain investments of the Income Fund, causing the market value of the Fund’s investments and the Fund’s net asset value (“NAV”) to decline. If the Fund invests in derivatives tied to fixed income markets, it may be more substantially exposed to these risks than if the Fund did not invest in such derivatives. To the extent the Fund experiences high redemptions because of these policy changes, the Fund may experience increased portfolio turnover, which will increase the costs that the Fund incurs and may lower the Fund’s performance.

*Corporate Bond Risk.* The market value of a corporate bond may be affected by factors directly related to the issuer, such as investors’ perceptions of the creditworthiness of the issuer, the issuer’s financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer’s capital structure and use of financial leverage and demand for the issuer’s goods and services. There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. See “High Yield and Unrated Securities Risk” below.

*CDO and CLO Risk.* CLOs bear many of the same risks as other forms of ABS, including interest rate risk, credit risk and default risk. As they are backed by pools of loans, CLOs also bear similar risks to investing in loans directly. CLOs issue classes or “tranches” that vary in risk and yield. CLOs may experience substantial losses attributable to loan defaults. The Income Fund may invest across each tranche in a CLO including the mezzanine and equity tranches. Losses caused by defaults on

underlying assets are borne first by the holders of subordinate tranches. The Income Fund's investment in CLOs may decrease in market value when the CLO experiences loan defaults or credit impairment, the disappearance of a subordinate tranche, or market anticipation of defaults and investor aversion to CLO securities as a class.

CDOs are structured similarly to CLOs and bear the same risks as CLOs including interest rate risk, credit risk and default risk. CDOs are subject to additional risks because they are backed by pools of assets other than loans including securities (such as other ABS), synthetic instruments or bonds and may be highly leveraged. Like CLOs, losses incurred by a CDO are borne first by holders of subordinate tranches. Accordingly, the risks of CDOs depend largely on the type of underlying collateral and the tranche of CDOs in which the Income Fund invests. For example, CDOs that obtain their exposure through synthetic investments entail the risks associated with derivative instruments. The market value of CDOs may be affected by changes in the market's perception of the creditworthiness of the servicing agent for the pool or the originator.

*CMO Risk.* CMOs are debt obligations collateralized by mortgage loans or mortgage pass-through securities. The average life of a CMO is determined using mathematical models that incorporate prepayment assumptions and other factors that involve estimates of future economic and market conditions of the underlying mortgages. Actual future results may vary from these estimates, particularly during periods of extreme market volatility. Further, under certain market conditions, such as those that occurred during the downturn in the mortgage markets, the weighted average life of certain CMOs may not accurately reflect the price volatility of such securities. For example, in periods of supply and demand imbalances in the market for such securities and/or in periods of sharp interest rate movements, the market prices of CMOs may fluctuate to a greater extent than would be expected from interest rate movements alone. CMOs issued by private entities are not obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities and are not guaranteed by any government agency, although the securities underlying a CMO may be subject to a guarantee. Therefore, if the collateral securing the CMO, as well as any third-party credit support or guarantees, is insufficient to make payments when due, the holder of a CMO could sustain a loss. Inverse floating rate CMOs are typically more volatile than fixed or floating rate tranches of CMOs. Many inverse floating rate CMOs have coupons that move inversely to a multiple of an index. The effect of the coupon varying inversely to a multiple of an applicable index creates a leverage factor. Inverse floaters based on multiples of a stated index are designed to be highly sensitive to changes in interest rates and can subject the holders thereof to extreme reductions of yield and loss of principal. The trading markets for inverse floating rate CMOs with highly leveraged characteristics at times may be very thin. The Income Fund's ability to dispose of its positions in such securities at prices at which they are held on the books of the Income Fund will depend on the degree of liquidity in the markets for such securities. It is impossible to predict the amount of trading interest that may exist in such securities, and therefore the future degree of liquidity.

*Commercial Paper Risk.* Commercial paper is an unsecured promissory note that generally has a maturity date between one and 270 days and is issued by a U.S. or foreign entity. Such investments are usually discounted from their value at maturity. Commercial paper can be fixed-rate or variable rate. Commercial paper can be affected by changes in the interest rate and the creditworthiness of the issuer.

*Convertible Securities Risk.* Convertible securities may be subordinate to other securities. The total return for a convertible security depends, in part, upon the performance of the underlying security into which it can be converted. The value of convertible securities tends to decline as interest rates increase. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality.

*Counterparty Credit Risk.* The Income Fund may invest in financial instruments and OTC-traded derivatives involving counterparties for gaining exposure to a particular group of securities, index or asset class without actually purchasing those securities or investments, or to hedge another position in the Income Fund. Through these investments, the Income Fund is exposed to credit risks that the counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the counterparty. If the counterparty becomes bankrupt or defaults on its payment obligations to the Income Fund, the Income Fund may not receive the full amount that it is entitled to receive. If this occurs, the value of your shares in the Income Fund will decrease. The Income Fund bears the risk that counterparties may be adversely affected by legislative or regulatory changes, adverse market conditions, increased competition, and/or wide scale credit losses resulting from financial difficulties or borrowers affecting counterparties.

*Credit Risk.* The Income Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives transaction or other transaction is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of the credit of a security held by the Income Fund may decrease the security's obligations. The downgrade of the credit of a security held by the Income Fund may decrease the security's market value. Securities and derivatives contracts are subject to varying degrees of credit risk, which are often, but not always, reflected in credit ratings.

*Credit-Linked Notes Risk.* Credit-linked notes are a type of structured note. Through the purchase of a credit-linked note, the buyer assumes the risk of the reference asset and funds this exposure through the purchase of the note. Credit-linked notes are subject to the credit risk of the corporate credits referenced by the note. The Income Fund bears the risk that the issuer of the credit-linked note will default or become bankrupt. The Income Fund bears the risk of loss of its principal investment, and the periodic interest payments expected to be received for the duration of its investment in the credit-linked note.

*Currency Risk.* The Income Fund's indirect and direct exposure to foreign currencies subjects the Income Fund to the risk that those currencies will decline in value relative to the U.S. Dollar, which would cause a decline in the U.S. value of the holdings of the Income Fund that are denominated in foreign currency. Currency rates in foreign countries may fluctuate significantly over short periods of time for many reasons, including changes in interest rates and the imposition of currency controls or other political, economic and tax developments in the U.S. or abroad. When the Income Fund seeks exposure to foreign currencies through foreign currency contracts and related transactions, the Income Fund becomes particularly susceptible to foreign currency value fluctuations, which may be sudden and significant, and investment decisions tied to currency markets. In addition, these investments are subject to the risks associated with derivatives and hedging and the impact on the Income Fund of fluctuations in the value of currencies may be magnified.

*Cyber Security Risks.* The Adviser, subadvisers and the International Fund's service providers' use of the internet, technology and information systems may expose the International Fund to potential cyber security risks linked to those technologies or information systems. Cyber security risks, among other things, may result in financial losses; delays or mistakes in the calculation of the International Fund's net asset value ("NAV") or data; access by an unauthorized party to proprietary information or International Fund assets; and data corruption or loss of operations functionality. While measures have been developed that are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the International Fund does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it does business.

*Derivatives Risk.* The use of derivatives, including forwards, swaps, futures, options and currency transactions, may expose the Income Fund to risks in addition to and greater than those associated with investing directly in the securities underlying those derivatives, including risks relating to leverage, imperfect correlations with underlying investments or the Income Fund's other portfolio holdings, high price volatility, lack of availability, counterparty credit, liquidity, segregation, valuation and legal restrictions. If a subadviser is incorrect about its expectations of market conditions, the use of derivatives could also result in a loss, which in some cases may be unlimited. Use of derivatives may also cause the Income Fund to be subject to additional regulations, which may generate additional Income Fund expenses. These practices also entail transactional expenses and may cause the Income Fund to realize higher amounts of short-term capital gains than if the Income Fund had not engaged in such transactions. Certain risks also are specific to the derivatives in which the Income Fund invests.

*Dollar Roll Transaction Risk.* The Income Fund may enter into dollar roll transactions, in which the Fund sells a MBS or other security for settlement on one date and buys back a substantially similar security (but not the same security) for settlement at a later date. The Fund gives up the principal and interest payments on the security, but may invest the sale proceeds, during the "roll period." When the Fund enters into a dollar roll, any fluctuation in the market value of the security transferred or the securities in which the sales proceeds are invested can affect the market value of the Fund's assets, and therefore, the Fund's NAV. As a result, dollar roll transactions may sometimes be the practical equivalent of borrowing and constitute a form of leverage. Dollar rolls also involve the risk that the market value of the securities the Fund is required to deliver may decline

below the agreed upon repurchase price of those securities. In addition, if the Fund's counterparty becomes insolvent, the Fund's use of the proceeds may become restricted pending a determination as to whether to enforce the Fund's obligation to purchase the substantially similar securities.

*Emerging Markets Risk.* Foreign investment risk may be particularly high to the extent the Income Fund invests in securities of issuers based in countries with developing economies (i.e., emerging markets). Investments in emerging markets securities are generally subject to a greater level of those risks associated with investing in foreign securities, as emerging markets are considered less developed than developing countries. Furthermore, investments in emerging market countries are generally subject to additional risks, including trading on smaller markets, having lower volumes of trading, and being subject to lower levels of government regulation and less extensive accounting, financial and other reporting requirements.

*Equity Risk.* The prices of stocks held by the Income Fund will change due to general market and economic conditions, perceptions regarding the industries in which the companies participate, and each company's particular circumstances. Equity investments, including common stocks, tend to be more volatile than bonds and money market instruments. The value of the Income Fund's shares will go up and down due to movement in the collective returns of the individual securities held by the Income Fund. Because common stocks are subordinate to preferred stocks in a company's capital structure, in a company liquidation, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of common stockholders.

*ETF Risk.* ETFs involve certain inherent risks generally associated with investments in a portfolio of common stocks, because ETFs trade on an exchange, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. ETF shares thus may trade at a premium or discount to their NAV. Moreover, a passively managed ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks held. Like an actively-managed mutual fund, actively managed ETFs are subject to active management risk, the risk that the investment techniques and risk analyses applied by the manager of the ETF will not produce the desired results and that the investment objective of the ETF will not be achieved. Investing in ETFs, which are investment companies, involves duplication of advisory fees and certain other expenses. Additionally, any ETFs purchased may include ETFs managed by a subadviser or its affiliates.

*Extension Risk.* Mortgage-related and other ABS are subject to extension risk, which is the risk that the issuer of such a security pays back the principal of such an obligation later than expected. This may occur when interest rates rise. This may negatively affect Income Fund returns, as the market value of the security decreases when principal payments are made later than expected. In addition, because principal payments are made later than expected, the Income Fund may be prevented from investing proceeds it would otherwise have received at a given time at the higher prevailing interest rates.

*Foreign Securities Risk.* Investing in foreign issuers may involve certain risks not typically associated with investing in securities of U.S. issuers due to increased exposure to foreign economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, foreign interest rates, exchange control regulations (including currency blockage), expropriation or nationalization of assets, imposition of withholding taxes on payments, and possible difficulty in obtaining and enforcing judgments against foreign entities. Furthermore, issuers of foreign securities and obligations are subject to different, often less comprehensive, accounting, reporting and disclosure requirements than domestic issuers. The securities and obligations of some foreign companies and foreign markets are less liquid and at times more volatile than comparable U.S. securities, obligations and markets. Securities markets in foreign countries often are not as developed, efficient or liquid as securities markets in the United States, and therefore, the market prices of foreign securities can be more volatile. Certain foreign countries may impose restrictions on the ability of issuers to make payments of principal and interest to investors located outside the country. In the event of nationalization, expropriation or other confiscation, the entire investment in a foreign security could be lost. Foreign brokerage commissions and other fees are also generally higher than in the United States. There are also special tax considerations which apply to securities and obligations of foreign issuers and securities and obligations principally traded overseas. These risks may be more pronounced to the extent that the Income

Fund invests a significant amount of assets in companies located in one country or geographic region, in which case the Income Fund may be more exposed to regional economic risks, and to the extent that the Income Fund invests in securities of issuers in emerging markets. Investments in U.S. dollar-denominated securities of foreign issuers are also subject to many of the risks described above regarding securities of foreign issuers denominated in foreign currencies.

*Forward Foreign and Currency Exchange Contracts Risk.* There may be imperfect correlation between the price of a forward contract and the underlying security, index or currency which will increase the volatility of the Income Fund. The Income Fund bears the risk of loss of the amount expected to be received under a forward contract in the event of the default or bankruptcy of a counterparty. If such a default occurs, the Income Fund will have contractual remedies pursuant to the forward contract, but such remedies may be subject to bankruptcy and insolvency laws which could affect the Income Fund's rights as a creditor. Forward currency transactions include risks associated with fluctuations in foreign currency.

*Futures Contracts Risk.* Futures contracts are typically exchange-traded contracts that call for the future delivery of an asset at a certain price and date, or cash settlement (payment of the gain or loss on the contract). Futures are often used to manage or hedge risk because they enable the investor to buy or sell an asset in the future at an agreed-upon price and for other reasons such as to manage exposure to changes in interest rates and bond prices; as an efficient means of adjusting overall exposure to certain markets; to enhance income; to protect the value of portfolio securities; and to adjust portfolio duration. Risks of futures contracts may be caused by an imperfect correlation between movements in the market price of the instruments and the market price of the underlying securities. In addition, there is the risk that the Income Fund may not be able to close a transaction because of an illiquid market. Futures markets can be highly volatile and the use of futures may increase the volatility of the Income Fund's NAV. Exchanges can limit the number of options that can be held or controlled by the Income Fund or a subadviser, thus limiting the ability to implement the Income Fund's strategies. Futures are also subject to leveraging risk and can be subject to liquidity risk.

*Geographic Emphasis Risk.* To the extent the Income Fund invests a significant portion of its assets in one country or geographic region, the Income Fund will be more vulnerable to the economic, financial, social, political or other developments affecting that country or region than a fund that invests its assets more broadly. Such developments may have a significant impact on the Income Fund's investment performance causing such performance to be more volatile than the investment performance of a more geographically diversified fund.

*Hedging Risk.* When a derivative is used as a hedge against a position that the Income Fund holds, any loss generated by the derivative generally should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Income Fund's hedging transactions will be effective.

*High Yield and Unrated Securities Risk.* High yield debt securities in the lower rating (higher risk) categories of the recognized rating services are commonly referred to as "junk bonds." Generally, high yield debt securities are securities that have been determined by a rating agency to have a lower probability of being paid and have a credit rating of "BB" category or lower by Standard & Poor's Corporation and Fitch Investors Service, Inc. or "Ba" category or lower by Moody's Investors Service or have been determined by a subadviser to be of comparable quality. The total return and yield of junk bonds can be expected to fluctuate more than the total return and yield of higher-quality bonds. Junk bonds (those rated below investment grade or in default, or unrated securities determined to be of comparable quality) are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Successful investment in lower-medium and lower-rated debt securities involves greater investment risk and is highly dependent on a subadviser's credit analysis. A real or perceived economic downturn or higher interest rates could cause a decline in high-yield bond prices by lessening the ability of issuers to make principal and interest payments. These bonds are often thinly traded and can be more difficult to sell and value accurately than high-quality bonds. Because objective pricing data may be less available, judgment may play a greater role in the valuation process. In addition, the entire junk

bond market can experience sudden and sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large or sustained sales by major investors, a high-profile default, or just a change in the market's psychology. This type of volatility is usually associated more with stocks than bonds.

*Interest Rate Risk.* For debt securities, interest rate risk is the possibility that the market price will fall because of changing interest rates. In general, debt securities' market prices rise or fall inversely to changes in interest rates. If interest rates rise, bond market prices generally fall; if interest rates fall, bond market prices generally rise. In addition, for a given change in interest rates, the market price of longer-maturity or duration bonds fluctuates more (gaining or losing more in value) than shorter-maturity bonds. Duration is a measure of volatility not time that is used to determine the price sensitivity of the security for a given change in interest rates. Specifically, duration is the change in the value of a debt security that will result from a 1% change in interest rates, and generally is stated in years. For example, as a general rule a 1% rise in interest rates means a fall in value for every year of duration. There may be less governmental intervention in influencing interest rates in the near future. If so, it could cause an increase in interest rates, which would have a negative impact on the market prices of fixed income securities and could negatively affect the Income Fund's NAV.

*Investment in Investment Vehicles Risk.* Investing in other investment vehicles, including ETFs, closed-end funds and other mutual funds, subjects the Income Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Income Fund will incur its pro rata share of the underlying vehicles' expenses.

*Investments in Loans Risk.* Investments in loans involve special types of risks, including credit risk, interest rate risk, counterparty risk and prepayment risk. Loans may offer a fixed or floating interest rate. Loans are often generally below investment grade and may be unrated. The Income Fund's investments in loans can be difficult to value accurately and may be subject to more liquidity risk than fixed-income instruments of similar credit quality and/or maturity. Transactions in loans are subject to delayed settlement periods, thus potentially limiting the ability of the Income Fund to invest sale proceeds in other investments and to meet its redemption obligations.

*Leverage Risk.* The Income Fund's use of leverage, through borrowings or instruments such as derivatives, repurchase agreements, or reverse repurchase agreements, may cause the Income Fund's NAV to be more volatile and the Income Fund's strategy to be riskier than if it had not been leveraged.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Income Fund to purchase and sell particular investments within a reasonable time at a fair price, or the price at which it has been valued for purposes of the Income Fund's NAV, causing the Income Fund to sell the investment at a lower market price and unable to realize what a subadviser believes should be the price of the investment. In addition, the Income Fund potentially will be unable to pay redemption proceeds within the allowable time period because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Market Risk.* For equity securities, stock market movements may affect the Income Fund's NAV. Declines in the Income Fund's NAV will result from decline in the market prices for specific securities held by the Income Fund. There is also the possibility that the price of the security held by the Income Fund will fall because the market perceives that there is or will be a deterioration in the fundamental value of the issuer or poor earnings performance by the issuer. For debt securities, the market value of a security may move up and down, sometimes rapidly and unpredictably. Market risk may affect a single security, company, industry, sector or the entire market.

*Mezzanine Investments Risk.* The Income Fund may invest in certain lower grade securities known as "Mezzanine Investments," which are subordinated debt securities that are generally issued in private placements in connection with an equity security (e.g., with attached warrants) or may be convertible into equity securities. Mezzanine Investments are generally subject to similar risks associated with investment in senior loans, second lien loans and other below investment grade securities. However, Mezzanine Investments may rank lower in right of payment than any outstanding senior loans, second lien loans and other debt instruments with higher priority of the borrower, or may be unsecured (i.e., not backed by a security interest

in any specific collateral), and are subject to the additional risk that the cash flow of the borrower and available assets may be insufficient to meet scheduled payments and repayment of principal after giving effect to any higher ranking obligations of the borrower. Mezzanine Investments are expected to have greater market price volatility and exposure to losses upon default than senior loans and second lien loans and may be less liquid.

*Multi-Managed Fund Risk.* The Income Fund is a multi-managed fund with two subadvisers who employ different strategies. As a result, the Income Fund may have buy and sell transactions in the same security on the same day.

*Municipal Securities Risk.* Municipal securities may be subject to credit, interest and prepayment risks. In addition, municipal securities can be affected by unfavorable legislative or political developments and adverse changes in the economic and fiscal conditions of state and municipal issuers or the federal government in case it provides financial support to such issuers. Certain sectors of the municipal bond market have special risks that can affect them more significantly than the entire market. Because many municipal instruments are issued to finance similar projects, conditions in these industries can significantly affect the overall municipal market. Municipal securities that are insured by an insurer may be adversely affected by developments relevant to that particular insurer, or more general developments relevant to the entire market. Municipal securities can be difficult to value and be less liquid than other investments, which may affect performance.

*Options Contracts Risk.* Options or options on futures contracts give the holder of the option the right to buy or to sell a position in a security or in a contract to the writer of the option, at a certain, predetermined price. They are subject to correlation risk because there may be an imperfect correlation between the options and the securities markets that cause a given transaction to fail to achieve its objectives. Because the value of an option declines as the expiration date approaches, the Income Fund risks losing all or part of its investment in the option. The successful use of options depends on a Subadviser's ability to predict correctly future price fluctuations and the degree of correlation between the options and securities markets. Exchanges can limit the number of positions that can be held or controlled by the Income Fund or a subadviser, thus limiting the ability to implement the Income Fund's strategy. Options are also particularly subject to leverage risk and can be subject to liquidity risk.

*Preferred Securities Risk.* A company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the market value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

*Prepayment Risk.* The issuers of securities held by the Income Fund may be able to prepay principal due on the securities, particularly during periods of declining interest rates. Securities subject to prepayment risk generally offer less potential for gains when interest rates decline, and may offer a greater potential for loss when interest rates rise. In addition, rising interest rates may cause prepayments to occur at a slower than expected rate, thereby effectively lengthening the maturity of the security and making the market price of the security more sensitive to interest rate changes. Prepayment risk is a major risk of MBS and certain ABS. Most floating rate loans (such as syndicated bank loans) and debt securities allow for prepayment of principal without penalty. Accordingly, the potential for the value of a floating rate loan or security to increase in response to interest rate declines is limited. Corporate loans or securities purchased to replace a prepaid corporate loan or security may have lower yields than the yield on the prepaid corporate loan.

*Privately Issued Securities Risk.* The Income Fund may invest in privately-issued securities of public and private companies. Privately issued securities have additional risk considerations than investments in comparable public investments. Whenever the Income Fund invests in companies that do not publicly report financial and other material information, it assumes more investment risk and reliance upon the subadviser's ability to obtain and evaluate applicable information concerning such companies' creditworthiness and other investment considerations. Certain privately-issued securities may be illiquid. If there is no readily available trading market for privately-issued securities, the Income Fund may not be able to readily dispose of such investments at market prices that approximate those prices at which the securities are held to compute the Income



Fund's NAV. Privately-issued securities are also more difficult to value. Privately-issued debt securities are often of below investment grade quality, frequently are unrated and present many of the same risks as investing in below investment grade public debt securities.

*Regulatory and Legal Risk.* U.S. and other regulators and governmental agencies may implement additional regulations and legislators may pass new laws that affect the investments held by the Income Fund, the strategies used by the Income Fund or the level of regulation or taxation applying to the Income Fund (such as regulations related to investments in derivatives). These may impact the investment strategies, performance, costs and operations of the Income Fund or taxation of shareholders.

*Reinvestment Risk.* During periods of falling interest rates, a debt security with a high stated interest rate may be prepaid (or "called") prior to its expected maturity date. If, during periods of falling interest rates, a debt security with a high stated interest rate is called, the unanticipated proceeds would likely be invested at lower interest rates, and the Income Fund's income or yield may decline. Call provisions, which may lead to reinvestment risk, are most common for intermediate- and long-term municipal, corporate and MBS. To the extent securities subject to call were acquired at a premium, the potential for appreciation in the event of a decline in interest rates may be limited and may even result in losses.

*Repurchase Agreements and Reverse Repurchase Agreements Risk.* In the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Income Fund or, in the case of a reverse repurchase agreement, the securities sold by the Income Fund, may be delayed or fail to be realized. If the Income Fund reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower the Income Fund's yield. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. Leveraging may cause the Income Fund's performance to be more volatile than if it had not been leveraged.

*Restricted Securities Risk.* Restricted securities generally cannot be sold to the public and may involve a high degree of business, financial and liquidity risk, which may result in substantial losses to the Income Fund. Restricted securities may be illiquid and difficult to value. If the Income Fund can sell the restricted security, the Income Fund may have to sell the investment at a lower market price than the price at which it is valued for purposes of computing the Income Fund's NAV.

*Sale-Buyback Risk.* The Income Fund also may effect simultaneous purchase and sale transactions that are known as "sale-buybacks." A sale-buyback is similar to a reverse repurchase agreement, except that in a sale-buyback, the counterparty who purchases the security is entitled to receive any principal or interest payments made on the underlying security pending settlement of the Income Fund's repurchase of the underlying security. The Income Fund's obligations under a sale-buyback typically would be offset by liquid assets equal in value to the amount of the Income Fund's forward commitment to repurchase the subject security.

*Short Sale Risk.* The Income Fund's short sales, if any, are subject to special risks. A short sale involves the sale by the Income Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Income Fund may also enter into a short position through a forward commitment or a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Income Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. By contrast, a loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot decrease below zero.

*Segregation Risk.* Segregation Risk is the risk associated with any requirements, which may be imposed on the Income Fund, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation and offsetting positions will not limit the Income Fund's exposure to loss, and the Income Fund may incur investment risk with respect to the segregated assets and offsetting positions to the extent that, but for the applicable segregation requirement and/or the need for the offsetting positions, the Income Fund would sell the segregated assets and/or offsetting positions.

*Special Situations/Securities in Default Risk.* Investments in the securities and debt of distressed issuers or issuers in default involve far greater risk than investing in issuers whose debt obligations are being met and whose debt trade at or close to its “par” or full value because the investments are highly speculative with respect to the issuer’s ability to make interest payments and/or to pay its principal obligations in full and/or on time.

*Sovereign Debt Risk.* The Income Fund may be subject to risks related to the debt securities issued by sovereign entities. The debt securities issued by sovereign entities may decline as a result of default or other adverse credit event resulting from a sovereign debtor's unwillingness or inability to repay principal and pay interest in a timely manner, which may be affected by a variety of factors, including its cash flow situation, the extent of its reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which a sovereign debtor may be subject. Sovereign debt risk is increased for emerging market issuers.

*Structured Finance Investments Risk.* The Income Fund’s structured finance investments may consist of residential mortgage-backed securities (“RMBS”) and commercial mortgage-backed securities (“CMBS”) issued by governmental entities and private issuers, ABS, structured notes, credit-linked notes and other types of structured finance securities. Holders of structured finance securities bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Income Fund may have the right to receive payments only from the issuer of the structured finance security, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. Certain structured finance investments’ value and liquidity may be adversely affected by the critical downturn in the sub-prime mortgage lending market in the US. Sub-prime loans, which have higher interest rates, are made to borrowers with low credit ratings or other factors that increase the risk of default. Concerns about widespread defaults on sub-prime loans have also created heightened volatility and turmoil in the general credit markets. As a result, the Income Fund’s investments in certain structured finance securities may decline in value, their market value may be more difficult to determine, and the Income Fund may have more difficulty disposing of them.

*Structured Notes Risk.* Investments in structured notes involve risks associated with the issuer of the note and the reference instrument. Where the Income Fund’s investments in structured notes are based upon the movement of one or more factors used as a reference for payments required on the note, including currency exchange rates, interest rates, referenced bonds or stock indices, depending on the use of multipliers or deflators, changes in the applicable factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero or a negative rate, and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and their market prices may be more volatile than the reference instrument or security underlying the note.

*Style Risk.* During certain market conditions, a fund with a more specific investment style (such as value or growth) may perform less well than a fund that allows greater flexibility in the investment of assets.

*Swaps Agreements Risk.* Swap agreements are contracts between the Income Fund and a counterparty to exchange the return of the pre-determined underlying investment (such as the rate of return of the underlying index). Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as central counterparty. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due in part to the fact that they could be considered illiquid and many trades trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity, segregation and leveraging risks. The use of swap agreements may require asset segregation and thus the Income Fund may also be subject to the risks described under “Segregation Risk” above. Certain standardized swaps are subject to mandatory clearing. Central clearing is intended to reduce counterparty credit risk and increase liquidity, but central clearing does not make swap transactions risk-free.

*Synthetic Investment Risk.* The Income Fund may be exposed to certain additional risks if a subadviser uses derivatives transactions to synthetically implement the Income Fund's investment strategies. Customized derivative instruments will likely be illiquid, and it is possible that the Income Fund will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Income Fund's performance in a materially adverse manner. Synthetic investments may be imperfectly correlated to the investment strategy that the subadviser is seeking to replicate.

*To Be Announced ("TBA") Transactions Risk.* The Income Fund may enter into "To Be Announced" ("TBA") transactions to purchase or sell MBS for a fixed price at a future date. TBA purchase commitments involve a risk of loss if the value of the securities to be purchased declines prior to settlement date or if the counterparty may not deliver the securities as promised. Selling a TBA involves a risk of loss if the value of the securities to be sold goes up prior to settlement date.

*U.S. Government Securities Risk.* Different types of U.S. government securities have different relative levels of credit risk depending on the nature of the particular government support for that security. U.S. government securities may be supported by: (1) the full faith and credit of the United States; (2) the ability of the issuer to borrow from the U.S. Treasury; (3) the credit of the issuing agency, instrumentality or government-sponsored entity; (4) pools of assets (e.g., MBS); or (5) the United States in some other way. In some cases, there may even be the risk of default. For certain agency issued securities, there is no guarantee the U.S. government will support the agency if it is unable to meet its obligations. Further, the U.S. government and its agencies and instrumentalities do not guarantee the market value of their securities and, as a result, the value of such securities will fluctuate and are subject to investment risks.

*Zero Coupon and Payment-In-Kind Securities Risk.* Zero coupon and payment-in-kind securities pay no cash income and usually are sold at substantial discounts from their value at maturity. Zero coupon and payment-in-kind securities are subject to greater market value fluctuations from changing interest rates than debt obligations of comparable maturities, which make current distributions of cash.

## ***Past Performance***

The Income Fund has not yet completed a full calendar year of investment operations and therefore does not have any performance history. Once the Income Fund has completed a full calendar year of operations, a bar chart and average annual total returns table will be included that will provide some indication of the risks of investing in the Income Fund by showing the variability of the Income Fund's returns based on net assets and comparing the Income Fund's performance to its benchmark index. For more recent performance figures, go to <http://advisor.wilshire.com> (the website does not form a part of this prospectus) or call 1-866-591-1568.

## ***Management***

### **Adviser**

Wilshire Associates Incorporated

### **Subadvisers and Portfolio Managers**

#### *DoubleLine*

Jeffrey E. Gundlach, Chief Executive Officer of DoubleLine and Portfolio Manager of the Income Fund. Mr. Gundlach has served as Portfolio Manager since March 2016.

Jeffrey Sherman, Deputy Chief Investment Officer of DoubleLine and Portfolio Manager of the Income Fund. Mr. Sherman has served as Portfolio Manager since May 2017.

## *Guggenheim*

Anne B. Walsh, CFA, Senior Managing Director, Assistant Chief Investment Officer and Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Ms. Walsh has served as Portfolio Manager since March 2016.

James W. Michal, Senior Managing Director and Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Mr. Michal has served as Portfolio Manager since March 2016.

Steven H. Brown, CFA, Managing Director and Portfolio Manager of Guggenheim and Portfolio Manager of the Income Fund. Mr. Brown has served as Portfolio Manager since March 2016.

## ***Purchase and Sale of Fund Shares***

### **Minimum Initial Investments**

The minimum initial investments in the Income Fund are as follows:

Investment Class Shares. The minimum initial investment in the Income Fund is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. Subsequent investments for the Income Fund must be at least \$100. The minimum investments do not apply to certain employee benefit plans.

Institutional Class Shares. The minimum initial investment is \$250,000 for the Income Fund. Subsequent investments must be at least \$100,000.

### **To Redeem Shares**

You may sell your shares back to the Income Fund (known as redeeming shares) on any business day by telephone or mail.

## ***Tax Information***

The Income Fund's distributions are generally taxable to you as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. Any withdrawals you make from such tax-advantaged investment plans, however, may be taxable to you.

## ***Payments to Broker-Dealers and Other Financial Intermediaries***

If you purchase shares of the Income Fund through a broker-dealer or other financial intermediary (such as a bank), the Income Fund and its related companies may pay the intermediary for the sale of Income Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Income Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## MORE INFORMATION ABOUT INVESTMENTS AND RISKS

While the summary sections describe the main points of the Large Company Growth Portfolio, Large Company Value Portfolio, Small Company Growth Portfolio, Small Company Value Portfolio (collectively, the “Style Portfolios”), the Index Fund, the International Fund, and the Income Fund and collectively with the Style Portfolios, the Index Fund, and the International Fund, the “Portfolios”). The following pages describe additional details regarding the Portfolios.

Wilshire Associates Incorporated (“Wilshire” or the “Adviser”) serves as the investment adviser to the Portfolios. As part of its management and oversight of the Portfolios, Wilshire selects investment advisers to serve as subadvisers, and determines the allocation of each Portfolio’s assets among the selected subadvisers using sophisticated models. In its discretion, Wilshire may allocate no assets to a given subadviser. Each subadviser manages a portion of one or more of the Portfolios. Wilshire selects subadvisers to manage the assets of the Portfolios, subject to approval of the Board of Directors (the “Board”) of Wilshire Mutual Funds, Inc. (the “Company”), based upon a due diligence process that focuses on, but is not limited to, each subadviser’s philosophy and process, people and organization, resources, and performance.

Wilshire conducts its investment decision-making through an investment committee structure. The investment committee reviews the daily performance of the Portfolios and the subadvisers. Additionally, the risk profiles of the Portfolios and the subadvisers are monitored closely to ensure compliance with stated investment guidelines. The investment committee maintains regular communication with the subadvisers.

### *Style Portfolios*

The Company offers focused exposure to four distinct segments of the U.S. market — large company growth, large company value, small company growth, and small company value. Wilshire establishes the parameters for “large company” and “small company” stocks. The Style Portfolios’ “growth” and “value” criteria generally follow the criteria of each Portfolio’s respective benchmark. Each Style Portfolio owns only securities within the parameters that correspond to that style. The Large Company Growth Portfolio’s investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the large cap growth sub-category. The Large Company Value Portfolio’s investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the large cap value sub-category. The Small Company Growth Portfolio’s investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the small-cap growth sub-category. The Small Company Value Portfolio’s investment objective is to provide investment results of a portfolio of publicly traded common stocks of companies in the applicable sub-category of the Wilshire 5000 Index<sup>SM</sup>. The applicable sub-category of the Wilshire 5000 Index<sup>SM</sup> is the small-cap value sub-category. The investment objectives of the Style Portfolios cannot be changed without the approval of a “majority of the outstanding voting securities.” A “majority of the outstanding voting securities” of a Portfolio is defined in the 1940 Act to mean the lesser of (i) 67% of the Portfolio’s shares present at a meeting where more than 50% of the outstanding shares are present in person or by proxy or (ii) more than 50% of the Portfolio’s outstanding shares.

The Style Portfolios invest substantially in common stock, but other investments may include cash equivalents, convertible securities, warrants, and exchange-traded funds (“ETFs”). To maintain a proper style exposure in each Style Portfolio, the subadvisers will change a Style Portfolio’s holdings as companies’ characteristics change. A subadviser will sell stocks that no longer meet the criteria of a particular Style Portfolio. For example, a subadviser may consider a stock to no longer be a value stock if its price advances strongly. Each subadviser seeks to constantly maintain a fully invested position in a Style Portfolio. This means that a Style Portfolio generally holds little uninvested cash, thus seeking to ensure that you receive the full benefit of any market advances (however, it also means you will bear the full impact of any market declines). The number of securities eligible for investment by a Style Portfolio will vary.

The investment philosophies of the subadvisers managing each Style Portfolio are described in more detail below. No assurance exists that a Style Portfolio will achieve its investment objectives.

### **BHMS**

BHMS serves as a subadviser to a portion of the Large Company Value Portfolio. BHMS is a value-oriented manager with a bottom-up, fundamentally driven investment process that emphasizes total return produced from a combination of cash dividends, growth of dividends and capital appreciation. In managing its portion of the Large Company Value Portfolio, BHMS utilizes its active investment approach, designed to protect assets and generate current income in declining markets and to produce attractive capital appreciation in robust market environments. BHMS takes a contrarian approach that looks for stocks with attractive valuations.

### **Loomis Sayles**

Loomis Sayles serves as a subadviser to a portion of the Large Company Growth Portfolio. Under normal market conditions, Loomis Sayles will invest primarily in equity securities, including common stocks, convertible securities and warrants. Loomis Sayles focuses on stocks of large capitalization companies, but may invest in companies of any size. Loomis Sayles normally invests across a wide range of sectors and industries.

Loomis Sayles' portfolio manager employs a growth style of equity management that emphasizes companies with sustainable competitive advantages, long-term structural growth drivers, attractive cash flow returns on invested capital, and management teams focused on creating long-term value for shareholders. Loomis Sayles' portfolio manager aims to invest in companies when they trade at a significant discount to the estimate of intrinsic value.

Loomis Sayles will consider selling a portfolio investment when the portfolio manager believes an unfavorable structural change occurs within a given business or the markets in which it operates, a critical underlying investment assumption is flawed, when a more attractive reward-to-risk opportunity becomes available, when the current price fully reflects intrinsic value, or for other investment reasons which the portfolio manager deems appropriate.

Loomis Sayles may also invest the portion of the Large Company Growth Portfolio's assets it manages in up to 20% of its assets in foreign securities, including emerging market securities, engage in foreign currency transactions, invest in options for hedging and investment purposes and invest in securities issued pursuant to Rule 144A under the Securities Act of 1933, as amended. Loomis Sayles may elect not to hedge currency risk, which may cause the portion of the Large Company Growth Portfolio managed by Loomis Sayles to incur losses that would not have been incurred had the risk been hedged. Except as provided above, the Large Company Growth Portfolio is not limited in the percentage of its assets that it may invest in these instruments.

### **Los Angeles Capital**

Los Angeles Capital serves as a subadviser to a portion of each of the Large Company Growth Portfolio, Large Company Value Portfolio, Small Company Growth Portfolio, Small Company Value Portfolio, Index Fund, and International Fund. In managing its portion of each of these Portfolios, Los Angeles Capital uses its Dynamic Alpha Stock Selection Model<sup>®</sup>, a proprietary model, which seeks to generate incremental returns above a Portfolio's benchmark, while attempting to control investment risk relative to the benchmark.

Los Angeles Capital builds portfolios that maximize return subject to an acceptable level of risk relative these Portfolio's benchmark. Expected returns for a security are generated regularly. Los Angeles Capital develops a trade list of individual securities that will seek to improve the Portfolio's return/risk profile relative to the current portfolio. A portfolio is rebalanced to reflect changes in investor preferences as measured by the firm's factor forecasts. If a security no longer has the risk characteristics Los Angeles Capital believes investors are favoring, Los Angeles Capital will see a need to sell a stock in these Portfolios. As economic conditions change and investor risk preferences evolve, Los Angeles Capital's forecasts for these and other factors will change accordingly.

Los Angeles Capital does not set price targets. Los Angeles Capital's Dynamic Alpha Stock Selection Model® is the basis of security valuation and selection. Los Angeles Capital may limit or modify a portfolio's holdings based upon a perceived risk or concern regarding a particular company's investment merits. Los Angeles Capital's portfolios are typically fully invested with minimal cash holdings.

### **NWQ**

NWQ serves as a subadviser to a portion of the Small Company Value Portfolio. NWQ seeks to provide superior risk-adjusted returns through an analyst-driven value-oriented process. NWQ invests in companies which it believes are undervalued and where it believes catalysts exist to unlock value or improve profitability regardless of market movements or industry developments. Such catalysts can be new management, improving fundamental characteristics, renewed management focus, industry consolidation or company restructuring. Catalysts can also include free options or hidden assets that are not being correctly valued by the market. Investment decisions are made on an opportunistic basis, capitalizing on NWQ's evaluation of situations created by investor over-reaction, misperception and short-term focus. NWQ looks for low expectation stocks that it believes possess positive risk/reward characteristics and may be overlooked by Wall Street.

NWQ's stock selection process is driven by rigorous bottom-up fundamental research. The investable universe includes companies that may, or may not be included in an index. In addition, investments may be made in companies, domiciled outside of the United States, through their American Depositary Receipts ("ADRs"). Quantitative measures include price-to-cash flow, price-to-sales, price-to-earnings, price-to-book and earnings quality. Qualitatively, NWQ focuses on management strength, corporate strategy, competitive position and shareholder value orientation. NWQ does extensive bottom-up research on each current and potential common stock holding, having direct contact with corporate management and assessing the expected risk/reward ratio of an investment to determine the absolute downside versus the expected upside. Upon identifying stocks with attractive valuation characteristics and with catalysts that NWQ expects to drive investment results, NWQ selects approximately 40 to 70 securities for its portion of the Small Company Value Portfolio.

NWQ continually monitors all of its portfolio holdings and generally performs a rigorous, objective review on any investment that declines materially in price. NWQ typically either eliminates or trims positions when NWQ believes a security no longer meets the three criteria at the core of its investment discipline: attractive valuation, favorable risk/reward ratio and belief in a catalyst.

### **Pzena**

Pzena serves as a subadviser to a portion of the Large Company Value Portfolio. Pzena has a "classic" value investment philosophy; it seeks to buy very good businesses at very low prices. Pzena focuses exclusively on companies that it believes are underperforming their historically demonstrated earnings power. Pzena applies intensive fundamental research to such companies to determine whether the problems that caused the earnings shortfalls are temporary or permanent. Pzena invests in a company only when it judges that the company's problems are temporary, the company's management has a viable strategy to generate earnings recovery and Pzena believes there is meaningful downside protection in case the earnings recovery does not materialize. Pzena believes that a concentrated portfolio focused exclusively on companies such as these will generate meaningful returns for long-term investors. This concentration may increase the volatility of Pzena's portion of the Large Company Value Portfolio compared to more diversified funds.

Pzena generally sells a security when Pzena believes there are more attractive opportunities available, or there is a change in the fundamental characteristics of the issuer. In this way, Pzena attempts to avoid "emotional" input and to focus on the pure valuation level of each company.

## **Ranger**

Ranger serves as subadviser to a portion of the Small Company Growth Portfolio. Ranger utilizes a disciplined, consistent investment approach to both securities selection and risk management. Ranger's investment team searches for quality growth companies by implementing a bottom-up, fundamental research driven security selection process. In the research process, Ranger focuses on identifying small- and mid-capitalization U.S. equities characterized by accelerating revenue and earnings growth, high recurring revenues, strong balance sheets and free cash flow generation.

In addition to extensive quantitative analysis, Ranger gives careful consideration to qualitative analysis and judgment of the management team, accounting practices, corporate governance and the company's competitive advantage. Once these quantitative and qualitative characteristics are thoroughly analyzed, Ranger's investment team then determines whether a company is undervalued and whether there is sufficient upside to the stock price to warrant an investment.

Ranger utilizes information provided by two of its proprietary systems, "Long Manager" and the "Suspect List", to monitor its portfolios and better understand risk. "Long Manager" is a real-time analytical tool utilized by Ranger's investment team daily to monitor individual stocks and client portfolios to ensure compliance with client investment objectives. "Long Manager" also provides detailed, up-to-the-minute market information relating to all portfolio holdings and identifies securities that violate internal guidelines or are approaching their price targets. The "Suspect List" monitors 23 fundamental and technical characteristics and is used to identify companies that violate the firm's sell disciplines. Ranger's continual review process is designed to identify problem stocks early and enhance performance by removing them before they become significant problems in Ranger's portion of the Small Company Growth Portfolio.

## **Victory Capital**

Victory Capital serves as a subadviser to a portion of the Large Company Growth Portfolio. Victory Capital employs a growth-oriented style using bottom-up fundamental company analysis as a basis for all investment decisions. Victory Capital constructs its portion of the Large Company Growth Portfolio with high-quality, large-capitalization equity securities that Victory Capital believes are likely to produce superior earnings growth.

Earnings growth drives stock prices over time. Victory Capital seeks high-quality companies that have growing earnings, strong financial foundations, market leadership, and superb management teams. The Victory Capital investment team seeks to generate alpha (relative to the Russell 1000 Growth Index) by owning a focused portfolio of high-quality growth companies that Victory Capital believes will deliver earnings growth greater than that which the market expects. Victory Capital employs a bottom-up, long-term approach in managing a focused portfolio of approximately 25 stocks. Victory Capital sells a stock when the fundamental characteristics deteriorate, relative valuation has become less favorable or when a better investment opportunity is identified, and a position is reduced when a 10% position size limit is reached. Victory Capital does not time the market and seeks to remain fully invested at all times.

## ***Additional Investment Strategies and Risks of the Style Portfolios***

### **Large Company Growth Portfolio**

Additional principal risks relating to the Large Company Growth Portfolio are set forth below:

*Counterparty Credit Risk.* The Large Company Growth Portfolio may invest in financial instruments and OTC traded derivatives (including equity index swap agreements) involving counterparties to gain exposure to a particular group of securities, index or asset class without actually purchasing those securities or investments, or to hedge a position. Such financial instruments may include, among others, total return, index, interest rate, and credit default swap agreements. The Large Company Growth Portfolio may use short-term counterparty agreements to exchange the returns (or differentials in rates of return) earned or realized in particular predetermined investments or instruments. Through these investments, the Large Company Growth Portfolio is exposed to credit risks that the counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the



counterparty. If the counterparty becomes bankrupt or defaults on its payment obligations to the Large Company Growth Portfolio, the Portfolio may not receive the full amount that it is entitled to receive. If this occurs, the value of your shares in the Large Company Growth Portfolio will decrease. The Large Company Growth Portfolio bears the risk that counterparties may be adversely affected by legislative or regulatory changes, adverse market conditions, increased competition, and/or wide scale credit losses resulting from financial difficulties or borrowers affecting counterparties.

*Credit Risk.* It is possible that some issuers of fixed income securities will not make payments on debt securities held by the Large Company Growth Portfolio, or there could be defaults on repurchase agreements held by the Portfolio. This risk may be especially acute with respect to high yield securities (also known as “junk bonds”). Also, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the market price of the security and the Large Company Growth Portfolio’s NAV. A change in the credit quality rating of a security can affect its liquidity and make it more difficult for the Large Company Growth Portfolio to sell. Any applicable limitation on the credit quality of a security in which the Large Company Growth Portfolio may invest is applied at the time the Portfolio purchases the security. Credit quality is a measure of the issuer’s expected ability to make all required interest and principal payments in a timely manner. An issuer with the highest credit rating has a very strong capacity with respect to making all payments. An issuer with the second-highest credit rating has a strong capacity to make all payments, but the degree of safety is somewhat less. An issuer with the lowest credit quality rating may be in default or have extremely poor prospects of making timely payment of interest and principal.

Investment grade securities are fixed income securities that have been determined by a nationally or internationally recognized statistical rating organization to have a medium to high probability of being paid (although there is always a risk of default), or which, if unrated, have been determined to be of comparable quality. Investment grade securities are designated “BBB”, “A”, “AA” or “AAA” category by Standard & Poor’s Ratings Group, Fitch Investors Service, Inc., Dominion Bond Rating Service Ltd., Morningstar Credit Ratings, LLC and Kroll Bond Rating Agency, Inc., and “Baa”, “A”, “Aa” or “Aaa” category by Moody’s Investors Service, or an equivalent rating by any other nationally or internationally recognized statistical rating organization, or have been determined to be of comparable quality. If nationally or internationally recognized statistical rating organizations assign different ratings to the same security, the Funds will use the higher rating for purposes of determining the security’s credit quality.

*Currency Risk.* Fluctuations in the exchange rates between different currencies may negatively affect an investment. The Large Company Growth Portfolio may be subject to currency risk because it may invest in currency-related instruments and may invest in securities or other instruments denominated in, or receive revenues in, foreign currencies. The Large Company Growth Portfolio may elect not to hedge currency risk, or may hedge such risk imperfectly, which may cause the Large Company Growth Portfolio to incur losses that would not have been incurred had the risk been hedged.

*Derivatives Risk.* Derivative instruments (such as those in which the Large Company Growth Portfolio may invest, including foreign currency transactions and options) are subject to changes in the value of the underlying assets or indices on which such instruments are based. There is no guarantee that the use of derivatives will be effective or that suitable transactions will be available. Even a small investment in derivatives may give rise to leverage risk and can have a significant impact on the Large Company Growth Portfolio’s exposure to securities markets values, interest rates or currency exchange rates. It is possible that the Large Company Growth Portfolio’s liquid assets may be insufficient to support its obligations under its derivatives positions. The use of derivatives for other than hedging purposes may be considered a speculative activity, and involves greater risks than are involved in hedging. The use of derivatives may cause the Large Company Growth Portfolio to incur losses greater than those that would have occurred had derivatives not been used. The Large Company Growth Portfolio’s use of derivatives, such as forward currency contracts and options transactions involves other risks, such as the credit risk relating to the other party to a derivative contract (which is greater for forward currency contracts and other OTC-traded derivatives), the risk of difficulties in pricing and valuation, the risk that changes in the value of a derivative may not correlate as expected with changes in the value of relevant assets, rates or indices, liquidity risk, allocation risk and the risk of losing more than the initial margin required to initiate derivatives positions. There is also the risk that the Large Company Growth Portfolio may

be unable to terminate or sell a derivatives position at an advantageous time or price. The Large Company Growth Portfolio's derivative counterparties may experience financial difficulties or otherwise be unwilling or unable to honor their obligations, possibly resulting in losses to the Large Company Growth Portfolio.

*Emerging Markets Risk.* The Large Company Growth Portfolio may invest in securities in emerging markets. Investing in securities in emerging countries may entail greater risks than investing in securities in developed countries. These risks include: (i) less social, political and economic stability; (ii) the small current size of the markets for such securities and the currently low or nonexistent volume of trading, which result in a lack of liquidity and in greater price volatility; (iii) certain national policies which may restrict its investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; (iv) foreign taxation; (v) the absence of developed structures governing private or foreign investment or allowing for judicial redress for injury to private property; (vi) lower levels of government regulation and less extensive accounting, financial and other reporting requirements; and (vii) high rates of inflation for prolonged periods. Sovereign debt of emerging countries may be in default or present a greater risk of default.

*Foreign Securities Risk.* Investments in foreign securities may be subject to greater political, economic, environmental, credit and information risks. The Large Company Growth Portfolio's investments in foreign securities also are subject to foreign currency fluctuations and other foreign currency-related risks. Foreign securities may be subject to higher volatility than U.S. securities, varying degrees of regulation and limited liquidity.

*Leverage Risk.* The use of derivatives, repurchase agreements, reverse repurchase agreements, unfunded commitments, tender option bonds and borrowings (typically lines of credit) may create leveraging risk. For example, because of the low margin deposit required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial impact on the Large Company Growth Portfolio's NAV. Leveraging may cause the Large Company Growth Portfolio's performance to be more volatile than if it had not been leveraged. To mitigate leveraging risk and otherwise comply with regulatory requirements, the Large Company Growth Portfolio must segregate or earmark liquid assets to meet its obligations under, or otherwise cover, the transactions that may give rise to this risk, including, but not limited to, futures, certain options, swaps and reverse repurchase agreements. Applicable law limits the Large Company Growth Portfolio from borrowing in an amount greater than 33 ⅓% of its assets.

### **Small Company Value Portfolio**

Additional principal risks relating to the Small Company Value Portfolio are set forth below:

*Real Estate Securities Risk.* The Small Company Value Portfolio may invest in securities of real estate companies and companies related to the real estate industry, including real estate investment trusts ("REITs"), which are subject to the same risks as direct investments in real estate. These risks include: losses from casualty or condemnation, changes in local and general economic conditions, changes in real estate values and rental income, interest rates, zoning laws, regulatory limitations on rents, property taxes, operating expenses, overbuilding, extended vacancies of properties, and the management skill and credit worthiness of the issuer. In addition, the real estate industry has historically been cyclical and particularly sensitive to economic downturns. The value of a REIT can depend on the structure of and cash flow generated by the REIT, and may invest in a limited number of properties, a narrow geographic area, or a single type of property, which may increase the risk that the Small Company Value Portfolio could be unfavorably affected by the poor performance of a single investment or investment type.

Because REITs are pooled investment vehicles that have expenses of their own, the Small Company Value Portfolio will indirectly bear its proportionate share of expenses paid by each REIT in which it invests. REITs are also subject to unique tax requirements which, if not met, could adversely affect dividend payments. In the event of a default of an underlying borrower or lessee, a REIT could experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments.

## ***The Index Fund***

The Index Fund's investment objective is to replicate as closely as possible the performance of the Index before the deduction of Index Fund expenses. The investment objective of the Index Fund cannot be changed without the approval of a "majority of the outstanding voting securities." The Index Fund provides exposure to the entire U.S. stock market by investing in the common stocks of companies included in the Index. The Index Fund may invest in the common stock of companies of any size, including small-cap companies. The Index is an unmanaged capitalization weighted index of over 3,500 U.S. equity securities and includes U.S. stocks regularly traded on the New York Stock Exchange ("NYSE"), the NYSE MKT LLC and the NASDAQ OTC market. The Index Fund normally holds stocks representing at least 90% of the Index's total market value, which ranges between 1,500 and 3,000 stocks.

Los Angeles Capital serves as the subadviser to the Index Fund. Los Angeles Capital manages the Index Fund using sampling passive investment approach for portfolio construction. Los Angeles Capital uses sector weighting and portfolio characteristic profiling to keep the Index Fund within acceptable parameter ranges relative to the benchmark.

Over time, Los Angeles Capital expects the correlation between the performance of the Index and the performance of the Index Fund to be over 90% before the deduction of Index Fund expenses. A 100% correlation would indicate that the Index Fund's performance exactly matches the performance of the Index. The Index Fund's ability to track the Index's performance will be affected by factors such as the Index Fund's expenses, changes in stocks represented in the Index and the timing and amount of sales and redemptions of Index Fund shares.

## ***The International Fund***

The International Fund seeks long-term growth of capital primarily through diversified holdings of marketable foreign equity investments. The investment objectives of the International Fund cannot be changed without the approval of a "majority of the outstanding voting securities." The International Fund invests, under normal circumstances, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in equity securities. Since the International Fund may invest in companies of any size, it may at times invest in small-cap companies. The International Fund invests in companies organized outside of the United States. The International Fund intends to diversify its investments in operating companies among several countries and to have represented in its holdings business activities in not less than three different countries. The operating companies in which the International Fund primarily invests are equity securities of established companies that the subadvisers believe have favorable characteristics and that are listed on foreign exchanges. The International Fund may invest up to 35% of its net assets in emerging markets securities, including ETFs. The International Fund may also invest in fixed-income securities of foreign governments and companies.

Currently, Wilshire has retained Cambiar, WCM, and Los Angeles Capital to manage the International Fund. The basic philosophy of each subadviser is described below.

### **Cambiar**

Cambiar serves as a subadviser to a portion of the International Fund. Cambiar invests primarily in equity securities of foreign companies and will typically hold between 40 to 50 positions, with average positions sizes in the 2% to 3% range. The portion of the International Fund's assets managed by Cambiar will have a developed market bias but does have the ability to invest up to 25% in emerging markets.

In selecting investments for the International Fund, Cambiar uses a fundamental, relative value investment approach to build a diversified portfolio of companies that meet the following criteria:

**Quality** – Cambiar seeks to identify companies that possess strong competitive positions within their sector or industry, and offer a track record of innovation and product leadership as well as strong pricing and cost discipline. Cambiar prefers companies that possess strong financial characteristics such as low leverage and sufficient liquidity.

Valuation – Cambiar uses conventional valuation metrics, such as price-to-earnings and price-to-book ratios, to identify companies that are trading at the lower end of their long-term valuation range.

Catalyst – Cambiar seeks to identify a fundamental positive development or catalyst (such as the onset of a new product or pricing cycle, resolution of a transitory overhang or normalization of the businesses' cash flow, margins and/or earnings) that it believes can positively change investors' perception of a company, but has not yet been recognized by the market.

Hurdle Rate – Cambiar seeks to identify companies that it believes can generate a significant investment return consisting of both capital appreciation and dividend income, over a one to two-year time horizon, and is based on the company returning to its normal earnings and valuation.

Cambiar selects investments on a stock-by-stock basis, with the goal of building a portfolio for its portion of the International Fund's assets that strikes a balance between its conviction in an investment and portfolio diversification. Cambiar seeks to manage risk through its research process as well as limits on individual position sizes and allocations to an economic sector or individual country.

Cambiar will consider liquidating or reducing its investment in a company if: (a) the investment thesis is realized and the stock reaches its price target, (b) the stock price increases disproportionately relative to actual company developments, (c) position size, country or sector limits are reached, or (d) there is a negative change in fundamentals, or the investment thesis fails to develop as expected.

### **WCM**

In investing its portion of the International Fund's assets, WCM establishes portfolio guidelines for sector and industry emphasis by analyzing major trends in the global economy to identify those economic sectors and industries that are most likely to benefit. WCM analyzes trends in areas including demographics, global commerce, outsourcing, the growing global middle class and the proliferation of technology. WCM then develops a portfolio strategy that best capitalizes on the expected growth. In constructing its portion of the International Fund's portfolio, WCM seeks non-US domiciled quality businesses with superior growth prospects, high returns on invested capital and low or no debt. WCM also requires each company to maintain a durable competitive advantage and strongly considers qualitative elements such as corporate culture and the strength, quality and trustworthiness of management. WCM is sensitive to valuation and seeks to avoid companies with limited or spotty histories. In selecting equity investments for the International Fund, WCM typically plans to hold positions for three to five years.

WCM may sell all or a portion of its portion of the International Fund's portfolio holdings when, in its opinion, one or more of the following occurs, among other reasons: (1) fundamentals deteriorate; (2) there is increased geopolitical or currency risk; (3) WCM identifies a more attractive security; or (4) the International Fund experiences redemptions of shares.

### **Los Angeles Capital**

Los Angeles Capital serves as a subadviser to a portion of the International Fund. In managing its portion of the International Fund, Los Angeles Capital uses Los Angeles Capital's Dynamic Alpha Stock Selection Model®, a proprietary model, which seeks to generate incremental returns above the MSCI All Country World Index ex U.S., while attempting to control investment risk relative to that index.

Los Angeles Capital builds a portfolio that seeks to maximize return subject to an acceptable level of risk relative to the MSCI All Country World Index ex U.S.® Index. Security level expected returns are generated regularly. Los Angeles Capital develops a trade list of individual securities that will seek to improve the International Fund's return/risk profile relative to the current portfolio. Los Angeles Capital rebalances the portfolio to reflect changes in investor preferences as measured by the Firm's factor forecasts. If a security no longer has the risk characteristics Los Angeles Capital believes investors are favoring, Los Angeles Capital will see a need to sell a stock in the International Fund. As economic conditions change and investor risk preferences evolve, Los Angeles Capital's forecasts for these and other factors will change accordingly.

## ***The Income Fund***

The Income Fund's primary investment objective is to maximize current income. Long-term capital appreciation is a secondary objective. The Income Fund's investment objective is not fundamental, and may be changed by the Board of Trustees without shareholder approval.

Currently, Wilshire has retained DoubleLine and Guggenheim to manage the Income Fund. The basic philosophy of each subadviser is described below.

### **DoubleLine**

In managing its portion of the Income Fund, DoubleLine has broad flexibility to use various investment strategies and to invest in a wide variety of fixed income instruments that DoubleLine believes offer the potential for current income, capital appreciation, or both. DoubleLine expects to allocate its portion of the Income Fund's assets in response to changing market, financial, economic, and political factors and events that the portfolio manager believes may affect the values of the Income Fund's investments. DoubleLine seeks to manage its portion of the Income Fund's duration based on DoubleLine's view of, among other things, future interest rates and market conditions. There are no limits on the duration of the Income Fund's portfolio. DoubleLine retains broad discretion to modify its portion of the Income Fund's duration within a wide range.

### **Guggenheim**

In managing its portion of the Income Fund, Guggenheim uses a process for selecting securities for purchase and sale that is based on intensive credit research and involves extensive due diligence on each issuer, region and sector. Guggenheim also considers macroeconomic outlook and geopolitical issues. Guggenheim's process for determining whether to buy a security is a collaborative effort between various groups including: (i) economic research, which focus on key economic themes and trends, regional and country-specific analysis, and assessments of event-risk and policy impacts on asset prices, (ii) the Portfolio Construction Group, which utilize proprietary portfolio construction and risk modeling tools to determine allocation of assets among a variety of sectors, (iii) its Sector Specialists, who are responsible for security selection within these sectors and for implementing securities transactions, including the structuring of certain securities directly with the issuers or with investment banks and dealers involved in the origination of such securities, and (iv) portfolio managers, who determine which securities best fit the Income Fund based on the Income Fund's investment objective and top-down sector allocations. In managing the Income Fund, Guggenheim uses a process for selecting securities for purchase and sale that is based on intensive credit research and involves extensive due diligence on each issuer, region and sector. Guggenheim also considers macroeconomic outlook and geopolitical issues. Guggenheim maintains targets with respect to portfolio maturity and duration. These targets are reviewed continually by various teams including the portfolio management team. These targets are set based on the interest rate outlook, the macro environment, and can be either absolute or relative to a portfolio's positioning to a benchmark.

## ***Additional Investment Strategies and Risks of the International Fund and Income Fund***

### **International Fund**

Additional principal risks relating to the International Fund are set forth below:

*Counter Directional Risks.* The subadvisers may take a long position in securities of an issuer in the International Fund while at the same time going short on the same issuer in another account managed by the subadviser. Conversely, the subadvisers could have a short position in a portfolio while at the same time going long on the same issuer in the International Fund. These situations occur due to differences in the risk and guideline constraints and exposures governing the International Fund's portfolio in comparison to the other accounts managed by the subadvisers. The subadvisers have procedures in place that are designed to minimize conflicts of interest in these situations.

## **Income Fund**

Additional principal risks relating to the Income Fund are set forth below:

*Asset-Backed and Mortgage-Backed Securities Risk.* The Income Fund may invest in asset-backed securities (“ABS”), including mortgage-backed securities (“MBS”) and structured investment vehicles (“SIVs”), which are legal entities that are sponsored by banks, broker-dealers or other financial firms specifically created for issuing particular securities or instruments.

The Income Fund will receive payments that are part interest and part return of principal. These payments may vary based on the rate at which borrowers pay off their loans. When a borrower, such as a homeowner with respect to MBS, makes a prepayment, the Income Fund receives a larger portion of its principal investment back, which means that there will be a decrease in monthly interest payments. An underlying pool of assets, including but not limited to automobile and credit card receivables, boat loans, computer leases, airplane leases, mobile home loans, recreational vehicle loans and hospital account receivables may back ABS in which the Income Fund may invest. The Income Fund may invest in these and other types of ABS (including future receivables of cash flows or assets) that currently exist or may be developed in the future. The pool provides the interest and principal payments to investors. ABS may provide the Income Fund with a less effective security interest in the related collateral than do mortgage-related securities, and thus it is possible that recovery on repossessed collateral might be unavailable or inadequate to support payments on these securities. Some MBS and SIVs may be leveraged or have structures that make their reaction to interest rates and other factors difficult to predict, making their prices very volatile.

The underlying assets (i.e., loans) are subject to prepayments, which can shorten the securities’ weighted average life and may lower their return. The value of these securities also may change because of actual or perceived changes in the creditworthiness of the originator, the servicing agent or the financial institution providing credit support. These securities are subject to high degrees of credit, valuation and liquidity risks.

Further, recently adopted rules implementing credit risk retention requirements for ABS may increase the costs to originators, securitizers and, in certain cases, asset managers of securitization vehicles in which the Income Fund may invest. Although the impact of these requirements is uncertain, certain additional costs may be passed to the Income Fund and the Income Fund’s investments in ABS may be adversely affected. Many of the other changes required by the Dodd–Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) or foreign regulatory developments could materially impact the value of the Income Fund’s assets, expose the Income Fund to additional costs and require changes to investment practices, thereby adversely affecting the Income Fund’s performance.

Additional risks relating to investments in ABS may arise due to the type of ABS in which the Income Fund invests, defined by the assets collateralizing the ABS. For example, ABS backed by aircraft loans and leases may provide the Income Fund with a less effective security interest in the related underlying collateral than do mortgage-related securities and, thus, it is possible that recovery on repossessed collateral might be unavailable or inadequate to support payments on these ABS. In addition to the risks inherent in ABS generally, risks associated with aircraft securitizations include but are not limited to risks related to commercial aircraft, the leasing of aircraft by commercial airlines and the commercial aviation industry generally. With respect to any one aircraft, the value of such aircraft can be affected by the particular maintenance and operating history for the aircraft or its components, the model and type of aircraft, the jurisdiction of registration (including legal risks, costs and delays in attempting to repossess and export such aircraft following any default under the related loan or lease) and regulatory risk. The Income Fund may invest in these and other types of ABS that may be developed in the future.

- *Residential Mortgage-Backed Securities Risk.* Home mortgage loans are typically grouped together into “pools” by banks and other lending institutions, and interests in these pools are then sold to investors, allowing the bank or other lending institution to have more money available to loan to home buyers. When homeowners make interest and principal payments, these payments are passed on to the investors in the pool. Some of these pools are guaranteed by U.S. government agencies or by government sponsored private corporations – familiarly called “Ginnie Mae,” “Fannie Mae” and “Freddie Mac.” Non-agency MBS is subject to the risk that the value of such security will decline because,

among other things, the security is not issued or guaranteed as to principal or interest by the U.S. government or a government sponsored enterprise. These securities are often subject to greater credit risk than agency MBS. In addition, these securities may be less readily marketable as the market for these securities is typically smaller and less liquid than the market for agency MBS, thus these securities may be subject to greater price fluctuation than agency MBS. Home mortgage loans may also be purchased and grouped together by non-lending institutions such as investment banks and hedge funds who will sell interests in such pools to investors. MBS may be particularly sensitive to changes in interest rates given that rising interest rates tend to extend the duration of fixed-rate MBS. As a result, a rising interest rate environment can cause the prices of MBS to be increasingly volatile, which may adversely affect the Income Fund's holdings of MBS. Considering the current interest rate environment, the Income Fund's investments in these securities may be subject to heightened interest rate risk.

- *Commercial Mortgage-Backed Securities Risk.* Commercial mortgage backed securities ("CMBS") are collateralized by one or more commercial mortgage loans. Banks and other lending institutions typically group the loans into pools and interests in these pools are then sold to investors, allowing the lender to have more money available to loan to other commercial real estate owners. Commercial mortgage loans may be secured by office properties, retail properties, hotels, mixed use properties or multi-family apartment buildings. Investments in CMBS are subject to the risks of ABS generally and particularly subject to credit risk, interest rate risk, and liquidity and valuation risk.

*Certificates of Deposit and Bankers' Acceptances Risk.* Certificates of deposit are receipts issued by a depository institution in exchange for the deposit of funds. The issuer agrees to pay the amount deposited plus interest to the bearer of the receipt on the date specified on the certificate. The certificate usually can be traded in the secondary market prior to maturity. Bankers' acceptances typically arise from short-term credit arrangements designed to enable businesses to obtain funds to finance commercial transactions. Generally, an acceptance is a time draft drawn on a bank by an exporter or an importer to obtain a stated amount of funds to pay for specific merchandise. The draft is then "accepted" by a bank that, in effect, unconditionally guarantees to pay the face value of the instrument on its maturity date. The acceptance may then be held by the accepting bank as an earning asset or it may be sold in the secondary market at the going rate of discount for a specific maturity. Although maturities for acceptances can be up to 270 days, most acceptances have maturities of six months or less.

*Collateralized Loan Obligations ("CDO") and Collateralized Debt Obligations ("CLO") Risk.* A CLO is an ABS whose underlying collateral is a pool of loans. Such loans may include domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, some of which may be below investment grade or equivalent unrated loans. Investments in CLOs carry the same risks as investments in loans directly, as well as other risks, including interest rate risk, credit and liquidity and valuation risks, and the risk of default. CLOs issue classes or "tranches" that vary in risk and yield. The Income Fund may invest across each tranche in a CLO including the mezzanine and equity tranches. Losses caused by defaults on underlying assets are borne first by the holders of subordinate tranches. A CLO may experience substantial losses attributable to loan defaults. The Income Fund's investment in a CLO may decrease in market value because of (i) loan defaults or credit impairment, (ii) the disappearance of subordinate tranches, (iii) market anticipation of defaults, and (iv) investor aversion to CLO securities as a class. These risks may be magnified depending on the tranche of CLO securities in which the Income Fund invests. For example, investments in a junior tranche of CLO securities will likely be more sensitive to loan defaults or credit impairment than investments in more senior tranches.

CDOs are structured similarly to CLOs, but are backed by pools of assets that are securities rather than only loans, typically including bonds, other structured finance securities (including other ABS and other CLOs) and/or synthetic instruments. CDOs are often highly leveraged, and like CLOs, the risks of investing in CDOs may be magnified depending on the tranche of CDO securities held by the Income Fund. The nature of the risks of CDOs depends largely on the type and quality of the underlying collateral and the tranche of CDOs in which the Income Fund may invest. CDOs collateralized by pools of ABS carry the same risks as investments in ABS directly, including losses with respect to the collateral underlying those ABS. In addition, certain CDOs may not hold their underlying collateral directly, but rather, use derivatives such as swaps to create "synthetic" exposure to the collateral pool. Such CDOs entail the risks associated with derivative instruments.

*Commercial Paper Risk.* The value of the Income Fund's investment in commercial paper, which is an unsecured promissory note that generally has a maturity date between one and 270 days and is issued by a U.S. or foreign entity, is susceptible to changes in the issuer's financial condition or credit quality. Investments in commercial paper are usually discounted from their value at maturity. Commercial paper can be fixed-rate or variable rate and can be adversely affected by changes in interest rates. As with other fixed-income securities, there is a risk that the issuer of commercial paper will default completely on its obligations. Commercial paper is generally unsecured and, thus, is subject to increased credit risk. The Income Fund may have limited or no recourse against the issuer of commercial paper in the event of default.

*Convertible Securities Risk.* Convertible securities, debt or preferred equity securities convertible into, or exchangeable for, equity securities, are generally preferred stocks and other securities, including fixed income securities and warrants that are convertible into or exercisable for common stock. They generally participate in the appreciation or depreciation of the underlying stock into which they are convertible, but to a lesser degree. In recent years, convertible securities have been developed which combine higher or lower current income with options and other features. Warrants are options to buy a stated number of shares of common stock at a specified price anytime during the life of the warrants (generally, two or more years). Convertible securities may be lower-rated securities subject to greater levels of credit risk. A convertible security may be converted before it would otherwise be most appropriate, which may have an adverse effect on the Income Fund's ability to achieve its investment objective. "Synthetic" convertible securities are selected based on the similarity of their economic characteristics to those of a traditional convertible security due to the combination of separate securities that possess the two principal characteristics of a traditional convertible security, i.e., an income-producing security ("income-producing component") and the right to acquire an equity security ("convertible component"). The income-producing component is achieved by investing in non-convertible, income-producing securities such as bonds, preferred stocks and money market instruments, which may be represented by derivative instruments. The convertible component is achieved by investing in securities or instruments such as warrants or options to buy common stock at a certain exercise price, or options on a stock index. A simple example of a synthetic convertible security is the combination of a traditional corporate bond with a warrant to purchase equity securities of the issuer of the bond. The Income Fund may also purchase synthetic securities created by other parties, typically investment banks, including convertible structured notes. The income producing and convertible components of a synthetic convertible security may be issued separately by different issuers and at different times. In addition, some such instruments have a set stock conversion rate that would cause a reduction in value of the security if the price of the stock is below the conversion price on the conversion date.

*Counterparty Credit Risk.* The Income Fund may invest in financial instruments and OTC-traded derivatives (including equity index swap agreements) involving counterparties for gaining exposure to a particular group of securities, index or asset class without purchasing those securities or investments, or to hedge a position. Such financial instruments may include, among others, total return, index, interest rate, and credit default swap agreements. The Income Fund may use short-term counterparty agreements to exchange the returns (or differentials in rates of return) earned or realized in particular predetermined investments or instruments. Through these investments, the Income Fund is exposed to credit risks that the counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the counterparty. If the counterparty becomes bankrupt or defaults on its payment obligations to the Income Fund, the Income Fund may not receive the full amount that it is entitled to receive. If this occurs, the value of your shares in the Income Fund will decrease.

The Income Fund bears the risk that counterparties may be adversely affected by legislative or regulatory changes, adverse market conditions, increased competition, and/or wide scale credit losses resulting from financial difficulties or borrowers affecting counterparties.

*Credit Risk.* It is possible that some issuers of fixed income securities will not make payments on debt securities held by the Income Fund, or there could be defaults on repurchase agreements held by the Income Fund. This risk may be especially acute with respect to high yield securities (i.e., "junk bonds"). Also, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the market price of the security and the Income Fund's NAV. A change in the credit quality rating of a security can affect its liquidity and make it more difficult for the Income



Fund to sell. Any applicable limitation on the credit quality of a security in which the Income Fund may invest is applied at the time the Income Fund purchases the security. Credit quality is a measure of the issuer's expected ability to make all required interest and principal payments in a timely manner. An issuer with the highest credit rating has a very strong capacity with respect to making all payments. An issuer with the second-highest credit rating has a strong capacity to make all payments, but the degree of safety is somewhat less. An issuer with the lowest credit quality rating may be in default or have extremely poor prospects of making timely payment of interest and principal.

Investment grade securities are fixed income securities that have been determined by a nationally or internationally recognized statistical rating organization to have a medium to high probability of being paid (although there is always a risk of default), or which, if unrated, have been determined by a subadviser to be of comparable quality. Investment grade securities are designated "BBB", "A", "AA" or "AAA" category by Standard & Poor's Ratings Group, Fitch Investors Service, Inc., Dominion Bond Rating Service Ltd., Morningstar Credit Ratings, LLC and Kroll Bond Rating Agency, Inc., and "Baa", "A", "Aa" or "Aaa" category by Moody's Investors Service, or an equivalent rating by any other nationally or internationally recognized statistical rating organization, or have been determined by a subadviser to be of comparable quality. If nationally or internationally recognized statistical rating organizations assign different ratings to the same security, the Income Fund will use the higher rating for purposes of determining the security's credit quality.

*Currency Risk.* The Income Fund's direct or indirect exposure to foreign currencies, including through ownership of securities of foreign issuers, subjects the Income Fund to the risk that those currencies will decline in value relative to the U.S. Dollar, which would cause a decline in the U.S. value of the holdings of the Income Fund. Currency rates in foreign countries may fluctuate significantly over short periods of time for many reasons, including changes in interest rates and the imposition of currency controls or other political, economic and tax developments in the U.S. or abroad. When the Income Fund seeks exposure to foreign currencies through foreign currency contracts and related transactions, the Income Fund becomes particularly susceptible to foreign currency value fluctuations, which may be sudden and significant, and investment decisions tied to currency markets. In addition, these investments are subject to the risks associated with derivatives and hedging the impact on the Income Fund of fluctuations in the value of currencies may be magnified. To the extent the Income Fund hedges currency risk using forward currency contracts, the Income Fund may incur increased implied transaction costs.

*Derivatives Risk.* The Income Fund may invest a portion of its assets in derivatives, such as swaps, futures contracts and option contracts and currency transactions, as described in the Income Fund's principal investment strategies, to pursue its investment objectives and to create economic leverage in the Income Fund, to enhance total return, to seek to hedge against fluctuations in securities prices, interest rates, currency rates, etc., to change the effective duration of the Income Fund's portfolio, to manage certain investment risks, and/or as a substitute for the purchase or sale of securities or currencies. The use of such derivatives may expose the Income Fund to risks in addition to and greater than those associated with investing directly in the securities underlying those derivatives, including risks relating to leverage, imperfect correlations with underlying investments or the Income Fund's other portfolio holdings, high price volatility, lack of availability, counterparty credit, liquidity, valuation and legal restrictions. The use of such derivatives may also expose the Income Fund to the performance of securities that the Income Fund does not own. The skills necessary to successfully execute derivatives strategies may be different from those for more traditional portfolio management techniques, and if a Subadviser is incorrect about its expectations of market conditions, the use of derivatives could also result in a loss, which in some cases may be unlimited. Use of derivatives may also cause the Income Fund to be subject to additional regulations, which may generate additional Income Fund expenses. These practices also entail transactional expenses and may cause the Income Fund to realize higher amounts of short-term capital gains than if the Income Fund had not engaged in such transactions. The markets for certain derivative instruments, and those located in foreign countries, are relatively new and still developing, which may expose the Income Fund to increased counterparty and liquidity risk. Certain risks also are specific to the derivatives in which the Income Fund invests.

Certain of the derivatives in which the Income Fund invests are traded (and privately negotiated) in OTC market. OTC derivatives are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Income Fund. In addition, OTC derivative instruments are often highly customized

and tailored to meet the needs of the Income Fund and its trading counterparties. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. As a result, and similar to other privately negotiated contracts, the Income Fund is subject to counterparty credit risk with respect to such derivative contracts.

*Emerging Markets Risk.* The Income Fund may invest in securities in emerging markets. Investing in securities in emerging countries may entail greater risks than investing in securities in developed countries. These risks include: (i) less social, political and economic stability; (ii) the small current size of the markets for such securities and the currently low or nonexistent volume of trading, which result in a lack of liquidity and in greater price volatility; (iii) certain national policies which may restrict the Income Fund's investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; (iv) foreign taxation; (v) the absence of developed structures governing private or foreign investment or allowing for judicial redress for injury to private property; (vi) lower levels of government regulation and less extensive accounting, financial and other reporting requirements; and (vii) high rates of inflation for prolonged periods. Sovereign debt of emerging countries may be in default or present a greater risk of default.

*Equity Securities Risk.* The Income Fund may invest in equity securities and equity-related securities, which include common stocks and other equity securities (and securities convertible into stocks), and the prices of equity securities generally fluctuate in value more than other investments. Growth stocks may be more volatile than value stocks. The price of equity securities may rise or fall rapidly or unpredictably and reflect changes in the issuing company's financial condition and changes in the overall market. Common stocks generally represent the riskiest investment in a company. If the prices of the equity securities held by the Income Fund fall, the value of your investment in the Income Fund will be adversely affected. The Income Fund may lose a substantial part, or even all, of its investment in a company's stock. The Income Fund's investment in securities offered through initial public offerings ("IPOs") may have a magnified performance impact, either positive or negative, on the Income Fund, particularly if the Income Fund has a small asset base. There is no guarantee that as the Income Fund's assets grow, it will continue to experience substantially similar performance by investing in IPOs. The Income Fund's investments in IPOs may make it subject to more erratic price movements than the overall equity market.

*Foreign Securities Risk.* The Income Fund may invest in foreign securities. Investing outside the United States involves economic and political considerations not typically applicable to U.S. markets. These considerations, which may favorably or unfavorably affect the Income Fund's investment performance, include, but are not limited to, changes in exchange rates and exchange rate controls (which may include suspension of the ability to transfer currency from a given country), costs incurred in conversions between currencies, nonnegotiable brokerage commissions, different accounting standards, lower trading volume and greater market volatility, the difficulty of enforcing obligations in other countries, less securities regulation, different tax provisions (including withholding on interest and dividends paid to the Income Fund), war, expropriation, political and social instability and diplomatic developments. Further, the settlement period of securities transactions in foreign markets may be longer than in domestic markets. These considerations generally are heightened in developing countries. For example, the possibility of political upheaval and the dependence on foreign economic assistance may be greater in these countries than in developed countries. Wilshire and the Subadvisers seek to mitigate the risks associated with these considerations through diversification and active professional management.

*Geographic Emphasis Risk.* A fund that invests a significant portion of its assets in one country or geographic region will be more vulnerable to the risks of volatile economic cycles and/or conditions and developments that may be particular to that country or region than a fund that invests its assets more broadly. Such developments may include: adverse securities markets; adverse exchange rates; social, political, regulatory, financial, economic or environmental developments; or natural disasters. Such conditions or developments may have a significant impact on the Income Fund's investment performance causing such performance to be more volatile than the investment performance of a more geographically diversified fund. The Income Fund's investment performance may be particularly susceptible to such conditions and developments if the Income Fund emphasizes its investments in an emerging market country or region with several emerging market countries.

*Hedging Risk.* The Income Fund may, but is not required to, engage in various investments or transactions that are designed to hedge a position that the Income Fund holds. A hedge is an investment, transaction or strategy designed to reduce the risk and impact of adverse market movements or changes in the price or value of a portfolio security or other investment. Hedging may be ineffective as a result of unexpected changes in the market, changes in the prices or values of the related instrument, or changes in the correlation of the instrument and the Income Fund's hedging investment or transaction. Hedging investments or transactions involve costs and may reduce gains or result in losses, which may adversely affect the Income Fund.

*High-Yield and Unrated Securities Risk.* The Income Fund may invest in fixed income or convertible securities rated lower than "Baa" by Moody's or "BBB" by S&P, or unrated securities of comparable quality, which are commonly referred to as "junk bonds" or "high-yield/high-risk" securities. These securities are considered speculative and generally involve a higher risk of loss of principal and income than higher-rated, investment grade securities. The value of these securities generally fluctuates more than those of higher-rated securities. The value of high-yield, high-risk securities may also be influenced by the bond market's perception of an issuer's credit quality or its outlook for economic growth. As with any other asset in the Income Fund's portfolio, any reduction in the value of such securities would be reflected in the net asset value of the Income Fund. In addition, a fund that invests in lower-quality securities may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal and interest on its holdings. As a result of the associated risks, successful investments in high-yield (high-risk) securities will be more dependent on the subadvisers' credit analysis than generally would be the case with investments in investment grade securities. Lower-quality securities tend to be less liquid than higher-quality debt securities because the market for them is not as broad or active. The lack of a liquid secondary market may have an adverse effect on market price and the Income Fund's ability to sell particular securities.

*Hybrid Securities Risk.* Hybrid instruments combine the characteristics of securities, futures and options. Typically, a hybrid instrument combines a traditional stock, bond or commodity with an option or forward contract. Generally, the principal amount, amount payable upon maturity or redemption, or interest rate of a hybrid is tied to the price of some security, commodity, currency or securities index, or another interest rate or some other economic factor. Hybrid instruments can be used as an efficient means of pursuing a variety of investment goals, including currency hedging and increased total return. The risks of such investments would reflect the risks of investing in futures, options and securities, including volatility and illiquidity. Such securities may bear interest or pay dividends at below market (or even relatively nominal) rates. Under certain conditions, the redemption value of such an investment could be zero.

*Inflation-Indexed Securities Risk.* Inflation-linked securities are income-generating instruments whose interest and principal payments are adjusted for inflation, a sustained increase in prices that erodes the purchasing power of money. TIPS, or Treasury inflation-protected securities, are inflation-linked securities issued by the U.S. government. Inflation-linked bonds are also issued by corporations, U.S. government agencies, states, and foreign countries. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, such as the consumer price index (CPI). A fixed coupon rate is applied to the inflation-adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This can provide investors with a hedge against inflation, as it helps preserve the purchasing power of investments. Because of this inflation-adjustment feature, inflation-protected bonds typically have lower yields than conventional fixed-rate bonds. Municipal inflation bonds generally have a fixed principal amount, and the inflation component is reflected in the nominal coupon. Inflation-protected bonds normally will decline in market price when real interest rates rise. A real interest rate is calculated by subtracting the inflation rate from a nominal interest rate. For example, if a 10-year Treasury note is yielding 5% and rate of inflation is 2%, the real interest rate is 3%. If inflation is negative, the principal and income of an inflation-protected bond will decline and could result in losses.

*Interest Rate Risk.* Investments in fixed income securities are subject to the possibility that interest rates (both in U.S. and foreign) could rise sharply, causing the market value of the Income Fund's securities and NAV to decline. Market prices of longer-term bonds and zero coupon bonds are generally more sensitive to interest rate changes than shorter-term bonds. Generally, the longer the average maturity of the bonds in the Income Fund, the more the Income Fund's NAV will fluctuate in response to interest rate changes. If an issuer calls or redeems an investment during a time of declining interest rates, the

Income Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. Investors should note that interest rates currently are at, or near, historic lows, but will ultimately increase, with unpredictable effects on the markets and the Income Fund's investments. Securities with floating interest rates, such as syndicated bank loans, generally are less sensitive to interest rate changes, but may decline in market value if their interest rates do not rise as much or as fast as interest rates in general.

*Investment in Investment Vehicles Risk.* Investing in other investment vehicles, including ETFs, closed-end funds, investment companies managed by Guggenheim, or an affiliate of Guggenheim, and other mutual funds, subjects the Income Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. To the extent the Income Fund invests in other investment companies or vehicles, the Income Fund and its shareholders will incur its pro rata share of the underlying investment companies' or vehicles' expenses, such as investment advisory and other management expenses, and shareholders will be required to pay the operating expenses of two or more investment vehicles. In addition, the Income Fund will be subject to the effects of business and regulatory developments that affect an underlying investment company or vehicle or the investment company industry generally. In addition, an underlying investment vehicle may buy the same securities that another underlying investment vehicle sells. If this happens, an investor in the Income Fund would indirectly bear the costs of these trades without accomplishing any investment purpose. In addition, certain of the underlying investment vehicles may hold common portfolio positions, thereby reducing the diversification benefits of an asset allocation style. On the other hand, the underlying investment vehicles may engage in investment strategies or invest in specific investments in which the Income Fund would not engage or invest directly. The performance of those underlying investment vehicles, in turn, depends upon the performance of the securities in which they invest or the underlying investment which may be managed by a subadviser or its affiliate.

*Investments in Loans Risk.* Loans, such as syndicated bank loans, senior floating rate loans, secured and unsecured loans, second lien or more junior loans, bridge loans and unfunded commitments, may incur some of the same risks as other debt securities, such as prepayment risk, credit risk, interest rate risk, liquidity risk and risks found with high yield securities. Although some loans are secured by collateral, the collateral may be difficult to liquidate and the market value of the collateral can decline or be insufficient to meet the obligation of the borrower. The Income Fund could also have its interest subordinated to other indebtedness of the obligor. As a result, a loan may not be fully collateralized and the loan's market value can decline significantly, which may result in the Income Fund not receiving payments to which it is entitled.

Loans may offer a fixed rate or floating rate of interest. Loans may decline in market value if their interest rates do not rise as much or as fast as interest rates in general. Loans are subject to the risk that the scheduled interest or principal payments will not be paid. Lower-rated loans and debt securities (those of less than investment grade quality), involve greater risk of default on interest and principal payments than higher-rated loans and securities. If a non-payment occurs, the market value of that obligation likely will decline. Debt securities rated, for example, below "BBB" category by S&P or "Baa" category by Moody's are considered to have speculative characteristics and are commonly referred to as "junk bonds." Junk bonds entail default and other risks greater than those associated with higher-rated securities.

Loans are vulnerable to market sentiment such that economic conditions or other events may reduce the demand for loans and cause their market value to decline rapidly and unpredictably. Furthermore, while the resale, or secondary, market for loans is growing, it is currently limited. There is no organized exchange or board of trade on which loans are traded. Loans often trade in large denominations (typically \$1 million and higher), and trades can be infrequent. The market has limited transparency so that information about actual trades may be difficult to obtain. Accordingly, some of the loans in which the Income Fund may invest will be relatively illiquid. Certain loans may be subject to restrictions on resale or assignment. The Income Fund may have difficulty in disposing of loans in a timely fashion, which could result in losses to the Income Fund. Loans may be issued in connection with highly leveraged transactions, such as restructurings, leveraged buyouts, leveraged recapitalizations and other types of acquisition financing. In such highly-leveraged transactions, the borrower assumes large amounts of debt to have the financial resources to attempt to achieve its business objectives. As such, such loans may be part of highly leveraged transactions and involve a significant risk that the borrower may default or go into bankruptcy. The

Income Fund may hold non-performing, re-performing or sub-performing loans (or securitizations or re-securitizations of these loans). These investments are particularly susceptible to the risks associated with loans, including with respect to valuation and liquidity. The Income Fund values its assets daily. However, because the secondary market for loans is limited, they may be difficult to value. Market quotations may not be readily available for some loans or may be volatile and/or subject to large spreads between bid and ask prices, and valuation may require more research than for other securities. In addition, elements of judgment may play a greater role in valuation than for securities with a more active secondary market because there is less reliable, objective market value data available. The Income Fund may be in possession of material non-public information about a borrower as a result of its ownership of a loan and/or corporate debt security of a borrower. Because U.S. laws and regulations generally prohibit trading in securities of issuers while in possession of material, non-public information, the Income Fund might be unable to trade securities of such a transaction in a security of such a borrower when it would otherwise be advantageous to do so and, as such, could incur a loss.

*Leverage Risk.* The use of derivatives, repurchase agreements, reverse repurchase agreements, unfunded commitments, tender option bonds and borrowings (typically lines of credit) may create leveraging risk. For example, because of the low margin deposit required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial impact on the Income Fund's NAV. Leveraging may cause the Income Fund's performance to be more volatile than if it had not been leveraged. To mitigate leveraging risk and otherwise comply with regulatory requirements, the Income Fund must segregate or earmark liquid assets to meet its obligations under, or otherwise cover, the transactions that may give rise to this risk, including, but not limited to, futures, certain options, swaps and reverse repurchase agreements. Applicable law limits the Income Fund from borrowing in an amount greater than 33 1/3% of its assets.

The Income Fund is permitted to borrow money for certain purposes. To the extent that the Income Fund purchases securities while it has outstanding borrowings, it is using leverage, i.e., using borrowed funds for investment. Leveraging will exaggerate the effect on the NAV of any increase or decrease in the market value of the Income Fund's portfolio. Money borrowed for leveraging will be subject to interest costs that may or may not be recovered by appreciation of the securities purchased.

*Liquidity and Valuation Risk.* In certain circumstances, it may be difficult for the Income Fund to purchase and sell particular investments within a reasonable time at a fair price. To the extent that there is not an established liquid market for instruments in which the Income Fund may invest, or there is a reduced number or capacity of traditional "market makers" with respect to fixed-income instruments, trading in such instruments may be relatively inactive. In addition, during periods of reduced market liquidity or in the absence of readily available market quotations for particular investments in the Income Fund's portfolio, the ability of the Income Fund to assign an accurate daily value to these investments may be difficult and the Income Fund's subadvisers may be required to fair value the investments. Fair value determinations are inherently subjective and reflect good faith judgments based on available information. Accordingly, there can be no assurance that the determination of a security's fair value in accordance with the Income Fund's valuation procedures will in fact approximate the price at which the Income Fund could sell that security at that time. As a result, investors who purchase or redeem shares of the Income Fund on days when the Income Fund is holding fair valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the Income Fund had not fair valued the securities or had used a different valuation methodology. These risks may be magnified in a rising interest rate environment and if the Income Fund holds a significant percentage of fair valued securities may be particularly susceptible to the risks associated with fair valuation. Liquidity risk may also make it difficult for the Income Fund to meet redemption requests. Proportions of Income Fund investments that are fair valued vary from time to time. The Income Fund's shareholder reports contain detailed information about the Income Fund's holdings that are fair valued, including values of these holdings as of the dates of the reports. Investors should consider consulting these reports for detailed information.

The capacity of traditional fixed-income market makers has not kept pace with the consistent growth in the fixed-income markets over the past three decades, which has led to reduced levels in the capacity of these market makers to engage in fixed-income trading and, as a result, dealer inventories of corporate fixed-income instruments are at or near historic lows relative to market size. These factors may apply more strongly with respect to high yield fixed-income instruments than higher quality fixed-income instruments. Market makers tend to provide stability and liquidity to fixed-income markets through their intermediary services, and their reduced capacity and number could lead to decreased liquidity and increased volatility in the fixed-income markets. As a result, the Income Fund potentially will be unable to pay redemption proceeds within the allowable time because of adverse market conditions, an unusually high volume of redemption requests or other reasons, unless it sells other portfolio investments under unfavorable conditions.

*Management Risk.* The Income Fund is subject to management risk because it is an actively managed investment portfolio, which means that investment decisions are made based on investment views. The Income Fund's subadvisers and each individual portfolio manager will apply investment techniques and risk analysis in making decisions for the Income Fund, but there is no guarantee that these decisions will produce the desired results or expected returns, causing the Income Fund to fail to meet its investment objective or underperform its benchmark index or funds with similar investment objectives and strategies. Also, the Income Fund's subadvisers and their affiliates are engaged in a variety of business activities that are unrelated to managing the Income Fund, which may give rise to actual, potential or perceived conflicts of interest in connection with making investment decisions for the Income Fund. The Income Fund and its subadvisers (and their affiliates) have established various policies and procedures that are designed to minimize conflicts and prevent or limit the Income Fund from being disadvantaged. There can be no guarantee that these policies and procedures will be successful in every instance. In certain circumstances, these various activities may prevent the Income Fund from participating in an investment decision. Additionally, legislative, regulatory or tax restrictions, policies or developments may affect the investment techniques available to the subadvisers and each individual portfolio manager in connection with managing the Income Fund and may also adversely affect the ability of the Income Fund to achieve its investment objectives. Active trading that can accompany active management will increase the costs the Income Fund incurs because of higher brokerage charges or mark-up charges, which are passed on to shareholders of the Income Fund and, as a result, may lower the Income Fund's performance. However, the Income Fund is generally less likely to incur brokerage charges or mark-up charges to the extent the Income Fund invests in fixed-income instruments as opposed to other investments. Active trading may also result in adverse tax consequences.

*Market Risk.* The value of, or income generated by, the securities held by the Income Fund are subject to the possibility of rapid and unpredictable fluctuation. The value of certain securities (e.g., equity securities) tends to fluctuate more dramatically over the shorter term than do the value of other asset classes. These movements may result from factors affecting individual companies, or from broader influences, including real or perceived changes in prevailing interest rates, investor confidence or economic, political, social or financial market conditions that may be temporary or last for extended periods. Different sectors, industries and security types may react differently to such developments and, when the market performs well, there is no assurance that the securities held by the Income Fund will increase in value along with the broader markets. For example, the value of the Income Fund's investments in securities or other instruments may be particularly susceptible to changes in commodity prices. As a result, a change in commodity prices may adversely affect the Income Fund's investments. Volatility of financial markets can expose the Income Fund to greater market risk, possibly resulting in reduced liquidity. Moreover, changing economic, political, social or financial market conditions in one country or geographic region could adversely affect the market value of the securities held by the Income Fund in a different country or geographic region because of the increasingly interconnected global economies and financial markets. The Income Fund's subadvisers potentially will be prevented from executing investment decisions at an advantageous time or price as a result of any domestic or global market disruptions, particularly disruptions causing heightened market volatility and reduced market liquidity. Changes or disruptions in market conditions also may lead to increased regulation of the Income Fund and the instruments in which the Income Fund may invest, which may, in turn, affect the Income Fund's ability to pursue its investment objective and the Income Fund's performance.

*Money Market Instruments Risk.* Under normal market conditions, the Income Fund intends to be fully invested. Pending investment, to meet anticipated redemption requests, or as a temporary defensive measure if a subadviser determines that market conditions warrant, the Income Fund may also invest, without limitation, in high quality U.S. dollar-denominated money market instruments. The reason for implementing a temporary defensive position is to avoid market losses. However, if market conditions improve, this strategy may result in reducing the potential gains from market upswings, thus reducing the Income Fund's ability to achieve its investment objectives.

*Municipal Securities Risk.* The Income Fund's holdings of municipal securities will be significantly affected by events that affect the municipal bond market, which could include unfavorable legislative or political developments and adverse changes in the financial conditions of state and municipal issuers. Income from municipal bonds held by the Income Fund could be declared taxable because of changes in tax laws or interpretations by taxing authorities, or noncompliant conduct of a municipal issuer. In addition, a portion of the Income Fund's otherwise tax-exempt dividends may be taxable to those shareholders who are subject to the federal alternative minimum tax. To the extent that the Income Fund invests in municipal securities from a given state or geographic region, its share price and performance could be affected by local, state and regional factors, including erosion of the tax base and changes in the economic climate. Also, municipal securities backed by current or anticipated revenues from a specific project or assets can be negatively affected by the discontinuance of taxation supporting the project or assets or the inability to collect enough revenue. Because many municipal securities are issued to finance similar projects (especially those relating to education, health care, utilities and transportation), conditions in those sectors can affect the overall municipal market, including proposed federal, state or local legislation involving the financing of, or declining markets or needs for, such projects. Certain sectors of the municipal bond market have special risks that can affect them more significantly than the entire market. For example, health care can be hurt by rising expenses, dependency on third party reimbursements, legislative changes and reductions in government spending; electric utilities are subject to governmental rate regulation; and private activity bonds rely on project revenues and the creditworthiness of the corporate user as opposed to governmental support. Municipalities and municipal projects that rely directly or indirectly on federal funding mechanisms may be negatively affected by current budgetary constraints of the federal government. Other national governmental actions, such as the elimination of tax-exempt status, also could affect performance. In addition, changes in the economic and fiscal condition of an individual municipal issuer can affect the overall municipal market, and market conditions may directly impact the liquidity, marketability and valuation of municipal securities. Also, information related to municipal securities and their risks may be provided by the municipality itself, which may not always be accurate. Investments in municipal securities can be subject to credit, interest rate, prepayment and liquidity risks and can be more volatile than other investments.

*Options Contracts Risk.* The buyer of an option acquires the right to buy (a call option) or sell (a put option) a certain quantity of a security (the underlying security) or instrument, including a futures contract or swap, at a certain price up to a specified point in time. The seller or writer of an option is obligated to sell (a call option) or buy (a put option) the underlying instrument. Options are often used to manage or hedge risk because they enable the investor to buy or sell an asset in the future at an agreed-upon price and for other reasons such as to manage exposure to changes in interest rates and bond prices; as an efficient means of adjusting overall exposure to certain markets; to enhance income; to protect the value of portfolio securities; and to adjust portfolio duration.

Options are subject to correlation risks. The writing and purchase of options is a highly-specialized activity as the successful use of options depends on a subadviser's ability to predict correctly future price fluctuations and the degree of correlation between the markets for options and the underlying instruments. Exchanges can limit the number of futures options that can be held or controlled by the Income Fund or a subadviser, thus limiting the ability to implement the Income Fund's strategies. Options are also particularly subject to leverage risk and can be subject to liquidity risk. Because option premiums paid or received by the Income Fund are small in relation to the market value of the investments underlying the options, the Income Fund is exposed to the risk that buying and selling put and call options can be more speculative than investing directly in securities.

The Income Fund may also purchase or sell call and put options on a “covered” basis. A call option is “covered” if the Income Fund owns the security underlying the call or has an absolute right to acquire the security without additional cash consideration (or, if additional cash consideration is required, cash or cash equivalents in such amount are segregated by the Income Fund’s custodian). As a seller of covered call options, the Income Fund faces the risk that it will forgo the opportunity to profit from increases in the market value of the security covering the call option during an option’s life.

*Preferred Securities Risk.* Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. Preferred stock is subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company’s preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company’s financial condition or prospects. Preferred stock has properties of both an equity and a debt instrument and is generally considered a hybrid instrument. Preferred stock is senior to common stock, but is subordinate to bonds in terms of claims or rights to their share of the assets of the company. Issuers of preferred securities may be in industries that are heavily regulated and that may receive government funding. The value of preferred securities issued by these companies may be affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding, or other government action.

*Prepayment Risk.* The issuers of securities held by the Income Fund may be able to prepay principal due on the securities, particularly during periods of declining interest rates. Securities subject to prepayment risk generally offer less potential for gains when interest rates decline, and may offer a greater potential for loss when interest rates rise. In addition, rising interest rates may cause prepayments to occur at a slower than expected rate, thereby effectively lengthening the maturity of the security and making the security more sensitive to interest rate changes as well as limiting the ability of the Income Fund to invest in securities with higher interest rates. Prepayment risk is a major risk of certain ABS, including MBS. Most floating rate loans (such as syndicated bank loans) and fixed-income securities allow for prepayment of principal without penalty. Accordingly, the potential for the value of a floating rate loan or security to increase in response to interest rate declines is limited. Corporate loans or fixed-income securities purchased to replace a prepaid corporate loan or security may have lower yields than the yield on the prepaid corporate loan or security.

*Real Estate Securities Risk.* The Income Fund may invest in securities of real estate companies and companies related to the real estate industry, including real estate investment trusts (“REITs”), which are subject to the same risks as direct investments in real estate. These risks include: losses from casualty or condemnation, changes in local and general economic conditions, changes in real estate values and rental income, interest rates, zoning laws, regulatory limitations on rents, property taxes, operating expenses, overbuilding, extended vacancies of properties, and the management skill and credit worthiness of the issuer. In addition, the real estate industry has historically been cyclical and particularly sensitive to economic downturns. The value of a REIT can depend on the structure of and cash flow generated by the REIT. A REIT may invest in a limited number of properties, a narrow geographic area, or a single type of property, which may increase the risk that the Income Fund could be unfavorably affected by the poor performance of a single investment or investment type. A REIT may be more volatile and/or more illiquid than other types of equity securities. Because REITs are pooled investment vehicles that have expenses of their own, the Income Fund will indirectly bear its proportionate share of expenses paid by each REIT in which it invests. REITs are also subject to unique tax requirements which, if not met, could adversely affect dividend payments. In the event of a default of an underlying borrower or lessee, a REIT could experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments.

*Regulatory and Legal Risk.* U.S. and other regulators and governmental agencies may implement additional regulations and legislators may pass new laws that affect the investments held by the Income Fund, the strategies used by the Income Fund or the level of regulation or taxation applying to the Income Fund (such as regulations related to investments in derivatives). These may impact the investment strategies, performance, costs and operations of the Income Fund or taxation of shareholders.



*Repurchase Agreement and Reverse Repurchase Agreement Risk.* In the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Income Fund or, in the case of a reverse repurchase agreement, the securities sold by the Income Fund, may be delayed, or fail to be realized. In a repurchase agreement, such an insolvency may result in a loss to the extent that the value of the purchased securities decreases during the delay or that value has otherwise not been maintained at an amount equal to the repurchase price. In a reverse repurchase agreement, the counterparty's insolvency may result in a loss equal to the amount by which the value of the securities sold by the Income Fund exceeds the repurchase price payable by the Income Fund; if the value of the purchased securities increases during such a delay, that loss may also be increased. When the Income Fund enters into a reverse repurchase agreement, any fluctuations in the market value of either the securities transferred to another party or the securities in which the proceeds may be invested would affect the market value of the Income Fund's assets. As a result, such transactions may increase fluctuations in the Income Fund's NAV. Because reverse repurchase agreements may be the practical equivalent of borrowing funds, they constitute a form of leverage. Leveraging may cause the Income Fund's performance to be more volatile than if it had not been leveraged.

*Restricted Securities Risk.* Restricted securities cannot be sold to the public without registration under the Securities Act of 1933, as amended (the "1933 Act"). Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration. Restricted securities may be illiquid and difficult to value. If the Income Fund can sell the restricted security, the Income Fund may have to sell the investment at a lower market price than the price at which it is valued for purposes of computing the Income Fund's NAV.

Restricted securities may involve a high degree of business and financial risk, which may result in substantial losses. The securities may be less liquid than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than the prices at which they are valued for purposes of computing the Income Fund's NAV or the prices originally paid by the Income Fund. The Income Fund may invest in restricted securities, including securities initially offered and sold without registration pursuant to Rule 144A ("Rule 144A Securities"), securities issued and sold pursuant to Regulation D under the 1933 Act ("Regulation D Securities") and securities of U.S. and non-U.S. issuers initially offered and sold outside the United States without registration with the Securities and Exchange Commission pursuant to Regulation S under the 1933 Act ("Regulation S Securities"). Rule 144A Securities and Regulation S Securities generally may be traded freely among certain qualified institutional investors, such as the Income Fund, and non-U.S. persons, but resale to a broader base of investors in the United States may be permitted only in significantly more limited circumstances. Investing in Rule 144A Securities and other restricted and non-registered securities (such as privately placed securities purchased through transactions complying with the requirements in Regulations D or S) could have the effect of increasing the amount of the Income Fund's assets invested in illiquid securities.

*Securities Lending Risk.* The Income Fund may lend its investment securities in an amount of up to 33 $\frac{1}{3}$ % of its total assets to approved institutional borrowers who need to borrow securities to complete certain transactions. Any loss in the market price of securities loaned by the Income Fund that occurs during the term of the loan would be borne by the Income Fund and would affect the Income Fund's investment performance. Also, there may be delays in recovery of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. However, loans will be made only to borrowers selected by the Income Fund's delegate after a review of relevant facts and circumstances, including the creditworthiness of the borrower. The Company's Board of Directors will make arrangements to vote or consent with respect to a material event affecting portfolio securities on loan.

*Segregation Risk.* Segregation risk is the risk associated with any requirements, which may be imposed on the Income Fund, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation and offsetting positions will not limit the Income Fund's exposure to loss, and the Income Fund may incur investment risk with respect to the segregated assets and offsetting positions to the extent that, but for the applicable segregation requirement and/or the need for the offsetting positions, the Income Fund would sell the segregated assets and/or offsetting positions.

*Short Sale and Short Exposure Risk.* Short selling a security involves selling a borrowed security with the expectation that the value of that security will decline, so that the security may be purchased at a lower price when returning the borrowed security. A short exposure through a derivative exposes the Income Fund to counterparty credit risk and leverage risk. The risk for loss on a short sale or other short exposure is greater than a direct investment in the security itself because the price of the borrowed security may rise, thereby increasing the price at which the security must be purchased. The Income Fund may not always be able to close out a short position at a particular time or at an acceptable price. A lender may request that borrowed securities be returned to it on short notice, and the Income Fund may have to buy the borrowed securities at an unfavorable price, resulting in a loss. Short sales also subject the Income Fund to risks related to the lender (such as bankruptcy risks) or the general risk that the lender does not comply with its obligations. The risk of loss through a short sale or other short exposure may in some cases be theoretically unlimited. The use of short sales may cause the Income Fund to have higher expenses than those of equity mutual funds that do not engage in short sales, including the cost of paying the lender an amount equal to any dividends on the borrowed securities. Government actions also may affect the Income Fund's ability to engage in short selling.

*Sovereign Debt Risk.* Investments in sovereign debt securities involve special risks, including the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the entire economy, and the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. The governmental authority that controls the repayment of sovereign debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves. If an issuer of sovereign debt defaults on payments of principal and/or interest, the Income Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Income Fund's ability to obtain recourse may be limited.

Certain issuers of sovereign debt may be dependent on disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debt. Such disbursements may be conditioned upon a debtor's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. A failure on the part of the debtor to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the government debtor, which may impair the debtor's ability to service its debts on a timely basis. As a holder of government debt, the Income Fund may be requested to participate in the rescheduling of such debt and to extend further loans to government debtors.

*Special Situation Investments/Securities in Default Risk.* Investments in the securities and debt of distressed issuers or issuers in default ("Special Situation Investments") involves a far greater level of risk than investing in issuers whose debt obligations are being met and whose debt trades at or close to its "par" or full value. While offering an opportunity for capital appreciation, Special Situation Investments are highly speculative with respect to the issuer's ability to make interest payments and/or to pay its principal obligations in full. Special Situation Investments can be very difficult to properly value, making them susceptible to a high degree of price volatility and potentially rendering them less liquid than performing debt obligations. Those Special Situation Investments involved in a bankruptcy proceeding can be subject to a high degree of uncertainty regarding both the timing and the amount of the ultimate settlement. Special Situation Investments may also include debtor-in-possession financing, sub-performing real estate loans and mortgages, privately placed senior, mezzanine, subordinated and junior debt, letters of credit, trade claims, convertible bonds, and preferred and common stocks.

*Structured Finance Investments Risk.* The Income Fund's structured finance investments may consist of RMBS and CMBS issued by governmental entities and private issuers, ABS, structured notes, credit-linked notes and other types of structured finance securities. Holders of structured finance securities bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Income Fund may have the right to receive payments only from the issuer of the structured finance security, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured finance investments enable the investor to acquire interests in a pool of securities

without the brokerage and other expenses associated with directly holding the same securities, investors in structured finance securities generally pay their share of the structured finance security issuer's administrative and other expenses. The prices of indices and securities underlying structured finance securities, and, therefore, the prices of structured finance securities, will be influenced by, and will rise and fall in response to, the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured finance security uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured finance securities owned by the Income Fund. Certain structured finance securities may be thinly traded or have a limited trading market. Certain structured finance investments' value and liquidity may be adversely affected by the critical downturn in the sub-prime mortgage lending market in the US. Sub-prime loans, which have higher interest rates, are made to borrowers with low credit ratings or other factors that increase the risk of default. Concerns about widespread defaults on sub-prime loans have also created heightened volatility and turmoil in the general credit markets. As a result, the Income Fund's investments in certain structured finance securities may decline in value, their market value may be more difficult to determine, and the Income Fund may have more difficulty disposing of them.

The Income Fund may invest in structured finance securities collateralized by low grade or defaulted loans or securities. Investments in such structured finance securities are subject to the risks associated with below investment grade securities. Such securities are characterized by high risk. It is likely that an economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities.

The Income Fund may invest in senior and subordinated classes or residual tranches issued by structured finance vehicles. The payment of cash flows from the underlying assets to senior classes take precedence over those of subordinated classes, and therefore subordinated classes are subject to greater risk. Furthermore, the leveraged nature of subordinated classes may magnify the adverse impact on such class of changes in the value of the assets, changes in the distributions on the assets, defaults and recoveries on the assets, capital gains and losses on the assets, prepayment on assets and availability, price and interest rates of assets.

Structured finance securities are typically privately offered and sold, and thus are not registered under the securities laws. Investments in structured finance securities may be characterized as illiquid securities; however, an active dealer market may exist which would allow such securities to be considered liquid in some circumstances.

*Structured Notes Risk.* Investments in structured notes involve risks associated with the issuer of the note and the reference instrument. Where the Income Fund's investments in structured notes are based upon the movement of one or more factors used as a reference for payments required on the note, including currency exchange rates, interest rates, referenced bonds or stock indices, depending on the use of multipliers or deflators, changes in the applicable factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero, and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the note.

*Swap Agreements Risk.* Swap agreements are contracts entered into primarily by institutional investors for periods ranging from one day to more than one year and may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a swap execution facility and with a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The Income Fund may enter into swap agreements, including, but not limited to total return swaps, index swaps, interest rate swaps, municipal market data rate locks, and credit default swaps. The Income Fund may utilize swap agreements to gain exposure to certain securities without purchasing those securities, or to hedge a position. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due to the fact they could be considered illiquid and many swaps currently trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity and leveraging risks.

Certain standardized swaps are subject to mandatory central clearing. Central clearing is expected to reduce counterparty credit risk and increase liquidity, but central clearing does not make swap transactions risk-free. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and related regulatory developments will ultimately require the clearing and exchange-trading of many OTC derivative instruments that the CFTC and SEC recently defined as “swaps.” Mandatory exchange-trading and clearing will occur on a phased-in basis based on the type of market participant and CFTC approval of contracts for central clearing. The subadvisers will continue to monitor developments in this area, particularly to the extent regulatory changes affect the Income Fund’s ability to enter into swap agreements.

*U.S. Government Securities Risk.* Different types of U.S. government securities have different relative levels of credit risk depending on the nature of the particular government support for that security. U.S. government securities may be supported by: (i) the full faith and credit of the United States government; (ii) the ability of the issuer to borrow from the U.S. Treasury; (iii) the credit of the issuing agency, instrumentality or government-sponsored entity; (iv) pools of assets (e.g., MBS); or (v) the United States in some other way. The U.S. government and its agencies and instrumentalities do not guarantee the market value of their securities, which may fluctuate in value and are subject to investment risks, and certain U.S. government securities may not be backed by the full faith and credit of the United States government. The value of U.S. government obligations may be adversely affected by changes in interest rates. It is possible that the issuers of some U.S. government securities will not have the funds to timely meet their payment obligations in the future and there is a risk of default. For certain agency issued securities, there is no guarantee the U.S. government will support the agency if it is unable to meet its obligations.

*When-Issued Purchases and Forward Commitments Risk.* The Income Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis. These transactions involve a commitment by the Income Fund to purchase or sell particular securities with payment and delivery taking place at a future date (perhaps one or two months later), and permit the Income Fund to lock in as price or yield on a security it owns or intends to purchase, regardless of future changes in interest rates. When-issued and forward commitment transactions involve the risk, however, that the price or yield obtained in a transaction may be less favorable than the price or yield available in the market when the securities delivery takes place. Typically, no interest accrues to the purchaser until the security is delivered. When purchasing securities pursuant to one of these transactions, payment for the securities is not required until the delivery date. However, the purchaser assumes the rights and risks of ownership, including the risks of price and yield fluctuations and the risk that the security will not be issued as anticipated. When the Income Fund has sold a security pursuant to one of these transactions, the Income Fund does not participate in further gains or losses with respect to the security. If the other party to a delayed-delivery transaction fails to deliver or pay for the securities, the Income Fund could miss a favorable price or yield opportunity or suffer a loss.

*Warrants Risk.* The Income Fund may invest in warrants, which are securities giving the holder the right, but not the obligation, to buy the stock of an issuer at a given price (generally higher than the value of the stock at the time of issuance) during a specified period or perpetually. Warrants do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase and they do not represent any rights in the assets of the issuer. The value of a warrant does not necessarily change with the value of the underlying securities and a warrant ceases to have value if it is not exercised prior to its expiration date.

*Zero Coupon and Payment-In-Kind Securities Risk.* The market value of a zero-coupon or payment-in-kind security, which usually trades at a deep discount from its face or par value, is generally more volatile than the market value of, and is more sensitive to changes in interest rates and credit quality than, other fixed income securities with similar maturities and credit quality that pay interest in cash periodically. Zero coupon and payment-in-kind securities also may be less liquid than other fixed-income securities with similar maturities and credit quality that pay interest in cash periodically. Zero coupon securities pay no interest to holders prior to maturity, and payment-in-kind securities pay interest in the form of additional securities. However, a portion of the original issue discount on zero coupon securities and the “interest” on payment-in-kind securities will be included in the investing fund’s taxable income. Accordingly, for the Income Fund to qualify for tax treatment as

a regulated investment company and to avoid certain taxes, the Income Fund will generally be required to distribute to its shareholders an amount that is greater than the total amount of cash it receives with respect to these securities. These distributions must be made from the Income Fund's cash assets or, if necessary, from the proceeds of sales of portfolio securities. The Income Fund will not be able to purchase additional income-producing securities with cash used to make any such distributions, and its current income ultimately may be reduced as a result. Zero coupon and payment-in-kind securities may be more difficult to value than other fixed income securities with similar maturities and credit quality that pay interest in cash periodically. Zero coupon and payment-in-kind securities generally represent higher credit risk than coupon instruments and may have unreliable valuations because their continuing accruals require ongoing judgement about the collectability of the deferred payments and the value of any associated collateral.

### ***Additional Investment Strategies and Risks of All Portfolios***

#### **Additional principal risks relating to each Portfolio are set forth below:**

*Legislation and Regulation Risk.* As a result of the dislocation of the credit markets during the 2008 recession, the securitization industry has become subject to additional and changing regulation. For example, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which went into effect on July 21, 2010, various federal agencies have promulgated, or are in the process of promulgating, regulations, and rules on various issues that affect securitizations, including: rule requiring that sponsors in securitizations retain 5% of the credit risk associated with securities they issue; requirements for additional disclosure; requirements for additional review and reporting; rules for swaps (including those used by securitizations); and certain restrictions designed to prohibit conflicts of interest. Other regulations have been and may ultimately be adopted. The risk retention rule (as it relates to CMBS) took effect in December 2016 and requires retention of at least 5% of the fair value of all securities issued in connection with a securitization. The risk (with respect to CMBS) must be retained by a sponsor (generally an issuer or certain mortgage loan originators) or, upon satisfaction of certain requirements, up to two third-party purchasers of interests in the securitization. The risk retention rules and other rules and regulations that have been adopted or may be adopted may alter the structure of securitizations, reduce or eliminate economic benefits of participation in securitizations, and could discourage traditional issuers, underwriters or other participants from participating in future securitization. Any of these outcomes could reduce the market for CMBS in which each Portfolio seeks suitable investments or otherwise adversely affect each Portfolio's ability to achieve its investment objective.

*Securities Lending Risk.* A Portfolio may lend its investment securities in an amount of up to 33 1/3% of its total assets to approved institutional borrowers who need to borrow securities to complete certain transactions. Any loss in the market price of securities loaned by a Portfolio that occurs during the term of the loan would be borne by the Portfolio and would affect the Portfolio's investment performance. Also, there may be delays in recovery of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. However, loans will be made only to borrowers selected by a Portfolio's delegate after a review of relevant facts and circumstances, including the creditworthiness of the borrower. The Portfolios' Board will make arrangements to vote or consent with respect to a material event affecting a Portfolio's securities on loan.

*Temporary Investments Risk.* From time to time, in attempting to respond to adverse market, economic, political or other conditions, a Portfolio may take temporary defensive positions that are inconsistent with the Portfolio's principal investment strategies and invest all or a part of its assets in defensive investments. These investments include U.S. government securities and high quality U.S. dollar-denominated money market securities, including certificates of deposit, bankers' acceptances, commercial paper, short-term debt securities and repurchase agreements. When following a defensive strategy, a Portfolio may not achieve its investment objective.

## Disclosure of Portfolio Holdings

A description of the Company's policies and procedures relating to disclosure of portfolio holdings is available in the Portfolios' Statement of Additional Information ("SAI") and on the Company's website at <http://advisor.wilshire.com>. The Portfolios' complete portfolio holdings data will be made available monthly on its website, generally on the first business day following the 20th calendar day after month end. Such information will remain available on the website until the information is filed with the SEC on Form N-Q or Form N-CSR (which must be filed within 60 days of the end of the applicable quarter).

## MANAGEMENT OF THE PORTFOLIOS

### Investment Adviser

Wilshire is the investment adviser for the Portfolios. Wilshire, formed in 1972, is located at 1299 Ocean Avenue, Suite 700, Santa Monica, California 90401. As of December 31, 2016, Wilshire's total assets under advisement were \$1.16 trillion. Wilshire also provides investment technology products and investment consulting services. Wilshire conducts its investment decision-making through an investment committee structure. The investment committee consists of senior level investment professionals with significant investment experience. The investment committee is currently comprised of Josh Emanuel, Nathan Palmer, Jason Schwarz, Erin Simpson, Anthony Wicklund, Gary Tom, David Zee, Ramon Gonzalez, Elizabeth Yakes, Robert Noe, and Nicolas Amato. Josh Emanuel is chairman of the investment committee.

For the services provided and the expenses assumed pursuant to the Investment Advisory Agreement, the Adviser receives a fee based on each Portfolio's average daily net assets, computed daily and payable monthly, at the following annual rates:

<b>Fund</b>	<b>Rate on the First \$1 Billion of Portfolio Assets</b>	<b>Rate on Portfolio Assets in Excess of \$1 Billion</b>
Large Company Growth Portfolio .....	0.75%	0.65%
Large Company Value Portfolio .....	0.75%	0.65%
Small Company Growth Portfolio .....	0.85%	0.75%
Small Company Value Portfolio .....	0.85%	0.75%
Index Fund .....	0.10%	0.07%
International Fund .....	1.00%	0.90%
Income Fund .....	0.60%	0.60%

A discussion regarding the basis for the Board's approval of the Agreement is available in the Company's annual report to shareholders dated December 31, 2016, except as it relates to the Income Fund which commenced operations on March 30, 2016. A discussion regarding the basis for the Board's approval of the Agreement for the Income Fund is available in the semi-annual report for the period ended June 30, 2016.

The Portfolios paid Wilshire the advisory fees shown below during 2016.

<b>Portfolio</b>	<b>Gross Management fee as a % of average daily net assets of the Portfolio</b>
Large Company Growth Portfolio .....	0.75%
Large Company Value Portfolio .....	0.75%
Small Company Growth Portfolio <sup>(1)</sup> .....	0.85%
Small Company Value Portfolio <sup>(2)</sup> .....	0.85%
Wilshire 5000 Index <sup>SM</sup> Fund .....	0.10%
Wilshire International Equity Fund <sup>(3)</sup> .....	1.00%
Wilshire Income Opportunities Fund <sup>(4)</sup> .....	0.45%

- (1) The Adviser waived 0.07% of its management fee for the Small Company Growth Portfolio pursuant to a contractual agreement to limit expenses during the 2016 fiscal year.
- (2) The Adviser waived 0.06% of its management fee for the Small Company Value Portfolio pursuant to a contractual agreement to limit expenses during the 2016 fiscal year.
- (3) The Adviser waived 0.05% of its management fee for the International Fund pursuant to a contractual agreement to limit expenses during the 2016 fiscal year.
- (4) Represents management fees paid for the Income Fund during the fiscal period March 30, 2016 (commencement of operations) to December 31, 2016.

Wilshire has entered into contractual expense limitation agreements to waive a portion of its management fee to limit expenses of the Small Company Growth Portfolio, Small Company Value Portfolio, and the International Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.50% and 1.25% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively. Wilshire has entered into a contractual expense limitation agreement with the Company, on behalf of the Income Fund to waive a portion of its management fee or reimburse expenses to limit expenses of the Income Fund (excluding taxes, brokerage expenses, dividend expenses on short securities and extraordinary expenses) to 1.15% and .90% of average daily net assets for Investment Class Shares and Institutional Class Shares, respectively.

These agreements to limit expenses continue through at least April 30, 2018 or upon the termination of the Advisory Agreement. To the extent that a Portfolio's expenses are less than the expense limitation, Wilshire may recoup the amount of any management fee waived or expenses reimbursed within three years after the year in which Wilshire incurred the expense, if the recoupment does not exceed the existing expense limitation as well as the expense limitation that was in place at the time of the fee waiver or expense reimbursement.

For the year ended December 31, 2016, the Adviser waived fees or reimbursed expenses as follows:

<b>Portfolio</b>	<b>Fees Waived</b>
Small Company Growth Portfolio .....	\$ 26,249
Small Company Value Portfolio .....	\$ 23,509
International Fund .....	\$ 144,932
Income Fund .....	\$ 723

For the year ended December 31, 2016, the Adviser did not recoup any previously waived fees of the Portfolios.

At December 31, 2016, the amounts of fee waivers and expense reimbursements subject to recoupment are listed below.

<b>Portfolio</b>	<b>Amounts Subject to Recoupment</b>	<b>Expiration Date (Dec. 31)</b>
Small Company Growth Portfolio	\$26,249	2019
	\$48,753	2018
	\$16,159	2017
Small Company Value Portfolio	\$23,509	2019
	\$52,909	2018
	\$17,655	2017
International Fund	\$144,932	2019
	\$81,678	2018
	\$78,351	2017
Income Fund	\$723	2019

Wilshire may pay certain financial institutions (which may include banks, securities dealers and other industry professionals) which make the Portfolios available on their omnibus platforms a “servicing fee” and other non-cash compensation for performing certain administrative service functions for shareholders. These payments and compensation are in addition to fees paid by the Portfolios. These fees will be paid periodically and will generally be based on a percentage of the value of the institutions’ client Portfolio shares.

Wilshire may pay additional compensation, out of profits derived from its management fee and not as an additional charge to the Portfolio, to certain financial institutions (which may include banks, securities dealers and other industry professionals) for the sale and/or distribution of Portfolio shares or the retention and/or servicing of Portfolio investors and Portfolio shares (“revenue sharing”). These payments are in addition to any distribution or servicing fees payable under a 12b-1 or service plan of the Portfolio, any record keeping or sub-transfer agency fees payable by the Portfolio, or other fees described in the fee table or elsewhere in the prospectus or statement of additional information. Examples of “revenue sharing” payments include, but are not limited to, payment to financial institutions for “shelf space” or access to a third party platform or Portfolio offering list or other marketing programs, including, but not limited to, inclusion of the Portfolio on preferred or recommended sales lists, mutual fund “supermarket” platforms and other formal sales programs; granting Wilshire access to the financial institution’s sales force; granting Wilshire access to the financial institution’s conferences and meetings; assistance in training and educating the financial institution’s personnel; and obtaining other forms of marketing support. The level of revenue sharing payments made to financial institutions may be a fixed fee or based upon one or more of the following factors: gross sales, current asset and/or number of accounts of the Portfolio attributable to the financial institution, or other factors as agreed to by Wilshire and the financial institution or any combination thereof. The amount of these revenue sharing payments is determined at the discretion of Wilshire from time to time, may be substantial, and may be different for different financial institutions depending upon the services provided by the financial institution. Such payments may provide an incentive for the financial institution to make shares of the Portfolio available to its customers and may allow the Portfolios greater access to the financial institution’s customers.

### ***Additional Information***

The Portfolios enter into contractual arrangements with various parties who provide services to the Portfolios, including, among others, the Portfolio’s investment adviser. Shareholders are not parties to, or intended (or “third-party”) beneficiaries of those contractual arrangements.



This Prospectus and the SAI provide information concerning each Portfolio that you should consider in determining whether to purchase shares of the Portfolio. The Portfolios may make changes to this information from time to time. Neither this Prospectus nor the SAI is intended to give rise to any contract rights or other rights in any shareholder, other than any rights conferred explicitly by federal or state securities laws that may not be waived.

## **Investment Subadvisers**

The SEC has issued an order (the “Order”) to Wilshire and the Company, exempting them from the Investment Company Act of 1940, as amended (the “1940 Act”) requirement to submit to shareholders new or materially amended subadvisory agreements for their approval, and reducing the amount of disclosure required to be provided regarding the fees paid to subadvisers. The Order provides that Wilshire may identify, retain and compensate subadvisers that are not “affiliated persons” of Wilshire, as defined in the 1940 Act, to manage all or portions of the Portfolios, subject to the Board’s approval. Wilshire is responsible for, among other things, setting each Portfolio’s investment strategy and structure, identifying subadvisers, ongoing monitoring and evaluation of subadvisers, implementing procedures to ensure that subadvisers comply with each Portfolio’s investment objectives, policies, guidelines and restrictions, terminating subadvisers (subject to the Board’s approval) and reallocating assets among subadvisers. Shareholders will be notified of, and provided with information regarding, Wilshire’s retention of new subadvisers or any material amendments to subadvisory agreements, within 90 days of either occurrence.

Each subadviser’s fees are paid by Wilshire. A discussion regarding the basis for the Board’s approval of each subadvisory agreement is available in the Company’s annual report to shareholders dated December 31, 2016, except for the Income Fund which commenced operations on March 30, 2016. A discussion regarding the basis for the Board’s approval of the subadvisory agreements for the Income Fund is available in the semi-annual report for the period ended June 30, 2016. The SAI provides additional information about each portfolio manager’s compensation, other accounts managed, and ownership of shares in the Portfolio managed.

### ***BHMS***

Wilshire has entered into a subadvisory agreement with BHMS, effective June 14, 2016, to manage a portion of the Large Company Value Portfolio, subject to the supervision of Wilshire and the Board. BHMS is located at 2200 Ross Avenue, 31st Floor, Dallas, Texas 75201. BHMS has provided value-oriented investment strategies to institutional investors and mutual funds since 1979. BHMS is a subsidiary of Old Mutual Asset Management (US) LLC, which is a subsidiary of OM Asset Management plc, a publicly held company traded on the New York Stock Exchange. BHMS’s assets under management as of December 31, 2016, were \$92.3 billion. Day-to-day management of BHMS’s portion of the Large Company Value Portfolio is the responsibility of portfolio managers Ray Nixon, Jr., Lewis Ropp and Brian Quinn, CFA. Mr. Nixon joined BHMS in 1994 and is an Executive Director at BHMS. Mr. Ropp joined BHMS in 2001 and is a Managing Director at BHMS. Mr. Quinn joined BHMS in 2005 and is a Director at BHMS.

Ray Nixon, Jr., Executive Director, joined BHMS in 1994 from Smith Barney, Inc., where he was a member of the firm’s Investment Policy Committee and served as its lead institutional stockbroker for the Southwest. During his investment career, he also served as a research analyst for the Teacher Retirement System of Texas. Mr. Nixon is a member of the Board of the Presbyterian Healthcare Foundation, the Board of the Salvation Army and the Investment Committee of the Susan G. Komen Foundation. Mr. Nixon has 39 years of industry experience. He holds a BA and an MBA from the University of Texas.

Lewis Ropp, Managing Director, joined BHMS in 2001 from Frost Securities, where he was a senior equity analyst and served as managing director of the Energy Group. He served in management positions at Shell Oil Company and as a securities analyst in the energy sector at Howard, Weil, Labouisse, Friedrichs, Inc. prior to joining Frost Securities. Mr. Ropp received a Wall Street Journal “Best On The Street” listing in 2001 for his coverage of the secondary oil sector. Mr. Ropp has 35 years of industry experience. Mr. Ropp graduated from the University of Louisiana at Lafayette with a BS in Mechanical Engineering. He received an MBA, as well as an MS in Civil and Environmental Engineering, from Tulane University.

Brian F. Quinn, CFA, Director, joined BHMS in 2005 as an equity analyst. During his investment career, he served as an equity analyst for Clover Partners, LP and as a credit analyst for Frost Bank. Mr. Quinn received an MBA from Texas Christian University, where he served as a portfolio manager and equity research analyst for the William C. Conner Foundation Educational Investment Fund. Mr. Quinn has 15 years of industry experience. He earned a BS, with a concentration in Finance, from Fordham University and is a member of the CFA Society of Dallas-Fort Worth.

## ***Cambiar***

Wilshire has entered into a subadvisory agreement with Cambiar, effective September 1, 2015, to manage a portion of the International Fund, subject to the supervision of Wilshire and the Board. Cambiar is located at 200 Columbine Street, Suite 800, Denver, CO 80206. Cambiar was founded in 1973 and has been providing investment management services for over 40 years. Cambiar's assets under management as of December 31, 2016 were \$12.86 billion.

Day-to-day management of Cambiar's portion of the International Fund is the responsibility of portfolio managers Jennifer M. Dunne, CFA, Brian M. Barish, CFA, Anna (Ania) A. Aldrich, CFA, Andrew P. Baumbusch, Todd L. Edwards, PhD, and Alvaro Shiraishi.

Brian M. Barish, CFA, President, Chief Investment Officer, joined Cambiar in 1997 and has over 28 years of investment experience. Prior to joining the Adviser, Mr. Barish served as Director of Emerging Markets Research for Lazard Freres & Co., a New York based investment bank. He has also served as a securities analyst with Bear, Stearns & Co. and Arnhold S. Bleichroeder, a New York based research firm. Mr. Barish received a BA in Economics and Philosophy from the University of California, Berkeley, and holds the Chartered Financial Analyst designation.

Jennifer M. Dunne, CFA, Investment Principal, joined Cambiar in 2005 and has over 23 years of investment experience. Prior to joining the Adviser, Ms. Dunne was a senior equity analyst at Founders Asset Management LLC, a Colorado based asset management firm. Ms. Dunne holds a graduate diploma from the London School of Economics as well as a Masters of Economics from the University of British Columbia and a BA from the University of Colorado, Boulder. She also holds the Chartered Financial Analyst designation.

Anna (Ania) A. Aldrich, CFA, Investment Principal, joined Cambiar in 1999 and has over 28 years of investment experience. Prior to joining Cambiar, she was a global equity analyst at Bankers Trust, where she covered the financial services and transportation sectors. Ms. Aldrich began her investment career as a senior investor relations professional at BET PLC, a New York based communications firm. Ms. Aldrich received an MBA in Finance from Fordham University and a BA in Computer Science from Hunter College and holds the Chartered Financial Analyst designation.

Andrew P. Baumbusch, Investment Principal, joined the Cambiar in 2004 and has over 19 years of investment experience. Prior to joining Cambiar, he served in an investment analyst capacity at Franklin Templeton, Atrium Capital and Alex Brown & Sons. Mr. Baumbusch received an MBA from the Stanford Graduate School of Business and a BA in Economics from Princeton University.

Todd L. Edwards, PhD, Investment Principal, joined Cambiar in 2007 and has over 22 years of investment experience. In addition to non-US company coverage, Mr. Edwards is responsible for Cambiar's macroeconomic and policy research. Prior to joining Cambiar, he was a Director in the Global Emerging Markets Group at Citigroup. Before that, he served as Director of Research and Equity Strategist at BBVA Securities. Mr. Edwards began his investment career as a research analyst at Salomon Brothers. An accomplished author, he has written books on Brazil and Argentina. Mr. Edwards received a PhD and MA from Tulane University and a BA from Colorado College.

Alvaro Shiraishi, Investment Principal, joined Cambiar in 2007 and has over 24 years of investment experience. Prior to joining Cambiar, he worked at Aon Corporation in Chicago, where he conducted risk management research for the industrials and construction industries. Mr. Shiraishi began his investment career as an equity analyst for UBS. Mr. Shiraishi received a BA in Economics from Universidad Panamericana in Mexico City.

## ***DoubleLine***

Wilshire has entered into a subadvisory agreement with DoubleLine effective March 30, 2016, to manage a portion of the Income Fund, subject to the supervision of Wilshire and the Board. DoubleLine is headquartered at 333 South Grand Avenue, Suite 1800, Los Angeles, California 90071. DoubleLine was co-founded by Jeffrey E. Gundlach and Philip A. Barach in December 2009 and is an SEC-registered investment adviser. As of December 31, 2016, DoubleLine had approximately \$101.5 billion of assets under management.

Day-to-day management of DoubleLine's portion of the Income Fund is the responsibility of Jeffrey E. Gundlach and Jeffrey Sherman. Mr. Gundlach, Chief Executive Officer and Chief Investment Officer of DoubleLine, co-founded DoubleLine in December 2009.

Mr. Sherman was named as DoubleLine's Deputy Chief Investment Officer in June 2016. He has been a Portfolio Manager of DoubleLine Capital since September 2010. He has been President of DoubleLine Commodity since April 2015.

## ***Guggenheim***

Wilshire has entered into a subadvisory agreement with Guggenheim effective March 30, 2016, to manage a portion of the Income Fund, subject to the supervision of Wilshire and the Board. Guggenheim is located at 100 Wilshire Boulevard, 5th Floor, Santa Monica, California 90401. Guggenheim is an SEC registered investment adviser that provides investment advisory services to institutional clients including public pensions, corporate pensions, foundations, insurance companies and family offices. Guggenheim also acts as investment adviser to closed-end and open-end management investment companies. Guggenheim is an indirect subsidiary of Guggenheim Partners, LLC ("Guggenheim Partners"). Guggenheim Partners is a global, diversified financial services firm with approximately \$260 billion in assets under supervision as of December 31, 2016. Guggenheim Partners, through its affiliates, provides investment management, investment advisory, insurance, investment banking and capital markets services. Guggenheim Investments represents the investment management division of Guggenheim Partners. The firm is headquartered in Chicago and New York with a global network of offices throughout the United States, Europe and Asia. The portfolio managers who are currently responsible for the day-to-day management of Guggenheim's portion of the Income Fund are Anne B. Walsh, James W. Michal and Steven H. Brown. Each portfolio manager has managed the Income Fund's portfolio since March 2016.

Ms. Walsh is a Senior Managing Director and Assistant Chief Investment Officer of Guggenheim. Ms. Walsh joined Guggenheim in 2007 and in her role as Assistant CIO-Fixed Income, she is head of the Portfolio Construction Group ("PCG") and Portfolio Management. She oversees more than \$100 billion in fixed income investments including Agencies, Credit, Municipals, Residential Mortgage Backed Securities, Commercial Mortgage Backed Securities and Asset Backed Securities across several Guggenheim affiliates. In her role, she is responsible for portfolio design and strategy, sector allocation and risk management for client portfolios, and conveying Guggenheim's macro-economic outlook to Portfolio Managers and fixed-income Sector Specialists. Prior to joining Guggenheim, Ms. Walsh served as Chief Investment Officer at Reinsurance Group of America, Incorporated ("RGA"), a recognized leader in the global life reinsurance industry. Prior to joining RGA in 2000, Ms. Walsh served as Vice President and Senior Investment Consultant for Zurich Scudder Investments. Earlier, she held roles at Lincoln Investment Management and American Bankers Insurance Group. Ms. Walsh received her BSBA and MBA from Auburn University and her J.D. from the University of Miami School of Law. She has earned the right to use the Chartered Financial Analyst® designation and is a member of the CFA Institute.

Mr. Michal is a Senior Managing Director and Portfolio Manager of Guggenheim. Mr. Michal joined Guggenheim in 2008. He is dedicated to portfolio management for Guggenheim's Total Return mandates. Mr. Michal is responsible for implementing macro and micro investment themes of the Chief Investment Officers, coordinating with sector heads and traders to determine credit trends and relative value, and for the day-to-day risk monitoring of the assets. Prior to joining Guggenheim, he was an Associate in Wachovia's structured finance division. He focused on origination, marketing, structuring and execution of collateralized loan obligations for two years. Mr. Michal successfully contributed to a total of 11 completed

transactions raising approximately \$4.3 billion of capital. Prior to his time in structured credit products, he was an analyst in Wachovia's corporate credit division focusing on portfolio management and loan syndications. Over two years, Mr. Michal underwrote a total of 12 syndicated transactions and managed the loan portfolio risk in the Integrated Electric Utility, Midstream Pipeline and Propane sectors. Mr. Michal earned a BSBA in Finance and International Business from Georgetown University.

Mr. Brown is a Managing Director and Portfolio Manager of Guggenheim. Mr. Brown joined Guggenheim in 2010 and is a part of the Portfolio Management team for Guggenheim's Active Fixed Income and Total Return mandates. Mr. Brown is involved in all facets of portfolio management including working with the senior Portfolio Managers and CIOs to develop and apply the macro and sector level views at the individual portfolio level. Additionally, he works closely with the sector teams and portfolio construction to implement trades and optimize portfolios. Prior to joining the portfolio management team in 2012, Mr. Brown worked in the non-mortgage asset backed securities group. His responsibilities on that team included trading, sourcing and evaluating investment opportunities and monitoring credits. Prior to joining Guggenheim, Mr. Brown held roles within treasury services and structured products at ABN AMRO and Bank of America in Chicago and London. Mr. Brown earned a BS in Finance from Indiana University's Kelley School of Business. He has earned the right to use the Chartered Financial Analyst® designation and is a member of the CFA institute.

### ***Loomis Sayles***

Wilshire has entered into a subadvisory agreement with Loomis Sayles, effective September 1, 2015, to manage a portion of the Large Company Growth Portfolio, subject to the supervision of Wilshire and the Board. Loomis Sayles is located at One Financial Center, Boston, MA 02111. Loomis Sayles has served the investment needs of institutional, high net worth and registered investment company clients in equity, fixed income and alternatives disciplines for over 85 years. Loomis Sayles is a Delaware limited partnership owned by Natixis Global Asset Management, L.P. ("Natixis US"). Natixis US is part of Natixis Global Asset Management, an international asset management group based in Paris, France, that is in turn owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. Loomis Sayles' assets under management as of December 31, 2016 were \$240.2 billion.

Day-to-day management of Loomis Sayles' portion of the Large Company Growth Portfolio is the responsibility of portfolio manager Aziz Hamzaogullari. Mr. Hamzaogullari is a Vice President of Loomis, Sayles & Company and portfolio manager of the Loomis Sayles large cap, global and all cap growth strategies, including the Loomis Sayles Growth and Global Growth mutual funds and products outside the US. He is the head of the Loomis Sayles growth equity strategies team. Mr. Hamzaogullari joined Loomis Sayles in 2010 from Evergreen Investments where he was a senior portfolio manager. He joined Evergreen in 2001, was promoted to director of research in 2003 and portfolio manager in 2006. Mr. Hamzaogullari was head of Evergreen's Berkeley Street Growth Equity team and was the founder of the research and investment process. Prior to Evergreen, he was a senior equity analyst and portfolio manager at Manning & Napier Advisors. He has 23 years of investment industry experience. Mr. Hamzaogullari earned a BS from Bilkent University, Turkey, and an MBA from George Washington University. He is also a member of the Boston Security Analysts Society.

### ***Los Angeles Capital***

Wilshire entered into a subadvisory agreement with Los Angeles Capital, effective April 1, 2002, to manage the Index Fund and portions of the Large Company Growth Portfolio, Small Company Growth Portfolio and Small Company Value Portfolio, subject to the supervision of Wilshire and the Board. Wilshire entered into amendments to that subadvisory agreement with Los Angeles Capital, effective April 1, 2013 and effective May 16, 2014, to manage the Large Company Value Portfolio and International Fund, respectively, subject to the supervision of Wilshire and the Board. Los Angeles Capital is located at 11150 Santa Monica Blvd., Suite 200, Los Angeles, CA 90025. As of December 31, 2016, Los Angeles

Capital managed approximately \$22.4 billion in assets. Thomas D. Stevens, CFA – Chairman and CEO; Hal W. Reynolds, CFA - Chief Investment Officer; and Daniel E. Allen, CFA - President, are the senior portfolio managers for the portion of each Portfolio sub-advised by Los Angeles Capital. From 1980 until Los Angeles Capital was formed in April 2002, Mr. Stevens was employed by Wilshire, where he served as a Senior Managing Director and Principal. Mr. Reynolds is one of the founding members of Los Angeles Capital, established in 2002, and prior to founding the firm, he was a Managing Director and Principal at Wilshire. Prior to joining Los Angeles Capital in 2009, Mr. Allen was a Senior Managing Director and Board member of Wilshire.

## **NWQ**

Wilshire entered into a subadvisory agreement with NWQ, effective November 13, 2007, as amended from time to time, to manage a portion of the Small Company Value Portfolio, subject to the supervision of Wilshire and the Board. NWQ is located at 2049 Century Park East, 16th Floor, Los Angeles, California 90067. As of December 31, 2016, NWQ managed approximately \$11.7 billion in assets, which includes approximately \$2.7 billion in Unified Managed Account and non-discretionary assets. Phyllis G. Thomas, CFA, Senior Managing Director of NWQ and Andrew C. Hwang, Managing Director of NWQ, provide day-to-day management of NWQ's portion of the Small Company Value Portfolio.

Ms. Thomas has been a Portfolio Manager of the Small Company Value Portfolio since April 2013 and also previously served as Portfolio Manager of the Portfolio from October 2004 to June 2011. Ms. Thomas provides portfolio management services to NWQ's Small Cap Value and Small/Mid Cap Value portfolios on a day-to-day basis. Ms. Thomas continues to serve as lead portfolio manager for the portfolios. Ms. Thomas joined NWQ in 1990 and previously managed institutional portfolios for the Boston Company and Standard Investment Management Company.

Mr. Hwang has been a Portfolio Manager of the Small Company Value Portfolio since February 2016. Mr. Hwang became co-portfolio manager for NWQ's Small Cap Value and Small/Mid Cap Value portfolios in February 2016. Prior to joining NWQ in 1998, Mr. Hwang spent three years with InterGlobal Financial Corporation, a boutique futures dealer, where he headed research and trading strategies. Previous to this, Mr. Hwang spent two years as a Senior Account Executive for individual futures clients.

## **Pzena**

Wilshire entered into a subadvisory agreement with Pzena, effective December 23, 2004, as amended from time to time, to manage a portion of the Large Company Value Portfolio, subject to the supervision of Wilshire and the Board. Pzena is located at 320 Park Avenue, 8th Floor, New York, New York 10022. As of December 31, 2016, Pzena managed approximately \$30 billion in assets. Pzena's investment team consists of Richard S. Pzena, Benjamin Silver and John Flynn.

Mr. Pzena is the founder, Managing Principal and Chief Executive Officer and Co-Chief Investment Officer of Pzena. Prior to forming Pzena in 1995, Mr. Pzena was the Director of U.S. Equity Investments and Chief Research Officer for Sanford C. Bernstein & Company. He joined Bernstein in 1986.

Mr. Silver is a Principal and Portfolio Manager of Focused Value, Large Cap Focused Value, Large Cap Expanded Value and Small Cap Focused Value at Pzena. Prior to joining Pzena in 2001, Mr. Silver was a research analyst at Levitas & Company, a value based equity hedge fund.

Mr. Flynn is a Principal and Portfolio Manager for the U.S. mid cap and large cap strategies, Focused Value and Small Cap Focused Value. Prior to joining Pzena in 2006, Mr. Flynn was an associate at Weston Presidio, a middle-market private equity investment firm.

## ***Ranger***

Wilshire has entered into a subadvisory agreement with Ranger, effective September 19, 2007, to manage a portion of the Small Company Growth Portfolio, subject to the supervision of Wilshire and the Board. Ranger is located at 2828 N. Harwood Street, Suite 1900, Dallas, Texas 75201. As of December 31, 2016, Ranger managed approximately \$1.47 billion in assets. W. Conrad Doenges, Andrew Hill and Joseph LaBate are primarily responsible for the day-to-day management of Ranger's allocated portion of the Small Company Growth Portfolio's assets.

Mr. Doenges joined Ranger in 2004, is a Principal and serves as the Portfolio Manager for the firm's small-, mid- and smid-cap growth strategies. Mr. Doenges also has primary research responsibility for consumer discretionary, consumer staples and producer durables companies. Prior to joining Ranger, Mr. Doenges served as a partner, Managing Director and Co-Chief Investment Officer for John McStay Investment Counsel. Mr. Doenges was employed by John McStay from 1998 to 2004.

Mr. Hill joined Ranger Investments in 2003 and currently serves as a Portfolio Manager. Mr. Hill also serves as the Portfolio Manager of the Ranger Energy Select portfolio, and his primary research focus is on financial services, oil and gas and energy. Prior to joining the Ranger Investments team in 2003, Mr. Hill served as a Research Analyst for Ranger Capital affiliated investment funds. From 1998 to 2002, Mr. Hill worked in the Mergers and Acquisitions group of Dresdner Kleinwort Wasserstein, Inc. (formerly Wasserstein Perella & Co.). His research experience includes purchase and sale assignments, hostile takeover defense advisory work, restructurings and special committee assignments in a variety of industries. From 1996 to 1998, Mr. Hill served as Corporate Finance analyst for Dain Rauscher Wessels, Inc. Mr. Hill earned a B.A. degree (Phi Beta Kappa) in Economics from Vanderbilt University.

Mr. LaBate joined Ranger Investments in 2002 and currently serves as a Portfolio Manager. His primary research focus is on healthcare and industrials. In 2002, Mr. LaBate served as a Portfolio Manager for RedHawk Advisors LLC and conducted fundamental equity research with a focus on small-cap healthcare securities. While attending graduate school at Southern Methodist University, Mr. LaBate was a Portfolio Manager for the \$700 million Nancy Underwood endowment. As part of this role, he had research responsibilities for the industrial and consumer sectors. From 2000 until 2002, Mr. LaBate served an Associate within J.P. Morgan's Investment Banking group covering municipal issuers, including Hospitals, within the Southwest region. From 1996 to 2000 Mr. LaBate served as a Junior Portfolio Manager within J.P. Morgan's Discretionary Asset Management group covering high net worth individuals. Mr. LaBate earned a B.S. degree in Finance, Cum Laude, from Siena College and an M.B.A. degree from Southern Methodist University.

## ***Victory Capital***

Wilshire has entered into a subadvisory agreement with Victory Capital, effective August 1, 2013, to manage a portion of the Large Company Growth Portfolio, subject to the supervision of Wilshire and the Board. Victory Capital, located at 4900 Tiedeman Road, 4th Floor Brooklyn, OH 44144, is a New York corporation registered as an investment adviser with the SEC and manages assets for institutions and individuals. Victory Capital is an indirect, wholly-owned subsidiary of Victory Capital Holdings, Inc. ("VCH"). A majority interest in VCH is owned by Crestview Partners II, L.P. and its affiliated funds (together, "Crestview") with the remaining portion owned by Victory Capital employees and a limited number of outside investors. Victory Capital provides investment advisory services to institutional clients including corporations, non-profits, public funds, Taft-Harley and sub-advisory clients. As of December 31, 2016, Victory Capital had approximately \$55 billion in assets under management and advisement. Victory Capital is a multi-boutique asset manager comprised of multiple investment teams, referred to as investment franchises, each of which utilizes an independent approach to investing. NewBridgE Asset Management ("NewBridgE") is the investment franchise responsible for management of Victory Capital's portion of the Large Cap Growth Portfolio. NewBridgE's investment committee is led by Erick F. Maronak, and includes Scott R. Kefer, Jason E. Dahl and Michael B. Koskuba.

Erick F. Maronak is Chief Investment Officer and Senior Portfolio Manager of NewBridge and has been associated with Victory Capital or an affiliate since 1999. In his capacity as CIO, Mr. Maronak oversees the investment decisions for the portion of the Large Company Growth Portfolio managed by NewBridge.

Scott R. Kefer is a Chartered Financial Analyst Charter Holder, and Senior Portfolio Manager with NewBridge. Mr. Kefer has been associated with Victory Capital or an affiliate since 1999.

Jason E. Dahl is a Chartered Financial Analyst Charter Holder, and Senior Portfolio Manager with NewBridge. Mr. Dahl has been associated with Victory Capital or an affiliate since 1999.

Michael B. Koskuba is a Senior Portfolio Manager with NewBridge. Mr. Koskuba has been associated with Victory Capital or an affiliate since 1999.

## **WCM**

Wilshire entered into a subadvisory agreement with WCM, effective November 1, 2013, to manage a portion of the International Fund, subject to the supervision of Wilshire and the Board. WCM was founded in 1976 and its principal address is 281 Brooks Street, Laguna Beach, California 92651. WCM is registered with the U.S. Securities and Exchange Commission and provides investment advice to institutional and high net worth individual clients. WCM had approximately \$15.2 billion in assets under management as of December 31, 2016.

WCM's portion of the International Fund is team-managed by members of WCM's Investment Strategy Group (the "ISG"), which consists of four investment professionals. Current members of the ISG are Paul R. Black, Peter J. Hunkel, Michael B. Trigg, and Kurt R. Winrich, CFA. These managers share portfolio management responsibilities and all investment purchase and sale decisions are made by the ISG.

Paul R. Black joined WCM in 1989, and has served as WCM's President and co-CEO since December 2004. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research.

Peter J. Hunkel has served as a Portfolio Manager and Business Analyst for the Advisor since 2007. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research.

Michael B. Trigg has served as a Portfolio Manager and Business Analyst for the Advisor since 2006. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research.

Kurt R. Winrich, CFA joined WCM in 1984, and has served as WCM's Chairman and co-CEO December 2004. He is a member of the firm's ISG and his primary responsibilities include portfolio management and equity research.

## **Service and Distribution Plan**

Each Portfolio has adopted a Service and Distribution Plan pursuant to Rule 12b-1 of the 1940 Act for its Investment Class shares (the "Plan"). The Plan authorizes payments by the Investment Class Shares annually of up to 0.25% of the average daily net assets attributable to each Portfolio's Investment Class Shares to finance distribution of those shares and services to its shareholders. Payments may be made under the Plan to securities dealers and other financial intermediaries who provide services such as answering shareholders' questions regarding their accounts, providing shareholders with account statements and trade confirmations and forwarding prospectuses and shareholder reports. Distribution expenses covered by the Plan include marketing and advertising expenses and the costs of printing prospectuses for prospective investors. Because these fees are paid out of a Portfolio's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost more than other types of sales charges.

Each Portfolio has also adopted a shareholder services plan for both its Investment Class Shares and Institutional Class Shares for certain non-distribution shareholder services provided by financial intermediaries. The shareholder services plan authorizes annual payments of up to 0.20% and 0.15% shares of the average daily net assets attributable to the Investment Class Shares and Institutional Class Shares, respectively.

# SHAREHOLDER INFORMATION

## How To Buy Portfolio Shares

You may buy shares without a sales charge on any day when the NYSE is open for business (referred to as a business day). We reserve the right to reject or limit any purchase order or suspend the offering of a Portfolio's shares if we believe it is in a Portfolio's best interests to do so. The Portfolios do not issue share certificates.

### *Minimum Investments*

The minimum initial investments in a Portfolio are as follows:

- Investment Class Shares. The minimum initial investment in each Style Portfolio, the International Fund, and the Income Fund is \$2,500 or \$1,000 if you are a client of a securities dealer, bank or other financial institution which has made an aggregate minimum initial purchase for its customers of at least \$2,500. The minimum initial investment in the Index Fund is \$1,000. Subsequent investments for all Portfolios must be at least \$100. The minimum investments do not apply to certain employee benefit plans.
- Institutional Class Shares. The minimum initial investment is \$250,000 for all Portfolios. Subsequent investments must be at least \$100,000.

We may set different investment minimums for certain securities dealers, banks, and other financial institutions that provide omnibus processing for the Portfolios in fee-based mutual fund programs.

Your initial investment must be accompanied by an Account Application. You may obtain an Account Application by calling 1-866-591-1568 or by downloading a copy from the Company's website. We may waive or change investment minimum requirements at any time.

You may purchase shares through your financial adviser or brokerage account simply by telling your adviser or broker that you wish to purchase shares of a Portfolio. Your adviser or broker will then transmit a purchase order and payment to a Portfolio on your behalf. Your adviser or broker may require a different minimum investment or impose additional limitations on buying and selling shares and may charge a service or transaction fee.

You also may purchase shares directly from us as follows:

(1) Checks. Checks should be made payable to "Wilshire Mutual Funds, Inc." For subsequent investments, your Portfolio account number should appear on the check. Payments should be mailed to:

Wilshire Mutual Funds, Inc.  
P.O. Box 219512  
Kansas City, MO 64121-9512

If you are mailing via overnight courier:

Wilshire Mutual Funds, Inc.  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

Include your investment slip or, when opening a new account, your Account Application, indicating the name of the Portfolio. No investments may be made with third party checks, credit cards, credit card checks, cash, traveler's checks, money orders, bank drafts and cashier's checks.



(2) Wire Payments. You can purchase shares by wire if your bank account is maintained at a commercial bank that is a member of the Federal Reserve System or any other bank having a correspondent bank in New York City. Send funds by wire to:

UMB Bank  
ABA: 101000695  
Wilshire Mutual Funds, Inc.  
DDA: 9871737314  
FFC: [Insert shareholder name(s) and account number]

If your initial purchase of a Portfolio's shares is by wire, please call 1-866-591-1568 before completing your wire payment to obtain your Portfolio account number. Please include your Portfolio account number on the Account Application and promptly mail the Account Application to us, as no redemptions will be permitted until the Account Application is received. Your bank may charge a wire fee.

(3) Accumulation Plan (Investment Class Shares only). The Accumulation Plan permits you to purchase shares (minimum of \$100 per transaction) at regular intervals. This may be a convenient way for you to invest for long-term and intermediate financial goals. Shares are purchased by electronically transferring funds from the bank account you designate. Your bank account will be debited in an amount you specify, and shares will be purchased once a month, on either the first or fifteenth day, or twice a month, on both days, however you designate. You may only designate an account maintained at a domestic financial institution which is an Automated Clearing House member. To establish an Accumulation Plan account, you must file an authorization form with us. You may obtain the necessary authorization form by calling 1-866-591-1568. You may cancel your participation in the Accumulation Plan or change the amount of purchase at any time by mailing written notification to Wilshire Mutual Funds, Inc., c/o DST Systems, Inc., 430 W. 7th Street, Kansas City, MO 64105. The notification will be effective three business days after we receive it. We may modify or terminate this privilege at any time or charge a service fee. No such fee currently is charged.

## **How To Sell Portfolio Shares**

You may sell your shares back to a Portfolio (known as redeeming shares) on any business day for most funds without a redemption fee. If shares of the International Fund are sold or exchanged within 60 days of their purchase, a redemption fee of 1.00% of the value of the shares sold or exchanged will be assessed. The International Fund will employ the "last in, first out" method to calculate the 60-day holding period. The redemption fee does not apply to (i) shares purchased through reinvested distributions (dividends and capital gains); (ii) shares held through 401(k) or other retirement plans; (iii) redemptions and exchanges by other funds in the Wilshire Funds Complex (iv) redemptions and exchanges by financial intermediaries for which Wilshire creates portfolio models that include the International Fund; and (iv) investments through certain financial intermediaries.

The redemption fee is retained by the International Fund to help pay transaction and tax costs that long-term investors may bear when the International Fund incurs brokerage or other transaction expenses and/or realizes capital gains as a result of selling securities to meet investor redemptions. International Fund shareholders are subject to this 1.00% short-term trading redemption fee whether they are direct shareholders or invest indirectly through a financial intermediary such as a broker-dealer, a bank, or an investment adviser. Currently, the International Fund is limited in its ability to ensure that the redemption fee is imposed by financial intermediaries on behalf of their customers. For example, where a financial intermediary is not able to determine if the redemption fee applies or is not able to impose or collect the fee, or omits to collect the fee at the time of redemption, the Fund will not receive the redemption fee. Further, if International Fund shares are redeemed by a financial intermediary at the direction of its customer(s), the International Fund may not know whether a redemption fee is applicable or the identity of the customer(s) who should pay the redemption fee.

Please note that the Company seeks to prohibit short-term trading, as described under “Right to Reject Purchase or Exchange Orders” below, and if you redeem newly purchased shares, the Company reserves the right to reject any further purchase orders from you. A Portfolio may temporarily stop redeeming its shares when the NYSE is closed or trading on the NYSE is restricted, when an emergency exists and the Portfolio cannot sell its shares or accurately determine the value of its assets, or if the SEC orders the Portfolio to suspend redemptions. We reserve the right to impose a redemption fee in the future.

You may redeem your shares in a Portfolio as follows:

- (1) By Telephone. You may redeem your shares by telephone if you have authorized telephone redemptions on your Account Application. Call 1-866-591-1568 with your account number, the amount of redemption and instructions as to how you wish to receive your funds.
- Telephone Redemption by Check. We will make checks payable to the name in which the account is registered and normally will mail the check to you at your address of record within seven days after we receive your request. Any request for redemption proceeds made within 60 days of changing your address of record must be in writing with the signature guaranteed.
  - Telephone Redemption by Wire. We accept telephone requests for wire redemptions of at least \$1,000 per Portfolio. We will send a wire to either a bank designated on your Account Application or in a subsequent letter with a guaranteed signature. Your designated bank must be a member of the Federal Reserve System or a correspondent bank. We normally wire proceeds on the next business day after we receive your request.
  - Automated Clearing House (ACH) Redemption. Redemption proceeds can be sent to your bank account by ACH transfer. You can elect this option by completing the appropriate section of the Account Application. There is no minimum per ACH transfer.
- (2) By Mail. You may also redeem your shares by mailing a request to Wilshire Mutual Funds, Inc., P.O. Box 219512, Kansas City, MO 64121-9512. If you are mailing via overnight courier, send your request to Wilshire Mutual Funds, Inc., c/o DST Systems, Inc. 430 W. 7th Street, Kansas City, MO 64105. We normally will mail a check to you at your address of record within seven days after we receive your request. Your letter should state the name of the Portfolio and the share class, the dollar amount or number of shares you are redeeming, and your account number. You must sign the letter in exactly the same way the account is registered and if there is more than one owner of shares, all owners must sign. We require a signature guarantee for each signature on your redemption letter (i) if you redeem more than \$50,000, or (ii) if the investor’s address of record has changed within the past 60 days.

Signature Guarantees. Certain redemption requests will require a signature guarantee by an eligible guarantor institution. Eligible guarantors include commercial banks, savings and loans, savings banks, trust companies, credit unions, member firms of a national stock exchange, or any other member or participant of an approved signature guarantor program. Please note that a notary public is not an acceptable provider of a signature guarantee and that we must be provided with the original guarantee. Signature guarantees are for the protection of our shareholders. Before it grants a redemption request, the Portfolio may require a shareholder to furnish additional legal documents to insure proper authorization.

Accounts held by a corporation, trust, fiduciary or partnership, may require additional documentation along with a signature guaranteed letter of instruction. Please contact Shareholder Services at 1-866-591-1568 for more information. The Portfolio participates in the Paperless Legal Program. Requests received with a Medallion Signature Guarantee will be reviewed for the proper criteria to meet the guidelines of the Program and may not require additional documentation.

Involuntary Redemption. We may redeem all shares in your account if their value falls below \$500 in the case of Investment Class Shares or \$150,000 in the case of Institutional Class Shares, as a result of redemptions (but not as a result of a decline in their NAV). We will notify you in writing and give you 45 days to increase the value of your account to at least \$500 in the case of Investment Class Shares and \$150,000 in the case of Institutional Class Shares.

Redemption Proceeds. You cannot redeem shares until we have received your Account Application. If you purchased your shares by check, you may not redeem shares until the check clears, which may take up to 15 business days following purchase. Although we will delay the processing of the redemption until the check clears, your shares will be valued at the next determined NAV after we receive your redemption order.

We may pay your redemption proceeds wholly or partly in securities. This would happen only in the rare instance that Wilshire and a Portfolio's subadvisers believe it would be in the Portfolio's best interests not to pay redemption proceeds in cash. A distribution of securities in redemption of your shares is a taxable transaction for federal income tax purposes. When you sell these securities you will pay brokerage commissions.

Telephone Transactions. If you authorize telephone transactions, you may be responsible for any fraudulent telephone transaction in your account if the Company and its service providers follow reasonable procedures to protect against unauthorized transactions. All telephone calls are recorded for your protection and you will be asked for information to verify your identification. You may have difficulty reaching us by telephone to request a redemption of your shares. In that case you may mail your redemption request to the address stated above.

## **Pricing of Shares**

When you purchase shares of either class of a Portfolio, the price you pay per share is the NAV of the shares next determined after we receive your purchase request and payment. Similarly, the price you receive when you redeem your shares is the NAV of the shares next determined after proper redemption instructions are received. We calculate the NAV per share of each class of each Portfolio at the close of regular trading on the NYSE (generally, 4:00 p.m. Eastern time) on each business day. Portfolio shares are not priced on the days on which the NYSE is closed for trading. NAV per share of a class of shares of a Portfolio is calculated by adding the value of the individual securities and other assets held by the Portfolio, subtracting the liabilities of the Portfolio attributable to that class, and dividing by the total number of the shares outstanding of that class of the Portfolio.

A security listed or traded on a domestic exchange is valued at its last sales price on the exchange where it is principally traded. In the absence of a current quotation, the security is valued at the mean between the last bid and asked prices on the exchange. Securities traded on the NASDAQ system are valued at the official NASDAQ closing price. If there is no NASDAQ official closing price available, the most recent bid quotation is used. Securities traded OTC (other than on NASDAQ) are valued at the last current sale price. Equity securities primarily traded on a foreign exchange or market are valued daily at the price, which is an estimate of the fair value price, as provided by an independent pricing service. Debt securities that have a remaining maturity of 60 days or less are valued at prices supplied by the Company's pricing agent, if available, and otherwise are valued at amortized cost if the Pricing Committee concludes it approximates fair value. When market quotations are not readily available, securities are valued according to procedures established by the Board or are valued at fair value as determined in good faith by the Pricing Committee, whose members include at least two representatives of the Adviser, one of whom is an officer of the Company, or the Company's Valuation Committee. Securities whose values are considered unreliable because a significant valuation event has occurred may be valued at fair value by the Pricing Committee or the Valuation Committee. The value of fair valued securities may be different from the last sale price (or the mean between the last bid and asked prices), and there is no guarantee that a fair valued security will be sold at the price at which a Portfolio is carrying the security.

## How to Exchange Portfolio Shares

You may exchange your shares in a Portfolio for shares of the same class of another Portfolio. You also may exchange shares of one class for shares of another class of the same Portfolio, provided you meet the eligibility requirements (including minimum investment amounts) for purchase. Shares will be exchanged at their NAV next determined after the exchange request is received. Note that exchanges from one Portfolio to another Portfolio are taxable transactions for federal income tax purposes while exchanges from one class to another class of the same Portfolio are not taxable transactions. The Company currently offers in other prospectuses other classes of shares of the Index Fund, which are subject to the same management fees and other expenses but may be subject to different distribution and/or shareholder servicing fees.

You may exchange shares through your financial adviser or broker or directly through the Company as follows:

(1) By Mail. You may make an exchange by writing to Wilshire Mutual Funds, Inc., P.O. Box 219512, Kansas City, MO 64121-9512. Your letter should state the name of the Portfolio and share class you are exchanging, the number of shares you are exchanging and the name of the Portfolio and share class you are acquiring, as well as your name, account number and taxpayer identification or social security number. The signature of all owners exactly as registered on the account must be included on written requests.

(2) By Telephone. Call us at 1-866-591-1568 and provide the information stated above under “By Mail”. To exchange shares by telephone, you must have authorized telephone transactions on your Account Application.

- We reserve the right to reject any exchange request in whole or in part.
- We may modify or terminate the availability of exchanges at any time with notice to shareholders.
- You should read the prospectus of a Portfolio whose shares you are acquiring.

## Anti-Money Laundering Program

The Company is required to comply with various federal anti-money laundering laws and regulations. Consequently, the Company may be required to hold the account of an investor if the investor appears to be involved in suspicious activity or if certain account information matches information on government lists of known terrorists or other suspicious persons, or the Company may be required to transfer the account or proceeds of the account to a government agency.

Federal law requires the Company to obtain, verify and record identifying information, which may include the name, street address, date of birth, taxpayer identification number or other identifying information for investors who open an account with a Portfolio. The Company may also ask to see other identifying documents. Applications without this information may not be accepted and orders will not be processed. The Company reserves the right to place limits on transactions in any account until the identity of the investor is verified; to refuse an investment in a Portfolio or involuntarily redeem an investor’s shares and close an account in the event that an investor’s identity is not verified; or suspend the payment of withdrawal proceeds if it is deemed necessary to comply with anti-money laundering regulations. The Company and its agents will not be responsible for any loss resulting from the investor’s delay in providing all required identifying information or from closing an account and redeeming an investor’s shares when an investor’s identity cannot be verified.

## Right to Reject Purchase or Exchange Orders

You should make purchases and exchanges for investment purposes only. Short-term or other excessive trading into and out of the Portfolios may harm performance by disrupting portfolio management strategies and by increasing expenses. Accordingly, the Board has adopted a policy pursuant to which the Company attempts to prohibit market timing. The Company does not accommodate market timing and reserves the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order, including transactions representing excessive trading. In general, the Company considers redemptions of shares within five days of purchase to be excessive, and it may limit exchange activity to four exchanges within one calendar year period. Exceptions to this limitation may be made for certain redemptions that do not indicate market timing strategies, such as portfolio rebalancing programs of institutional investors and systematic withdrawal programs, subject to approval by

the Company's Chief Compliance Officer. To the extent practicable, such restrictions are applicable to omnibus accounts, as well as accounts held by shareholders directly with the Company. Wilshire contractually requires that financial intermediaries which hold omnibus accounts in the Portfolios provide best efforts in assisting Wilshire in determining whether any market timing activity is occurring, and allowing Wilshire to reject trades from any individuals engaging in what it deems to be excessive trading. If the Company rejects or cancels an exchange request, neither the redemption nor the purchase side of the exchange will be processed.

Shareholders seeking to engage in excessive trading practices may use a variety of strategies to avoid detection and, despite the efforts of the Company to prevent excessive trading, there is no guarantee that the Company or its agents will be able to identify such shareholders or curtail their trading practices. The ability of the Company and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations. In addition, the Portfolios receive purchase, exchange and redemption orders through financial intermediaries and cannot always know or reasonably detect excessive trading which may be facilitated by these intermediaries or by the use of omnibus account arrangements.

## **Householding Policy**

In order to reduce printing and mailing expenses, only one copy of each prospectus, annual and semi-annual report will be sent to all related accounts at a common address, unless you have indicated otherwise on your Account Application. Shareholders may revoke their consent to householding at any time by calling 1-866-591-1568. Within 30 days of receipt of a shareholder's revocation, the Company will begin mailing individual copies of the above-referenced documents to the shareholder's attention.

## **DIVIDEND AND DISTRIBUTION INFORMATION**

Each Portfolio intends to pay any dividends and capital gains distributions at least once a year. You may have dividends or capital gains distributions of a Portfolio automatically reinvested at NAV in additional shares of the Portfolio, or you may elect to receive them in cash. The election will be made at the time you complete your Account Application. You may change this election by notifying us in writing at any time before the record date for a particular dividend or distribution. There are no sales or other charges for the reinvestment of dividends and capital gains distributions. There is no fixed dividend rate, and there can be no assurance that a Portfolio will pay any dividends or realize any capital gains. Dividends and distributions may differ for different classes of a Portfolio.

The value of your shares will be reduced by the amount of any dividends and distributions. If you purchase shares shortly before the record date for a dividend or distribution of capital gains, you will pay the full price for the shares and receive some portion of the price back as a taxable dividend or distribution.

## **FEDERAL INCOME TAX INFORMATION**

A Portfolio's distributions will consist of net investment income and capital gains, which are generally taxable to you. Dividends out of net investment income, other than "qualified dividend income," and distributions of realized net short-term capital gains (i.e., net short-term capital gains in excess of net long-term capital losses) are taxable to you as ordinary income for federal income tax purposes. Distributions of qualified dividend income (i.e., generally dividends received by a Portfolio from domestic corporations and certain foreign corporations) will generally be taxed to individuals and other noncorporate shareholders at federal income tax rates applicable to long-term capital gains, provided certain holding period and other requirements are met at both the Portfolio and shareholder levels. Distributions of net capital gains (i.e., the excess of net long-term capital gains over net short-term capital losses) are taxable to you at long-term capital gain rates, regardless of how long you have held your shares of a Portfolio.

A Portfolio's distributions will be subject to federal income tax whether you receive them in cash or reinvest them in additional shares of a Portfolio. Any distributions declared in October, November or December to shareholders of record as of a date in one of those months and paid during the following January are treated for federal income tax purposes as if received on December 31 of the calendar year declared. Each Portfolio will notify its shareholders each year of the amount and type of dividends and distributions it paid.

When you redeem or exchange shares of a Portfolio, it generally is considered a taxable event for federal income tax purposes. Any gain or loss you realize upon a redemption or exchange of shares of a Portfolio will generally be treated as long-term capital gain or loss if the shares have been held for more than one year and, if not held for such period, as short-term capital gain or loss. Short-term capital gains are taxable at ordinary federal income tax rates. Long-term capital gains are taxable to individuals and other noncorporate shareholders at a maximum federal income tax rate of 20%. Your ability to utilize capital losses for federal income tax purposes is subject to various limitations.

An additional 3.8% Medicare tax is imposed on certain net investment income (including dividends and capital gain distributions received from a Portfolio and net gains from redemptions or other taxable dispositions of shares of a Portfolio) of U.S. individuals, estates and trust to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

When you open an account, Internal Revenue Service ("IRS") regulations require that you provide your taxpayer identification number ("TIN"), certify that it is correct, and certify that you are not subject to backup withholding under IRS regulations. If you fail to provide your TIN or the proper tax certifications, each Portfolio is required to withhold 28% of all the distributions (including dividends and capital gain distributions) and redemption proceeds paid to you. Each Portfolio is also required to begin backup withholding on your account if the IRS instructs it to do so. Amounts withheld may be applied to your federal income tax liability and you may obtain a refund from the IRS if withholding results in an overpayment of federal income tax for such year. Foreign shareholders are subject to different withholding requirements.

This summary of federal income tax consequences is intended for general information only. You should consult a tax adviser concerning the federal, state, local and foreign tax consequences of your investment in a Portfolio in light of your particular circumstances.

## FINANCIAL HIGHLIGHTS

The following financial highlights tables are intended to help you understand the financial performance of each Portfolio's shares for the past five fiscal years or since the Portfolio's inception. Certain information reflects the financial performance of a single share of a Portfolio. The total returns in each table represent the rate that an investor would have earned or lost on an investment in a Portfolio (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers, LLP, independent registered public accounting firm whose report, along with each Portfolio's financial statements and related notes, is included in the annual report, which is available on request.

### Large Company Growth Portfolio

*For a Fund Share Outstanding Throughout Each Year.*

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year . . . . .	\$ 36.82	\$ 38.66	\$ 41.60	\$ 34.70	\$ 31.54
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> . . . . .	0.04	(0.14)	(0.26)	(0.02)	0.07
Net realized and unrealized gains on investments . . . . .	<u>1.26</u>	<u>2.53</u>	<u>3.61</u>	<u>10.38</u>	<u>4.24</u>
Total from investment operations . . . . .	<u>1.30</u>	<u>2.39</u>	<u>3.35</u>	<u>10.36</u>	<u>4.31</u>
<b>Less distributions:</b>					
From net investment income . . . . .	(0.01)	—	—	—	(0.07)
From realized capital gains . . . . .	<u>(4.18)</u>	<u>(4.23)</u>	<u>(6.29)</u>	<u>(3.46)</u>	<u>(1.08)</u>
Total distributions . . . . .	<u>(4.19)</u>	<u>(4.23)</u>	<u>(6.29)</u>	<u>(3.46)</u>	<u>(1.15)</u>
Net asset value, end of year . . . . .	<u>\$ 33.93</u>	<u>\$ 36.82</u>	<u>\$ 38.66</u>	<u>\$ 41.60</u>	<u>\$ 34.70</u>
Total return . . . . .	<u>3.33%</u>	<u>6.18%</u>	<u>7.97%</u>	<u>30.22%</u>	<u>13.72%</u>
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) . . . . .	\$ 62,634	\$ 107,381	\$ 103,733	\$ 113,495	\$ 100,853
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly . . . . .	1.32%	1.33%	1.38%	1.36%	1.39%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly . . . . .	1.32% <sup>2</sup>	1.33% <sup>2</sup>	1.38% <sup>2</sup>	1.36% <sup>2</sup>	1.39% <sup>2</sup>
Net investment income (loss) . . . . .	0.10%	(0.34)%	(0.61)%	(0.05)%	0.20%
Portfolio turnover rate . . . . .	75%	104%	62%	136%	71%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.32%, 1.34%, 1.38%, 1.36% and 1.39% for 2016, 2015, 2014, 2013 and 2012, respectively.

# Large Company Growth Portfolio

*For a Fund Share Outstanding Throughout Each Year.*

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 39.04	\$ 40.62	\$ 43.28	\$ 35.94	\$ 32.63
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> .....	0.15	(0.01)	(0.13)	0.10	0.18
Net realized and unrealized gains on investments .....	<u>1.34</u>	<u>2.66</u>	<u>3.76</u>	<u>10.77</u>	<u>4.38</u>
Total from investment operations .....	<u>1.49</u>	<u>2.65</u>	<u>3.63</u>	<u>10.87</u>	<u>4.56</u>
<b>Less distributions:</b>					
From net investment income .....	(0.16)	—	(0.00) <sup>2</sup>	(0.07)	(0.17)
From realized capital gains .....	<u>(4.18)</u>	<u>(4.23)</u>	<u>(6.29)</u>	<u>(3.46)</u>	<u>(1.08)</u>
Total distributions .....	<u>(4.34)</u>	<u>(4.23)</u>	<u>(6.29)</u>	<u>(3.53)</u>	<u>(1.25)</u>
Net asset value, end of year .....	<u>\$ 36.19</u>	<u>\$ 39.04</u>	<u>\$ 40.62</u>	<u>\$ 43.28</u>	<u>\$ 35.94</u>
Total return .....	<u>3.61%</u>	<u>6.52%</u>	<u>8.32%</u>	<u>30.60%</u>	<u>14.04%</u>
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 152,167	\$ 122,219	\$ 134,534	\$ 243,622	\$ 85,740
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly .....	1.04%	1.01%	1.06%	1.05%	1.11%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly .....	1.04% <sup>3</sup>	1.01% <sup>3</sup>	1.06% <sup>3</sup>	1.06% <sup>3</sup>	1.11% <sup>3</sup>
Net investment income (loss) .....	0.37%	(0.02)%	(0.29)%	0.23%	0.50%
Portfolio turnover rate .....	75%	104%	62%	136%	71%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 Amount is less than \$0.01 per share.
- 3 The ratio of operating expenses before fee reductions and reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.04%, 1.02%, 1.06%, 1.05% and 1.11% for 2016, 2015, 2014, 2013 and 2012, respectively.



## Large Company Value Portfolio

*For a Fund Share Outstanding Throughout Each Year.*

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 18.62	\$ 21.19	\$ 21.44	\$ 15.86	\$ 13.82
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.37	0.20	0.18	0.16	0.17
Net realized and unrealized gains (losses) on investments .....	2.56	(1.33)	2.14	5.64	2.03
Total from investment operations .....	2.93	(1.13)	2.32	5.80	2.20
<b>Less distributions:</b>					
From net investment income .....	(0.14)	(0.19)	(0.23)	(0.14)	(0.16)
From realized capital gains .....	(1.01)	(1.25)	(2.34)	(0.08)	—
Total distributions .....	(1.15)	(1.44)	(2.57)	(0.22)	(0.16)
Net asset value, end of year .....	\$ 20.40	\$ 18.62	\$ 21.19	\$ 21.44	\$ 15.86
Total return .....	15.73%	(5.33)%	10.77%	36.54%	15.92%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 10,112	\$ 52,864	\$ 61,566	\$ 61,800	\$ 44,220
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	1.26%	1.27%	1.29%	1.24%	1.35%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	1.27% <sup>2</sup>	1.29% <sup>2</sup>	1.30% <sup>2</sup>	1.25% <sup>2</sup>	1.36% <sup>2</sup>
Net investment income .....	1.87%	0.96%	0.80%	0.87%	1.12%
Portfolio turnover rate .....	174%	55%	57%	101%	97%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.26%, 1.27%, 1.29%, 1.24% and 1.35% for 2016, 2015, 2014, 2013 and 2012, respectively.

# Large Company Value Portfolio

For a Fund Share Outstanding Throughout Each Year.

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 18.67	\$ 21.24	\$ 21.48	\$ 15.89	\$ 13.84
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.40	0.26	0.24	0.22	0.20
Net realized and unrealized gains (losses) on investments .....	2.55	(1.33)	2.14	5.63	2.04
Total from investment operations .....	2.95	(1.07)	2.38	5.85	2.24
<b>Less distributions:</b>					
From net investment income .....	(0.41)	(0.25)	(0.28)	(0.18)	(0.19)
From realized capital gains .....	(1.01)	(1.25)	(2.34)	(0.08)	—
Total distributions .....	(1.42)	(1.50)	(2.62)	(0.26)	(0.19)
Net asset value, end of year .....	\$ 20.20	\$ 18.67	\$ 21.24	\$ 21.48	\$ 15.89
Total return .....	15.78%	(5.07)%	11.05%	36.85%	16.18%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 175,497	\$ 53,343	\$ 63,499	\$ 111,550	\$ 800
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	1.04%	1.01%	1.00%	0.95%	1.14%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	1.05% <sup>2</sup>	1.02% <sup>2</sup>	1.01% <sup>2</sup>	0.97% <sup>2</sup>	1.15% <sup>2</sup>
Net investment income .....	2.09%	1.23%	1.09%	1.13%	1.32%
Portfolio turnover rate .....	174%	55%	57%	101%	97%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.04%, 1.01%, 1.00%, 0.95% and 1.14% for 2016, 2015, 2014, 2013 and 2012, respectively.

**Small Company Growth Portfolio**  
*For a Fund Share Outstanding Throughout Each Year.*

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 22.64	\$ 23.44	\$ 24.95	\$ 18.06	\$ 15.90
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> .....	(0.15)	(0.15)	(0.25)	(0.16)	0.09
Net realized and unrealized gains on investments .....	4.80	0.70	1.09	7.59	2.07
Total from investment operations .....	<u>4.65</u>	<u>0.55</u>	<u>0.84</u>	<u>7.43</u>	<u>2.16</u>
<b>Less distributions:</b>					
From realized capital gains .....	(2.88)	(1.35)	(2.35)	(0.54)	—
Net asset value, end of year .....	<u>\$ 24.41</u>	<u>\$ 22.64</u>	<u>\$ 23.44</u>	<u>\$ 24.95</u>	<u>\$ 18.06</u>
Total return .....	<u>20.44%</u>	<u>2.29%</u>	<u>3.44%</u>	<u>41.25%</u>	<u>13.58%</u>
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 8,633	\$ 12,642	\$ 11,398	\$ 9,582	\$ 7,225
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly .....	1.51%	1.46%	1.50%	1.47%	1.47%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly .....	1.60% <sup>2</sup>	1.64% <sup>2</sup>	1.55% <sup>2</sup>	1.62% <sup>2</sup>	1.97% <sup>2</sup>
Net investment income (loss) .....	(0.57%)	(0.59%)	(1.00%)	(0.75%)	0.55%
Portfolio turnover rate .....	114%	63%	77%	88%	99%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.60%, 1.64%, 1.54%, 1.61% and 1.95% for 2016, 2015, 2014, 2013 and 2012, respectively.

**Small Company Growth Portfolio**  
*For a Fund Share Outstanding Throughout Each Year.*

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 24.04	\$ 24.75	\$ 26.14	\$ 18.89	\$ 16.60
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> .....	(0.08)	(0.07)	(0.18)	(0.15)	0.11
Net realized and unrealized gains on investments .....	<u>5.10</u>	<u>0.71</u>	<u>1.14</u>	<u>7.99</u>	<u>2.18</u>
Total from investment operations .....	<u>5.02</u>	<u>0.64</u>	<u>0.96</u>	<u>7.84</u>	<u>2.29</u>
<b>Less distributions:</b>					
From net investment income .....	—	—	—	(0.05)	—
From realized capital gains .....	<u>(2.88)</u>	<u>(1.35)</u>	<u>(2.35)</u>	<u>(0.54)</u>	<u>—</u>
Total distributions .....	<u>(2.88)</u>	<u>(1.35)</u>	<u>(2.35)</u>	<u>(0.59)</u>	<u>—</u>
Net asset value, end of year .....	<u>\$ 26.18</u>	<u>\$ 24.04</u>	<u>\$ 24.75</u>	<u>\$ 26.14</u>	<u>\$ 18.89</u>
Total return .....	<u>20.79%</u>	<u>2.53%</u>	<u>3.75%</u>	<u>41.58%</u>	<u>13.80%</u>
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 28,454	\$ 14,414	\$ 15,483	\$ 24,013	\$ 15
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly .....	1.27%	1.19%	1.20%	1.19%	1.28%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly .....	1.33% <sup>2</sup>	1.36% <sup>2</sup>	1.24% <sup>2</sup>	1.20% <sup>2</sup>	1.79% <sup>2</sup>
Net investment income (loss) .....	(0.32%)	(0.28%)	(0.70%)	(0.54%)	0.60%
Portfolio turnover rate .....	114%	63%	77%	88%	99%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.33%, 1.35%, 1.19%, 1.18% and 1.78% for 2016, 2015, 2014, 2013 and 2012, respectively.

## Small Company Value Portfolio

For a Fund Share Outstanding Throughout Each Year.

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 20.74	\$ 22.86	\$ 24.33	\$ 17.40	\$ 15.04
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> .....	0.10	0.01	(0.08)	(0.03)	0.20
Net realized and unrealized gains (losses) on investments .....	4.99	(0.89)	1.53	7.62	2.38
Total from investment operations .....	5.09	(0.88)	1.45	7.59	2.58
<b>Less distributions:</b>					
From net investment income .....	(0.09)	(0.00) <sup>2</sup>	—	(0.00) <sup>2</sup>	(0.22)
From capital gains .....	(1.99)	(1.24)	(2.92)	(0.66)	—
Total distributions .....	(2.08)	(1.24)	(2.92)	(0.66)	(0.22)
Net asset value, end of year .....	\$ 23.75	\$ 20.74	\$ 22.86	\$ 24.33	\$ 17.40
Total return .....	24.86%	(3.83%)	6.17%	43.79%	17.20%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 9,097	\$ 14,287	\$ 14,120	\$ 13,688	\$ 9,641
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	1.51%	1.49%	1.49%	1.49%	1.49%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	1.60% <sup>3</sup>	1.67% <sup>3</sup>	1.56% <sup>3</sup>	1.58% <sup>3</sup>	1.84% <sup>3</sup>
Net investment income (loss) .....	0.48%	0.06%	(0.35%)	(0.13%)	1.24%
Portfolio turnover rate .....	99%	49%	53%	60%	68%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 Amount is less than \$0.01 per share.
- 3 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.59%, 1.67%, 1.55%, 1.57% and 1.83% for 2016, 2015, 2014, 2013 and 2012, respectively.

## Small Company Value Portfolio

*For a Fund Share Outstanding Throughout Each Year.*

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 21.08	\$ 23.21	\$ 24.59	\$ 17.58	\$ 15.19
<b>Income (loss) from investment operations:</b>					
Net investment income (loss) <sup>1</sup> .....	0.16	0.08	(0.02)	0.00	0.22
Net realized and unrealized gains (losses) on investments .....	5.08	(0.90)	1.56	7.74	2.42
Total from investment operations .....	5.24	(0.82)	1.54	7.74	2.64
<b>Less distributions:</b>					
From net investment income .....	(0.19)	(0.07)	—	(0.07)	(0.25)
From realized capital gains .....	(1.99)	(1.24)	(2.92)	(0.66)	—
Total distributions .....	(2.18)	(1.31)	(2.92)	(0.73)	(0.25)
Net asset value, end of year .....	\$ 24.14	\$ 21.08	\$ 23.21	\$ 24.59	\$ 17.58
Total return .....	25.16%	(3.52%)	6.47%	44.16%	17.41%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 31,698	\$ 13,727	\$ 15,655	\$ 24,934	\$ 54
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	1.27%	1.18%	1.17%	1.20%	1.31%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	1.33% <sup>2</sup>	1.36% <sup>2</sup>	1.23% <sup>2</sup>	1.19% <sup>2</sup>	1.66% <sup>2</sup>
Net investment income (loss) .....	0.73%	0.36%	(0.07%)	(0.01%)	1.33%
Portfolio turnover rate .....	99%	49%	53%	60%	68%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.32%, 1.35%, 1.21%, 1.18% and 1.65% for 2016, 2015, 2014, 2013 and 2012, respectively.

**Wilshire 5000 Index<sup>SM</sup> Fund**  
*For a Fund Share Outstanding Throughout Each Year.*

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 17.78	\$ 18.01	\$ 16.22	\$ 12.43	\$ 10.93
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.27	0.24	0.23	0.19	0.19
Net realized and unrealized gains (losses) on investments .....	1.96	(0.22)	1.78	3.80	1.49
Total from investment operations .....	2.23	0.02	2.01	3.99	1.68
<b>Less distributions:</b>					
From net investment income .....	(0.39)	(0.25)	(0.22)	(0.20)	(0.18)
From realized capital gains .....	(0.76)	—	—	—	—
Total distributions .....	(1.15)	(0.25)	(0.22)	(0.20)	(0.18)
Net asset value, end of year .....	\$ 18.86	\$ 17.78	\$ 18.01	\$ 16.22	\$ 12.43
Total return .....	12.51%	0.08%	12.38%	32.10%	15.36%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 132,669	\$ 159,709	\$ 204,465	\$ 139,354	\$ 107,888
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	0.67%	0.64%	0.65%	0.68%	0.70%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	0.67% <sup>2</sup>	0.64% <sup>2</sup>	0.65%	0.68%	0.70%
Net investment income .....	1.49%	1.35%	1.32%	1.33%	1.61%
Portfolio turnover rate .....	5%	6%	3%	2%	2%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 0.67% and 0.64% for 2016 and 2015, respectively.

**Wilshire 5000 Index<sup>SM</sup> Fund**  
*For a Fund Share Outstanding Throughout Each Year.*

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 17.78	\$ 18.00	\$ 16.21	\$ 12.41	\$ 10.92
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.33	0.29	0.26	0.22	0.22
Net realized and unrealized gains (losses) on investments .....	1.95	(0.22)	1.79	3.81	1.47
Total from investment operations .....	2.28	0.07	2.05	4.03	1.69
<b>Less distributions:</b>					
From net investment income .....	(0.45)	(0.29)	(0.26)	(0.23)	(0.20)
From realized capital gains .....	(0.76)	—	—	—	—
Total distributions .....	(1.21)	(0.29)	(0.26)	(0.23)	(0.20)
Net asset value, end of year .....	\$ 18.85	\$ 17.78	\$ 18.00	\$ 16.21	\$ 12.41
Total return .....	12.81%	0.36%	12.60%	32.48%	15.54%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) .....	\$ 40,860	\$ 59,065	\$ 67,500	\$ 59,565	\$ 50,633
Operating expenses after fee reductions and expense reimbursements and fees paid indirectly ....	0.36%	0.41%	0.44%	0.46%	0.47%
Operating expenses before fee reductions and expense reimbursements and fees paid indirectly ....	0.36% <sup>2</sup>	0.41% <sup>2</sup>	0.44%	0.46%	0.47%
Net investment income .....	1.80%	1.59%	1.53%	1.55%	1.84%
Portfolio turnover rate .....	5%	6%	3%	2%	2%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 The ratio of operating expenses before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 0.36% and 0.41% for 2016 and 2015, respectively.



**Wilshire International Equity Fund**  
*For a Fund Share Outstanding Throughout Each Year.*

	Investment Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year . . . . .	\$ 8.90	\$ 9.06	\$ 9.70	\$ 8.34	\$ 7.63
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> . . . . .	0.10	0.09	0.09	0.03	0.06
Net realized and unrealized gains (losses) on investments and foreign currency transactions . . . . .	0.07	(0.23)	(0.71)	1.54	0.96
Total from investment operations . . . . .	0.17	(0.14)	(0.62)	1.57	1.02
<b>Less distributions:</b>					
From net investment income . . . . .	(0.15)	(0.02)	(0.02)	0.00	(0.09)
From realized capital gains . . . . .	—	—	—	(0.21)	(0.22)
Redemption fee . . . . .	0.00 <sup>2</sup>	0.00 <sup>2</sup>	—	—	—
Total distributions . . . . .	(0.15)	(0.02)	(0.02)	(0.21)	(0.31)
Net asset value, end of year . . . . .	\$ 8.92	\$ 8.90	\$ 9.06	\$ 9.70	\$ 8.34
Total return . . . . .	1.88%	(1.55)%	(6.38)%	18.95%	13.36%
<b>Ratios to average net assets/supplemental data:</b>					
Net assets, end of year (in 000's) . . . . .	\$ 11,290	\$ 3,438	\$ 11,371	\$ 2,410	\$ 74,999
Operating expenses including dividends and rebates on securities sold short and interest expense, after fee reductions and expense reimbursements and fees paid indirectly <sup>4</sup> . . . . .	1.52%	1.50%	1.50%	1.85% <sup>3</sup>	2.24% <sup>3</sup>
Operating expenses including dividends and rebates on securities sold short and interest expense, before fee reductions and expense reimbursements and fees paid indirectly <sup>4</sup> . . . . .	1.65%	1.75%	1.71% <sup>5</sup>	1.93% <sup>5</sup>	2.29% <sup>5</sup>
Net investment income . . . . .	1.19%	0.99%	0.97%	0.38%	0.77%
Portfolio turnover rate . . . . .	79%	84%	176%	368%	45%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 Amount is less than \$0.01 per share.
- 3 The operating expense ratios reflect the expenses related to investing in securities sold short. Had these expenses been excluded, the expense ratio (after waiver and fees paid indirectly) would have been 1.50% for 2013 and 2012.
- 4 Effective April 2, 2013, the Wilshire International Equity Fund no longer engages in short selling.
- 5 The ratio of operating expenses including dividends and rebates on securities sold short and interest expense, before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.71%, 1.93% and 2.28% for 2014, 2013 and 2012, respectively.

**Wilshire International Equity Fund**  
For a Fund Share Outstanding Throughout Each Year.

	Institutional Class Shares				
	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Net asset value, beginning of year .....	\$ 8.78	\$ 8.99	\$ 9.64	\$ 8.38	\$ 7.67
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.12	0.09	0.09	0.08	0.09
Net realized and unrealized gains (losses) on investments and foreign currency transactions .....	0.07	(0.21)	(0.68)	1.51	0.95
Total from investment operations .....	0.19	(0.12)	(0.59)	1.59	1.04
<b>Less distributions:</b>					
From net investment income .....	(0.16)	(0.09)	(0.06)	(0.12)	(0.11)
From realized capital gains .....	—	—	—	(0.21)	(0.22)
Redemption fee .....	0.00 <sup>2</sup>	0.00 <sup>2</sup>	—	—	—
Total distributions .....	(0.16)	(0.09)	(0.06)	(0.33)	(0.33)
Net asset value, end of year .....	\$ 8.81	\$ 8.78	\$ 8.99	\$ 9.64	\$ 8.38
Total return .....	2.16%	(1.37%)	(6.16%)	19.10%	13.63%
<b>Ratios to average net assets/supplemental data<sup>2</sup>:</b>					
Net assets, end of year (in 000's) .....	\$ 258,311	\$ 176,937	\$ 165,048	\$ 45,897	\$ 99,106
Operating expenses including dividends and rebates on securities sold short and interest expense, after fee reductions and expense reimbursements and fees paid indirectly <sup>4</sup> .....	1.27%	1.25%	1.25%	1.61% <sup>3</sup>	1.99% <sup>3</sup>
Operating expenses including dividends and rebates on securities sold short and interest expense, before fee reductions and expense reimbursements and fees paid indirectly <sup>4</sup> .....	1.32%	1.29%	1.31% <sup>5</sup>	1.87% <sup>5</sup>	2.01% <sup>5</sup>
Net investment income .....	1.44%	1.00%	0.96%	0.88%	1.03%
Portfolio turnover rate .....	79%	84%	176%	368%	45%

Amounts designated as “—” are either \$0, or have been rounded to \$0.

- 1 The selected per share data was calculated using the average shares outstanding method for the period.
- 2 Amount is less than \$0.01 per share.
- 3 The operating expense ratios reflect the expenses related to investing in securities sold short. Had these expenses been excluded, the expense ratio (after waiver and fees paid indirectly) would have been 1.25% for 2013 and 2012.
- 4 Effective April 2, 2013, the Wilshire International Equity Fund no longer engages in short selling.
- 5 The ratio of operating expenses including dividends and rebates on securities sold short and interest expense, before fee reductions and expense reimbursements excludes the effect of fees paid indirectly. If this expense offset was included, the ratio would have been 1.31%, 1.87% and 2.00% for 2014, 2013 and 2012, respectively.

**Wilshire Income Opportunities Fund**  
*For a Fund Share Outstanding Throughout the Period.*

	<b>Investment Class Shares</b>
	<b>Period Ended 12/31/2016*</b>
Net asset value, beginning of period .....	\$ 10.00
<b>Income from investment operations:</b>	
Net investment income <sup>1</sup> .....	0.21
Net realized and unrealized gains on investments and foreign currency transactions .....	<u>0.18</u>
Total from investment operations .....	<u>0.39</u>
<b>Less distributions:</b>	
From net investment income .....	(0.18)
From realized capital gains .....	<u>(0.07)</u>
Total distributions .....	<u>(0.25)</u>
Net asset value, end of period .....	<u>\$ 10.14</u>
Total return .....	<u>3.92%</u> <sup>2</sup>
<b>Ratios to average net assets/supplemental data<sup>2</sup>:</b>	
Net assets, end of period (in 000's) .....	\$ 1,102
Operating expenses after expense reimbursements <sup>†</sup> .....	1.15% <sup>3</sup>
Operating expense before expense reimbursements .....	1.26%
Net investment income .....	2.83% <sup>3</sup>
Portfolio turnover rate .....	74% <sup>2</sup>

\* Commenced operations on March 30, 2016.

† Ratio does not include expenses from underlying funds.

1 The selected per share data was calculated using the average shares outstanding method for the period.

2 Not Annualized.

3 Annualized.

**Wilshire Income Opportunities Fund**  
*For a Fund Share Outstanding Throughout the Period.*

	<b>Institutional Class Shares</b>
	<b>Period Ended 12/31/2016*</b>
Net asset value, beginning of period .....	\$ 10.00
<b>Income from investment operations:</b>	
Net investment income <sup>1</sup> .....	0.25
Net realized and unrealized gains on investments and foreign currency transactions .....	<u>0.13</u>
Total from investment operations .....	<u>0.38</u>
<b>Less distributions:</b>	
From net investment income .....	(0.21)
From realized capital gains .....	<u>(0.07)</u>
Total distributions .....	<u>(0.28)</u>
Net asset value, end of period .....	\$ <u>10.10</u>
Total return .....	<u>3.82%</u> <sup>2</sup>
<b>Ratios to average net assets/supplemental data<sup>2</sup>:</b>	
Net assets, end of period (in 000's) .....	\$ 396,797
Operating expenses <sup>†</sup> .....	0.86% <sup>3</sup>
Net investment income .....	3.11% <sup>3</sup>
Portfolio turnover rate .....	74% <sup>2</sup>

\* Commenced operations on March 30, 2016.

† Ratio does not include expenses from underlying funds.

1 The selected per share data was calculated using the average shares outstanding method for the period.

2 Not Annualized.

3 Annualized.