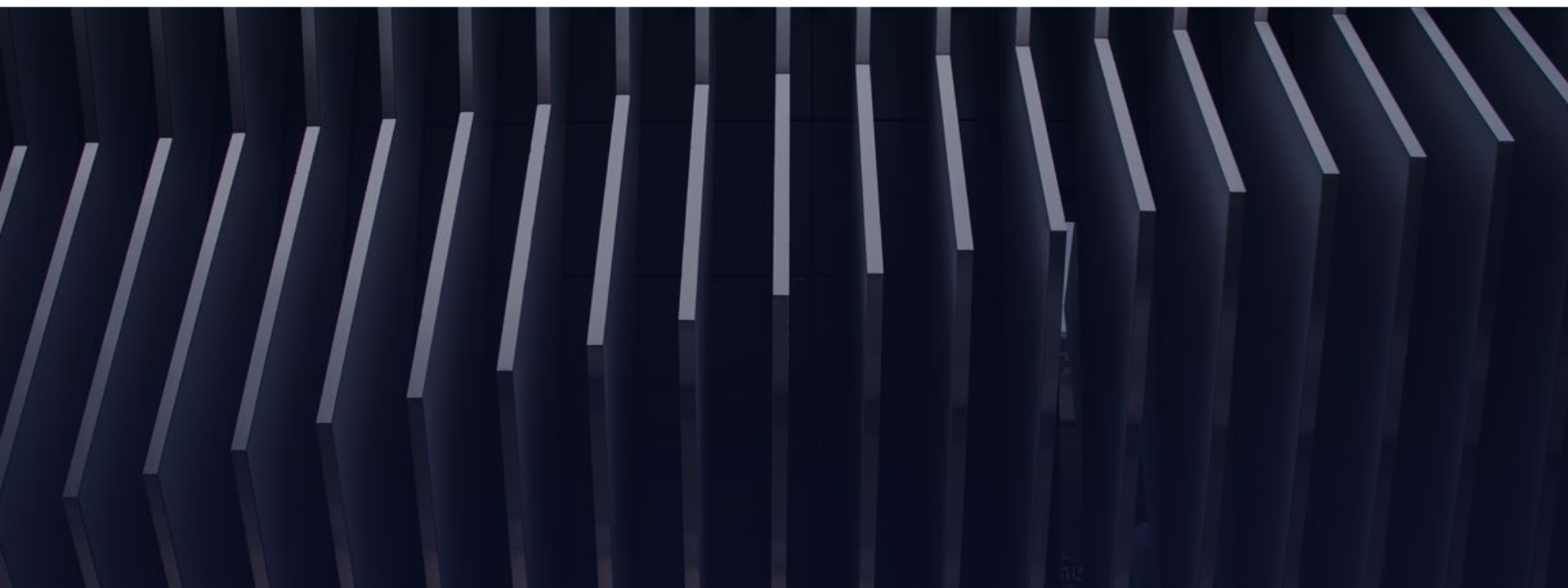


# Wilshire Indexes

---

## Error Correction Policy for Equity Indexes

May 2025



Contents

Introduction ..... 2

Index Correction Policy..... 2

    Incorrect price.....2

    Incorrect corporate action treatment .....2

    Incorrect dividend.....2

    Incorrect constituent weight.....3

    Incorrect inclusion or exclusion of a security.....3

    Incorrect benchmark constitution .....3

    Real Time Index Correction Policy .....4

    Minimum Impact Threshold.....4

Policy Approval ..... 4

Appendix A: Summary Index Treatment of Errors..... 5

Legal Notices ..... 7

## Introduction

Wilshire Indexes<sup>1</sup> provides benchmarks<sup>2</sup> and analytics to asset owners, investment managers, trading desks and investment consultants. Wilshire OpCo UK Ltd is the UK entity of Wilshire Indexes. Wilshire OpCo UK Ltd is authorised by the UK Financial Conduct Authority as a benchmark administrator under the UK Benchmark Regulation (UK BMR).

This document describes the policy that Wilshire Indexes will seek to adhere to with respect to calculation errors that might occur in the determination of the equity benchmarks administered by Wilshire Indexes.

The purpose of this document is to:

- Describe the identified circumstances that might require correction of published Wilshire benchmarks;
- Set out the usual treatment for the correction of various types of errors;
- Provide a timetable in which Wilshire Indexes will act in each of these situations;
- Provide maximum transparency for users of Wilshire Indexes equity benchmarks, and other market participants.

## Index Correction Policy

The policy that Wilshire Indexes will seek to follow for the correction of various types of errors that can occur during the calculation of a benchmark is set out below. Although Wilshire Indexes will adhere to this policy where circumstances allow, there may be specific situations that necessitate a different correction procedure. In these circumstances, Wilshire Indexes will publish a notice setting out the treatment that will be followed along with the rationale for departing from this policy.

### Incorrect price

Wilshire Indexes has extensive processes in place to validate all prices used in benchmarks, including verification from multiple sources, and automated and manual checks. All input data is sourced from regulated exchanges that themselves have processes to ensure published price data is accurate.

However, there are occasions when a standard closing price may not be readily available, for example if an exchange shuts earlier than expected and a data vendor provides an interim price whilst the exchange determines the official close. Given that incorrect prices will normally self-correct the next day, Wilshire Indexes will generally only restate affected indices if the incorrect price was used in the benchmark after the implementation of the most recent benchmark reconstitution and the incorrect price is detected within five business days.

Exceptionally, Wilshire Indexes may consider a recalculation beyond five business days if otherwise the integrity of the benchmark could be impacted.

### Incorrect corporate action treatment

Wilshire Indexes scrutinizes all supplied corporate action data using automated processes. However, errors may arise if incorrect data is received from Wilshire Indexes' suppliers of corporate action data, or where the corporate action is incorrectly applied, for example because the wrong terms were used, or the corporate action is applied on the wrong ex-date.

In these circumstances, provided the incorrect corporate action treatment was applied after the implementation of the most recent benchmark reconstitution, Wilshire Indexes will restate the affected indices and reissue forward looking constituent files from the date prior to the event.

### Incorrect dividend

In the event of a dividend being applied on an incorrect date, and either the incorrect date or the true ex-date has passed, Wilshire Indexes will restate the affected benchmarks from the date of the dividend error.

---

<sup>1</sup> Wilshire Indexes is the trading name of Wilshire OpCo UK Limited (an FCA regulated benchmark administrator) and its affiliates.

<sup>2</sup> The term "benchmark" is used in this document as defined in the EU Benchmark Regulation (2016/1011) which forms part of UK law by virtue of the European (Withdrawal) Act 2018 (UK BMR).

If the amount of an applied dividend was incorrect, Wilshire Indexes will generally apply a compensating adjustment for the next day provided that the dividend ex-date and the date of the compensatory adjustment fall in the same month; if not, the affected benchmarks will be restated.

In cases where the company itself has changed the date or terms (for example, the dividend was cancelled or the original amount was an estimate) an adjustment will be made for the next business day irrespective of the month the correction would occur in. For dividends with an amount changing on the ex-date, typically Wilshire indexes will restate the dividends for that day to capture the new amount.

## Incorrect constituent weight

Examples of how an incorrect constituent weight might occur include the use of incorrect free-float weight data (for example because a particular shareholder should have been deemed restricted), incorrect foreign ownership limit or use of incorrect data in the weight calculation in a factor or style benchmark.

Because the determination of benchmark weights, particularly in alternatively (non-capitalization) weighted indices can on occasion be subject to the exercise of expert judgement, Wilshire Indexes adheres to the published Wilshire Indexes Queries and Complaints Policy that provides for users and other stakeholders to query any aspect of a benchmark's calculation. The Policy sets out how Wilshire Indexes will respond to such queries.

Should Wilshire Indexes agree that a constituent's benchmark weight has been incorrectly determined, this will be corrected at the next benchmark rebalance or reconstitution and a notice will be published to that effect.

Very exceptionally Wilshire Indexes may apply a go-forward correction with notice if the resulting weight difference is sufficiently large that the integrity of the benchmark might be called into question.

## Incorrect inclusion or exclusion of a security

Examples of incorrect inclusion or exclusion include the incorrect application of the nationality assignment rule, or an error in the application of one of the benchmark eligibility rules set out in the benchmark methodology documentation, for example because incorrect information was supplied to Wilshire Indexes.

As with the calculation of a constituent's benchmark weight, expert judgement must occasionally be deployed to determine a constituent's eligibility for a benchmark. For example, the nationality of a constituent may not be clear cut, for example because it has no clear location for its headquarters, or the investable market capitalization of the constituent with respect to the benchmark entry threshold depends on which of its shareholders are considered restricted. Accordingly, the Wilshire Indexes Queries and Complaints Policy that provides for users and other stakeholders to query any aspect of a benchmark's calculation applies to potential instances of wrongful inclusion or exclusion too.

Should Wilshire Indexes agree that a constituent has been wrongfully included or excluded, this will be corrected at the next benchmark rebalance or reconstitution and a notice will be published to that effect.

Very exceptionally Wilshire may apply a go-forward correction with notice if Wilshire Indexes considers that the wrongful inclusion or exclusion could cause the integrity of the benchmark to be called into question.

## Incorrect benchmark constitution

If an benchmark has been improperly reconstituted, that is the rules set out in the benchmark methodology documentation were not properly adhered to, Wilshire Indexes will immediately notify clients and other users and vendors that an issue with the benchmark has occurred and that they should be alert to subsequent notifications which will include details of the issue and the plan for remediating the issue.

If the affected benchmark is known to be used by only a small number of users, Wilshire Indexes may consult the known users of the benchmark on their preferred method of remediation. During these consultations, Wilshire Indexes will make no indication on whether a user's preferred remediation proposal will be implemented. Absent any specific feedback from benchmark users, Wilshire Indexes will generally look to correct the benchmark composition as soon as possible taking into account factors such as liquidity and transaction costs. If the next benchmark reconstitution is imminent, Wilshire Indexes may decide to defer remediation to the reconstitution.

In all cases, the final decision on how and when an incorrect benchmark composition will be remedied will be taken by the Wilshire Indexes Executive Committee. The decision will be notified to the market through the publication of a notice.

### Real Time Index Correction Policy

If the real time calculation of a benchmark is discovered to be using an incorrect price adjustment factor for a constituent, the correct price adjustment factor will be applied intra-day prior to the close of the benchmark. If the incorrect price adjustment factor is discovered after the benchmark close, the benchmark close will be restated.

If the real time calculation of a total return benchmark is discovered to be using an incorrect dividend, a compensation adjustment will be applied in accordance with the dividend correction policy prior to the close of the benchmark. If the incorrect dividend is discovered after the close of the total return benchmark, the benchmark close will be restated.

### Minimum Impact Threshold

Generally, Wilshire Indexes considers 0.01 basis points to the daily total return of the benchmark, or headline index, to be the minimum threshold for the correction of an error. For global indexes, the headline index is considered to be the index level for the relevant country for the given impacted security.

Wilshire Indexes may determine to make a correction below the 0.01 basis points threshold in certain circumstances if it affects the ability to replicate the benchmark.

## Policy Approval

This Error Correction Policy was approved by the Index Management Committee on 8 May 2025.

## Appendix A: Summary Index Treatment of Errors

Description	Resultant Action
<b>Security identifiers:</b>	
Incorrect security identifiers	Identifiers are corrected for the next delivery of files
<b>Pricing:</b>	
Incorrect pricing	Reissue and recalculation of the impacted benchmarks provided the price was discovered within five business days
Incorrect removal price for a security	Reissue and recalculation of the impacted benchmarks provided the incorrect price was discovered within five business days
<b>Splits:</b>	
Incorrect event ex-date	Reissue and recalculation of the impacted benchmarks
Incorrect terms for event	Reissue and recalculation of the impacted benchmarks
<b>Rights:</b>	
Incorrect ratio or strike price	Reissue and recalculation of the impacted benchmarks
Incorrect ex-date	Reissue and recalculation of the impacted benchmarks
Rights cancelled after ex-date	A forward correction to price and shares will be made to remove the rights from the Index
<b>Dividends:</b>	
Incorrect dividend amount on Ex-Date	The dividend amount will be revised for the same day
Incorrect dividend amount after Ex-Date	An adjustment will be applied for the next business day provided the correction falls within the same month as the application
Incorrect event ex-date	An adjustment will be applied for the next business day provided the correction falls within the same month as the application
Dividend cancelled	A negative adjustment will be applied for the next business day
Dividend amount changed after ex-date	An adjustment will be applied for the next business day
<b>Security Weight and Constituency Issues:</b>	
Incorrect security weighting	Generally, shares and investability weight changes are made at a subsequent rebalance or reconstitution. However, If Wilshire Indexes becomes aware of a security having an incorrect benchmark weight that risks the replicability of the benchmark, a forward looking correction intra-rebalance may be considered

Incorrect security inclusion	If Wilshire Indexes becomes aware of a security being included or excluded erroneously, the error will be rectified at the next rebalance or reconstitution. If there is an error to inclusion that Wilshire Indexes deems to risk the integrity of the benchmark, a forward looking correction intra-rebalance may be considered
Incorrect M&A effective date	If Wilshire Indexes deems a merger or acquisition final, and the merger is cancelled or delayed without adequate notice for a correction, any corrective changes will be considered at the subsequent rebalance or reconstitution.
<b>Spinoffs:</b>	
Incorrect spinoff terms	Reissue and recalculation of Impacted indexes
Incorrect spinoff ex-date	Reissue and recalculation of Impacted indexes

## Legal Notices

### 1. Intellectual Property

The material herein is © 2025 Wilshire OpCo UK Limited or its affiliates. All rights reserved.

No material published by Wilshire OpCo UK Limited and its affiliates ("Wilshire Indexes") should be construed as granting any license or right to use any copyright, trademark, service mark or other intellectual property right for any purpose whatsoever without the written permission of the lawful owner and an appropriate license.

Wilshire and Wilshire 5000 are registered service marks owned by Wilshire Advisors LLC and are used under license. "FT" is the trade mark of the Financial Times Limited and is used under licence.

"Information" means any data, text, or other material published or made available by Wilshire Indexes whether owned by Wilshire Indexes or a third-party. This includes presentations, factsheets, product files, methodology documents, benchmark statements, policies or other documents relating to the operation, calculation or administration of Wilshire Indexes benchmarks, whether supplied physically or published electronically, for example on Wilshire Indexes websites or the websites or materials of Wilshire Indexes clients that relate to Wilshire Indexes.

All Information is provided for information purposes only and is made available "as is" without warranty or other commitment of any kind.

Use or distribution of Information requires a license from Wilshire Indexes.

No part of the Information contained herein may be copied, stored in a retrieval system, distributed, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission from Wilshire Indexes.

None of the Information may be used to create derivative works or to verify or correct other data or Information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other Wilshire Indexes data, Information, products or services.

### 2. Disclaimers

Wilshire Indexes entities and their respective directors, officers, employees, partners and licensors make no claim, prediction, warranty, representation or other commitment whatsoever, expressly or impliedly, as to the accuracy, timeliness, completeness, merchantability of any Information available or of results to be obtained from the use of the Information or the fitness or suitability of the Information for any particular purpose to which it might be put.

Any representation of historical data is provided for informational purposes only and is not a reliable indicator of future performance. The Information may contain back-tested data. Back-tested performance is not actual performance but is hypothetical. There may be differences between back-tested performance results and actual results subsequently achieved by any investment strategy.

To the fullest extent permitted by applicable law, Wilshire Indexes entities and their respective directors, officers, employees, partners, and licensors accept no responsibility or liability for:

- a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, calculating, analyzing, editing, transcribing, transmitting, communicating, or delivering the Information or from use of the Information; and
- b) any direct, indirect, special, consequential, or incidental damages whatsoever, even if Wilshire Indexes (or the relevant person) is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, the Information.

Wilshire Indexes entities and their respective directors, officers, employees, partners, and licensors do not provide investment advice and nothing in the Information or any links thereto, including statistical data and industry reports, should be taken as constituting financial or investment advice or a financial promotion.

Wilshire Indexes entities and their respective directors, officers, employees, partners, and licensors are not responsible for and make no representation regarding the appropriateness or suitability of using, or investing in any financial instrument or entering into any contract linked to, Wilshire Indexes benchmarks or other Information provided by Wilshire Indexes and any decision to engage in such use or to invest in any such instrument or enter into any such contract should not be made in reliance on Wilshire Indexes benchmarks or other Information provided or published by Wilshire Indexes. All Information is impersonal and not tailored to the needs of any person, entity, or group of persons.

To the fullest extent permitted by applicable law, Wilshire Indexes entities and their respective directors, officers, employees, partners and licensors will not be liable in contract or tort (including negligence), for breach of statutory duty, misrepresentation or otherwise, in respect of any inaccuracies, errors, omissions, delays, failures, cessations or changes (material or otherwise) in Wilshire Indexes benchmarks or other Information.

Wilshire Indexes is the trading name of Wilshire OpCo UK Limited, a company registered in England and Wales under registered number 12991656, with its registered office at C/O Tmf Group, 13th Floor, One Angel Court, London EC2R 7HJ, United Kingdom. Wilshire OpCo UK Limited is authorized and regulated by the Financial Conduct Authority as a benchmark administrator, with reference number 985021.

## Contact Us

[wilshireindexes.com/contact](https://wilshireindexes.com/contact)

## About Wilshire Indexes

Wilshire Indexes provides institutional investors, asset managers and retail intermediaries with a global benchmark platform that offers global coverage of the markets through the leading FT Wilshire Index Series.

To learn more about FT Wilshire Indexes, visit  
[wilshireindexes.com](https://wilshireindexes.com)