



Real Estate Indexes

Wilshire Real Estate Securities IndexSM (WILRESI)

Wilshire Real Estate Investment Trust IndexSM (WILREIT)

Wilshire Global Real Estate Securities IndexSM (WGRESI)

Wilshire Global Real Estate Investment Trust IndexSM (WGREIT)

OVERVIEW

The Wilshire Real Estate Indexes measure the performance of publicly traded real estate securities. The Wilshire Real Estate Securities IndexSM (WILRESI) and the Wilshire Real Estate Investment Trust IndexSM (WILREIT) are derived from the broader index and are designed to serve as proxies for direct real estate investment by institutions. The Wilshire Global Real Estate Securities IndexSM (WGRESI) is a measure of the types of global real estate securities that represent the ownership and operation of commercial or residential real estate. The global index is an expansion of the original U.S. index, developed in 1991 by Wilshire Associates to serve as a proxy for direct real estate investment by institutions. The Wilshire Global Real Estate Investment Trust IndexSM (WGREIT) is a subset of the WGRESI and is comprised only of those REITs and REIT-like securities in the larger index. The US and exUS indexes together make up the global indexes.

MEMBERSHIP

TO BE INCLUDED IN THE REAL ESTATE INDEXES, AN ISSUE MUST BE ALL OF THE FOLLOWING:

- The company must be both an equity owner and operator of commercial and/or residential real estate. Business excluded from these focused indexes include: mortgage REITs, net-lease REITs, real estate finance companies, mortgage brokers and bankers, commercial and residential real estate brokers and estate agents, home builders, large land owners and subdividers of unimproved land, hybrid REITs, and timber REITs, as well as companies that have more than 25% of their assets in direct mortgage investments.
- The company must have a minimum total market capitalization of at least \$200 million at the time of its inclusion
- At least 75% of the company's total revenue must be derived from the ownership and operation of real estate assets

- The liquidity of the company's stock must be commensurate with that of other institutionally held real estate securities.

WEIGHTING

Float-adjusted market capitalization was implemented for the Wilshire Real Estate Indexes effective with the opening of trading on May 1, 2004. The real estate indexes are weighted by float-adjusted market capitalization.

INDEX CONSTRUCTION

ADJUSTMENTS AND MAINTENANCE

Periodic and ongoing reviews of the index composition and shares are conducted based on the following rules:

- Routine additions and deletions to the indexes as well as share updates, are made quarterly after the close of trading on the third Friday of March, June, September, and December. The changes become effective at the opening of trading on the next business day.
- During the quarter a component company's shares outstanding will be adjusted whenever and at the same time as a change in that company is made in the Wilshire 500 Composite Index or in the Wilshire Global Total Market Index.
- A company will be removed from the indexes if direct mortgage investments represent more than 25% of the company's assets for two consecutive quarters or if the company is reclassified as a mortgage or hybrid REIT.
- An equity REIT that elects to drop its REIT status and become taxed as a C corporation will be removed from the REIT index but will remain in the RESI if it continues to meet the qualifications for a real estate operating company.
- A company will be removed from the indexes if less than 50% of its total revenue is generated from the ownership and operation of real estate assets for two consecutive quarters.
- A company will be removed from the indexes if its stock becomes illiquid or has more than 10 nontrading days during the previous quarter.
- A company will be removed from the indexes if its stock is delisted by its primary market due to failure to meet financial or regulatory requirements.
- A company will be removed from the indexes if its total market capitalization falls below \$100 million and remains at that level for two consecutive quarters.
- If a component company enters bankruptcy proceedings, it will be removed from the indexes and will remain ineligible for reinclusion until has emerged from bankruptcy. However, the Wilshire Index Oversight Committee may, following a review of the bankrupt company and the issues involved in the filing, decide to keep the company in the index.
- The Wilshire Index Oversight Committee may, at its discretion and if it has determined a company to be in extreme financial distress, remove the company from and Wilshire Index to which that

company belongs if the committee deems the removal necessary to protect the integrity of the index and interests of investors in products linked to that index.

- For the exUS and global real estate indexes, the index values use each stock's closing price on its primary market and the official WM closing currency spot rates as of 11 AM Eastern time.

For more information on the Wilshire Global Index Family, email WilshireIndexes@wilshire.com or call 310-451-3051. Learn more at www.wilshire.com/Indexes.

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