

## Wilshire Associates Incorporated – General Pension Consulting Services

### Organization and Structure

Wilshire Associates Inc. (“Wilshire”) is a pension consulting firm founded in 1972, providing pension consulting services to tax exempt organizations since 1981. The firm is a privately held Subchapter S corporation that is 100% owned by key employees with no other outside owners.

Wilshire has four separate business units: Wilshire Consulting, Wilshire Analytics, Wilshire Funds Management and Wilshire Private Markets.

Wilshire Private Markets Group’s operations in Amsterdam and Hong Kong are conducted through affiliated companies, Wilshire Associates Europe, BV, and Wilshire Hong Kong Limited. Wilshire’s participation as general partner in various limited partnership investment vehicles is conducted through entities controlled by Wilshire’s affiliate, Wilshire Global Advisors Inc. Wilshire has no parent company. The ownership of Wilshire Global Advisors Inc. is identical to that of Wilshire.

Wilshire has not experienced any material changes in ownership, personnel reorganization, or new business ventures in the last two years. Mark Brubaker, a member of Wilshire Consulting, departed the firm and his position on the Board of Directors of Wilshire Associates in February 2019.

Wilshire is registered as an Investment Advisor with the SEC. Wilshire is an ERISA fiduciary. Wilshire does not have relationships with asset managers. Wilshire receives a portion of its total revenues from the sale of analytics services including business generated from investment management firms. Wilshire Funds Management receives compensation from investment managers or institutions for discretionary and non-discretionary “manger-of-managers” services, as well as outsourcing solutions to financial institutions, commingled funds and mutual fund complexes. The total firm revenues received from the sale of analytics services to asset managers is 8%.

Wilshire’s line of business and contribution to their organization’s total revenue for the past three years is as follows:

<b>Lines of Business</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 est.</b>
General Pension Consulting	32%	31%	31%	30%
Other Consulting Services <sup>1</sup>	45%	49%	54%	55%
Other (Wilshire Analytics <sup>2</sup> )	23%	20%	15%	15%

### Experience and Depth

<sup>1</sup> Many of the services listed under “Other Consulting Services” are similar to pension consulting services but offered on a discretionary or non-discretionary basis through Wilshire funds Management and Wilshire Private Markets.

<sup>2</sup> Wilshire Analytics provides investment technology solutions including risk management, asset allocation, investment accounting, marketing support, trade order management, portfolio optimization, scenario analysis and performance measurement to multi-currency portfolios for multiple asset classes of public securities.



**Finalist Profile Summary**

Wilshire’s lead consultants have over 16 years of experience at Wilshire and 25+ years of industry experience. Wilshire has provided strategic advice to the Board and Staff of CalPERS for 30 years. For the past 40+ years, Wilshire has made major contributions in defining “best practices” in the investment consulting field. Today, Wilshire provides discretionary and non-discretionary investment advisory services with assets under advisement of approximately \$1.1 trillion as of December 31, 2018. On average, the tenure of Wilshire Consulting clients is twelve (12) years. Currently, Wilshire provides investment advisory and management services to more than 40,000 defined contribution plans representing over \$116 billion in assets. Traditional consulting and OCIO clients include public, corporate, healthcare and foundation 401(k), 401(a), 403(b), and 457(b) plans, with individual plan assets ranging from under \$100 million to over \$10 billion. Wilshire’s ERISA services are utilized by a wide range of plan sponsor types and sizes, from startup plans with minimal assets to mature plans with over \$1 billion.

**Conflicts and Disclosures**

Wilshire does not foresee any conflicts of interest. Wilshire did not report any disciplinary action on the SEC ADV disclosure, which was included in the RFP response.

**Environment, Social and Governance**

Wilshire has dedicated in-house ESG resources to provide regular insights into ESG considerations and risks.

**Services**

Wilshire offers a team of expert professionals committed to empowering clients to achieve the financial strength necessary to fuel secure retirements and advance unique objectives by leveraging their global footprint, culture of risk management, and four decades of experience. Wilshire’s research platform includes dedicated teams focused on investment/capital markets, asset allocation, alternatives, ESG/responsible investing and manager research. Wilshire’s Trust Universe Comparison Service® (TUCS®) is widely considered the definitive benchmark for U.S. institutional plan assets performance and allocation. Wilshire TUCS contains over 2,000 plans from the largest custodian banks. For CalPERS, Wilshire uses a custom universe for public pension funds with assets greater than \$10 billion.

**Fees**

Flat Fees - A summary of Wilshire’s fee proposal is included in the table below.

	<b>Annual Fee</b>
Year 1	\$ 3,100,000
Year 2	\$ 3,150,000
Year 3	\$ 3,200,000
<b>Total Fees</b>	<b>\$ 9,450,000</b>
<b>Average Annual Fee</b>	<b>\$ 3,150,000</b>