<u>Wilshire Associates Incorporated</u>
<u>Policy on Managing Conflicts of Interest</u>
<u>November 2020</u>

Conflicts of interest and the potential for conflicts may arise between Wilshire Associates Incorporated ("Wilshire") and its clients. In order to recognize, manage and mitigate conflicts of interest, Wilshire has appointed the Wilshire Management Committee ("WMC") to oversee and manage issues related to conflicts of interest.

Good Corporate Governance, Ethical Behavior and Fiduciary Duty

Wilshire believes that appropriately managing conflicts of interest is integral to good corporate governance and the maintenance of high ethical standards. As well, the Investment Advisers Act imposes a fiduciary duty on investment advisers. In some cases, Wilshire may also meet the definition of a fiduciary under other laws, such as the Employee Retirement Income Security Act of 1974 (ERISA). Where Wilshire is acting as a fiduciary, it has an obligation to act in the best interests of its clients and to place its clients' interests before its own.

Overview of Conflicts of Interest

A conflict of interest exists whenever Wilshire or its personnel have multiple interests, roles or obligations that create a risk where Wilshire or its personnel's professional judgment, recommendations or actions on behalf of a client might be unduly influenced by a secondary interest relating to Wilshire itself, its personnel, a related party or another client. Note that a conflict of interest may exist even though it is Wilshire's policy to make recommendations and decisions based solely upon the best interests of the client and without regard to any benefit (economic or otherwise) that Wilshire receives or might receive. The existence of a conflict of interest does not necessarily mean that anyone has acted inappropriately. Conflicts may arise from activities beneficial to Wilshire's clients, such as Wilshire gaining new expertise or tools that allow it provide new products and services to clients. However, conflicts of interest do represent risks which need to be managed.

Wilshire has various policies and procedures that seek to mitigate conflicts related to its personnel, such as its Code of Ethics, Outside Business Activities policy, Undue Influence policy, etc. Additionally it is the obligation of every employee to evaluate potential conflicts of interest that may arise due to personal or professional relationships outside of Wilshire and to take appropriate action. Appropriate actions may include, without limitation:

1. Informing the relevant parties (e.g. senior management, compliance, WMC, the client, etc.);
2. Recusing oneself from participating in decisions that may represent a conflict of interest; or
3. Disassociating oneself from the conflictual relationship.

As an organization, more specifically, but without limitation, conflicts of interest may arise when Wilshire is in a position to: i) provide advice or a recommendation to a client with regards to Wilshire's own products or services; ii) provide advice or a recommendation with regards to a product or service with which Wilshire competes; iii) evaluate, review or recommend an investment manager or other financial services provider with which Wilshire has a business relationship or to which it provides services; iv) make a decision which may have different effects on different clients or v) recommend the services of a third party from which Wilshire obtains a benefit (economic or otherwise).

In October of 2020 Wilshire announced that it had entered into a purchase agreement with Monica Holdco (US) Inc. (the "Buyer"), a newly created entity and an affiliate of two investment firms, Motive Partners and CC Capital (together with their co-investors, the "Investor Group"), pursuant to which Wilshire will be sold to the Buyer and the Investor Group will acquire a controlling interest in Wilshire (the "Transaction"). Additionally, and as part of the Transaction, Ares Management Corporation will become a lender to the Buyer pursuant to the terms of a customary senior secured term loan. The Transaction is anticipated to close in December of 2020.

Wilshire recognizes that the Transaction and new ownership creates conflicts of interest. There is a risk that the Investor Group will attempt to benefit from Wilshire's access to pools of capital, relations with large institutional investors and market influence. There is also a risk that the Investor Group could seek to influence Wilshire's advice to its clients. To mitigate the conflict, Wilshire will maintain an organizational structure and conflicts management process that will ensure independence of its investment processes. While the parent of the Buyer, which is controlled by Motive Partners and CC Capital, will be responsible for the strategic direction of Wilshire, Wilshire will continue to function as an independent fiduciary.

Practices Designed to Mitigate Conflicts of Interest - Oversight

It is Wilshire's policy to make evaluations, recommendations and decisions based solely upon the best interests of the client and without regard to any benefit (economic or otherwise) that Wilshire receives or might receive. Wilshire is committed to ensuring that it does not consider an investment manager's or financial service provider's business relationship with Wilshire, or lack thereof, in performing evaluations for or making recommendations to its advisory clients.

Wilshire has charged the WMC made up of the most senior members of Wilshire's executive team, including the President, Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Compliance Officer and other members of senior management, to identify, evaluate and oversee conflicts of interest and develop and execute appropriate policies.[1] When appropriate the WMC may delegate issues to other Wilshire committees, such as the Wilshire Investment Committee (WIC), to provide oversight or an independent assessment of an investment issue where a conflict of interest is present. The following is a list of conflict of interest issues that must be reviewed and monitored by the WMC or its delegate:

- Conflicts arising between Wilshire and the Investor Group or their affiliates.
- Wilshire providing advice or information to a current advisory client about a fund or other investment vehicle for which Wilshire or one of its affiliates is the investment manager.
- Wilshire provides advice or information to a current advisory client about additional discretionary services of another Wilshire business unit.
- Wilshire provides advice or information to a new client about its ability to provide both investment advisory and discretionary investment services (through either a separate account or a Wilshire vehicle).
- Wilshire is contemplating a product or service that may compete with a product or service of a client

[1] For greater certainty, any member of the WMC also affiliated with a member of the Investor Group may not participate in conflict of interest decisions related to such member.

It is the responsibility of each business unit head to provide the WMC with information about potential business opportunities that may give rise to a conflict of interest.

Practices Designed to Mitigate Conflicts of Interest – Disclosure and/or Acknowledgement

Wilshire has an obligation to disclose to clients material conflicts of interest. A conflict is considered to be material when there is a substantial likelihood that a reasonable individual would consider it important or where knowledge of the conflict would be necessary for the client to make an informed decision about whether to enter into or continue a relationship, purchase a product, or take some action to protect itself in its relationship with Wilshire.

Note that under ERISA mere disclosure is insufficient to mitigate certain conflicts of interest. ERISA includes comprehensive prohibited transaction restrictions with respect to self-dealing and conflicts of interest that generally may not be waived and imposes substantial financial penalties for violations of those restrictions.

Wilshire's policy is to disclose material conflicts of interest to its existing and prospective investment advisory clients. Disclosure is provided in Wilshire's ADV part 2A and in Wilshire's Disclosure Report (as detailed in *Wilshire Associates Incorporated Procedures on Managing Conflicts of Interest ("Procedures"))* and as otherwise determined appropriate by Compliance. Disclosure will include the Transaction, Wilshire's new ownership structure and the lending relationship with Ares Management Corporation.

When Wilshire's services involve providing a client with specific manager or service provider recommendations, Wilshire will provide information on its relationship with managers or service providers for the client's further evaluation. For more information, refer to the Procedures. When Wilshire recommends a Wilshire fund or other Wilshire-managed product to a client, the client will be provided with disclosure as to the potential conflict of interest and as to the benefits (economic and otherwise) that Wilshire may obtain from a client's investment in a Wilshire fund or use of a Wilshire-managed product, and the client will be required to acknowledge and accept such conflict in writing. Additional steps may be required in certain circumstances as may be determined by Legal/Compliance or the WMC.

Practices Designed to Mitigate Conflicts of Interest - Controls and Ethical Walls

Controls can manage the flow of information and put limits on firm activities to mitigate potential or actual conflicts of interest.

An ethical wall is a process for mitigating conflicts of interest by limiting the communication of information between individuals or groups, whether written or oral, which may give rise to a conflict of interest.

Wilshire has established, where practicable, controls to limit activities and ethical walls around business activities where sharing information may create a conflict of interest. These internal barriers are intended to prevent personnel from accessing information that may influence the service they provide to a client or from distributing [client] information that is confidential or proprietary. The following, without limitation, reflects Wilshire's policies regarding controls and ethical walls:

- Wilshire will not evaluate, recommend or invest in any of the Investor Group's funds or investment opportunities;

- Ethical walls have been established:
    - between Wilshire and the Investor Group (and their affiliates) to prevent the flow of information regarding specific investments, recommendations and client portfolio holdings and activities; for greater certainty, no Wilshire employee that is also affiliated with the Investor Group (or their affiliates) will participate in Wilshire's investment processes;
    - around Wilshire's four primary business services and Wilshire Compass;
- Personnel may share only non-confidential information from another group about a client, or information necessary to jointly serve a client as determined by the relevant business unit heads in consultation with Compliance;
- Personnel in each business unit may not share confidential information from another group about their clients;
- ERISA clients to whom Wilshire provides advisory services (other than investors in a Wilshire fund) may not be marketed additional Wilshire products and services; and
- Non-ERISA, advisory clients to whom Wilshire provides advisory services (other than investors in a Wilshire fund) may be introduced to other Wilshire services and products or advised as to the suitability of such an investment by its Wilshire adviser in accordance with Wilshire's other policies and procedures or in accordance with any restrictions imposed by the WMC.

Exceptions to Wilshire's controls and ethical walls policy require the approval of Compliance.

Please refer to the Wilshire's *Procedures* for more information.

POLICY UPDATES:
Amended: April 2009
Amended: May 2011
Amended: November 2014
Amended: January 2015
Amended: September 2016
Amended: June 2018
Amended: November 2020