WILSHIRE ASSOCIATES INCORPORATED
STATEMENT OF FINANCIAL CONDITION
December 31, 2011

ASSETS

Cash	$2,915,711
Investments in affiliated funds	2,229,010
Receivables from:	
Customers (net of allowances of $30,000)	18,021,103
Related parties	1,372,054
Other	367,167
Property and equipment (net of accumulated depreciation of $15,691,746)	5,523,324
Prepaid expenses and other assets	2,145,849
Total assets	**$32,574,218**

LIABILITIES & STOCKHOLDERS' EQUITY

Liabilities:	
Accounts payable and accrued expenses	$3,843,796
Drafts payable	587,520
Accrued compensation	4,943,990
Deferred rent	1,111,870
Payable to related parties	679,111
Deferred revenue	6,298,080
Total liabilities	17,464,367
Stockholders' equity:	
Common stock, no par value. Authorized 1,000,000,000 shares; issued and outstanding 10,875,978 shares	27,923,667
Payments in excess of basis	(14,394,451)
Retained earnings	2,122,485
Accumulated stock option liability	(541,850)
Total stockholders' equity	15,109,851
Total liabilities and stockholders' equity	**$32,574,218**

NOTES TO STATEMENT OF FINANCIAL CONDITION

(1) Basis of Presentation: The Statement of Financial Condition of Wilshire Associates Incorporated (the Company) has been prepared from information contained in the annual audited financial statements. Certain information and disclosures normally included in the annual audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles has been condensed or omitted.

(2) Organization and Nature of Business: The Company is a registered investment advisor that provides investment products and services including investment consulting, asset management, mutual fund management, and analytical tools.

(3) Summary of Significant Accounting Policies:

(a) ***Investments:*** Investments consist of investments in affiliated private investment funds. While not readily marketable, the private investment funds carry their investments at fair value. As the Company initially records its investments at cost and subsequently adjusts for the Company's proportionate share of earnings within the respective funds, the investments recorded by the Company are in turn at fair value.

(b) Allowance for Doubtful Accounts: Anticipated uncollectible accounts are provided for on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable.

(c) Property and Equipment: Additions to property and equipment are stated at cost. Depreciation is computed using straight-line and accelerated methods at rates calculated to amortize cost over the estimated useful lives of the respective assets. Upon sale or retirement of such assets, the related cost and accumulated depreciation are eliminated from the accounts, and gains or losses are reflected in income. Repair and maintenance expenditures not anticipated to extend asset lives are charged to income as incurred.

The estimated useful life of computers and equipment is five years, while furniture is seven years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

(d) Fair Value of Financial Instruments: Cash and certain receivables are carried at cost or contracted amounts, which approximate fair value due to the short period of maturity. Similarly, liabilities, including certain payables, are carried at cost, which approximates fair value.

(e) Fees: Fee revenue originates from investment advisory fees, investment consulting, and for a variety of analytical and research products provided to institutional clients. These products are provided to clients on a fee-for-access or fee-per-use basis. Fee revenue is either recognized on a pro rata basis over the access period or when the service is utilized. Investment advisory fees may also be based on assets under management or committed investment capital to the relevant investment fund to which the advisory services are provided. The Company may also generate fees based on investment performance, which are recognized at the end, if the measurement period of the prescribed performance hurdles have been achieved.

(f) Income Taxes: The Company has elected S Corporation status for federal tax purposes, whereby the Company's taxable income is reported by the Company's stockholders. Where permitted, the Company has elected S Corporation status for state purposes. Nonetheless, the Company is subject to various state and local income and franchise tax jurisdictions. Income taxes consist of state and local income taxes.

The Company defines the threshold for recognizing the benefits of tax return positions in the financial statements as "more-likely than-not" to be sustained upon challenge by the taxing authority and requires measurement of a tax position meeting the more-likely than-not criterion, based on the largest benefit that is more than 50% likely to be realized. Management has analyzed the tax positions of the Company and identified no uncertain tax positions that met the more-likely than-not standard.

The Company's major tax jurisdictions are federal, New York and California. The earliest year that remains subject to examination by these jurisdictions is 2004.

The Company expenses interest and penalties associated with its tax liabilities as incurred with such expenses included in income tax expense.

(3) Summary of Significant Accounting Policies (continued):

(g) Equity Based Compensation: The Company has the ability to grant to its employees as well as employees of affiliated entities. To the extent the options granted will be settled in cash, the Company accounts for the awards under the liability method, which requires the Company to measure the liability associated with the options grants at each reporting date until the awards are actually settled.

(h) Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Property and Equipment:

At December 31, 2011, property and equipment consists of the following:

	Carrying value	Accumulated depreciation	Net
Furniture, Computers & Equipment	$ 11,229,663	$ 9,019,193	$ 2,210,470
Leasehold improvements	9,985,407	6,672,553	3,312,854
Total	**$ 21,215,070**	**$ 15,691,746**	**$ 5,523,324**

(5) Wilshire Private Market Funds: As of December 31, 2011, the Company had recorded investments of $2,229,010 in Wilshire Private Market Funds for which the Company serves as investment advisor.

(6) Related Party Transactions: In the course of its business, the Company receives advisory service fees from related parties including the Wilshire Mutual Funds and Wilshire Public Market Funds. Income earned from these funds during the year ended December 31, 2011 amounted to $2,123,056 and $919,049, respectively, and is included in fee revenue.

(7) Line of Credit: As of December 31, 2011, the Company maintains a line of credit (“the Line”) available under which it may borrow up to $5,000,000. $144,381 of the Line is dedicated as a letter of credit to provide a security deposit on one of the Company’s leased office spaces resulting in $4,855,619 available for withdrawal at December 31, 2011. No amounts were drawn in 2011.

(8) Commitments and Contingencies:

(a) Lease Commitments: The Company is obligated under various operating leases for office space and equipment. Future minimum annual lease payments under these agreements are as follows:

2012	$3,813,933
2013	4,841,761
2014	4,871,232
2015	4,533,375
2016	4,214,470
Thereafter	3,237,501
Total lease commitments	**$25,512,272**

(b) Commitments to Affiliated Companies: Wilshire Global Advisors, Inc. (Global) and its subsidiaries are affiliates of the Company. The Company has provided indirect guarantees to fund any operating cash deficiencies that these affiliates incur. The guarantees are not limited in their term, and future amounts to be funded under the guarantees are wholly dependent on the future operating results of such affiliates. Amounts advanced to the affiliates are included in amounts due from related parties in the accompanying financial statements.

(9) Employee Benefit Plan: The Company maintains the Wilshire Associates Incorporated 401(k) Employee Savings Plan pursuant to Section 401(k) of the Internal Revenue Code (the Code) covering most of its employees. Participants may contribute a percentage of compensation each year not to exceed the maximum allowed under the Code.

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STATEMENT OF FINANCIAL CONDITION

December 31, 2011

Wilshire Associates Incorporated
1299 Ocean Avenue
Santa Monica, CA 90401
(310) 451-3051