

For Immediate Release

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Wilshire Liquid Alternative IndexSM Returns -1.06% in January

Santa Monica, Calif., February 14, 2022 - The Wilshire Liquid Alternative IndexSM, which provides a representative baseline for how the broad liquid alternative investment category performs, returned -1.06% in January, outperforming a -1.47% monthly return for the HFRX Global Hedge Fund Index. The Wilshire Liquid Alternative Index family aims to deliver precise market measures for the performance of diversified liquid alternative investment strategies implemented through mutual fund structures, backed by a proprietary classification methodology.

After reaching all-time highs in December, equity markets suffered a significant correction driven by inflation and a renewed commitment to hawkish policy during the January Federal Reserve Board meeting.

The Wilshire Liquid Alternative Equity Hedge IndexSM ended the month down -1.66%, outperforming the HFRX Equity Hedge Index's return of -2.12%.

- Equity hedge managers experienced a mixed first two months of the quarter, as a strong earnings season produced positive performance (particularly across growth-oriented managers) in October, and Omicron concerns coupled with year-end exposure management created a substantial correction towards the end of November.

The Wilshire Liquid Alternatives Event Driven IndexSM ended the month down -0.77%, underperforming the HFRX Event Driven Index's monthly return of -0.75%.

- Deal spreads widened in January due to equity market weakness and increased volatility, creating a difficult environment for merger arbitrage strategies which ended the month slightly negative.

The Wilshire Liquid Alternative Multi-Strategy IndexSM, which includes both single and multi-manager funds, returned -1.48% in January.

The Wilshire Liquid Alternative Global Macro IndexSM ended the month up 0.86%, outperforming the HFRX Macro/CTA Index's monthly return of -1.74%.

- Macro managers ended the month up generally but experienced mixed returns across various sub-strategies. Pro-inflation positioning coupled with strong commodity performance and rising yields benefited CTAs in the early half of the month. This was largely offset by poor equity performance and a pullback in yields later in the month, which detracted from month-to-date gains. Discretionary macro managers with similar pro-inflation positions benefitted, but several funds struggled as the dollar strengthened relative to global currencies.

The Wilshire Liquid Alternative Relative Value IndexSM ended the month down -0.93%, outperforming the HFRX Relative Value Arbitrage Index's monthly return of -1.30%.

- January proved challenging for convertible arbitrage strategies while structured credit fund performance was muted. Rising rates and increased credit market volatility contributed to negative performance from the peer group.

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