

For Immediate Release

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Wilshire Liquid Alternative IndexSM Falls -0.51% in October

Santa Monica, Calif., November 12, 2020 – The Wilshire Liquid Alternative IndexSM, which provides a representative baseline for how the broad liquid alternative investment category performs, returned -0.51% in October, underperforming the -0.22% monthly return of 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.

“As we saw the beginning of a second wave of COVID-19 and a looming U.S. presidential election, markets began to sell off in October as participants looked to reduce risk exposures,” said Jason Schwarz, Chief Operating Officer of Wilshire Associates.

The Wilshire Liquid Alternative Multi-Strategy IndexSM, which includes both single and multi-manager funds, returned -0.98% in October.

The Wilshire Liquid Alternative Equity Hedge IndexSM ended the month down -1.46%, underperforming the HFRX Equity Hedge Index’s return of -0.54%.

- Equity markets had a challenging month in October. Factor rotations occurred throughout the month, with value leading during the first half of October and growth rallying during the second half.
- Managers were risk-on in the first half of the month as COVID-19 cases began to increase in the U.S. and Europe. As experts forecasted a Democratic sweep in the upcoming U.S. elections, volatility spiked and investors retreated, with equity managers reducing exposures.

The Wilshire Liquid Alternatives Event Driven IndexSM ended the month up 0.33%, outperforming the HFRX Event Driven Index’s monthly return of -0.22%.

- Merger arbitrage managers had a generally positive month on the back of several large deals closing and positive momentum in M&A activity. As volatility rose in the later parts of the month, spreads widened and dispersion amongst managers rose.

The Wilshire Liquid Alternative Global Macro IndexSM ended the month down -0.39%, outperforming the HFRX Macro/CTA Index's monthly return of -0.51%.

- Macro managers, particularly trend-following CTAs, experienced a flat-to-negative month in October due to a mid-month reversal in U.S. equities and choppy markets across currencies and fixed income. Losses were partially offset by gains in commodities as many managers were positioned long agriculture and short energy.
- Discretionary macro managers were generally flat-to-positive, with reduced exposures to equities going into the U.S. elections in early November.

The Wilshire Liquid Alternative Relative Value IndexSM ended the month up 0.08%, underperforming the HFRX Relative Value Arbitrage Index's monthly return of 0.36%.

- Structured credit markets continued to perform positively as U.S. housing data remained strong and forbearance remained limited. Spreads continued to tighten across all securitized markets.
- Relative value convertible arbitrage managers benefited from the higher volatility in the market.

About Wilshire Associates

Wilshire Associates is a leading global financial services firm, dedicated to improving outcomes for investors worldwide. An independent firm since its founding in 1972, Wilshire advises on over \$1 trillion in assets and manages \$73 billion in assets. Specializing in innovative investment solutions, consulting services and multi-asset analytics, Wilshire serves more than 500 institutional and intermediary clients worldwide from 10 offices around the globe. For more information about Wilshire, visit www.wilshire.com or follow @WilshireAssoc.

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