

## For Immediate Release

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### Wilshire Liquid Alternative Index<sup>SM</sup> Falls -0.73% in September

Santa Monica, Calif., October 14, 2020 – The Wilshire Liquid Alternative Index<sup>SM</sup>, which provides a representative baseline for how the broad liquid alternative investment category performs, returned -0.73% in September, underperforming the -0.17% 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.

“Markets continued to rally in the third quarter of 2020 with optimism surrounding the development of a COVID-19 vaccine and an economic rebound,” said Jason Schwarz, Chief Operating Officer of Wilshire Associates. “However, markets again experienced volatility towards the end of the quarter as fiscal stimulus negotiations stalled and COVID-19 cases re-emerged globally.”

The Wilshire Liquid Alternative Equity Hedge Index<sup>SM</sup> ended the quarter up 3.04%, underperforming its HFRX counterpart’s quarterly return of 3.58%. Equity markets began the third quarter with positive momentum driven by the development of a COVID-19 vaccine and positive sentiment around a stimulus package. Equities reached historic highs during August, led primarily by technology stocks. However, equities experienced a challenging September due to the looming presidential election and stalled fiscal stimulus talks, coupled with growth and value factor rotations that occurred throughout the month.

The Wilshire Liquid Alternatives Event Driven Index<sup>SM</sup> ended the quarter up 2.31%, underperforming the HFRX Event Driven Index’s quarterly return of 2.92%. Special situation strategies with exposure to global and Asian fundamental value equities with hard catalysts performed well throughout the quarter. Merger activity continued to pick up from post-COVID lows, albeit with new deals having tighter spreads. Large and mid-cap deals primarily drove positive performance.

The Wilshire Liquid Alternative Global Macro Index<sup>SM</sup> ended the quarter up 0.52%, underperforming the HFRX Macro/CTA Index’s quarterly return of 0.83%. Macro managers, particularly trend-following CTAs, started the quarter positively, benefitting from sustained directional moves in government bonds, global equities, metals and developed international currencies. As trends in bonds and metals reversed, August presented as a muted, albeit positive, month for these strategies. September was a particularly difficult month as trends in FX, commodities and equities reversed as well. The commodity reversal, specifically in silver and gold, was directly tied to the reversal in the US dollar.

The Wilshire Liquid Alternative Relative Value Index<sup>SM</sup> ended the quarter up 2.16%, underperforming the HFRX Relative Value Arbitrage Index's quarterly return of 3.03%. Relative value convertible arbitrage managers benefited from interest rate declines in July, and continued to outperform with new issues and increased corporate activity in August. Gains slowed in September, however, as these managers continued to be the best performing strategies in a muted credit market as they shifted their focus towards distressed and restructuring situations. Relative value structured credit managers enjoyed a strong July and August as spreads tightened and the housing market remained resilient. Meaningful outflows in structured credit during September modestly affected pricing, leading to a somewhat negative month.

The Wilshire Liquid Alternative Multi-Strategy Index<sup>SM</sup>, which includes both single and multi-manager funds, returned -0.62% in September and 2.78% for the quarter.

### **About Wilshire Associates**

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