

WILSHIRE MARKET FLASH FEATURE

Liquid Alternatives Industry Monitor

First Quarter 2021

Performance as of 3/31/2021

	Wilshire liquid SM alternative index	HFRI fund weighted composite index	HFRX global hedge fund index	S&P 500 index	Bloomberg barclays U.S. aggregate bond index	Wilshire liquid SM alternative equity hedge index	Wilshire liquid SM alternative event driven index	Wilshire liquid SM alternative global macro index	Wilshire liquid SM alternative multi- strategy index	Wilshire liquid SM alternative relative value index
Mar. 2021	0.97%	0.96%	-0.06%	4.38%	-1.25%	3.03%	-0.23%	0.56%	1.26%	-0.14%
Feb. 2021	1.18%	3.66%	1.52%	2.76%	-1.44%	2.65%	0.99%	1.54%	1.23%	0.20%
Jan. 2021	0.01%	1.25%	-0.16%	-1.01%	-0.72%	-0.42%	1.03%	-0.25%	-0.03%	0.17%
Qtr. Return	2.17%	5.97%	1.29%	6.17%	-3.37%	5.32%	1.80%	1.85%	2.47%	0.23%
YTD	2.17%	5.97%	1.29%	6.17%	-3.37%	5.32%	1.80%	1.85%	2.47%	0.23%
1 Yr. Return	15.21%	33.97%	16.15%	56.35%	0.71%	23.28%	13.63%	7.57%	15.51%	12.73%
3 Yr. Return	2.83%	7.64%	3.46%	16.78%	4.65%	3.81%	4.28%	2.18%	2.03%	2.64%
5 Yr. Return	3.00%	7.51%	3.95%	16.29%	3.10%	3.93%	3.87%	1.23%	2.88%	3.13%
10 Yr. Return	1.98%	4.62%	1.36%	13.91%	3.44%	2.35%	1.99%	0.71%	1.65%	2.46%
Cumulative Return	21.66%	57.16%	14.41%	267.88%	40.25%	26.09%	21.77%	7.28%	17.81%	27.55%
Standard Deviation	3.89%	6.20%	4.54%	13.58%	3.04%	5.79%	3.31%	4.26%	4.61%	3.78%

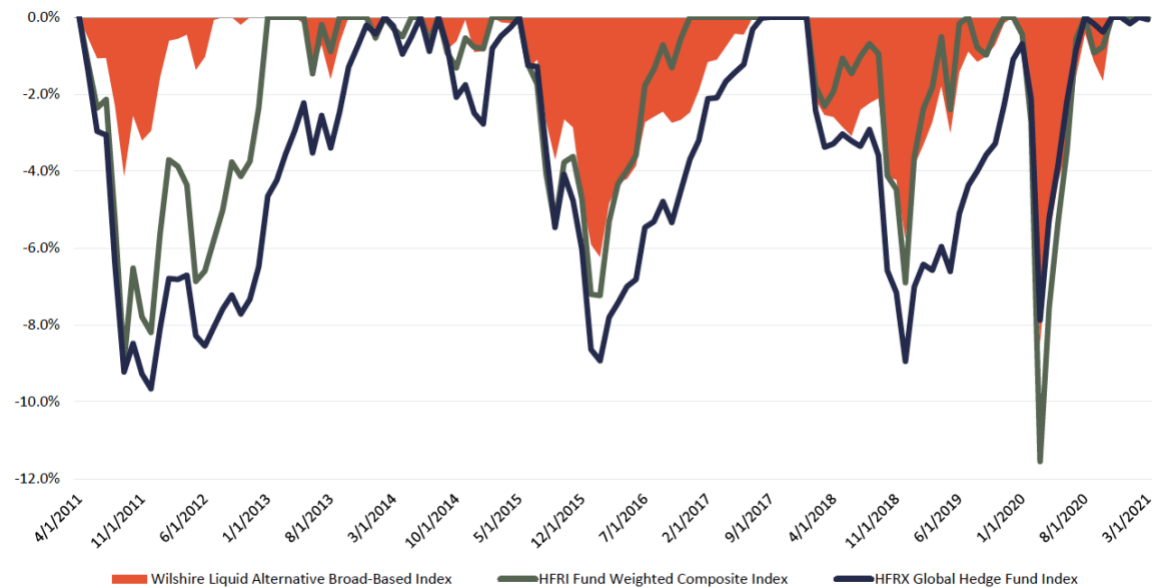
All returns over one year are annualized unless otherwise noted.

Index returns shown do not represent the results of the actual trading of investable assets. Historical returns are not indicative of future results. It is not possible to invest directly in an index.

Source: HFR, Bloomberg

10 Year Drawdowns Wilshire Liquid Alternative IndexSM

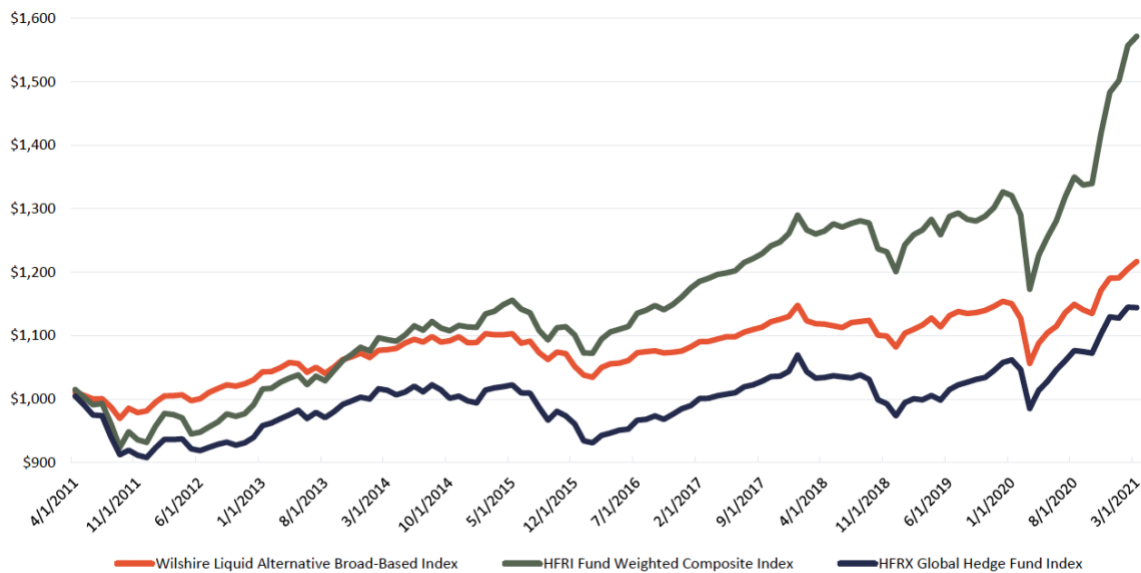
Drawdown 4/30/2011 - 3/31/2021



Past performance is not indicative of future return.

10 Year Returns Wilshire Liquid Alternative IndexSM

Growth of \$1000 4/30/2011 - 3/31/2021



Past performance is not indicative of future return.

Universe Overview (as of 3/31/2021)

	Liquid alts universe	Equity hedge	Global macro	Relative value	Event driven	Multi- strategy
Total number of liquid alternative funds	373	148	54	81	28	62
% of universe (# of funds)	100%	40%	14%	22%	8%	17%
Total assets (\$millions)	\$311,955	\$65,594	\$23,748	\$159,680	\$20,271	\$42,663
% of universe (assets)	100%	21%	8%	51%	6%	14%
Total number of funds with 3 years	332	134	50	70	25	53
Total 3 year assets (\$millions)	\$305,885	\$64,581	\$23,389	\$156,250	\$20,241	\$41,425
Total number of funds over \$100 million	205	59	32	60	17	37
Funds launched in the last 12 months	4	0	1	1	0	2

Largest Funds by AUM\$

JPMorgan Hedged Equity R6: \$17.7bn	Eaton Vance Global Macro Abs. Rtn: \$3.1bn	BlackRock Strategic Income Opps: \$39.0bn	BlackRock Event Driven Equity Inst: \$7.3bn	Blackstone Alt. Multi-Strategy: \$5.1bn
FPA Crescent: \$10.5bn	Eaton Vance Global Macro Abs Ret Advantage: \$2.6bn	Templeton Global Bond: \$13.0bn	Merger Investor: \$4.0bn	JP Morgan Global Allocation: \$4.8bn
Gateway: \$7.1bn	*Infinity Q Diversified Market Alpha: \$1.7bn	Calamos Neutral Income A: \$12.8bn	BlackRock Global L/S Credit: \$1.6bn	BlackRock Systematic Multi- Strat: \$4.7bn
Neuberger Berman Long Short: \$4.7bn	AQR Managed Futures Strategy: \$1.7bn	JP Morgan Strategic Income Opps: \$10.5bn	Arbitrage R: \$1.6bn	Goldman Sachs Absolute Ret Trckr Instl. : \$3.4bn
Diamond Hill Long-Short: \$2.0bn	American Beacon AHL: \$1.5bn	Navigators Tactical Fixed Income: \$7.3bn	Carillon Reams Unconstrained Bond: \$1.1bn	BNY Mellon Global Real Return: \$3.3bn

* Fund is in liquidation

Universe Summary

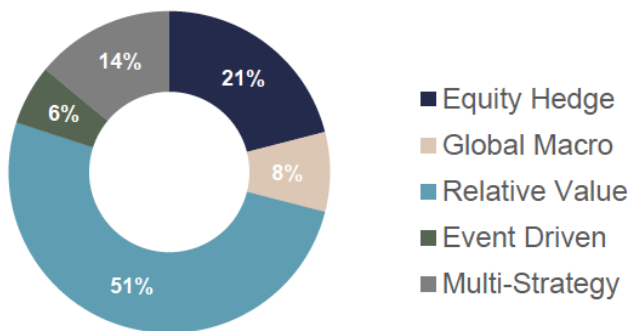
New Fund Launches and Closures

- 1 new liquid alternative fund was launched during the quarter
 - 1 equity hedge
- 7 funds were liquidated

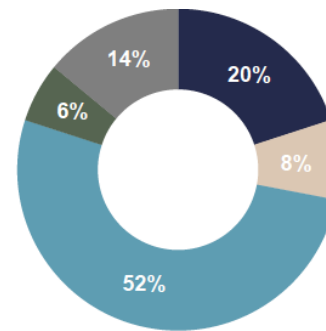
Key Asset Level Changes (Through Additions, Liquidations, & Organic Growth/Loss)

- \$17.6bn **increase** in assets of the Liquid Alternative Universe
 - \$7.8bn **increase** in relative value
 - \$5.9bn **increase** in equity hedge
 - \$2.3bn **increase** in event driven
 - \$1.5bn **increase** in multi-strategy
 - \$0.1bn **increase** in global macro

Market share by strategy Q1 2020.



Market share by strategy Q4 2020



Source: Morningstar, universe as defined by Wilshire, 3/31/2021.

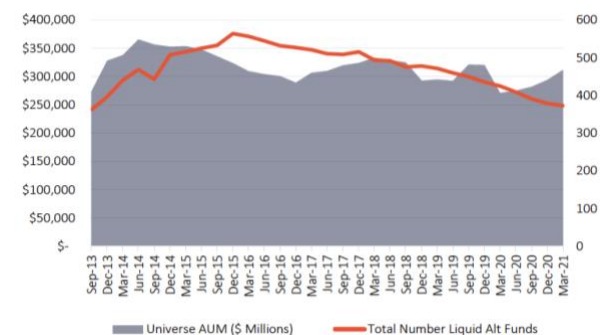
Universe Fund Count and AUM

Universe Activity Commentary

The liquid alternative universe saw a decrease in fund count during Q1 2021, continuing the trend we saw throughout 2020. One new equity hedge fund was launched in Q1. Of the seven fund liquidations, three were equity hedge, two were multi-strategy, one was relative value, and one was global macro.

Liquid alternative universe assets increased by \$17.6bn in Q1 2021. New entrants (comprised of new fund launches) brought in \$0.02bn, while liquidations created outflows of \$0.2bn. Net capital inflows to the universe totaled \$12.5bn. Performance gains increased AUM by \$5.3bn.

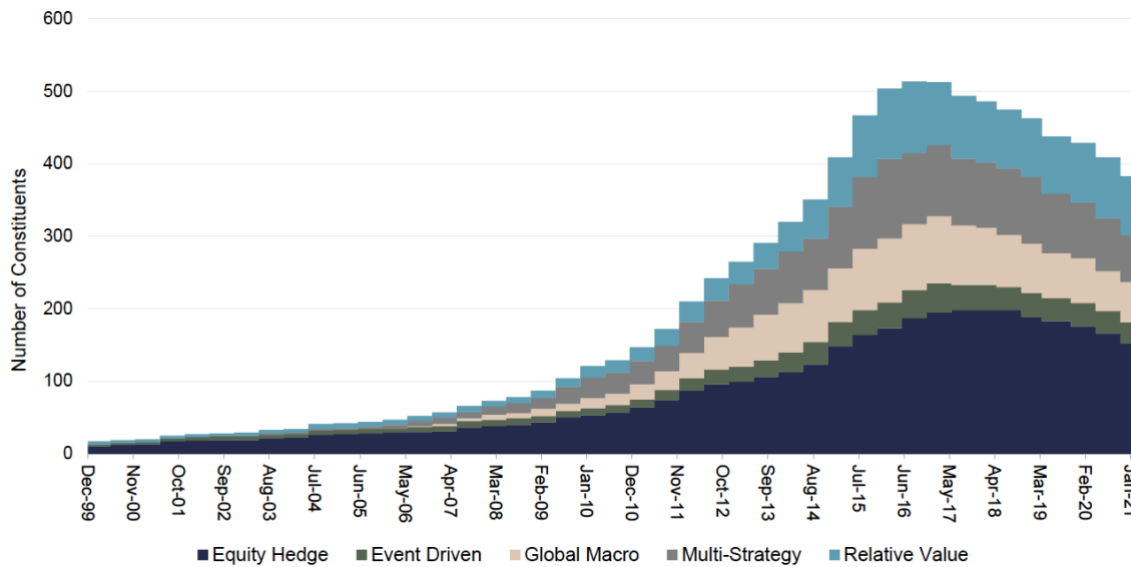
Wilshire universe trends on Fund Count and AUM



Source: Morningstar, universe as defined by Wilshire

Constituent Count

Wilshire Liquid Alternative IndexSM

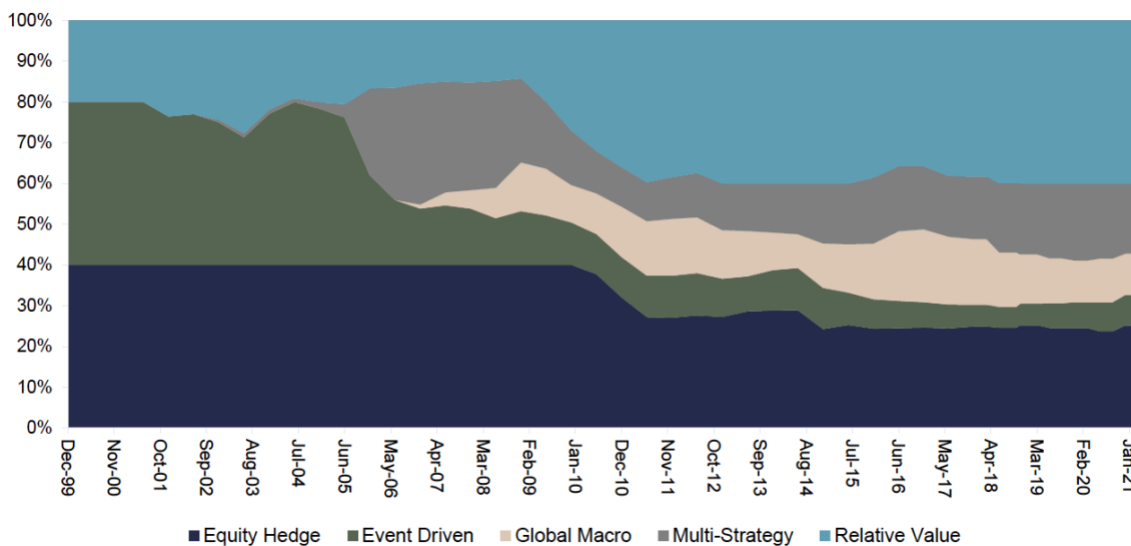


Note: Index constituent count is based on Wilshire's bi-annual reconstitution.

Source: Wilshire, 3/31/2021

Sub-Strategy Weights

Wilshire Liquid Alternative IndexSM



Note: Weightings are based on Wilshire's bi-annual reconstitution.

Source: Wilshire, 3/31/2021

Activity Highlights

Liquid alternatives funds

Capital Flows

- The liquid alternatives universe experienced net inflows in the first quarter of 2021, with all but one sub-strategy experiencing net inflows in Q1.
- BlackRock Strategic Income Oppssaw net inflows of \$3.2bn in Q1, with JPMorgan Hedged Equity, Calamos Market Neutral Income, BlackRock Systematic Multi-Strat, and Columbia Mortgage Oppsalso seeing inflows of \$2.3bn, \$1.5bn, \$1.3bn and \$1.2bn, respectively.
- Templeton Global Bond experienced the largest outflow of \$1.5bn in Q1. AQR managed Futures, FPA Crescent, Blackstone Alternative Multi-Strategy, and Templeton Global Total Return Advantage also experienced net outflows of \$0.6bn, \$0.5bn, \$0.4bn and \$0.3bn, respectively.

Fund Flows During Q1 2021

There were approximately \$12.5bn in net inflows to the liquid alternatives universe:

- \$8.2bn net **inflows** to relative value funds
- \$2.0bn net **inflows** to equity hedge funds
- \$1.9bn net **inflows** to event driven funds
- \$0.6bn net **inflows** to multi-strategy funds
- \$0.2bn net **outflows** from global macro funds

Universe Activity - Largest AUM Changes

Top 5 largest increases in AUM	Q1 2021	Q4 2020	Change*	Strategy
BlackRock Strategic Income Opps Instl	\$39.0bn	\$35.3bn	\$3.7bn	Relative Value
JPMorgan Hedged Equity R6	\$17.7bn	\$14.4bn	\$3.3bn	Equity Hedge
Calamos Market Neutral Income A	\$12.8bn	\$11.0bn	\$1.9bn	Relative Value
BlackRock Systematic Multi-Strat Instl	\$4.7bn	\$3.3bn	\$1.5bn	Multi-Strategy
Columbia Mortgage Opportunities Inst2	\$3.5bn	\$2.1bn	\$1.4bn	Relative Value

Top 5 largest decreases in AUM	Q1 2021	Q4 2020	Change*	Strategy
Templeton Global Bond A	\$13.0bn	\$15.0bn	-\$2.0bn	Relative Value
AQR Managed Futures Strategy N	\$1.7bn	\$2.2bn	-\$0.5bn	Global Macro
Templeton Global Total Return Adv	\$1.6bn	\$2.0bn	-\$0.4bn	Relative Value
PGIM Absolute Return Bond Z	\$1.0bn	\$1.3bn	-\$0.3bn	Relative Value
Western Asset Total Return Uncons I	\$0.9bn	\$1.2bn	-\$0.3bn	Relative Value

*Change includes net flows and organic growth/loss

Source: Morningstar, Universe as defined by Wilshire, 3/31/2021

Universe Top 20 - Assets Under Management

Top 20 by AUM Q1 2021		Q1 2021 AUM	Q4 2020 AUM	Change	Q1 2021 ranking	Q2 2020 ranking
BlackRock Strategic Income Opps Instl	Relative Value	\$39.0bn	\$35.6bn	\$3.4bn	1	1
JPMorgan Hedged Equity R6	Equity Hedge	\$17.7bn	\$14.7bn	\$3.1bn	2	3
Templeton Global Bond A	Relative Value	\$13.0bn	\$16.1bn	-\$3.1bn	3	2
Calamos Market Neutral Income A	Relative Value	\$12.8bn	\$11.0bn	\$1.8bn	4	4
FPA Crescent	Equity Hedge	\$10.5bn	\$9.8bn	\$0.7bn	5	6
JPMorgan Strategic Income Opports R5	Relative Value	\$10.5bn	\$10.7bn	-\$0.3bn	6	5
Navigator Tactical Fixed Income I	Relative Value	\$7.3bn	\$6.7bn	\$0.7bn	7	8
BlackRock Event Driven Equity Instl	Event Driven	\$7.3bn	\$6.3bn	\$1.0bn	8	9
Gateway A	Equity Hedge	\$7.3bn	\$7.1bn	\$0.2bn	9	7
Guggenheim Macro Opportunities Instl	Relative Value	\$6.8bn	\$5.6bn	\$1.1bn	10	11
Columbia Strategic Income A	Relative Value	\$6.0bn	\$5.6bn	\$0.4bn	11	10
Performance Trust Strategic Bond	Relative Value	\$5.5bn	\$4.9bn	\$0.5bn	12	13
Blackstone Alternative Multi-Strategy I	Multi-Strategy	\$5.1bn	\$5.3bn	-\$0.2bn	13	12
JPMorgan Global Allocation A	Multi-Strategy	\$4.8bn	\$4.4bn	\$0.4bn	14	15
JHancock Strategic Income Opps I	Relative Value	\$4.7bn	\$4.7bn	\$0.1bn	15	14
BlackRock Systematic Multi-Strat Instl	Multi-Strategy	\$4.7bn	\$3.3bn	\$1.5bn	16	n/a
Neuberger Berman Long Short Instl	Equity Hedge	\$4.7bn	\$4.2bn	\$0.5bn	17	16
T. Rowe Price Dynamic Global Bond Inv	Relative Value	\$4.3bn	\$4.1bn	\$0.2bn	18	17
Merger Investor	Event Driven	\$4.0bn	\$3.6bn	\$0.4bn	19	18
PIMCO Dynamic Bond Instl	Relative Value	\$3.9bn	\$3.4bn	\$0.4bn	20	n/a

Source: Morningstar, Universe as defined by Wilshire, 3/31/2021

Important Information

Wilshire is a global financial services firm providing diverse services to various types of investors and intermediaries. Wilshire's products, services, investment approach and advice may differ between clients and all of Wilshire's products and services may not be available to all clients. For more information regarding Wilshire's services, please see Wilshire's ADV Part 2 available at www.wilshire.com/ADV.

This material represents the current opinion of Wilshire and is based on sources believed to be reliable. Information and opinions are as of the date indicated, and are subject to change without notice. Wilshire shall not be liable (including for indirect, consequential, or incidental damages) for any error, omission, or inaccuracy of the information contained herein or for results obtained from its use.

The Wilshire Indexes are calculated and distributed by Wilshire. The indices do not represent an investment. It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments derived from that index. Wilshire makes no representations regarding the advisability of investing in investment products based on the Wilshire Indexes that are not sponsored, endorsed, sold or promoted by Wilshire. Index returns do not reflect payment of certain sales charges or fees an investor may pay to purchase the securities underlying the Indices or investment vehicles intended to track the performance of the Indices. The imposition of these fees and charges would cause actual performance of the securities/vehicles to be lower than the Indices performance shown. Inclusion of a company in the Wilshire Indices does not in any way reflect an opinion of Wilshire on the investment merits of the company.

This material contains confidential and proprietary information of Wilshire and is intended for the exclusive use of the person to whom it is provided. It may not be disclosed, reproduced or redistributed, in whole or in part, to any other person or entity without prior written permission from Wilshire.

This material is intended for informational purposes only and should not be construed as an attempt to sell or solicit any Wilshire products or services and should not be construed as legal, accounting, tax, investment, or other professional advice. Past performance is not indicative of future results.

Wilshire® is a registered service mark of Wilshire Advisors, LLC, an investment adviser registered with the Securities and Exchange Commission. All other trade names, trademarks, and/or service marks are the property of their respective holders.

Copyright © 2021 Wilshire. All rights reserved.

12850851 E0522

More information

For more information, please contact us directly:

T +1 1855 626 8281

Wilshire

1299 Ocean Avenue, Suite 700, Santa Monica, CA 90401

wilshire.com