

# Calamos Alternatives Snapshot

August 1, 2022 (data as of July 29, 2022 unless indicated)

## WEEKLY HEADLINES

### Advisors Report 'Unexpectedly High' Allocations to Alts

Almost 15% of financial advisors allocate assets to alternative strategies, and plan to increase the portion to 17.5% in two years, according to [a recent survey](#) finding that the survey provider itself considers "unexpectedly high." The report is above the "already elevated" 10.5% reported last year and runs counter to the asset amounts currently invested in such alternative strategies, according to Cerulli Associates, in partnership with Blue Vault. The common allocation of a combination of both alternatives and commodities is growing but likely closer to high single digits, the firm contends.

Advisors' top interest driver, expressed by almost two-thirds, is to reduce exposure to public markets (also see table bottom right). However, liquid alts make up the most significant portion of respondents' allocations. Sixty-eight percent of advisors said they currently use liquid alts, with an additional 7% intending to start. Intermittent liquidity offerings are poised for "hockey stick growth" in the next few years, according to the report.

### Economic Releases vs. Consensus (Previous Week)

New Home Sales (7/25): 0.59M vs. 0.66M  
Fed Interest Rate Decision (7/27): 2.5% vs. 2.5%  
Fed GDP Growth QoQ (7/28): -0.9% vs. 0.5%

### Economic Releases this Week

ISM Manufacturing PMI (8/1)  
Unemployment Rate (8/5)  
Non-Farm Payrolls (8/5)

## MORNINGSTAR WEEKLY EST. NET FLOWS (\$MIL)<sup>1</sup>

As of 7/27/22	Last Week	2 Wks Ago	3 Wks Ago	4 Wks Ago	Weekly Streak	YTD Flows
Derivative Income	607	573	313	448	90	14,688
Commodities Broad	339	(479)	(1,154)	(292)	1	6,446
Macro Trading	91	78	71	20	11	978
Multistrategy	90	36	(4)	204	2	2,983
Options Trading	87	187	147	562	4	8,254
Event Driven	71	9	8	1	4	2,079
Systematic Trend	69	132	168	146	33	4,659
Infrastructure	43	(13)	12	98	1	2,029
Equity Mkt Neutral	23	87	84	99	3	3,756
Relative Value Arb	(5)	(69)	(69)	(94)	(11)	1,067
Long-Short Equity	(8)	25	(30)	74	(1)	1,127
Energy LP	(29)	38	14	(47)	(1)	546
Convertibles	(90)	118	37	(38)	(1)	(2,065)
Real Estate	(221)	(285)	(247)	(270)	(7)	(5,741)
Nontraditional Bond	(389)	(399)	(591)	(284)	(22)	(5,538)

## BROAD INDEX PERFORMANCE<sup>1</sup>

	1 week	MTD	QTD	YTD
S&P 500	4.28	9.22	9.22	-12.58
Russell 3000	4.21	9.38	9.38	-13.70
Russell 2000	4.35	10.44	10.44	-15.43
Russell 1000	4.20	9.31	9.31	-13.58
Russell Mid Cap	4.35	9.87	9.87	-13.83
MSCI EM	0.42	-0.16	-0.16	-17.61
MSCI ACWI	3.28	7.02	7.02	-14.35
MSCI World	3.63	7.97	7.97	-13.94
MSCI EAFE	2.11	4.99	4.99	-15.22
ICE BofA Global 300 Convnt	1.34	4.09	4.09	-15.00
ICE BofA All US Convertible	2.02	5.69	5.69	-15.67
ICE BofA US High Yield	1.45	6.00	6.00	-8.87
Bloomberg US Corp Bond	0.50	3.24	3.24	-11.61
Bloomberg US Govt/Credit	0.39	2.16	2.16	-9.12
Bloomberg US Agg Bond	0.64	2.44	2.44	-8.16

## COMMODITIES<sup>2</sup>

	7.29.22	6.30.22	12.31.21	7.29.21
Gold	1753	1817	1820	1797
Oil	99.8	107.8	75.5	73.6
Gasoline	4.33	4.87	3.28	3.14
Bitcoin	23,818	19,838	46,245	40,025

## MARKET PULSE<sup>1</sup>

MONTH-TO-DATE			As of	YEAR-TO-DATE		
VALUE	CORE	GROWTH	7/29/2022	VALUE	CORE	GROWTH
6.63	9.31	12.00	LARGE	-7.08	-13.58	-19.44
8.61	9.87	12.24	MID	-9.02	-13.83	-22.56
9.68	10.44	11.20	SMALL	-9.30	-15.43	-21.55

Past performance is not indicative of future results. This material is provided for internal and educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. Source: <sup>1</sup>Morningstar (Net Flows as of previous Wed.), <sup>2</sup>St. Louis Federal Reserve (FRED Database). FOR INVESTMENT PROFESSIONAL USE ONLY.

## MORNINGSTAR ALTERNATIVE CATEGORIES<sup>1</sup>

	1 week	MTD	QTD	YTD
Energy Limited Partnership	7.70	11.17	11.17	21.55
Infrastructure	4.95	5.12	5.12	-3.10
Commodities Broad Basket	4.80	1.87	1.87	21.63
Real Estate	4.77	8.56	8.56	-13.18
Derivative Income	2.42	5.47	5.47	-6.67
Convertibles	2.17	4.81	4.81	-14.92
Options Trading	1.97	4.72	4.72	-7.17
Long-Short Equity	1.73	2.88	2.88	-7.05
Macro Trading	0.80	1.02	1.02	-1.09
Nontraditional Bond	0.79	1.62	1.62	-5.16
Relative Value Arbitrage	0.74	1.27	1.27	-4.39
Multistrategy	0.73	0.96	0.96	-3.26
Event Driven	0.32	1.31	1.31	-2.06
Equity Market Neutral	0.16	-0.56	-0.56	2.53
Systematic Trend	-1.41	-2.69	-2.69	12.82

## BOND RATES<sup>2</sup>

	7.29.22	6.30.22	12.31.21	7.29.21
Effective Fed Funds Rate	1.58	1.58	0.08	0.10
2-Year Treasury	2.85	2.92	0.75	0.20
10-Year Treasury	2.91	2.98	1.55	1.28
ICE BofA US Corp. AAA	3.47	3.80	2.03	1.78

## THE GOALS OF ADVISORS' ALTERNATIVE ALLOCATIONS: 2022

Reduce exposure to public markets	69%
Volatility dampening/downside risk protection	66%
Income generation	59%
Portfolio diversification	52%
Growth/enhanced return opportunity	42%
Inflation hedge	31%
Demonstrate own advisory practice value proposition	22%
Client requests	19%

Source: Cerulli Associates, in partnership with Blue Vault. Advisors were asked to select all choices that applied.

## Definitions and Disclosures

The **Nontraditional Bond** category contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. **Multistrategy** portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar's alternative category classifications, through either a single-manager or multi-manager approach. **Macro Trading** strategies, using either systematic or discretionary methods, look for investment opportunities by studying such factors as the global economy, government policies, interest rates, inflation, and market trends. **Systematic Trend** funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. **Commodities Broad-basket portfolios** can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. **Commodities Precious Metals** can invest in precious metals such as gold, silver, platinum, and palladium. **Energy Limited Partnership** strategies invest a significant amount of their portfolio in energy master limited partnerships, also known as MLPs. **Relative Value Arbitrage** strategies seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. **Equity Market Neutral** strategies attempt to profit from long and short stock selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. **Event-driven** strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. **Real Estate** portfolios invest primarily in real estate investment trusts of various types. REITs are companies that develop and manage real estate properties. **Convertible-bond portfolios** are designed to offer some of the capital-appreciation potential of stock portfolios while also supplying some of the safety and yield of bond portfolios. **Options trading** strategies use a variety of options trades, including put writing, options spreads, options-based hedged equity, and collar strategies, among others. **Derivative Income** strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. **Long-Short Equity** funds hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. **Infrastructure equity funds** invest more than 60% of their assets in stocks of companies engaged in infrastructure activities. Industries considered to be part of the infrastructure sector include: oil & gas midstream; waste management; airports; integrated shipping; railroads; shipping & ports; trucking; engineering & construction; infrastructure operations; and the utilities sector.

The **S&P 500 Index** is considered generally representative of the US equity market. The **MSCI World Index** is considered generally representative of the market for developed market equities. The **MSCI Emerging Markets Index** is a free float adjusted market capitalization index cited as a measure of the performance of emerging market equities. The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The **Russell 3000 Index** measures the performance of 3,000 publicly held US companies based on total market capitalization, which represents approximately 98% of the investable US equity market. The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The **Russell Midcap Index** measures the performance of the mid-cap segment of the US equity universe and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **ICE BofA US High Yield Master II Index** tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. The **Bloomberg Capital US Aggregate Bond Index** covers the US-denominated, investment-grade, fixed-rate, taxable bond market of SEC registered securities. The **Bloomberg US Government/Credit Index** is comprised of long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad US bond market. The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. The **ICE BofA Global 300 Cv Index (VG00)** is a \$US/Local-denominated unmanaged index generally indicative of the overall global convertible market. The **ICE BofA All US Convertibles Index (VXA0)** is comprised of approximately 700 issues of only convertible bonds and preferreds of all qualities. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA Indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services.

**Oil - West Texas Intermediate (WTI - Cushing)**: A crude stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma. **Gasoline**: Weighted average based on sampling of approximately 900 retail outlets, 8:00AM Monday. The price represents self-service unless only full-service is available and includes all taxes. **Gold - Gold Fixings Price**: The Fixings are an open process at which market participants can transact business on the basis of a single quoted price. Orders can be changed throughout the proceedings as the price is moved higher and lower until such time as buyers' and sellers' orders are satisfied and the price is said to be 'fixed'. Orders executed at the fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

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