MOVE ASSET MANAGEMENT
ALTERNATIVE EMERGING MANAGERS

4th Quarter, 2020

Net return & statistics for the Quarter ending December 31, 2020

Fund Performance (USD)	4Q-2020 QTD	YTD	1-Year	Volatility*	Sharpe Ratio[2]	Beta*
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**12.6%**	**18.6%**	**18.6%**	**10.6%**	**1.8**	**--**
HFRI FOF Index Composite	7.5%	10.3%	10.3%	5.3%	0.5	--
90-Day T-Bill	0.0%	0.6%	0.6%	0.3%	--	--
Barclays Aggregate Bond Index	0.7%	7.5%	7.5%	3.1%	0.9	0.1
S&P 500 Index	12.1%	18.4%	18.4%	14.5%	0.8	0.34
MSCI ACWI ex-USA ***	14.2%	15.9%	15.9%	14.5%	0.6	0.35

	2020	2019	4 year Annualized	Inception (01-01-17)
Alt Emerging Managers ** [1,2] **USD**	**18.6%**	**(1.2%)**	**5.2%**	**22.4%**
NZD	**7.6%**	**(1.2%)**	**4.4%**	**18.9%**

* Annualized
** Net of MOVE/Admin fees (before performance fee, computed annually).
*** MSCI ACWI ex USA is composed of large and mid-cap stocks across 23 Developing & 24 Emerging Markets

INVESTMENT ADVISER: Move Asset Management

CURRENCY: USD

EXPENSE RATIO: 0.51% / 10% performance

PORTFOLIO INCEPTION: JAN 1, 2017

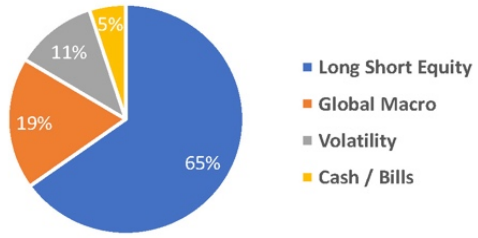
MANAGERS: 6

STRUCTURE:
Separately Managed accounts

INVESTOR ELIGIBILITY:
Wholesale & Institutional Investors

INVESTMENT MINIMUMS: Initial: $100,000

Asset Allocation



The Quarter. During the 4th quarter we saw the risk markets continue to rally from the Covid-19 lows of early 2Q 2020. October was a difficult month with markets becoming cautious leading into the US Election. Post the US election, the markets were back to a risk-on tone. One interesting departure was the reversal in growth in favor of value where the spread between these two styles were at widest spread in decades (ie value had been grossly underperforming growth). We believe that value will continue to perform better in the quarters to come. The 4Q 2020 saw the portfolio +12.5% QoQ leading a full year return of 18.5%YoY (net of fees)

Phew, 2020 done! One of the key aspects of our portfolio construction is to have a negative hedge/s in place, which allows us to pursue risk markets. This strategy (by portfolio construction & design) played out well in 1Q 2020, allowing us to steepen our compound return at exactly the right time the covid-19 sell off occurred. We made no major changes to the holdings during this period; however, we were able to capture the significant sell off with our negatively correlated positioning which we had held for 4 years, which in previous letters I have referred to as our markets "insurance" and allows the portfolio to remain fully invested during both good and bad times. Not only did we outperform the S&P500, but we have reasonable positioning in value and international markets while maintaining our "insurance". To long term investors this is the catch phrase…"***we live to fight another day***"

Timing markets? You will by now know my views on timing; I don't attempt to try and time the "markets"! The way we approach portfolio construction is to have a diversified portfolio that has a negative or inversely correlated hedge, allowing Move and its clients to pursue efficient risk. The way we compound returns is to stay invested in the both the good and the bad times. That said I have a few interesting observations that might be of interest

- The percentage of NYSE stocks above the 200-day moving average (MA) has surpassed 90% for the first time since 2009. This rare event has happened only five times using weekly data going back to 1974 and each of these five periods happened while coming out of an economic recession (US) like we have witnessed. This contrary to belief and is less likely a sign of a major top and more likely a longer term, bullish confirmation after a period of market stress.
- Global Equities gained ~17% in 2020 and now are trading at ~20x Price/Earnings (2020). 2021 could be a year for stocks to grow into that earnings multiple via higher profits; corporate profits continue to be revised higher and are now at a two year high. Since 1871 (yes 147 years ago), buying the market when it closed the year at an all-time high offered better-than-average return (14% vs 10% for other years) with the distribution of returns skewed visibly to the upside.
- Fiscal (US) Stimulus to keep coming. Estimates are between $2-4tn of fiscal relief staggered over several years; the first is to go towards covid relief of ~$1tn, then it will likely be followed by a larger program focused on democratic priorities of infrastructure, clean energy, health care reform, wealth redistribution. Treasury has sufficient cash in hand of ~$1.6tn (4x the normal amount)
- Buying. The Fed is buying approximately $80bn/month of treasury obligations and helping keep rates low, if they taper this could spell an upward move in interest rates. Treasury bonds are already in negative return profile
- Emerging markets are only now just starting to see the first signs of positive fund flows. Asia is the most geared to a cyclical swing.