MOVE ASSET MANAGEMENT
ALTERNATIVE EMERGING MANAGERS

1st Quarter, 2022

Net return & statistics for the Quarter ending March 31, 2022

Fund Performance (USD)	1Q-2022 QTD	YTD	1-Year	Volatility*	Sharpe Ratio[2]	Sortino
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**-2.3%**	**-2.3%**	**-3.2%**	**7.3%**	**0.7**	**1.2**
HFRI FOF Index Composite	-2.7%	-2,7%	-3.0%	5.9%	0.5	--
90-Day T-Bill	0.0%	0.0%	0.0%	0.2%	--	--
Barclays Aggregate Bond Index	-5.9%	-5.9%	-4.2%	3.4%	0.4	
S&P 500 Index	-4.6%	-4.6%	15.7%	14.2%	0.9	--
MSCI ACWI ex-USA ***	-5.2%	-5.2%	10.1%	14.0%	0.7	--

		2022	2021	2020	2019	Annualized Jan 1-2017	Inception Jan-1 2017
Alt Emerging Managers ** 1,2	USD	-2.3%	9.2%	18.6%	-1.2%	5.2%	30.5%
	NZD	-3.7%	13.9%	11.8%	-1.2%	5.2%	30.6%

* Annualized (geometric)
** 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
1. All exposures shown represent Move's Asset Allocation Model.
2. The Sharpe ratio describes how much excess return you are receiving for the extra volatility that you have for holding a riskier asset.

Move Asset Management has taken all reasonable care in the preparation of this Factsheet, however, accepts no responsibility for any errors or omissions contained within. Past performance is not necessarily an indication of future performance. Opinions expressed in this Factsheet are our view as at the date of issue and may change

INVESTMENT ADVISER: Move Asset Management

CURRENCY: USD

EXPENSE RATIO: 0.51% / 10% performance

PORTFOLIO INCEPTION: JAN 1, 2017

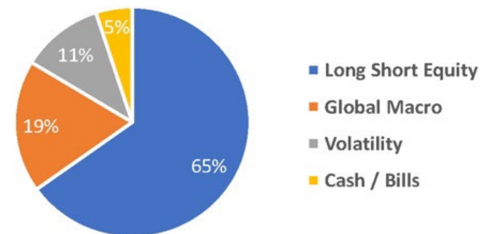
MANAGERS: 6

STRUCTURE:
Separately Managed accounts

INVESTOR ELIGIBILITY:
Wholesale & Institutional Investors

INVESTMENT MINIMUMS: Initial: $250,000

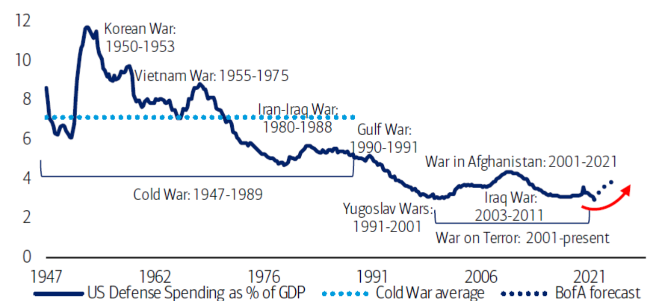
Asset Allocation



The Quarter. The 1st quarter saw the portfolio return -2.3% QoQ, which was a function of diversification into non-correlated strategies, namely long volatility and global macro. We were fortunate to be on the right side of being short SPACs (listed) with one of our long-standing US long short equity managers. We also suffered at the hands of two of our equity managers in growth segment of the market. It should be noted that the Nasdaq was down 9% and the MSCI all world was down 5% during this time, and as the old saying goes "you can't eat relative performance", but at Move we aim for capital preservation and the ability to fight another day.

Cracks creating new thematic's. The cracks in the risk markets were already starting to emerge before the Russian invasion, especially as inflation has now become a page one headline grabber, and as such interest rates have begun what would appear to be their 4-decade long reversal of higher yields. Earnings have also started to roll over as cost pressures are everywhere through the supply chain matrix and without revenue growth, the downside to earnings will only increase. The Russia/Ukraine war will likely accelerate trends already in place. The trade barriers that were raised during the Trump administration, have given way to more constrained supply-side logistics due to in large part to the global pandemic, and has since merged into energy, defense & protein security issues as the Russia/Ukraine war unfolds. The upshot of this I believe, is that we will see a gradual rebuilding of one's domestic industrial base, essentially a reshoring of the manufacturing back to one's own country, to alleviate the supply chain issues of the access to goods. This should see transition will away from "just-in-time" inventory to just-in-case inventory management.

US defense budget as % of GDP



Source: BofA Research Investment Committee, Haver, Bureau of Economic Analysis

Central Banks remain behind the curve. The backdrop from the supply shock of higher energy prices has created a dilemma for central banks. The Fed can't cut inflation on Main Street without deflation on Wall St, and given the central banks remain behind the curve, the speed of their necessary interest rates hikes threatens a recessionary panic. What is different in this cycle is that policy & market excesses precede the first rate-hike from their lowest point in four-decades, $30tn in policy stimulus since COVID. Governments of industrial countries have made large transfers of income to the private sector during the pandemic to prop up their spending. The USA is the most extreme example where there is as much as USD3tn (12% of GDP) in surplus household savings – partly a function of lockdown driven abstinence, that could be drawn down to sustain growth. More critically this bulge in money supply represents an ongoing inflationary threat. The trouble with inflation is not only that it is a regressive tax, but that it tends to eat into disposable income and squeezes profit margins. Without supply side reform and restructuring, costs pressures are unlikely in the short term to be offset by productivity gains. Adding insult to injury, global energy prices continue their ascent because of ESG policies and lack of agility to manage the transition from fossil fuels to greener sources of energy. Investors should not assume a positive economic cycle in 2022.