

MOVE ASSET MANAGEMENT

Global Multi-Strategy Portfolio (GMSP)



Net return & statistics for the year ending December 31, 2021

Fund Performance Annualized (%)	1-YR Return p.a.	2-YR Return p.a.	3-YR Return p.a.	5-YR return p.a.	Annual % p.a. since inception
Move Multi-Strat (USD)#	21.6%	15.2%	13.5%	n/a	13.5%
Move Multi Strat (NZD)	17.0%	14.5%	13.1%	n/a	13.1%
NZ Super Fund (NZD) ^{1*}	16.3%	12.9%	15.6%	8.6%	10.6%
US IVY Endowment ^{1,2}	27.0%	13.7%	10.8%	10.6%	8.7%
Barclays Agg Bond	-1.5%	2.9%	4.8%	3.6%	3.1%
MSCI ACWI (ten years)	18.5%	17.4%	20.4%	14.4%	11.8%

Inception January 1, 2019

* Returns taken to inception September 1, 2003

¹ Fiscal year end; 30 June 2021 <https://www.nzsuperfund.nz/assets/Uploads/Guardians-Annual-Report-2021-v3.pdf>

² NACUBO-TIAA Study of Endowments fiscal year end (10-year record) [Link](#) & [Inside Higher Ed 2021](#)

December 31, 2021

Investment Manager: Move Asset Management

Currency: USD

Expense ratio: 0.51% / 10% performance

Portfolio Inception: January 1, 2019

Managers: 15

Structure: Separately Managed accounts

Investor Eligibility: Wholesale & Institutional

Investment Minimums: \$1,000,000

Global Multi-Strategy Portfolio

For the twelve months ended December 31, 2021 the Global Multi-Strategy Portfolio (GMSP) is up +21.6% YoY, annualizing +13.5% p.a. with annual volatility of 6.2%, a sharpe ratio of 2.2

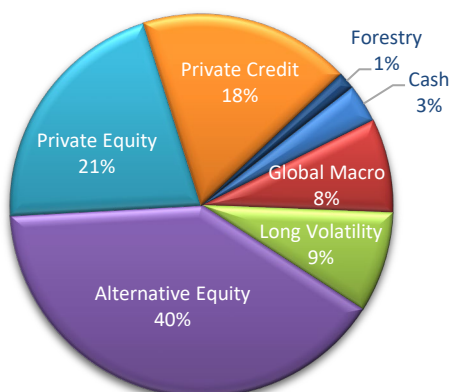
The full year 2021 was a game of two halves, with the markets in an all-round up mode during the period Jan-June and then stresses emerged in the 2nd half of 2021 as our non-correlated strategies like global macro, and long volatility and non-US equities felt the force of sector & style rotation away from value towards high beta growth. It ended up being an early warning sign of troubles ahead, as the value trade has come back in full force and our non-correlated strategies have been on a one-way (up) since the beginning of 2022. It should be noted that US Ivy endowment performance is not due out until late 3Q-2022 as their fiscal year end is June 30, hence returns are greyed out.

The year in review

I highlighted back in the 1st half of 2021 that the biggest risk that confronts us, was the onset of inflation due to existing supply constraints seen globally. The question then was "will inflation be structural or is it transitory?" I have written extensively on this topic for 3+ years and have advocated for preparing the portfolio for inflation. Bonds have been in a four-decade bull market (lower yields, higher prices) and we are now firmly in grip of inflation, & higher interest rates. The traditional 60/40 balanced portfolio of equities/bonds no longer offers the protection or the diversification as interest rates now move away from the zero-bound.

The Reference portfolio

Move Asset believes that the multi-strategy portfolio should be measured alongside other globally diverse multi-strategy funds, like the US Endowments and the NZ Super Fund.



To increase diversification and to efficiently manage private assets, academic literature firmly supports a combination of both public and private assets as an optimal portfolio solution. One of Move's diversification approaches includes tail risk mitigation strategies that offer market asymmetry. That allows Move to own the asset side (public & private) and solve for performance in the up wings, just as much as owning efficient convexity/asymmetry to solve for underperformance in the down wings. With tail risk mitigation strategies in place GMSP can seek out efficient ways to take risk in the public and private markets. One of the key investment objectives of GMSP is capital preservation, while seeking out best in class managers who can deliver above trend, risk adjusted returns

- Private Credit returned +15% YoY, annualizing at 16.1% pa (2019)
- Private & Venture Equity was up +65% YoY, annualizing at 31.0% pa (2019)
- Alternative Equity was up +9% YoY, annualizing at 6% pa (2017)
- Global Marco was down -5% YoY, annualizing at 3% (2017)
- Long Volatility was down -2% YoY, annualizing at -8.9% (2017)