MOVE ASSET MANAGEMENT
ALTERNATIVE EMERGING MANAGERS

MOVE ASSET MANAGEMENT

September 2018

Net return & statistics for the period ending September 30, 2018

	Sep	QTD	YTD	1-Year	Volatility*	Sharpe Ratio [3]	Beta*
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**-0.6%**	**-2.0%**	**0.8%**	**2.1%**	**2.9%**	**0.0**	**--**
HFRI FOF Index Composite	-0.2%	0.3%	1.0%	3.2%	3.3%	0.6	--
90-Day T-Bill	0.2%	0.5%	1.3%	1.6%	0.2%	--	--
Barclays Aggregate Bond Index	-0.6%	0.0%	-1.6%	-1.2%	2.7%	0.4	-0.20
S&P 500 Index	0.6%	7.7%	10.6%	17.9%	9.7%	1.2	0.31
MSCI World Index	0.6%	5.0%	5.4%	11.2%	9.8%	0.7	0.32

	YTD	2017	2016	Annualized	ITD (1-1-17)
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**0.8%**	**15.1%**	**--**	**8.9%**	**16.0%**
HFRI FOF Composite Index	0.9%	7.8%	0.5%	3.3%	9.0%

* Annualized
** Net of MOVE/Admin fees (before performance fee, computed annually).

INVESTMENT ADVISER: Move Asset Management

CURRENCY: USD

EXPENSE RATIO: 0.51% / 10% performance

PORTFOLIO INCEPTION: JAN 1, 2017

AGGREGATE GROSS EXPOSURE: 118%
AGGREGATE NET EXPOSURE: 55%

MANAGERS: 7

STRUCTURE:
Separately Managed accounts

INVESTOR ELIGIBILITY:
Wholesale & Institutional Investors

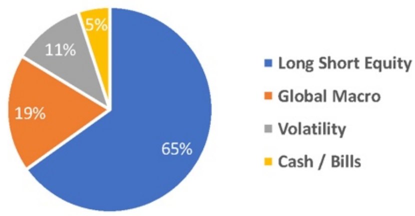
INVESTMENT MINIMUMS:
Initial Investment: $100,000
Subsequent Investments: $50,000

The Portfolio was down for 0.6% month-on-month for September. The recent drag on the portfolio continues to be from the emerging markets & Asia. Using the cyclically adjusted Shiller P/E, EM now trades at a 24% discount (13.4x) to the 22 year historical average (17.6x). The Price/Earnings multiple discount between EM & S&P500 now stands at a whopping 60%. Looking at the broader asset classes the fixed income markets continues to be significant drag on most balanced portfolios. Move is participating in fixed income markets through our macro discretionary and long volatility exposure of which they are short the bond market. Since January 2017, the portfolio is up +16% in USD with volatility at 2.9%, well below the S&P and MSCI vol at 9.8%.

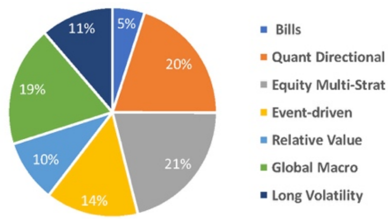
Tone turns defensive – Over the last month, the global rhetoric has become more defensive. The once dominant dovish view among US FED officials has now moved to being more hawkish and the debate has moved as to whether FED funds should be neutral or put into restrictive territory. With that, the October equity market sell off represented a meaningful tightening in US financial conditions from historical easy levels. Concern over recently rising interest rates has led some investors to fear that the cycle is reaching its end. We believe these fears are premature, and that rising interest rates reflect a shift into an environment of above trend growth and higher interest rates along with higher volatility. The US economy continues to grow strongly above its potential growth rate and global growth still remains above trend, although it is decelerating (defensive)

China – caught in the downdraft. It has been very clear for a number of years that China's GDP growth continues to shrink and we see this trend continuing for years, if not decades (view remains unchanged). The 3Q18 saw a downdraft in the equity market returns due in part the sentiment from the ongoing trade war between US and China, as well as credit risk within the equity backed loans. As previously outlined, exports from China to USA represent just 3.5% of China's total GDP (small). Of interest is that China is embarking on both a looser monetary policy, with cuts to banks' reserve requirements and an expansionary fiscal policy (tax cuts) & encouraging more lending to the SME private sector. Although the current Chinese administration has dedicated the majority of its time in office to reducing financial imbalances that have built up in the economy over decades, they have never shied away from easing policy to backstop growth at times of uncertainty.

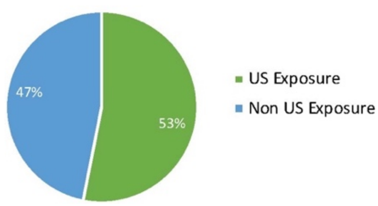
STRATEGY ASSET ALLOCATION[1,2]



STYLE ALLOCATION[1,2]



GEOGRAPHIC ALLOCATION[1,2]



1. The Move Emerging Mangers Portfolio is a composite of hedge funds as its core portfolio. The Emerging managers portfolio's performance data quoted represents past performance, is estimated based on unaudited results and presented net of the Managers & Administrator's fees and expenses. Current performance may be lower or higher than the performance data quoted. Where applicable, all returns shown reflect the reinvestment of all distributions of income and capital gains.
2. All exposures shown herein represent Move Asset Management's Model Portfolio allocated by investment style, based on our Asset Allocation Model.
3. The sharpe ratio describes how much excess return you are receiving for the extra volatility that you have for holding a riskier asset.

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