MOVE ASSET MANAGEMENT
ALTERNATIVE EMERGING MANAGERS

March 31, 2020

Net return & statistics for the Quarter ending March 31, 2019

USD Returns	QTD	YTD	1-Year	Volatility*	Sharpe Ratio [2]	Beta*
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**-6.4%**	**-6.4%**	**-9.4%**	**6.8%**	**-0.5**	**--**
S&P 500 Index	-19.6%	-19.6%	-20.6%	13.2%	0.5	0.31
MSCI ACWI ex-USA ***	-21.0%	-21.0%	-18.3%	11.4%	0.2	0.32
90-Day T-Bill	0.4%	0.4%	2.0%	0.3%	--	--
Barclays Aggregate Bond Index	3.1%	8.8%	8.9%	3.0%	0.8	-0.1
HFRI FOF Index Composite	-7.3%	-7.3%	-3.9%	4.5%	0.0	--

	YTD	2019	3 year Annualized	Inception (01-01-17)
Alternative Emerging Managers ** [1,2]	-6.4% USD +5.1% NZD	-1.2% USD -1.2% NZD	-1.1% USD +3.2% NZD	-3.4% USD +10.8% NZD

* 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

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

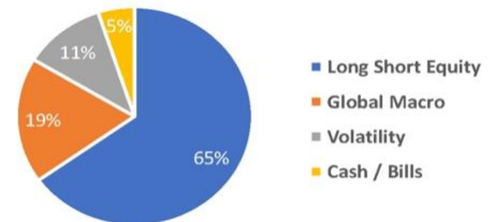
MANAGERS: 6

STRUCTURE:
Separately Managed accounts

INVESTOR ELIGIBILITY:
Wholesale & Institutional Investors

INVESTMENT MINIMUMS: Initial: $100,000

Strategy Asset Allocation



The Quarter* The 1Q 2020 is -6.4%vs the S&P500 -19.6% and the MSCI All World ex-US down -21%. The portfolio has been rebalanced to match the asset allocation we set out to achieve, with primary drivers being 11% Long Volatility, 19% Global Macro, and the balance being Long Short Equity. We have replaced one of our Event Driven managers with a global Health Care fund. This has already seen an improvement in returns despite a poor March period. The portfolio continues to operate at volatility more than 50% less than the S&P500. At the time of writing the Portfolio is now flat year to date. The reporting on a quarterly basis as opposed to monthly due to time constraints.

What now for Move? Move has taken the view that asset allocation should not just be confined to the public markets. Move's original plan was to create a multi-strategy portfolio that included different asset classes. In the 2H 2018 and through 2019 we were able to execute this strategy for discretionary clients. We had latitude and instead of owning "growth equities" through the efficient (& expensive) public markets, we took a longer-term view and invested in growth through the private markets. Instead of owning bonds in a zero-interest-rate bound world, after a +40-year bull market, we find much better risk reward in private credit. Additionally, bonds no longer offer the negative correlation in a balanced portfolio. Going forward the "alternative emerging managers portfolio" will fold into a larger more diversified portfolio. My next publication with include the broader asset class portfolio.

Inflation? I have been constantly asked about onslaught of inflation or stagflation. Beyond the obvious impact from slumping oil prices, core inflation is also sliding sharply. Developed markets (DM) core inflation in the three months through April has turned broadly negative, and the slide would have been greater if not for the dubious assumptions of trend-like pricing in a number of categories in the Euro area, including airfares and packaged-holiday prices. Beyond the near term, inflation dynamics will turn much more on the relative recoveries of demand and supply. History repeatedly has shown that recessions are disinflationary events even when they generate supply-side damage the projected incomplete recovery in private sector demand will weigh on business pricing power. From a starting level of 1.6% at the end of last year, we look for DM core inflation to dip to 0.5%oya by early 2021—its lowest level in over 50 years. The risks to this outlook are two-sided. On the upside, unanticipated supply constraints along with record levels of policy support and liquidity could foster a sharp demand recovery that generates bottlenecks and upward price pressures. On the downside, the near-term slide in core inflation along with the incomplete recovery could push inflation expectations lower—potentially embedding the same deflationary psychology that has plagued Japan for over two decades. FED officials expect inflation to stand below their objectives at the end of 2022 alongside elevated unemployment rates

Figure 1. Global Core CPI

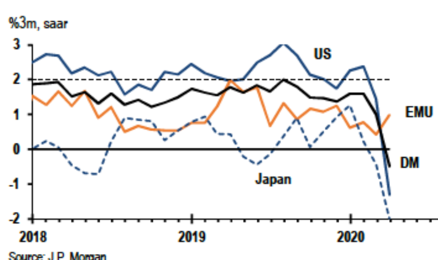


Figure 2. Global CPI