MOVE ASSET MANAGEMENT
ALTERNATIVE EMERGING MANAGERS

2nd Quarter, 2021

Net return & statistics for the Quarter ending June 30, 2021

Fund Performance (USD)	2Q-2021 QTD	YTD	1-Year	Volatility*	Sharpe Ratio [2]	Beta*
Move Model Portfolio: Alternative Emerging managers ** [1,2]	**4.7%**	**15.4%**	**35.0%**	**8.0%**	**4.3**	**--**
HFRI FOF Index Composite	2.7%	4.8%	18.1%	5.3%	0.6	--
90-Day T-Bill	0.0%	0.0%	0.1%	0.3%	--	--
Barclays Aggregate Bond Index	1.8%	-1.6%	-0.3%	3.1%	0.8	0.06
S&P 500 Index	8.5%	15.3%	40.8%	14.2%	0.9	0.34
MSCI ACWI ex-USA ***	7.7%	13.0%	39.0%	14.1%	0.7	0.35

		2021	2020	2019	4+ year Annualized	Inception (01-01-17)
Alt Emerging Managers ** [1,2]	**USD**	**15.4%**	**18.6%**	**-1.2%**	**8.0%**	**41.2%**
	NZD	**17.8%**	**11.8%**	**-1.2%**	**7.8%**	**40.3%**

* 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
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

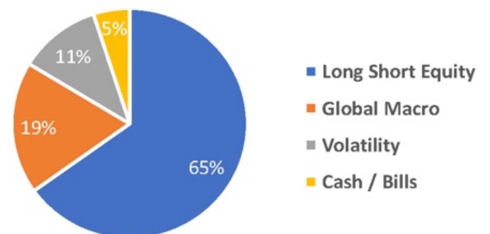
MANAGERS: 6

STRUCTURE:
Separately Managed accounts

INVESTOR ELIGIBILITY:
Wholesale & Institutional Investors

INVESTMENT MINIMUMS: Initial: $100,000

Asset Allocation



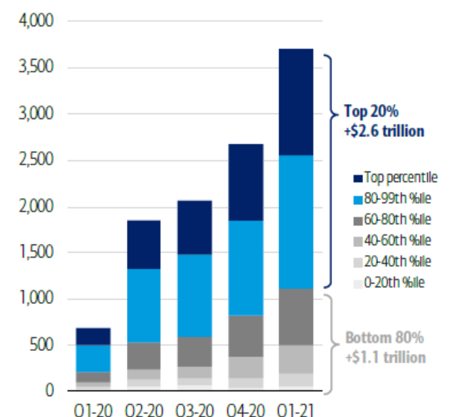
The Quarter. The 2nd quarter saw the equity markets continue to extend their gains from a buoyant first quarter. The portfolio gained +4.7% in the 2nd quarter, taking the year-to-date returns to +15.4% outperforming the S&P +15.3%. More impressive was when measured on a risk-adjusted basis the Move portfolio volatility was 8% vs 14% for S&P500. Key themes were a higher treasury yields as inflation fears mounted with higher commodity prices, "growth" clawed back the returns made from value made in 1Q21. Notable portfolio returns came from our global equity event-driven fund positioning, where we are overweight in Europe & UK. Recall, the commentary from the 1Q Move letter, that our event manager Steven stated "There has barely been a better time in my career to allocate capital to Mediterranean companies" well one-quarter later, its paying dividends! The flip side our market calamity / insurance / volatility hedges scaled back some the upside which we are more than comfortable with as their time will come and that is the compounder we look forward to.

Goldilocks. In the 2nd quarter investors feared too much stimulus, too faster-opening, overvalued equities, that wages and inflation would be too hot. Now in the 3rd quarter investors are now starting to worry that GDP will be too cold if earnings peak and re-opening stalls and yield curve potentially flattens. Commodities have recently given up some of the large price gains since May. Employment and lending ratios are at or near 40 years lows…It might well playout that conditions are in fact just right given consumer strength and banking/credit markets have a large cache of dry powder with a backing of easy policies.

Consumers: US households currently have ~ $2.5tn of excess cash and the savings rate is at a 40-year record high of 12.5%. About 70% of the surplus cash is held by the wealthiest 20% of households who tend to spend in the real economy at a much lower rate than lower income families and that spend is more moderate than expected, with a shift from goods to services. Wages although tracking higher, less than half of all the broad sectors are seeing greater than 3% wage gain growth.

Banks & Credit: Bank loan growth over the last two years remains anemic at ~+6% with this massive balance sheet still parked the US Fed and global Reserve Banks. This dry powder (lending) is poised to re-enter the market and should see an acceleration in the capex cycle. As I type the US infrastructure bills has come through congress and has been heavily watered down by Republicans to about $3.5tn, this should reduce fears of excessive stimulus (not too hot for GDP) and take the potential sting out of potentially higher tax rates. S&P has had one of the best starts to a year since 1998. Years that start well, tend to finish well. Since 1871, for the 16 years with similar strong starts, the average second-half returns was 8% upside, with more upside potential than downside risk. We still own long volatility, which makes it, well just about right.

Change in liquid assets by income quintiles



Source. BofA