Plurimi Growth Strategy USD

March 2022

PLURIMI

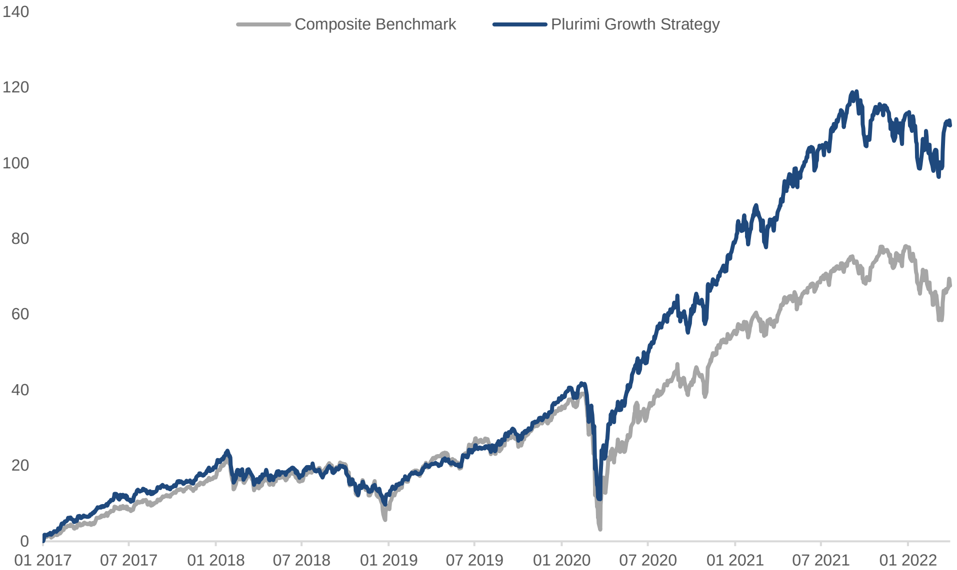
Objectives

The objective of the Plurimi Growth strategy is to achieve long-term capital appreciation through investments primarily in global stocks. The strategy is a flexible and seeks to maximise returns vs. a composite 70% MSCI World, 15% ICE US Treasury 7-10Y bonds and 15% iBoxx USD Liquid IG corporate bonds benchmark by employing active bottom-up stock selection, and tactical allocations across regions, styles and other asset classes.

Risk and return targets

- Typical beta vs. MSCI World: 0.8
- Beta range: 0.5-1.0
- Return target: Composite benchmark +1% per annum.

Total return (%)



Total return in USD terms. (Jan 2017 - Mar 2022)
Gross of fees

Source: Bloomberg

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-4.9	0.5	3.1										**-1.4**
2021	-0.3	2.0	1.9	4.8	3.0	1.9	2.4	3.1	-3.6	2.7	-2.8	2.8	**19.0**
2020	0.2	-4.6	-5.0	8.8	5.8	3.1	5.9	3.4	-1.5	-1.7	8.1	5.2	**29.8**
2019	3.3	1.5	1.7	1.6	-1.8	3.7	0.3	1.9	1.0	1.7	2.1	3.4	**22.4**
2018	2.5	-4.2	-0.9	0.6	0.9	-0.6	1.1	0.5	0.2	-4.9	0.9	-1.9	**-5.9**
2017	2.8	3.1	0.5	2.2	2.2	-0.2	2.1	0.6	0.0	1.4	1.9	1.3	**19.5**

Total return in USD terms. (Jan 2017 - Mar 2022)
Gross of fees

Source: Bloomberg

Equity sector exposure (scaled to 100%)

	Strategy	MSCI World	+/-
Communication Services	11.4	7.9	3.5
Consumer Discretionary	9.4	11.6	-2.2
Consumer Staples	3.2	7.0	-3.8
Energy	11.1	4.3	6.8
Financials	6.1	13.7	-7.6
Health Care	15.9	12.9	3.1
Industrials	10.8	10.0	0.8
Information Technology	17.9	22.4	-4.5
Materials	14.1	4.5	9.6
Real Estate	0.0	2.8	-2.8
Utilities	0.0	2.9	-2.9

Key points

Stock selection driven by independent research and proprietary selection models.

Top-down regional and style allocations.

More than 50% invested in equities, with flexibility to allocate to cash, commodities, fixed income and structured notes.

Key risks

Capital is at risk. The strategy has a flexible asset allocation policy, which means allocations to risky assets are not fixed and may be increased at the portfolio managers discretion. More than half of the exposure is allocated to equities. The strategy invests globally and takes currency exposure which also can create capital losses. The strategy is diversified but Individual stock and corporate bond risk may be significant with positions up to 4 and 9% respectively.

Relative risk vs Composite Benchmark

Tracking error (ex-ante)	4.9%
Beta (ex-ante)	1.0

Performance indicators (%)

	Strategy	Benchmark
Annualised return	14.7	10.3
Annualised volatility	9.8	10.8
Sharpe ratio	1.4	0.8
Best month	8.7	9.4
Worst month	-5.0	-9.4
Max drawdown	-21.6	-25.9

Holdings (%)

MCKESSON CORP	3.2
ALPHABET INC-CL A	3.1
CORTEVA INC	3.0
NOVO NORDISK A/S-B	2.9
APPLE INC	2.9
NIPPON TELEGRAPH & TELEPHONE	2.9
NORSK HYDRO ASA	2.8
ENPHASE ENERGY INC	2.8
CAMECO CORP	2.7
WW GRAINGER INC	2.7
THERMO FISHER SCIENTIFIC INC	2.7
CHEVRON CORP	2.6
TOKYO ELECTRON LTD	2.5
DEERE & CO	2.5
STELLANTIS NV	2.5
EOG RESOURCES INC	2.4
ARCELORMITTAL	2.4
JAPAN POST HOLDINGS CO LTD	2.4
AP MOLLER-MAERSK A/S-B	2.4
ROCHE HOLDING AG-GENUSSCHEIN	2.3
ESTEE LAUDER COMPANIES-CL A	2.2
WILLIAMS-SONOMA INC	2.2
VISA INC-CLASS A SHARES	2.2
ASML HOLDING NV	2.2
ACTIVISION BLIZZARD INC	2.0
LVMH MOET HENNESSY LOUIS VUI	1.9
CITIGROUP INC	1.9
FREEPORT-MCMORAN INC	1.8
WT AT1 COCO UCITS ETF USD	6.8
BERY 4 ⅞ 07/15/26	4.9
SPDR BBG EM INFLATION LINKED	3.1
F 4.346 12/08/26	1.5
SPDR GOLD SHARES	2.6
TABULA US ENHANCED INFLATION	8.2
GS NOTE	2.6
US DOLLAR	0.3

Source: Bloomberg

Commentary

The strategy rose by 3.1% during the month, beating its composite benchmark which rose by 0.9%.

Deere was added early in the month. Potential supply disruptions or restrictions on grain supplies due to the Russia-Ukraine conflict may keep crop prices elevated, which could be positive for U.S. farmers and equipment demand. The world's agricultural markets may continue to benefit from global population growth. The U.S. company's outlook remains robust, thanks to a leading market position in agriculture and supportive secular trends. Deere's leading position in the North American agricultural-equipment market gives it scale and pricing power, enabling it to achieve better margins than peers. The stock trades at 18x forecast earnings which is good value considering the growth and margin outlook. **Fortinet** was added at month end. Fortinet's integrated offering, lower pricing than peers. The increased risk of cyber attacks from Russia and other areas should lead to significant investment in cyber security.

Enphase Energy and **Cameco** rose by 21% and 18% respectively during the month. Solar and Nuclear energy will be a keys part of the solution Western governments need to find to end reliance on Russian gas and reducing carbon emissions. We think both these companies remain well placed with this backdrop supporting their growth. **Corteva** rose by 10%. Like Deere the company should benefit from rising grain prices. Western farmers will likely utilize all arable acres the have available given the spike in agricultural commodities due to concerns around Russian and Ukrainian supply. This should be a boon for Corteva`s fertilizer business. **Mckesson** moved higher by 11%. Despite the jump, the stock continues to trade below 12X forecast earnings. McKesson entered fiscal 2022 capitalizing on its role as the key distributor in the U.S. Covid-19 vaccine response. The financial benefits are proving to be larger and more durable as the pandemic plays out, with another boost to guidance at fiscal 3Q earnings. A refocus on the core, where McKesson benefits from strength in its specialty, technology and oncology units was outlined at the December analyst day. The Change Healthcare spinoff exited a nonessential line, and the European business sale is following in pieces. The pending opioid settlement is the last obstacle to an unencumbered focus on growth opportunities.

Stellantis, Citigroup, were the largest detractors that were not sold during the month. We continue to own them based on their undemanding valuations and reasonable growth profile.

While there is still considerable near-run global economic uncertainty, the medium term view is still upbeat. COVID headwinds will likely continue to fade the employment situation and wage growth should offset a substantial negative economic contagion from the Russian invasion of Ukraine. We expect growth to continue throughout 2022 for the developed world in general, while Europe may teeter on recession, as discretionary spending is sure to be hit by higher energy bills. The inflation outlook continues to deteriorate, and will force further hikes from central banks in the coming months. Slowing growth with persistent inflation is a toxic combination for traditional balanced strategies. We are positioning the strategy with significant exposure to inflation linked fixed income, precious metals, and a large overweight in equities which produce assets in scarce supply to mitigate stag-flationary headwinds.

Strategy managers:
Patrick Armstrong, CFA
Eugen Fostiak

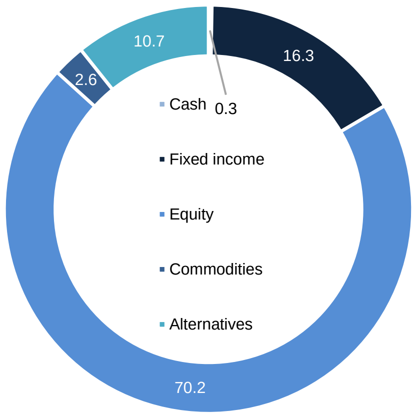
Target return: Composite benchmark +1% p.a.

Holdings: 36

Regional equity exposure (scaled to 100%)

	Strategy	MSCI W	Relative
North America	61.3	70.9	-9.6
Europe ex-UK	14.0	14.6	-0.6
UK	13.6	4.4	9.2
Japan	11.1	6.1	5.0
Asia & EM	0.0	4.1	-4.1

Asset allocation (%)



Performance attribution (%)

Attribution vs composite BM	Since inception	1 month
Total	37.6	2.6
Sector Allocation	+7.1	+0.9
Region Allocation	+0.2	-0.1
Styles	+4.1	0.0
Stock Specific	+30.0	+1.7
Asset Allocation	-3.7	+0.2

Top 5 contributors	1 month return
ENPHASE ENERGY INC	21.0
CAMECO CORP	18.6
MCKESSON CORP	11.3
DEERE & CO	12.9
CORTEVA INC	10.5

Bottom 5 contributors	1 month return
STELLANTIS NV	-10.5
CITIGROUP INC	-9.8
ESTEE LAUDER COMPANIES-CL A	-8.1
HOYA CORP	-12.4
JAPAN POST HOLDINGS CO LTD	-5.8

Equity characteristics

	Strategy	MSCI World
Dividend Yield	2.7	2.2
Price to Earnings Ratio (P/E)	11.9	20.1
Price to Cash Flow Ratio (P/CF)	8.8	13.6
Price to Book Ratio (P/B)	2.1	3.1
Total Debt to Common Equity	77.9	142
Current Ratio	1.1	1.2
BEst ROE	39.7	33.3
Op. Income Growth	142.4	85.9
Sales Gr	14.3	17.3
BEst P/E	11.6	17.4
Debt/EBITDA	2.6	3.2
BEst EV/EBITDA	9.8	11.8
Profit Margin	9.4	11.5
ROC	10.2	7.6

Source: Bloomberg

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