

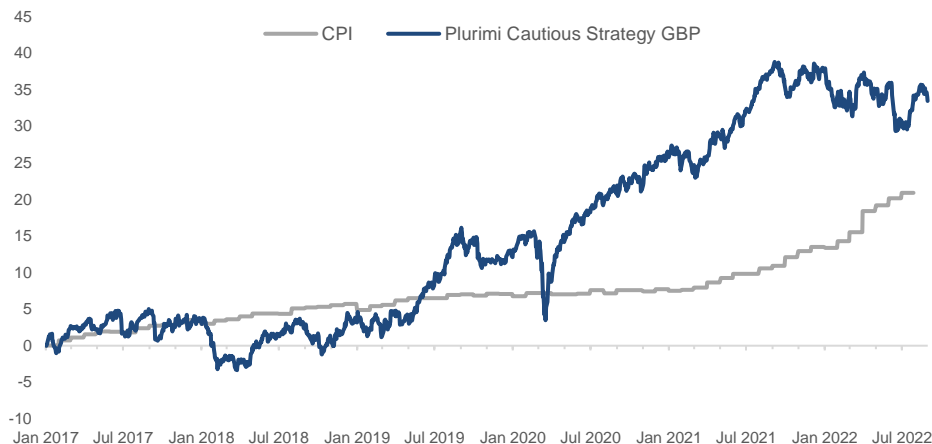
Objectives

The objective of the Plurimi Cautious strategy is to achieve long-term capital appreciation primarily through investments in a portfolio of global stocks and bonds. Tactically the strategy may also include exposure to commodities, real estate, and other alternative asset classes. The strategy is flexible and seeks to preserve capital on a 12 month basis, and deliver a total return of inflation +2% per annum over a market cycle.

Risk and return targets

- Return target: CPI +2% per annum.
- Typical beta vs MSCI World: 0.4-0.6

Total return (%)



Total return in GBP terms. (Jan 2017 - Aug 2022)
Gross of fees

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6					-2.9
2021	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	9.3
2020	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	12.2
2019	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	8.6
2018	-3.8	-0.9	-0.5	1.1	2.8	-0.6	0.9	0.0	-0.9	-0.1	0.9	1.1	-0.2
2017	-0.5	2.9	0.1	-0.3	1.6	-2.0	0.2	2.9	-3.5	1.1	-0.3	1.2	3.4

Total return in GBP terms. (Jan 2017 - Aug 2022)
Gross of all fees

Source: Bloomberg/PW

Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	21.0	7.2
Consumer Discretionary	0.0	11.3
Consumer Staples	4.4	7.6
Energy	5.7	5.2
Financials	7.6	13.4
Health Care	27.1	13.2
Industrials	5.2	10.1
Information Technology	16.8	21.7
Materials	12.1	4.2
Real Estate	0.0	2.9
Utilities	0.0	3.2

Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	4.5	2.5
Price to Earnings Ratio (P/E)	9.3	17.0
Price to Cash Flow Ratio (P/CF)	7.8	10.9
Price to Book Ratio (P/B)	2.6	2.7
Total Debt to Common Equity	29.6	146
Current Ratio	1.5	1.2
Best ROE	3.9	30.5
Op. Income Growth	89	17.4
Sales Growth	20.8	11.3
Best P/E	10.5	15.0
Debt/EBITDA	0.7	3.2
Best EV/EBITDA	13.3	10.4
Profit Margin	13.5	10.6
ROC	24.6	7.5

Key points

Defensive strategy designed to protect capital in the short term and grow purchasing power over a cycle.

Objective stock selection process utilises independent research and proprietary screens.

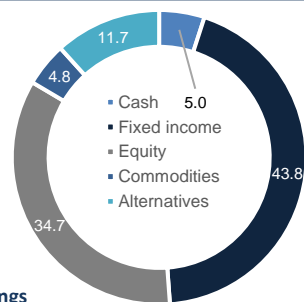
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

Portfolio characteristics skewed towards value, quality, and yield.

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. 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.

Asset allocation (%)



Holdings (%)

NOVO NORDISK A/S-B	3.5
X NIKKEI 225	3.1
PLUS500 LTD	2.4
MCKESSON CORP	2.4
ACTIVISION BLIZZARD INC	2.4
KDDI CORP	2.2
CORTEVA INC	2.1
VISA INC-CLASS A SHARES	2.1
APPLE INC	2.1
ALPHABET INC-CL A	2.1
EOG RESOURCES INC	1.8
ARCELORMITTAL	1.7
AP MOLLER-MAERSK A/S-B	1.6
ROCHE HOLDING AG-GENUSSCHEIN	1.6
DANONE	1.4
ASML HOLDING NV	1.1
ASTRAZENECA PLC	1.0
ISHARES GBP CORP BOND 0-5YR	9.2
SPDR BBG EM INFLATION LINKED	7.8
ISHARES CORE GBP CORP	7.0
WT AT1 COCO ETF GBP HEDGED	6.9
TABULA US ENHANCED INF GBPHA	5.5
GS 3 ¼ 07/25/29	2.7
VW 2 ¼ 04/12/25	2.4
HITHROW 6 ¾ 12/03/26	2.2
ISHARES PHYSICAL GOLD ETC	3.1
ABRDN PLATINUM ETF TRUST	0.8
ISHARES SILVER TRUST	0.8
SOCGEN NOTE	4.6
BREVAN HOWARD AB RT G-A1 GBP	3.6
BNP NOTE	3.5
BRITISH POUND	5.0

Source: Bloomberg/PW

Commentary

The strategy fell by 0.6% in August which compares to a 0.3% rise for the MSCI World and about an 8% fall for UK Gilts and investment grade bonds.

Overall the strategy's equities rose marginally in August. **McKesson** rose by 12%. The financial benefits from its role as the key distributor for the US government's Covid-19 response are proving to be larger and more durable as the pandemic plays out. 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 European business sale is following in pieces. The opioid settlement was the last obstacle to an unencumbered focus on growth opportunities. **Corteva** rose by 11%. Its strong new products, and cuts to legacy royalty costs should lead to earnings growth. A highly volatile commodity environment for farmers enhances the value of Corteva's uniquely direct sales approach. Though cost risks are widespread and may threaten farmers' short-term purchasing strength, Corteva is financially strong and bolstering its margin of safety with restructuring steps to cut costs. **ASML** fell by 9%. The global chip shortage has may be ending but ASML's sales growth may continue into 2023 due to strong underlying demand for lithography tools and a delay of sales recognition from 2022 to 2023. Demand from advanced-chip customers, including TSMC, Samsung and Intel, which are aggressively investing in 7- to 3-nanometer technologies, may rise. ASML's next-generation extreme ultraviolet (EUV) lithography tools could have higher selling prices, boosting its operating profit. The market for EUV is strong as it makes the most advanced chips, where ASML has a 100% market share. The equity weight at month end is 31.5% vs a neutral allocation of 35.0%.

The strategy's fixed income holdings fell by 5% in August. The **SPDR Emerging Inflation Linked Bond ETF** rose by 6.9%, benefitting from a higher carry and EM currency strength during the month.

Central banks have threatened to create a difficult environment for both equities and bonds as we enter the final four months of 2022. Fed chairman Jerome Powell seems to have acknowledged the hoped for "soft landing" of the US economy is unattainable. He may still avoid an outright US recession but his goal now seems to be to grind inflation down by slowing growth below its potential for an extended period...or the contradictory term of a "growth recession." The ECB is also likely to hike more aggressively than we expected a last month. Power prices across Europe recently hit all-time highs amid fears of a Russian energy cut-off this winter. Soaring energy prices have fed into euro-area inflation at a record high, bolstering the possibility the ECB hiking by 75bps in early September. We expect the Bank of England will also continue to hike rates despite a very weak growth environment.

Our fixed income positioning is much shorter duration than benchmarks and contains significant inflation linked positions. This has led to significant outperformance vs benchmarks and our equities selected offer better value than the benchmarks. We have not made significant changes to our positioning during the month as we expect our current positioning should continue to outperform in a difficult market environment.

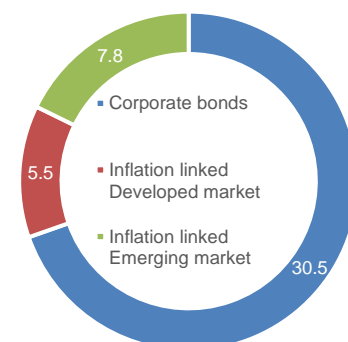
Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

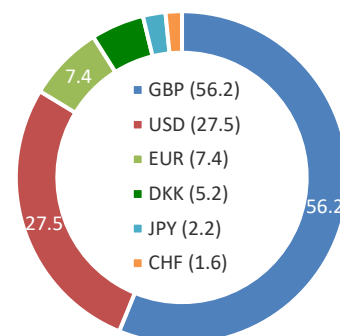
Target return: CPI +2% per annum

Holdings: 32

Fixed Income type (% of Portfolio)



Currency (%)



Performance attribution (%)

	Since inception	1 month
Equity	+25.4	+0.5
Fixed Income	+9.3	-1.1
Commodity	+2.4	-0.0
Alternative	-3.6	+0.1
Cash	+0.1	+0.0

Source: PW/Bloomberg

Top 5 contributors	1 month return
SPDR BBG EM INFLATION LINKED	6.9
MCKESSON CORP	12.4
CORTEVA INC	11.8
EOG RESOURCES INC	14.0
PLUS500 LTD	5.0

Bottom 5 contributors	1 month return
ISHARES CORE GBP CORP	-7.6
WT AT1 COCO ETF GBP HEDGED	-4.4
ISHARES GBP CORP BOND 0-5YR	-3.2
GS 3 ½ 07/25/29	-7.7
NOVO NORDISK A/S-B	-3.7

Source: PW/Bloomberg

Portfolio characteristics (%)

Volatility (ex-ante)	7.6
Value at Risk (Monthly 97.5%)	4.5

Performance indicators

Annualised return	5.2
Annualised volatility	6.3
Sharpe ratio	0.8
Best month	4.6
Worst month	-3.9
Max drawdown	-10.9

Source: Bloomberg/PW

P L U R I M I

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