

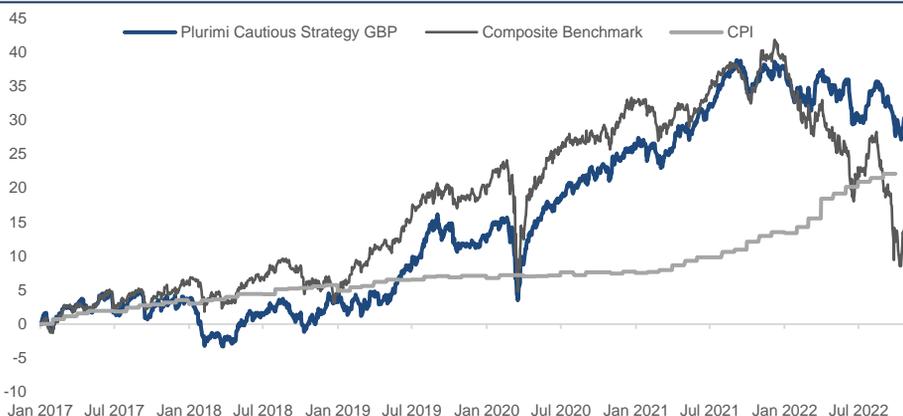
## Objectives

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. Performance is compared to a composite index made up of 35% MSCI World GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

## 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 - Oct 2022)

Performance is compared to a composite index made up of 35% MSCI World GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

Source: Bloomberg/PW

## Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2022</b>	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6	-4.4	2.8			<b>-4.6</b>
<b>2021</b>	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	<b>9.3</b>
<b>2020</b>	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	<b>12.2</b>
<b>2019</b>	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	<b>8.6</b>
<b>2018</b>	-3.8	-0.9	-0.5	1.1	2.8	-0.6	0.9	0.0	-0.9	-0.1	0.9	1.1	<b>-0.2</b>
<b>2017</b>	-0.5	2.9	0.1	-0.3	1.6	-2.0	0.2	2.9	-3.5	1.1	-0.3	1.2	<b>3.4</b>

Total return in GBP terms. (Jan 2017 - Oct 2022)

Gross of all fees

Source: Bloomberg/PW

## Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	19.7	6.6
Consumer Discretionary	0.0	10.7
Consumer Staples	4.2	7.7
Energy	13.8	5.8
Financials	6.1	13.8
Health Care	20.9	14.3
Industrials	4.6	10.3
Information Technology	18.3	21.1
Materials	12.4	4.1
Real Estate	0.0	2.6
Utilities	0.0	3.0

## Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	4.3	2.6
Price to Earnings Ratio (P/E)	9.0	16.4
Price to Cash Flow Ratio (P/CF)	7.5	10.6
Price to Book Ratio (P/B)	2.2	2.7
Total Debt to Common Equity	29.6	147
Current Ratio	1.5	1.2
Best ROE	-0.6	29.4
Op. Income Growth	100	11.6
Sales Growth	25.3	10.8
Best P/E	11.4	14.9
Debt/EBITDA	0.8	3.1
Best EV/EBITDA	11.4	10.2
Profit Margin	14.0	10.4
ROC	22.3	7.4

## 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 (%)

Holdings	Percentage (%)
X NIKKEI 225	3.0
CORTEVA INC	2.3
ACTIVISION BLIZZARD INC	2.3
KDDI CORP	2.2
EOG RESOURCES INC	2.1
APPLE INC	2.1
MCKESSON CORP	2.1
PLUS500 LTD	2.0
NOVO NORDISK A/S-B	1.9
ALPHABET INC-CL A	1.9
ROCHE HOLDING AG-GENUSSCHEIN	1.7
ARCELORMITTAL	1.7
VISA INC-CLASS A SHARES	1.6
AP MOLLER-MAERSK A/S-B	1.5
DANONE	1.3
SHELL PLC	1.3
ASML HOLDING NV	1.1
ADVANCED MICRO DEVICES	1.0
ASTRAZENECA PLC	1.0
CAMECO CORP	1.0
ISHARES GBP CORP BOND 0-5YR	13.7
SPDR BBG EM INFLATION LINKED	7.2
ISHARES CORE GBP CORP	6.9
WT AT1 COCO ETF GBP HEDGED	6.9
TABULA US ENHANCED INF GBPHA	5.2
GS 3 ¼ 07/25/29	2.6
VW 2 ¼ 04/12/25	2.4
HTHROW 6 ¼ 12/03/26	2.2
ISHARES PHYSICAL GOLD ETC	3.1
ABRDN PLATINUM ETF TRUST	0.9
ISHARES SILVER TRUST	0.9
BREVAN HOWARD AB RT G-A1 GBP	3.8
BNP NOTE (Stellantis Swatch)	3.5
BRITISH POUND	5.7

Source: Bloomberg/PW

## Commentary

The strategy rose by 2.8% in October.

Global equities posted very strong gains for the month on the back of resilient earnings from the majority of companies which reported and renewed hopes of a Fed pivot to a more dovish policy in the coming months. We have positioned the strategy with allocations to Energy, Healthcare and agribusiness equities. We are attracted to the ability of companies in these sectors to defend their profit margins for various reasons.

We increased the energy exposure by adding Shell and Cameco during the month. **Shell** is one of the largest LNG portfolio players in the world, Shell stands to benefit from the rise in global gas demand and likely recovery in prices over the next decade. Shell differentiates itself from peers with a large refining and chemicals segment, which should add enormous value in future years where oil prices are likely to remain volatile. **Cameco** was a significant detractor. Cameco reported adjusted earnings per share for the third quarter that beat the average analyst estimates but the stock has been hit by the overhang from a dilutive equity issuance that was used to buy a stake in Westinghouse Electric. **EOG** was the strongest equity performer, rising 20%. Its technical prowess driving resource development and sound financial management places it at the top of our rankings for US E&Ps, but its valuation does not reflect a best-in-class franchise. **Corteva** was also a significant contributor, rising by 10%. High grain prices caused by growing demand based on growing population and income, and slowing supply based on climate volatility and Russia's invasion of Ukraine should lead to farmers planting more acres of arable land. This should provide a favourable environment for companies producing pesticides, and fertilizer.

Our fixed income positions rose in October as government bond yields moved lower on hopes of a more stable UK government going forward and a Prime Minister who is committing to a more balanced budget. **The iShares corporate Bond ETF** rose by 5.3% during the month.

The concurrent sell off in equities and bonds this year has increased their return potential going forward. We have maintained a neutral equity exposure of 35%. Lower valuation multiples following the equity selloff year to date are offset by challenges from the macro environment, where consensus earnings estimates for 2023 are probably still too high. Almost half of the strategy is allocated to fixed income. The selloff in bonds has led to yields which we now view as attractive. Short duration corporate bonds offer yields of more than 5%, which is an attractive return for limited risk.

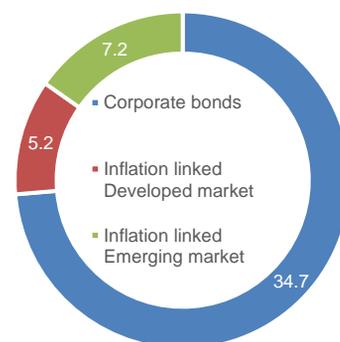
## Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

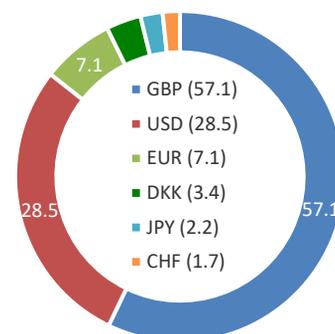
**Target return:** CPI +2% per annum

## Holdings: 34

## Fixed Income type (% of Portfolio)



## Currency (%)



## Performance attribution (%)

	Since inception	1 month
Equity	+24.6	+1.3
Fixed Income	+8.1	+1.5
Commodity	+2.4	-0.2
Alternative	-4.0	+0.2
Cash	+0.1	+0.0

Source: PW/Bloomberg

Top 5 contributors	1 month return
ISHARES GBP CORP BOND 0-5YR	2.9
ISHARES CORE GBP CORP	5.3
EOG RESOURCES INC	19.2
WT AT1 COCO ETF GBP HEDGED	4.0
CORTEVA INC	10.8

Bottom 5 contributors	1 month return
CAMECO CORP	-16.8
ISHARES PHYSICAL GOLD ETC	-5.0
ADVANCED MICRO DEVICES	-13.7
ACTIVISION BLIZZARD INC	-5.1
ALPHABET INC-CL A	-4.2

Source: PW/Bloomberg

## Portfolio characteristics (%)

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

## Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	4.8	2.0
Annualised volatility	6.6	8.1
Sharpe ratio	0.6	0.2
Best month	4.6	6.6
Worst month	-4.4	-7.1
Max drawdown	-10.9	-22.9

Source: Bloomberg/PW

# P L U R I M I

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