Plurimi AI Long/Short Equity Strategy

October 2022

PLURIMI

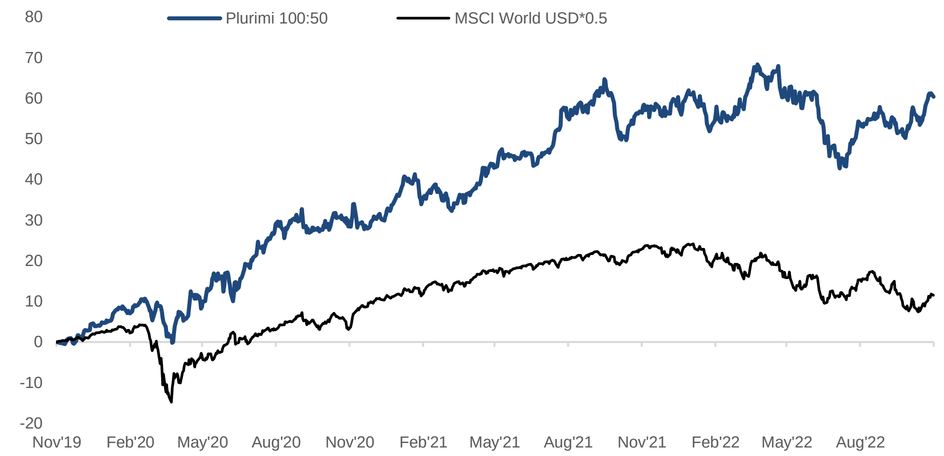
Objectives

The objective of the Plurimi AI Long/Short Equity Strategy is to achieve capital appreciation through a combination of owning a portfolio of global stocks with attractive valuation, growth and quality factors and shorting stocks with poor quality, momentum and value characteristics. The strategy combines a 100% allocation to the Plurimi Global Equity strategy and 50% allocation to the Plurimi AI short strategy and is rebalanced monthly. Stock selection is driven by artificial intelligence with machine learning techniques.

Risk and return targets

- Typical Beta range 0.3 to 0.6
- Return target: 50% of MSCI World return + 5% per annum

Total return (%)



Total return in USD terms. (1 Nov 2019 - 31 Oct 2022)
Gross of all fees

Source: Bloomberg/PW

Key points

Bottom-up stock selection driven by Artificial Intelligence (AI) and machine learning. Evaluating more than 5000 global stocks from 45 countries.

Objective stock selection process removes human emotion and behavioural biases.

Portfolio characteristics significantly underweight AI score, value, quality, and momentum stocks.

Key risks

Capital is at risk. Equity markets are volatile and the positions in the strategy may rise leading to capital losses for this strategy. Stocks may rise by much more than 100%, which would lead to a larger loss than size of investment. The strategy is a focused portfolio and not as diversified as the benchmark. Returns of the strategy are impacted by borrowing costs, and shorts may be bought in, which may lead to capital losses.

Risk (ex-ante), against MSCI World for relative

	100:50	MSCI W
Value at Risk (monthly 97.5%)	7.2%	11.1%
Beta	0.5	1.0
Volatility	12.4%	20.3%
AI predicted alpha	6.2%	0.0%

Monthly performance (%)

Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022 Plurimi AI Long Short	**-4.0**	**1.0**	**6.3**	**-3.0**	**-0.4**	**-8.2**	**4.9**	**-0.1**	**-1.0**	**5.2**			**-0.3**
MSCI W*0.5	-2.6	-1.2	1.4	-4.1	0.1	-4.3	4.0	-2.1	-4.6	3.6			-9.9
2021 Plurimi AI Long Short	**-1.6**	**0.7**	**1.0**	**5.0**	**1.6**	**0.8**	**6.2**	**1.9**	**-2.8**	**1.8**	**-0.7**	**3.1**	**18.4**
MSCI W*0.5	-0.5	1.3	1.7	2.3	0.7	0.8	0.9	1.3	-2.1	2.8	-1.1	2.2	10.8
2020 Plurimi AI Long Short	**2.2**	**-1.6**	**0.7**	**2.5**	**7.6**	**2.2**	**8.0**	**0.7**	**-1.0**	**-0.1**	**1.4**	**3.7**	**29.1**
MSCI W*0.5	-0.3	-4.2	-6.6	5.5	2.4	1.3	2.4	3.4	-1.7	-1.5	6.4	2.1	8.8
2019 Plurimi AI Long Short											**2.2**	**3.4**	**5.7**
MSCI W*0.5											1.4	1.5	2.9

Total return in USD terms. (1 Nov 2019 - 31 Oct 2022)
Gross of all fees and borrowing costs

Source: Bloomberg/PW

Performance indicators (%)

	AI 100:50	MSCI World
Annualised return	17.1	6.3
Annualised vol.	11.4	20.0
Sharpe ratio	1.4	0.3
Best month	8.0	12.8
Worst month	-8.2	-13.2
Max drawdown	-15.2	-34.0

Yield & earnings characteristics

	AI Long	AI Short	Net
Dividend Yield	3.2	3.3	3.3
BEst P/E	9.9	25.6	6.3
Price to Cash Flow Ratio (P/CF)	6.2	4.0	11.5

Sector and regional exposure (%)

	AI Short *0.5	AI Long	Total	MSCI World *0.5	+/-
Communication Serv.	-6.8	9.5	2.7	3.3	-0.6
Consumer Discretionary	-11.0	9.2	-1.8	5.3	-7.1
Consumer Staples	-3.2	9.9	6.7	3.8	2.8
Energy	-3.5	12.0	8.5	2.9	5.6
Financials	-1.5	3.2	1.7	6.9	-5.2
Health Care	-1.7	14.7	13.0	7.1	5.9
Industrials	-8.5	9.0	0.5	5.1	-4.6
Information Technology	-3.4	21.2	17.8	10.6	7.2
Materials	-1.7	11.3	9.5	2.1	7.5
Real Estate	-8.6	0.0	-8.6	1.3	-9.9
Utilities	0.0	0.0	0.0	1.5	-1.5

	AI Long Short	MSCI W *0.5	Relative
North America	27.5	35.9	-8.4
UK	4.5	2.2	2.4
Switzerland	1.7	1.6	0.1
Rest of Europe	16.9	5.5	11.4
Japan	0.6	2.9	-2.3
Asia & EM	-1.2	1.9	-3.1

Performance attribution

	Since inception	1 month
Total	60.4	5.2
AI Long	44.5	8.2
50% AI Short	3.5	-2.4
Rebalancing/ Compounding	12.5	-0.6

Source: Bloomberg/PW

Plurimi AI Global Equity Strategy

October 2022

PLURIMI

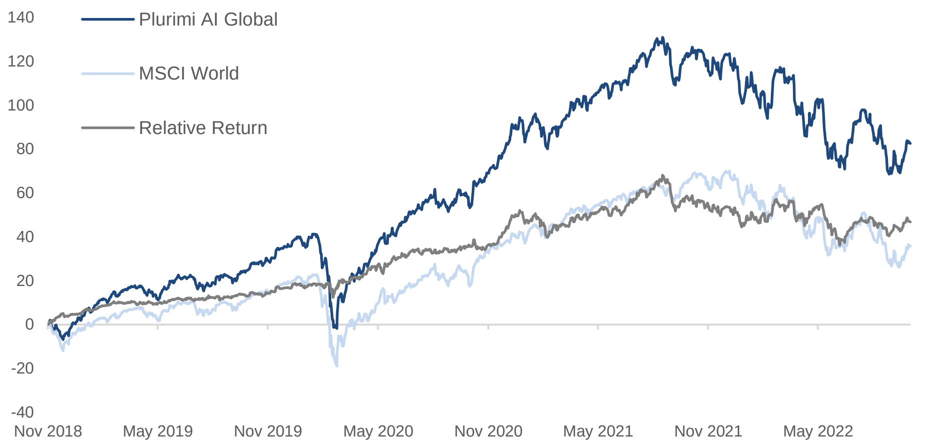
Objectives

The objective of the Plurimi AI global equity strategy is to achieve long-term capital appreciation through investments in global stocks. The strategy is always fully invested and seeks to maximise returns vs. the MSCI World benchmark by employing active bottom-up stock selection, which is driven by artificial intelligence with machine learning techniques, and discretionary top-down regional and style allocations.

Risk and return targets

- Typical beta: 1.0
- Beta range 0.9-1.1
- Return target: MSCI World +3% per annum over a market cycle

Total return (%)



Total return in USD terms. (30 Nov 2018 - 31 Oct 2022)
Gross of all fees

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022 PW AI	**-7.1**	**-0.3**	**4.2**	**-8.2**	**1.8**	**-12.6**	**9.1**	**-2.5**	**-9.7**	**8.2**			**-18.0**
MSCI W	**-5.3**	**-2.5**	**2.8**	**-8.3**	**0.1**	**-8.7**	**8.0**	**-4.1**	**-9.3**	**7.2**			**-19.9**
2021 PW AI	**0.5**	**1.5**	**2.5**	**5.2**	**2.7**	**2.1**	**3.0**	**4.1**	**-4.6**	**3.5**	**-3.1**	**3.4**	**22.4**
MSCI W	-1.0	2.6	3.4	4.7	1.5	1.5	1.8	2.5	-4.1	5.7	-2.2	4.3	21.8
2020 PW AI	**-0.2**	**-7.0**	**-9.7**	**9.9**	**8.9**	**4.3**	**6.7**	**4.5**	**-2.3**	**-0.9**	**10.4**	**7.6**	**34.4**
MSCI W	-0.6	-8.4	-13.2	11.0	4.9	2.7	4.8	6.7	-3.4	-3.0	12.8	4.3	16.5
2019 PW AI	**10.4**	**4.5**	**2.9**	**2.7**	**-5.2**	**7.8**	**0.7**	**-1.3**	**1.7**	**4.2**	**2.3**	**4.7**	**40.5**
MSCI W	7.8	3.1	1.4	3.6	-5.7	6.7	0.5	-2.0	2.2	2.6	2.8	3.0	28.5
2018 PW AI												**-3.6**	**-3.6**
MSCI W												-7.6	-7.6

Total return in USD terms. (30 Nov 2018 - 31 Oct 2022)
Gross of all fees

Source: Bloomberg/PW

Sector exposure (%)

	PW AI	MSCI W	+/-
Communication Services	9.5	6.6	2.9
Consumer Discretionary	9.2	10.7	-1.5
Consumer Staples	9.9	7.7	2.2
Energy	12.0	5.8	6.2
Financials	3.2	13.8	-10.5
Health Care	14.7	14.3	0.4
Industrials	9.0	10.3	-1.2
Information Technology	21.2	21.1	0.0
Materials	11.3	4.1	7.1
Real Estate	0.0	2.6	-2.6
Utilities	0.0	3.0	-3.0

Regional allocation (%)

	PW AI	MSCI W	+/-
North America	53.0	71.9	-18.9
UK	7.8	4.4	3.4
Switzerland	3.2	3.1	0.1
Rest of Europe	30.6	11.0	19.6
Japan	5.4	5.8	-0.4
Asia & EM	0.0	3.8	-3.8

Key points

Bottom-up stock selection driven by Artificial Intelligence (AI) and machine learning. Evaluating more than 5000 global stocks from 45 countries.

Objective stock selection process removes human emotion and behavioural biases.

Top-down region and style allocations.

Portfolio characteristics skewed towards value, quality, and momentum stocks.

Key risks

Capital is at risk. Equity markets are volatile and the stocks in the strategy may outperform or underperform the benchmark. The strategy is a focused portfolio and not as diversified as the benchmark. The strategy takes significant regional and sector differences from the benchmark which are intended to improve returns but can lead to capital loss.

Relative risk vs MSCI World (ex-ante)

Tracking error (%)	8.7
Beta	1.1
AI predicted alpha (%)	3.5
Active share (%)	90.1

Performance indicators (%)

	PW AI	MSCI World
Annualised return	16.6	8.1
Annualised volatility	19.2	19.1
Sharpe ratio	0.8	0.4
Best month	10.4	12.8
Worst month	-12.6	-13.2
Max drawdown	-30.5	-34.0

Holdings (%)

CORTEVA INC	5.4
MCKESSON CORP	5.2
SHELL PLC	4.7
EOG RESOURCES INC	4.6
ARCHER-DANIELS-MIDLAND CO	3.9
APPLE INC	3.8
ASML HOLDING NV	3.6
DEERE & CO	3.4
HERMES INTERNATIONAL	3.3
ACTIVISION BLIZZARD INC	3.3
ALPHABET INC-CL C	3.3
SWEDISH MATCH AB	3.3
CITIGROUP INC	3.2
ROCHE HOLDING AG-GENUSSCHEIN	3.2
AP MOLLER-MAERSK A/S-B	3.2
NOVO NORDISK A/S-B	3.2
FORTINET INC	3.2
MOSAIC CO/THE	3.2
VISA INC-CLASS A SHARES	3.1
ASTRAZENECA PLC	3.1
STELLANTIS NV	3.1
NIPPON TELEGRAPH & TELEPHONE	2.9
LVMH MOET HENNESSY LOUIS VUI	2.8
ARCELORMITTAL	2.7
PAYPAL HOLDINGS INC	2.7
CAPGEMINI SE	2.7
CAMECO CORP	2.7
DANONE	2.7
NIPPON YUSEN KK	2.5
ADVANCED MICRO DEVICES	2.1

Source: Bloomberg/PW

Commentary

The strategy was up by 8.2% in October, beating the MSCI World return of 7.2%.

Global equities posted very strong gains for the month on the back of resilient earnings form 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 portfolio with overweights in Energy, Luxury consumer, Healthcare and agribusiness equities. We are attracted to the ability of companies in these sectors to defend their profit margins for various reasons.

During the month we sold Fast Retailing and Thermo Fisher Scientific and added Hermes and Astra Zeneca.

Hermes benefits from unique positioning in the leather goods segment, supported by a supply/demand mismatch for its iconic bags. Demand for Hermes' exclusive luxury leather products and categories, sometimes only obtained via a waiting list, isn't expected to be held back by an inflation fuelled squeeze on consumer spending. Sales and profit growth are pinned to new production sites for Leather Goods, its highest-margin contributor, planned each year to 2026 for 4-5% volume capacity gains. Building its brand across other categories is proving a success, while positive drivers into 2023 include China re-openings, tourism recovery and currency benefit. **AstraZeneca** has several drugs with strong competitive positions in their segments, which should make the company one of the pharma industry's best growth prospects over the next five years. The Alexion acquisition has also enabled the announcement of a $1.2 billion cost-savings plan, further underpinning profitability. AstraZeneca doesn't have a large presence in emerging markets, but the company is significantly growing in these areas, and could be a source of upside surprise.

Agribusiness equities **Deere, Archer-Daniels-Midland, Corteva** and **Mosaic** all rose by more than 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, fertilizer, and farming equipment and create opportunities for grain trading. **EOG, Shell** rose by 23% and 12% respectively. EOG`s 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. Shell reported Q3 earnings towards the end of the month which beat analyst expectations. **Fortinet** rose by 14% . It should be a beneficiary of an situation where governments and corporations spend to protect themselves from cyber crime. Fortinet's integrated offering, lower pricing vs. peers continue to drive growth.

Cameco was the largest 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.

Strategy managers:
Patrick Armstrong, CFA
Eugen Fostiak

Target return: MSCI World +3% p.a.

Holdings: 30

Portfolio characteristics

	AI PW	MSCI World
Dividend Yield	3.2	2.6
Price to Earnings Ratio (P/E)	7.2	16.4
Price to Cash Flow Ratio (P/CF)	6.2	10.6
Price to Book Ratio (P/B)	2.0	2.7
Total Debt to Common Equity	95	147
Current Ratio	1.3	1.2
BEst ROE	3.1	29.4
Operating Income Growth	75	11.6
Sales Growth	19.2	10.8
BEst P/E	9.9	14.9
Debt/EBITDA	2.6	3.1
BEst EV/EBITDA	11.0	10.2
Profit Margin	13.3	10.4
ROC	14.9	7.4

Performance attribution (%)

Attribution vs MSCI World	Since inception	1 month
Total	46.8	0.9
Sector Allocation	+7.2	+0.0
Region Allocation	+4.1	+0.3
Styles	+1.5	-0.1
Stock Specific	+37.5	+0.7

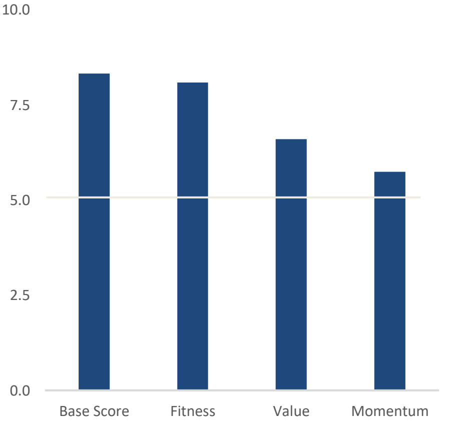
Source: PW/Bloomberg

Top 5 contributors	1 month return
EOG RESOURCES INC	22.9
CORTEVA INC	14.3
MCKESSON CORP	14.6
ARCHER-DANIELS-MIDLAND CO	20.5
DEERE & CO	18.5

Bottom 5 contributors	1 month return
CAMECO CORP	-10.5
ADVANCED MICRO DEVICES	-5.2
PAYPAL HOLDINGS INC	-2.9
ACTIVISION BLIZZARD INC	-2.1
THERMO FISHER SCIENTIFIC INC	-1.7

Source: PW/Bloomberg

Style characteristics (5 is neutral with Index)



Source: BW/PW

Plurimi AI Short Equity Strategy

PLURIMI

October 2022

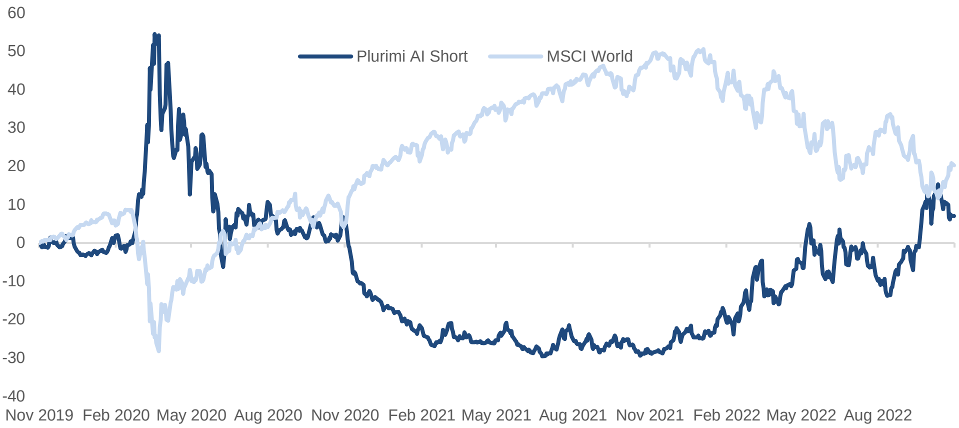
Objectives

The objective of the Plurimi AI Short Equity Strategy is to achieve appreciation through short selling a portfolio of global stocks. The strategy is always fully invested and rebalanced monthly with stock selection driven by artificial intelligence with machine learning techniques. The strategy can be implemented in isolation or in combination with a long equity strategy to create market neutral returns.

Risk and return targets

- Typical Beta range -0.9 to -1.3
- Return target: +4% - MSCI World over a market cycle

Total return (%)



Total return in USD terms. (1 Nov 2019 - 31 Oct 2022)
Gross of all fees

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022 Plurimi AI Short	**6.4**	**3.1**	**4.2**	**10.4**	**-4.0**	**8.7**	**-7.6**	**4.8**	**17.3**	**-4.8**			**42.3**
MSCI World	-5.3	-2.5	2.8	-8.3	0.1	-8.6	8.0	-4.1	-9.3	7.2			-19.7
2021 Plurimi AI Short	**-4.1**	**-1.6**	**-3.1**	**-0.4**	**-2.2**	**-2.5**	**6.3**	**-4.4**	**3.6**	**-3.4**	**4.6**	**-0.6**	**-8.2**
MSCI World	-1.0	2.6	3.4	4.7	1.5	1.5	1.8	2.5	-4.1	5.7	-2.2	4.3	21.8
2020 Plurimi AI Short	**4.7**	**10.5**	**20.7**	**-14.9**	**-2.7**	**-4.3**	**2.7**	**-7.4**	**2.5**	**1.6**	**-18.0**	**-6.3**	**-15.8**
MSCI World	-0.6	-8.4	-13.2	11.0	4.9	2.7	4.8	6.7	-3.4	-3.0	12.8	4.3	16.5
2019 Plurimi AI Short											**-0.3**	**-2.6**	**-2.9**
MSCI World											2.8	3.0	5.9

Total return in USD terms. (1 Nov 2019 - 31 Oct 2022)
Gross of all fees and borrowing costs

Source: Bloomberg/PW

Sector exposure (%)

	AI Short	MSCI W	+/-
Communication Services	-13.7	6.6	7.0
Consumer Discretionary	-22.0	10.7	11.3
Consumer Staples	-6.4	7.7	-1.3
Energy	-7.0	5.8	1.2
Financials	-3.0	13.8	-10.7
Health Care	-3.4	14.3	-10.9
Industrials	-17.1	10.3	6.8
Information Technology	-6.8	21.1	-14.4
Materials	-3.5	4.1	-0.6
Real Estate	-17.3	2.6	14.6
Utilities	0.0	3.0	-3.0

Regional allocation (%)

	AI Short	MSCI W	+/-
North America	51.0	71.9	-20.9
UK	6.6	4.4	2.2
Switzerland	3.0	3.1	-0.1
Rest of Europe	27.4	11.0	16.4
Japan	9.6	5.8	3.8
Asia & EM	2.4	3.8	-1.4

Key points

Bottom-up stock selection driven by Artificial Intelligence (AI) and machine learning. Evaluating more than 5000 global stocks from 45 countries.

Objective stock selection process removes human emotion and behavioural biases.

Portfolio characteristics significantly underweight AI score, value, quality, and momentum stocks.

Key risks

Capital is at risk. Equity markets are volatile and the stocks in the strategy may rise leading to capital losses for this strategy. Stocks may rise by much more than 100%, which would lead to a larger loss than size of investment. The strategy is a focused a portfolio and not as diversified as the benchmark. Returns of the strategy are impacted by borrowing costs, and shorts may be bought in, which may lead to capital losses.

Relative risk vs MSCI World (ex-ante)

Tracking error vs. short MSCI World	12.6%
Beta	1.3
AI predicted alpha	+5.5%

Performance indicators (%)

	AI Short	MSCI World
Annualised return	2.3	6.3
Annualised volatility	26.2	20.0
Sharpe ratio	0.0	0.3
Best month	20.7	12.8
Worst month	-18.0	-13.2
Max drawdown	-54.4	-34.0

Holdings (new positions in bold) (%)

RAYTHEON TECHNOLOGIES CORP	-3.7
CELLNEX TELECOM SA	-3.7
ALSTOM	-3.6
INTEL CORP	-3.6
REALTY INCOME CORP	-3.5
WILLIAMS COS INC	-3.5
INTL FLAVORS & FRAGRANCES	-3.5
FAURECIA	-3.5
WELLTOWER INC	-3.5
APTIV PLC	-3.5
ROKU INC	-3.5
KINDER MORGAN INC	**-3.4**
VONOVIA SE	-3.4
BRITISH LAND CO PLC	-3.4
SIMON PROPERTY GROUP INC	-3.4
FEDEX CORP	-3.4
KONINKLIJKE PHILIPS NV	-3.4
ROGERS COMMUNICATIONS INC-B	**-3.4**
BOEING CO/THE	-3.3
RAKUTEN GROUP INC	-3.3
ADIDAS AG	-3.3
AEON CO LTD	-3.3
PARAMOUNT GLOBAL-CLASS B	-3.2
SHOPIFY INC - CLASS A	**-3.2**
OCADO GROUP PLC	-3.1
HENNES & MAURITZ AB-B SHS	-3.1
WEST JAPAN RAILWAY CO	-3.1
CREDIT SUISSE GROUP AG-REG	-3.0
DOORDASH INC - A	-2.9
XPENG INC - ADR	-2.4

Source: Bloomberg/PW

Commentary

The strategy fell 4.8% in October, amid a rise of 7.2% from the MSCI World.

The portfolio is overweight stocks that trade with significantly lower momentum and fitness scores than the benchmark. The strategy shorts stocks trading at 25.6x forecast earnings, while the MSCI World trades at 14.9x forecast earnings.

Shorts in Lucid, Prudential and Warner Bros were removed.

We added **Shopify** at the end of the month**.** Shopify benefits from a strong position as merchants use its multi-channel cloud-based software platform to sell products and services. Value-added services such as payments, shipping and capital lending all offer potential growth, but a slowing consumer will put a strain on the outlook. The stock remains expensive despite the large selloff this year. It is loss making in 2022 and will likely be loss making in 2023. **Rogers Communications** revenue and margin growth may come under pressure. Rogers' proposed acquisition of Shaw, may face regulatory challenge and prove dilutive to equity owners. **Kinder Morgan** will likely keep pursuing M&A in a limited growth environment, and the risk of overpaying in a hot market is a real possibility. It has not been active in selling noncore assets and Valuation may stall as investors appear to have augmented interest in more focused companies rather than diversified ones.

Xpeng was the largest contributor in October. The stock fell 45%. The US has curtailed semiconductors sales to China and this can be a significant headwind for the company. President Xi consolidated power at the Party Congress during the month which also creates risks for technology companies and creates risks for the prospects for trade. **Philips** fell by 19%. The company has seen a 5% organic sales decline and an adj. EBITA margin of 4.8%. The low margin and cyclical exposure will be headwinds for the company in the coming quarters. Philips has a record of returning excess cash to shareholders through dividends, but the cash it does retain is often used on expensive acquisitions. **Adidas** fell by 16%. The company ended its relationship with Kanye West, which removes a PR headache but reduces the revenue outlook for the company. Adidas depends more on fashion trends than some other athletic brands and has benefited from the recent athleisure and retro trends. Adidas' sales and margins could suffer if the trends fade.

Faurecia and **Alstom** were the largest detractors, rising by 36 and 26% respectively. Faurecia operates in the fiercely competitive, capital-intensive, highly cyclical automotive parts supply industry. The stock trades at undemanding multiples but could face a steep decline in earnings as Europe`s economy falls into recession. Alstom has more than 75% of its workforce inside Europe, it is difficult for Alstom to restructure and cut costs, owing to restrictive labour policies in European countries such as France. As revenue slows the company`s largely fixed cost base it's a significant risk.

Strategy managers:
Patrick Armstrong, CFA
Eugen Fostiak

Target return: +4% - MSCI World

Holdings: 30

Portfolio characteristics

	AI Short	MSCI World
Dividend Yield	3.3	2.6
Price to Earnings Ratio (P/E)	-	16.4
Price to Cash Flow Ratio (P/CF)	4.0	10.6
Price to Book Ratio (P/B)	1.2	2.7
Total Debt to Common Equity	194	147
Current Ratio	1.1	1.2
BEst ROE	-6.1	29.4
Operating Income Growth	43	11.6
Sales Growth	-7.0	10.8
BEst P/E	25.6	14.9
Debt/EBITDA	6.4	3.1
BEst EV/EBITDA	10.7	10.2
Profit Margin	-0.2	10.4
ROC	1.9	7.4

Performance attribution (%)

vs. Short MSCI World	Since inception	1 month
Total	+27.2	+2.4
Sector Allocation	+3.3	-0.1
Region Allocation	+2.5	+0.4
Styles	+1.6	+0.0
Stock Specific	+21.0	+2.0

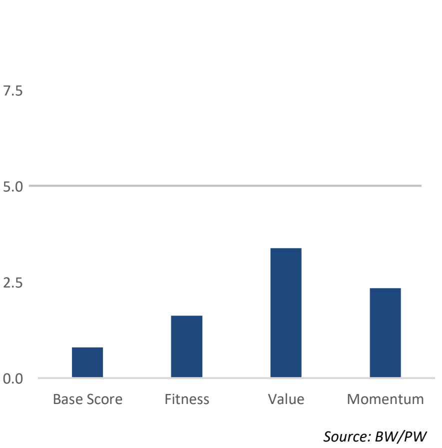
Source: PW/Bloomberg

Top 5 contributors	1 month return
XPENG INC - ADR	-44.6
KONINKLIJKE PHILIPS NV	-19.2
ADIDAS AG	-16.0
DOORDASH INC - A	-12.0
WELLTOWER INC	-5.1

Bottom 5 contributors	1 month
FAURECIA	35.8
ALSTOM	25.7
SIMON PROPERTY GROUP INC	21.4
PRUDENTIAL FINANCIAL INC	18.7
BOEING CO/THE	17.7

Source: PW/Bloomberg

Style characteristics (5 is neutral with Index)



Source: BW/PW

P L U R I M I

DISCLAIMER