

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, 32.5% Iboxx Investment Grade, and 32.5% 7-10 year US Treasury Index.

Risk and return targets

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

Total return (%)



Total return in USD terms. (Jan 2017 - Oct 2022)
Performance is compared to a composite index made up of 35% MSCI World, 32.5% Iboxx Investment Grade, and 32.5% 7-10 year US Treasury Index. Gross of fees
Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-2.7	0.1	0.8	-3.6	0.9	-5.5	3.7	-2.2	-5.6	3.5			-10.6
2021	-1.1	0.7	0.5	3.2	2.4	0.0	3.0	1.3	-2.3	0.9	-1.7	2.0	9.0
2020	1.1	-2.1	-2.0	4.4	2.1	0.5	3.4	2.4	-0.7	-0.9	4.4	2.2	15.8
2019	1.5	-0.1	1.9	0.0	0.9	1.9	0.1	3.3	-1.0	0.8	0.7	1.3	11.8
2018	-0.4	-3.5	0.4	0.1	0.4	-0.6	0.2	0.1	-1.1	-2.4	1.2	1.3	-4.3
2017	1.2	2.0	0.0	1.6	1.5	-0.8	1.5	1.2	-0.4	0.4	1.1	1.2	10.8

Total return in USD terms. (Jan 2017 - Oct 2022)
Gross of fees
Source: Bloomberg/PW

Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	17.8	6.6
Consumer Discretionary	0.0	10.7
Consumer Staples	7.2	7.7
Energy	14.1	5.8
Financials	10.2	13.8
Health Care	19.1	14.3
Industrials	4.6	10.3
Information Technology	15.9	21.1
Materials	11.2	4.1
Real Estate	0.0	2.6
Utilities	0.0	3.0

Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.8	2.6
Price to Earnings Ratio (P/E)	7.5	16.4
Price to Cash Flow Ratio (P/CF)	5.2	10.6
Price to Book Ratio (P/B)	2.0	2.7
Total Debt to Common Equity	113	147
Current Ratio	1.5	1.2
BEST ROE	-5.5	29.4
Op. Income Growth	84.5	11.6
Sales Growth	21.9	10.8
BEST P/E	11.1	14.9
Debt/EBITDA	2.6	3.1
BEST EV/EBITDA	5.1	10.2
Profit Margin	13.0	10.4
ROC	13.1	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.

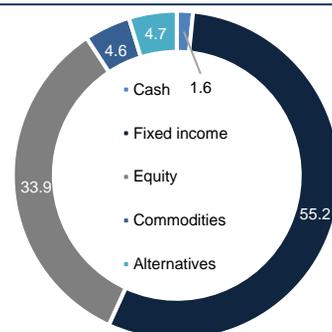
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

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	(%)
MCKESSON CORP	2.4
X NIKKEI 225	2.2
NOVO NORDISK A/S-B	2.2
ACTIVISION BLIZZARD INC	2.2
VISA INC-CLASS A SHARES	2.1
CORTEVA INC	2.1
EOG RESOURCES INC	2.0
APPLE INC	1.9
KDDI CORP	1.8
ALPHABET INC-CL A	1.7
PLUS500 LTD	1.6
CITIGROUP INC	1.6
ROCHE HOLDING AG-GENUSSCHEIN	1.5
ARCELORMITTAL	1.5
ARCHER-DANIELS-MIDLAND CO	1.5
AP MOLLER-MAERSK A/S-B	1.4
EQUINOR ASA-SPON ADR	1.4
CAMECO CORP	1.1
ASML HOLDING NV	1.0
DANONE	0.8
ISHARES 0-5 YR INV GRD CORP	7.8
ISHARES IBOXX INVESTMENT GRA	7.3
TII 0 1/2 01/15/28	6.3
WT AT1 COCO UCITS ETF USD AC	6.2
TII 0 3/4 07/15/26	6.1
TABULA US ENHANCED INFLATION	5.8
WFC 3 3/4 01/24/24	5.5
SPDR BBG EM INFLATION LINKED	4.6
AAPL 3 11/13/27	3.3
DD 4.205 11/15/23	2.4
ISHARES PHYSICAL GOLD ETC	2.9
ABRDN PLATINUM ETF TRUST	0.9
ISHARES SILVER TRUST	0.8
BREVAN HOWARD AB RT G-A1 USD	3.5
GS NOTE (CAMECO EOG)	1.2
US DOLLAR	1.6

Commentary

The strategy rose by 3.5% 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.

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 14%. 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 were down slightly in October as Treasury yields moved marginally higher. **The iShares corporate Bond ETF** fell by 0.8% during the month.

The concurrent sell off in equities and bonds this year has increased their return potential going forward. We have maintained a close to 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. More than 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.

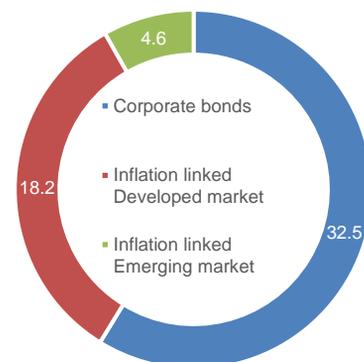
Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

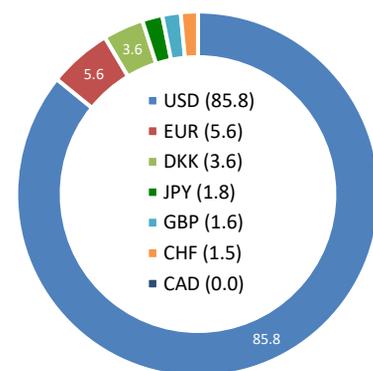
Target return: CPI +2% per annum

Holdings: 36

Fixed Income type (% of portfolio)



Currency (%)



Performance attribution (%)

	Since inception	1 month
Equity	+22.9	+2.7
Fixed Income	+11.4	+0.7
Commodities	+2.0	+0.0
Alternative	-2.8	+0.0
Cash	+0.2	+0.0

Top 5 contributors	1 month return
EOG RESOURCES INC	+22.9
MCKESSON CORP	+14.6
VISA INC-CLASS A SHARES	+16.6
WT AT1 COCO UCITS ETF USD AC	+4.5
CORTEVA INC	+14.3

Bottom 5 contributors	1 month return
CAMECO CORP	-14.8
ISHARES PHYSICAL GOLD ETC	-2.0
ISHARES IBOXX INVESTMENT GRA	-0.8
ACTIVISION BLIZZARD INC	-2.1
ALPHABET INC-CL A	-1.2

Portfolio characteristics (%)

Volatility (ex-ante)	9.6
Value at Risk (Monthly 97.5%)	4.8

Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	5.1	3.3
Annualised volatility	7.0	8.2
Sharpe ratio	0.6	0.3
Best month	4.4	5.7
Worst month	-5.6	-6.7
Max drawdown	-11.9	-16.7

DISCLAIMER

The Plurimi Cautious Strategy was previously called the Plurimi Dynamic Strategy until October 2021.

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