

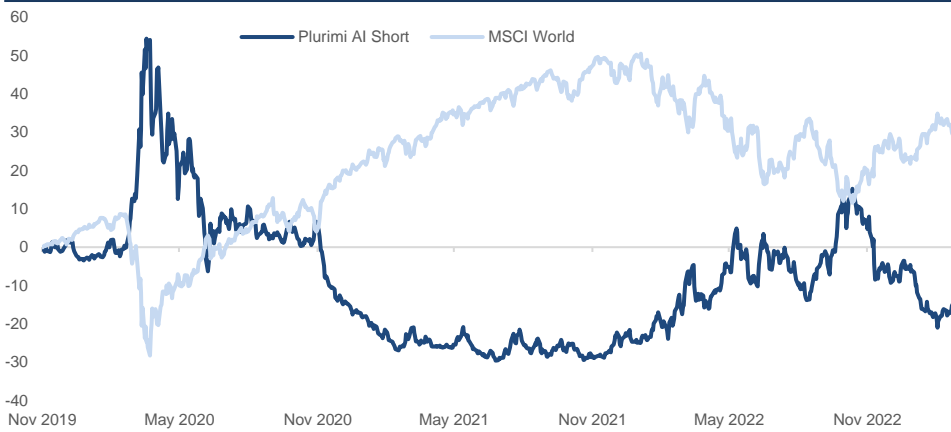
Objectives

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 - 28 Feb 2023)
Gross of all fees

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023 Plurimi AI Short	-12.4	4.5											-8.5
MSCI World	7.1	-2.4											4.6
2022 Plurimi AI Short	6.4	3.1	4.2	10.4	-4.0	8.7	-7.6	4.8	17.3	-4.8	-13.7	1.7	25.0
MSCI World	-5.3	-2.5	2.8	-8.3	0.1	-8.6	8.0	-4.1	-9.3	7.2	7.0	-4.2	-17.7
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 - 28 Feb 2023)
Gross of all fees and borrowing costs

Source: Bloomberg/PW

Sector exposure (%)

	AI Short	MSCI W	+/-
Communication Services	-10.0	6.6	3.4
Consumer Discretionary	-26.8	10.7	16.1
Consumer Staples	-7.0	7.5	-0.4
Energy	-3.4	5.3	-1.9
Financials	-13.2	14.6	-1.4
Health Care	-9.7	13.3	-3.6
Industrials	-3.4	10.7	-7.3
Information Technology	-6.5	21.3	-14.8
Materials	-6.9	4.5	2.4
Real Estate	-9.7	2.6	7.1
Utilities	-3.4	2.9	0.5

Regional allocation

	AI Short	MSCI W	+/-
North America	53.2	69.3	-16.1
UK	6.7	4.8	1.9
Switzerland	3.3	3.2	0.1
Rest of Europe	27.1	12.5	14.6
Japan	6.5	6.1	0.4
Asia & EM	3.2	4.1	-0.9

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 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	11.4%
Beta	1.3
AI predicted alpha	+4.6%

Performance indicators

	AI Short	MSCI World
Annualised return	-4.4	7.9
Annualised volatility	27.0	19.8
Sharpe ratio	-0.2	0.3
Best month	20.7	12.8
Worst month	-18.0	-13.2
Max drawdown	-54.4	-34.0

Holdings

	(%)
CARREFOUR SA	-3.8
RIVIAN AUTOMOTIVE INC-A	-3.5
NORTHERN TRUST CORP	-3.5
FAURECIA	-3.5
ECOLAB INC	-3.5
BT GROUP PLC	-3.5
INTL FLAVORS & FRAGRANCES	-3.4
HENNES & MAURITZ AB-B SHS	-3.4
TOSHIBA CORP	-3.4
DELIVERY HERO SE	-3.4
KINDER MORGAN INC	-3.4
EVERSOURCE ENERGY	-3.4
AT&T INC	-3.3
CREDIT SUISSE GROUP AG-REG	-3.3
FORD MOTOR CO	-3.3
EQT AB	-3.3
SIMON PROPERTY GROUP INC	-3.3
AMAZON.COM INC	-3.3
TYSON FOODS INC-CL A	-3.3
ARGENX SE	-3.3
ALNYLAM PHARMACEUTICALS INC	-3.3
INTEL CORP	-3.2
CELLNEX TELECOM SA	-3.2
DELL TECHNOLOGIES -C	-3.2
REALTY INCOME CORP	-3.2
BRITISH LAND CO PLC	-3.2
NIO INC - ADR	-3.2
KONINKLIJKE PHILIPS NV	-3.2
RAKUTEN GROUP INC	-3.2
BANK OF NOVA SCOTIA	-3.0

Source: Bloomberg/PW

Commentary

The strategy rose 4.5% in February, amid a fall of 2.4% from the MSCI World. The strategy's positioning in high multiple technology companies was a significant contributor during the month.

New positions: **Rivian, Dell, Delivery Hero, Alnylam Pharma.**

Rivian fell by 5% after it was added towards month end. Rivian designs and manufactures vans, trucks, and sports utility vehicles. Rivian is trying to get into the space between the midsize and full-size pickup-truck segments. Yet the full marketing force of legacy US automakers and hundreds of thousands in potential fleet sales should crowd the intersection of EV buyer and pickup-truck driver as GM may protect its turf with a Silverado EV and Ford is raising output of the F-150 Lightning. All automakers are facing rising costs and slowing demand, though small-scale, unprofitable EV-only brands are the most vulnerable. **Dell** fell by 3% since its addition. Dell Technologies provides computer products. Dell's fiscal 2024 sales may drop 10% or more, due to slowing PC and enterprise IT demand. A weakening economic backdrop is paring PC sales in its commercial and consumer segments while tempering server and storage momentum. Dell is a technology bellwether and exposed to economic cycles. The stock only trades at 6x forecast earnings but we do not think a weak US consumer will support the forecast earnings. **Delivery Hero** provides online food ordering services and remains unprofitable. It fell 16% after its addition. Its cautious investment mirrors rivals' efforts to reach profitability, but the market is extremely competitive. Any price hikes should lead to volume losses. **Alnylam** develops medicines for the treatment of Humas disease. The stock fell 14% after its addition. Alnylam may find it challenging to expand its first-generation neuropathy of amyloidosis drug Onpattro into the larger cardiomyopathy market. The FDA has accepted an application based on the positive Apollo-B trial, but the lack of priority review status and upcoming advisory committee meeting add to our concerns about the clinical meaningfulness of the study results. The company does not make any earnings or have free cash flow.

Nio the Chinese EV car maker was the strongest contributor, falling 22%. Like Rivian it faces rising competition and does not generate enough free cash flow. **International Fragrances** fell by 22% after a weak earnings outlook. **Faurecia** was the largest detractor rising on the back of improving earnings and a stronger consumer outlook.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

Target return: +4% - MSCI World

Holdings: 30

Portfolio characteristics

	AI Short	MSCI World
Dividend Yield	4.0	2.5
Price to Earnings Ratio (P/E)	-	17.9
Price to Cash Flow Ratio (P/CF)	7.2	12.3
Price to Book Ratio (P/B)	1.4	2.8
Total Debt to Common Equity	236	142
Current Ratio	1.0	1.2
Est ROE	10.1	33.6
Operating Income Growth	89	-4.1
Sales Growth	-6.4	7.3
Est P/E	28.7	15.8
Debt/EBITDA	7.6	3.2
Est EV/EBITDA	9.8	10.6
Profit Margin	-3.0	9.4
ROC	6.1	7.3

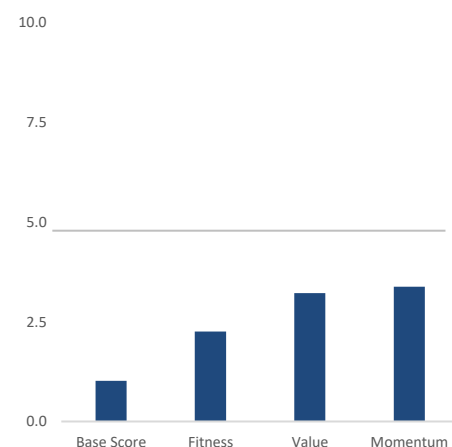
1 month performance contribution (%)

	Attribution	Top contributors	Return
Communication Services	-0.3	NIO INC - ADR	-22.2
Consumer Discretionary	1.2	DELIVERY HERO SE	-16.4
Consumer Staples	0.1	INTL FLAVORS & FRAGRANCES	-17.1
Energy	0.2	ALNYLAM PHARMACEUTICALS INC	-14.1
Financials	0.6	INTEL CORP	-10.7
Health Care	0.8		
Industrials	0.3	Bottom contributors	Return
Information Technology	0.5	ROBLOX CORP -CLASS A	9.9
Materials	0.4	FAURECIA	11.5
Real Estate	0.4	BT GROUP PLC	10.0
Utilities	0.3	ADIDAS AG	9.2
		CARREFOUR SA	4.6

Source: PW/Bloomberg

Source: PW/Bloomberg

Style characteristics (5 is neutral with Index)



Source: BW/PW

P L U R I M I

DISCLAIMER

The information and opinions expressed in this publication were produced by Plurimi Wealth LLP (Plurimi). This publication is intended for information purposes only and does not constitute an offer, a recommendation or an invitation by, or on behalf of Plurimi to make any investments. Opinions and comments of the authors reflect their current views, but not necessarily of other Plurimi entities or any other third party. This publication has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, an investor should consider the suitability of the transaction against their individual circumstances and objectives. Any investment or trading or other decision should only be made after a review of the relevant product term sheet, subscription agreement, information memorandum, prospectus or other offering document relating to the issue of the securities or other financial instruments. Nothing in this publication constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate for an investor's circumstances, or otherwise constitutes a personal recommendation for any specific investor. Plurimi recommends that you independently assess, with a professional advisor, the specific financial risks as well as legal, regulatory, credit, tax and accounting consequences. Past performance is not a reliable indicator of future results. Performance forecasts are not a reliable indicator of future performance. An investor may not get back the amount invested or may be required to pay more. Although the information and data herein are obtained from sources believed to be reliable, no representation is made that the information is accurate or complete. Plurimi do not accept liability for any loss arising from the use of this publication. This publication cannot be reproduced or used for any other purpose and can only be distributed in countries where its distribution is legally permitted. This publication may relate to investments or services of an entity/person outside the UK, or to other matters which are not regulated by the FCA, or in respect of which the protections of the FCA for retail clients and/or the UK Financial Services Compensation Scheme may not be available. Further details as to where this may be the case are available on request in respect to this document, please contact your Plurimi Relationship Manager.

Plurimi Wealth LLP, a limited liability partnership, is incorporated in England & Wales with registered number OC326895. Authorised and Regulated by the Financial Conduct Authority ("FCA") 466728.