

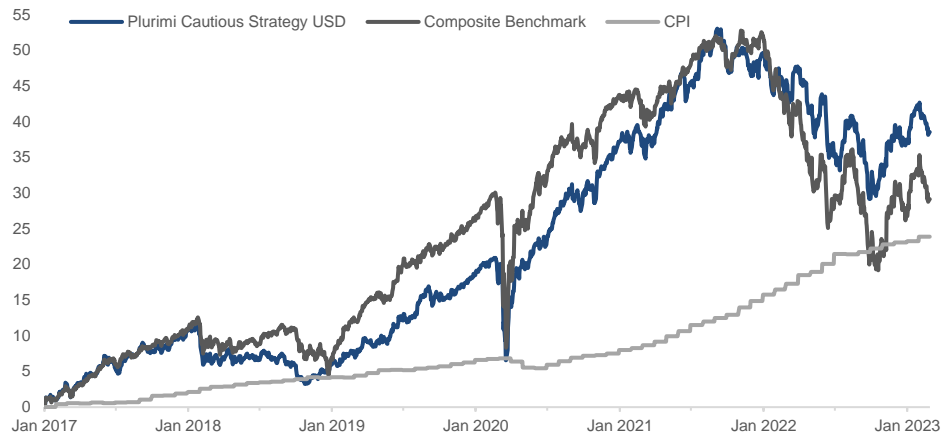
## Objectives

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 - Feb 2023)  
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
<b>2023</b>	3.5	-2.4											<b>1.0</b>
<b>2022</b>	-2.7	0.1	0.8	-3.6	0.9	-5.5	3.7	-2.2	-5.6	3.5	3.5	-0.9	<b>-8.4</b>
<b>2021</b>	-1.1	0.7	0.5	3.2	2.4	0.0	3.0	1.3	-2.3	0.9	-1.7	2.0	<b>9.0</b>
<b>2020</b>	1.1	-2.1	-2.0	4.4	2.1	0.5	3.4	2.4	-0.7	-0.9	4.4	2.2	<b>15.8</b>
<b>2019</b>	1.5	-0.1	1.9	0.0	0.9	1.9	0.1	3.3	-1.0	0.8	0.7	1.3	<b>11.8</b>
<b>2018</b>	-0.4	-3.5	0.4	0.1	0.4	-0.6	0.2	0.1	-1.1	-2.4	1.2	1.3	<b>-4.3</b>

Total return in USD terms. (Jan 2018 - Feb 2023)  
Gross of fees. Current year and previous five calendar years shown.  
Source: Bloomberg/PW

## Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	17.9	6.6
Consumer Discretionary	3.6	10.7
Consumer Staples	4.4	7.5
Energy	8.8	5.3
Financials	15.8	14.6
Health Care	18.1	13.3
Industrials	3.5	10.7
Information Technology	17.2	21.3
Materials	10.7	4.5
Real Estate	0.0	2.6
Utilities	0.0	2.9

## Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.6	2.5
Price to Earnings Ratio (P/E)	10.2	17.9
Price to Cash Flow Ratio (P/CF)	8.2	12.3
Price to Book Ratio (P/B)	2.1	2.8
Total Debt to Common Equity	122	142
Current Ratio	1.6	1.2
BEST ROE	24.7	33.6
Op. Income Growth	4.4	-4.1
Sales Growth	12.7	7.3
BEST P/E	13.0	15.8
Debt/EBITDA	3.0	3.2
BEST EV/EBITDA	5.6	10.6
Profit Margin	16.2	9.4
ROC	9.9	7.3

## 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.

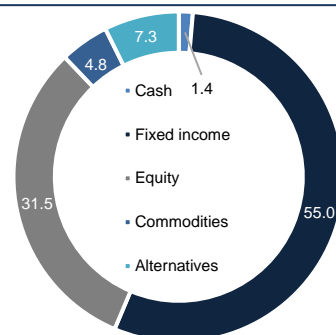
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

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	2.7
ACTIVISION BLIZZARD INC	2.2
VISA INC-CLASS A SHARES	2.1
ARCELORMITTAL	1.9
APPLE INC	1.8
KDDI CORP	1.7
CITIGROUP INC	1.7
PLUS500 LTD	1.7
EOG RESOURCES INC	1.6
ALPHABET INC-CL A	1.5
MERCK & CO. INC.	1.5
AON PLC-CLASS A	1.4
DANONE	1.3
X NIKKEI 225	1.3
MOSAIC CO/THE	1.3
ASML HOLDING NV	1.3
ROCHE HOLDING AG-GENUSSCHEIN	1.3
EQUINOR ASA-SPON ADR	1.1
LVMH MOET HENNESSY LOUIS VUI	1.1
CNH INDUSTRIAL NV	1.0
TII 0 % 07/15/32	0.8
ISHARES 0-5 YR INV GRD CORP	0.7
ISHARES IBOX INVESTMENT GRA	0.7
WT AT1 COCO UCITS ETF USD AC	0.6
TII 0 % 01/15/28	0.6
TABULA US ENHANCED INFLATION	0.6
WFC 3 % 01/24/24	0.5
SPDR BCG EM INFLATION LINKED	0.5
AAPL 3 11/13/27	0.4
JPM 0.969 06/23/25	0.4
ISHARES PHYSICAL GOLD ETC	0.3
ABRDN PHYSICAL PLATINUM SHRS	0.3
ISHARES SILVER TRUST	0.3
BREVAN HOWARD AB RT G-A1 USD	0.3
CA MERCK BIOGEN NOTE	0.3
US DOLLAR	0.3

## Commentary

The strategy fell by 2.4% in February.

Global equities moved lower on higher yields and more hawkish pricing of Fed Funds following a string of strong economic numbers. Our strategy owns equities trading at 13.0 forecast earnings, which compares to the MSCI World trading at 15.8.

During the month the strategy's equities fell by 3%. We sold **Mckesson** and **Corteva**. **Merck** was added mid month. Its growth looks strong with sales growth of almost 10% our base case. Continued success with cancer drug Keytruda has led to increased EPS estimates in 2023. The stock trades at 15x forecast earnings. **CNH Industrial** was added towards month end. It produces and sells trucks, agricultural and construction equipment. Healthy farm fundamentals, supported by elevated crop prices, and a strong backlog are poised to extend the ag-equipment cycle, which may drive high-single-digit revenue growth at CNH in 2023. Even if large-tractor sales rise 5-10% in 2023, surpassing midcycle levels for the third straight year, shipments would still be more than 25% below the 2013 peak. Easing manufacturing inefficiencies, cost controls and favourable pricing underpin sustained margin improvement. **Mosaic** was the top equity performer during the month rising by 7%. **Alphabet** was a large detractor during the month. Alphabet's slowdown in core search business amid a muted advertising environment is weighing on its profitability. We expect cloud will be among the main growth drivers in 2023, we believe the segment's improved profitability view amid recent layoffs is key to improved free cash expectations. The strategy is currently 31.5% allocated to equities, but we added a 4% allocation to an equity linked structured note during the month. It is linked to the performance of Biogen and Merck and pays a coupon of 10%. Capital is at risk if one of the stocks falls by more than 50%.

The strategy's fixed income positioning was a detractor for the month, but it significantly outperformed the Treasury market and the Iboxx Corporate Bond returns of -3%. We are continuing with a less volatile, shorter duration positioning. The recent rise in global government bond yields is being driven by signs of renewed vigour in global service sectors, particularly in the previously lagging euro area and Chinese/Asian economies. That, plus a resilient U.S. economy, bodes poorly for the inflation outlook once the current deceleration phase runs its course over the next six months. Inflation may prove to be more persistent than Treasury yields are pricing.

Stronger-than-expected macro data have meant that expectations of a 'no landing' scenario instead of even a soft landing have been gaining ground. At the same time, hawkish central banks are making it clear that they will need at least some kind of landing and this has unshackled peak rate expectations. January's higher-than-expected core PCE reading of 4.7% highlights the problem with a no landing scenario for the Fed. The Fed should be more assertive than the ECB, and BoE and this ought to mean weakness for high multiple US stocks, and a strong USD vs European currencies.

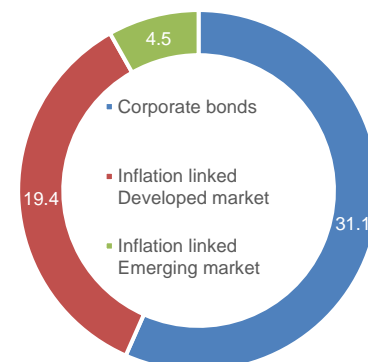
## Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

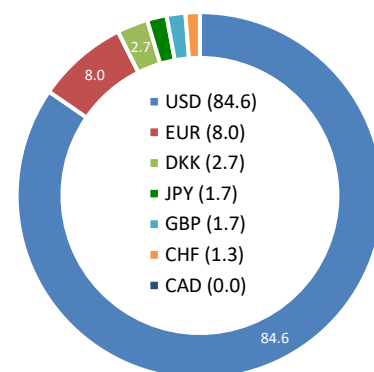
**Target return:** CPI +2% per annum

**Holdings:** 35

## Fixed Income type (% of portfolio)



## Currency (%)



## Performance attribution (%)

	Since inception	1 month
Equity	+24.9	-1.0
Fixed Income	+13.7	-1.0
Commodities	+2.6	-0.3
Alternative	-2.9	-0.0
Cash	+0.2	+0.0

Top 5 contributors	1 month return
MOSAIC CO/THE	+7.4
NOVO NORDISK A/S-B	+3.1
DANONE	+3.3
APPLE INC	+2.3
EQUINOR ASA-SPON ADR	+0.3

Bottom 5 contributors	1 month return
ISHARES IBOXX INVESTMENT GRA	-4.2
EOG RESOURCES INC	-14.5
TII 0 % 07/15/32	-2.5
ISHARES PHYSICAL GOLD ETC	-5.2
WT AT1 COCO UCITS ETF USD AC	-2.5

## Portfolio characteristics (%)

Volatility (ex-ante)	8.3
Value at Risk (Monthly 97.5%)	4.4

## Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	5.4	3.3
Annualised volatility	7.1	8.2
Sharpe ratio	0.6	0.3
Best month	4.4	5.7
Worst month	-5.6	-6.7
Max drawdown	-15.6	-16.7

**DISCLAIMER**

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

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