

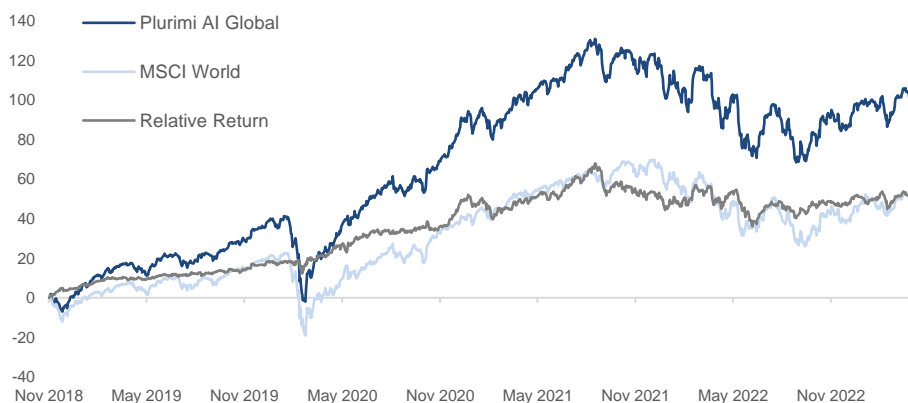
Objectives

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 - 28 Apr 2023)
Gross of all fees

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023 PW AI	7.0	-1.4	2.6	0.8									9.0
MSCI W	7.1	-2.4	3.2	1.8									9.8
2022 PW AI	-7.1	-0.3	4.2	-8.2	1.8	-12.6	9.1	-2.5	-9.7	8.2	5.9	-3.9	-16.6
MSCI W	-5.3	-2.5	2.8	-8.3	0.1	-8.7	8.0	-4.1	-9.3	7.2	7.0	-4.2	-17.9
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 - 28 Apr 2023)
Gross of all fees

Source: Bloomberg/PW

Sector exposure (%)

	PW AI	MSCI W	+/-
Communication Services	9.6	7.0	2.5
Consumer Discretionary	13.6	10.4	3.2
Consumer Staples	3.2	8.1	-4.8
Energy	8.4	5.1	3.4
Financials	21.7	15.2	6.5
Health Care	14.9	13.6	1.4
Industrials	5.8	10.9	-5.1
Information Technology	14.2	20.0	-5.7
Materials	5.7	4.3	1.3
Real Estate	0.0	2.5	-2.5
Utilities	2.8	3.0	-0.2

Regional allocation

	PW AI	MSCI W	+/-
North America	51.7	69.6	-17.9
UK	4.8	4.4	0.4
Switzerland	0.0	3.4	-3.4
Rest of Europe	32.2	12.6	19.6
Japan	9.1	6.1	3.0
Asia & EM	2.2	4.0	-1.8

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 (%)	6.7
Beta	1.1
AI predicted alpha (%)	2.7
Active share (%)	91.2

Performance indicators

	PW AI	MSCI World
Annualised return	17.3	10.1
Annualised volatility	18.6	18.7
Sharpe ratio	0.8	0.5
Best month	10.4	12.8
Worst month	-12.6	-13.2
Max drawdown	-30.5	-34.0

Holdings

	(%)
SHELL PLC	4.8
HERMES INTERNATIONAL	4.8
NOVO NORDISK A/S-B	4.4
ASML HOLDING NV	4.3
APPLE INC	3.8
MERCK & CO. INC.	3.7
EOG RESOURCES INC	3.6
BIOGEN INC	3.5
ALPHABET INC-CL C	3.4
FORTINET INC	3.4
STELLANTIS NV	3.4
ZOETIS INC	3.4
BANCO BILBAO VIZCAYA ARGENTA	3.4
AON PLC-CLASS A	3.3
MITSUBISHI UFJ FINANCIAL GRO	3.2
DANONE	3.2
LAS VEGAS SANDS CORP	3.2
ACTIVISION BLIZZARD INC	3.2
ARCELORMITTAL	3.1
VISA INC-CLASS A SHARES	3.1
CITIGROUP INC	3.0
NIPPON TELEGRAPH & TELEPHONE	3.0
HARTFORD FINANCIAL SVCS GRP	2.9
DEERE & CO	2.9
NIPPON YUSEN KK	2.9
VERBUND AG	2.8
CAPGEMINI SE	2.7
PAYPAL HOLDINGS INC	2.7
MOSAIC CO/THE	2.5
ALIBABA GROUP HOLDING-SP ADR	2.2

Source: Bloomberg/PW

Commentary

The strategy was up by 0.8% in April, lagging the MSCI World return of 1.8%.

Global equities moved higher on strong earnings from large cap technology stocks and abating fears surrounding the banking sector. Technology, and Communication sectors are up by 22% year to date, and are the primary driver of returns.

We sold **Infosys** during the month.

New additions:

Verbund is an electric utility company and operates hydro-electric, thermal, and wind power generators. The stock trades at 10x earnings and offers a dividend yield of 3%. The predictable cash flows and low beta are attractive to us as the global economy slows and equity markets moving to higher valuations.

Hermes rose by 8%. Revenue growth continues to improve, and €15 billion in sales next year is a realistic target. **Banco Bilbao Vizcaya Argentaria** rebounded from a poor March, and rose by 7%. At month end it announced profit rose more than expected in the first three months of the year as official interest-rate hikes helped offset a new windfall tax and a rise in costs. The stock trades only 6.5x forecast earnings and it pays a dividend yield of 6.5%. **Merck, Biogen and Novo Nordisk** all delivered strong returns in April as the healthcare sector outperformed the broader market and all of those stocks outperformed the sector return.

Stock selection in technology and communications sectors was a negative in April. The sectors rallied but our positions lagged the market. **ASML** fell by 7% in April. Its earnings and revenues met market expectations but Extreme ultraviolet lithography sales were slightly below consensus. The company continues to have a significant order backlog of 3.8 billion euros and the company has provided guidance that it will generate gross margins of more than 50% in 2023. **Activision** fell by 9% as the UK competition authority vetoed the acquisition by Microsoft. **Infosys** fell by 15% was sold following a disappointing earnings release and weak guidance. **Alibaba** was a large detractor falling by 17%. The near term profit outlook may be impaired by cloud service price cuts, as it attempts to defend market share and focus on longer-term growth. The stock has fallen to 11x forecast earnings, which looks like good value to us despite geo-political risks relating to US/China relations.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

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

Holdings: 30

Portfolio characteristics

	AI PW	MSCI World
Dividend Yield	2.7	2.4
Price to Earnings Ratio (P/E)	9.4	18.8
Price to Cash Flow Ratio (P/CF)	9.2	12.7
Price to Book Ratio (P/B)	1.9	2.9
Total Debt to Common Equity	187	145
Current Ratio	1.4	1.2
Est ROE	26.0	34.6
Operating Income Growth	10	-5.8
Sales Growth	12.9	6.4
Est P/E	11.7	16.3
Debt/EBITDA	3.3	3.3
Est EV/EBITDA	12.3	11.0
Profit Margin	15.0	9.3
ROC	7.1	7.0

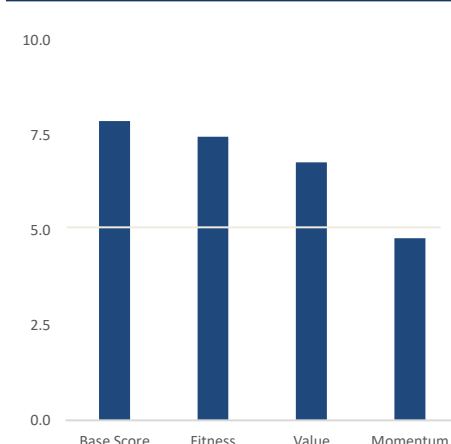
1 month performance contribution (%)

	Attribution	Top contributors	Return
Communication Services	-0.1	HERMES INTERNATIONAL	7.7
Consumer Discretionary	0.2	SHELL PLC	7.7
Consumer Staples	0.2	LAS VEGAS SANDS CORP	11.1
Energy	0.5	BIOGEN INC	9.4
Financials	0.5	MERCK & CO. INC.	8.5
Health Care	1.0		
Industrials	-0.2	Bottom contributors	Return
Information Technology	-0.9	ALIBABA GROUP HOLDING-SP ADR	-17.1
Materials	-0.4	INFOSYS LTD-SP ADR	-15.0
Real Estate	0.0	ACTIVISION BLIZZARD INC	-9.2
Utilities	0.0	ASML HOLDING NV	-6.5
		DEERE & CO	-8.4

Source: PW/Bloomberg

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Style characteristics (5 is neutral with Index)



Source: BW/PW

P L U R I M I

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