

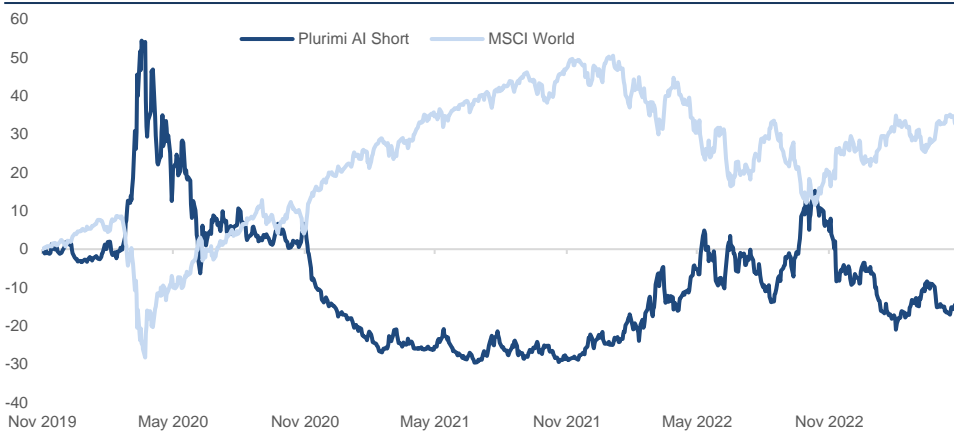
Objectives

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 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 Plurimi AI Short	-12.4	4.5	-1.4	-2.6									-12.1
MSCI World	7.1	-2.4	3.2	1.8									9.8
2022 Plurimi AI Short	6.4	3.1	4.2	10.4	-4.0	8.7	-7.6	4.7	17.2	-4.8	-13.7	1.8	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	-17.8
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 Apr 2023)
Gross of all fees and borrowing costs

Source: Bloomberg/PW

Sector exposure (%)

	AI Short	MSCI W	+/-
Communication Services	-16.6	7.0	9.6
Consumer Discretionary	-19.4	10.4	9.0
Consumer Staples	-6.8	8.1	-1.3
Energy	-3.4	5.1	-1.7
Financials	-9.7	15.2	-5.4
Health Care	-6.6	13.6	-7.0
Industrials	0.0	10.9	-10.9
Information Technology	-6.6	20.0	-13.4
Materials	-3.4	4.3	-0.9
Real Estate	-24.3	2.5	21.8
Utilities	-3.3	3.0	0.3

Regional allocation

	AI Short	MSCI W	+/-
North America	59.9	69.6	-9.7
UK	6.9	4.4	2.6
Switzerland	0.0	3.4	-3.4
Rest of Europe	17.0	12.6	4.4
Japan	10.0	6.1	4.0
Asia & EM	6.2	4.0	2.2

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	9.4%
Beta	1.2
AI predicted alpha	+3.9%

Performance indicators

	AI Short	MSCI World
Annualised return	-5.3	9.0
Annualised volatility	26.4	19.4
Sharpe ratio	-0.3	0.4
Best month	20.7	12.8
Worst month	-18.0	-13.2
Max drawdown	-54.4	-34.0

Holdings

	(%)
EQUITY RESIDENTIAL	-3.7
EQT AB	-3.6
WELLTOWER INC	-3.5
SIMON PROPERTY GROUP INC	-3.5
VODAFONE GROUP PLC	-3.5
REALTY INCOME CORP	-3.4
BRITISH LAND CO PLC	-3.4
VONOVIA SE	-3.4
INTL FLAVORS & FRAGRANCES	-3.4
DELL TECHNOLOGIES -C	-3.4
WALGREENS BOOTS ALLIANCE INC	-3.4
EISAI CO LTD	-3.4
TYSON FOODS INC-CL A	-3.4
CHARTER COMMUNICATIONS INC-A	-3.4
KINDER MORGAN INC	-3.4
RAKUTEN GROUP INC	-3.4
DELIVERY HERO SE	-3.4
ELECTROLUX AB-B	-3.3
CHINA VANKE CO LTD-H	-3.3
SOFTBANK GROUP CORP	-3.3
CELLNEX TELECOM SA	-3.3
EVERSOURCE ENERGY	-3.3
FORD MOTOR CO	-3.2
RIVIAN AUTOMOTIVE INC-A	-3.2
ALNYLAM PHARMACEUTICALS INC	-3.2
INTEL CORP	-3.2
AT&T INC	-3.1
NORTHERN TRUST CORP	-3.1
BANK OF NOVA SCOTIA	-3.1
NIO INC - ADR	-2.9

Source: Bloomberg/PW

Commentary

The strategy fell 2.6% in April, amid a rise of 1.8% from the MSCI World.

During the month the strategy added a significant short exposure to real estate and property companies in Germany, US and China.

New positions: **Charter Communications, Rakuten, Wallgreens Boots**

Charter Communications is a cable telecommunications company. Charter's 76,000 broadband subscriber additions in 1Q were fewer than its 105,000 gains in 4Q, suggesting that subscriber growth may remain muted despite the operator's rural broadband rollouts. The tepid broadband environment, combined with elevated capital spending, triggered a 63% plunge in 1Q free cash flow that may weigh on buybacks, a cornerstone of the company's narrative. **Rakuten** provides Internet services, Internet finance services mainly in Japan. The group's operating profit could remain negative through 2024. Rakuten Group's negative return on invested capital is symptomatic of its challenges and risks. **Wallgreens Boots**' sales are historically driven by its domestic pharmacy unit, but it is attempting to transform into a broader healthcare service company. We think the market is pricing an optimistic scenario which will be difficult to achieve. Walgreens has paused share buybacks which may impede performance.

Nio and Rivian were positive contributors as they fell by 25% and 17% respectively. The companies design and manufacture electric vehicles. We think all automakers are facing rising costs and slowing demand, and expect small-scale, unprofitable EV-only brands are vulnerable to further share price weakness. **Norther Trust** fell by 11% on negative revisions to earnings estimates.

Delivery Hero rose by 17%. It provides online food ordering services and remains unprofitable. Its cautious investment mirrors rivals' efforts to reach profitability, but the market is extremely competitive. Any price hikes should lead to volume losses. **Electrolux rose by 24%** on earnings that beat expectations. It is an appliance company based in Sweden. The Company's products include refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. A weakening consumer environment may pose risks to the company's revenues and profit margin going forward. **Philipps** rose by 19% on the back of strong revenue growth from a surprisingly reliant consumer. We are continuing to short the stock on the expectation that mass market consumer stocks will have to suffer margin contraction as the economic outlook slows.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

Target return: +4% - MSCI World

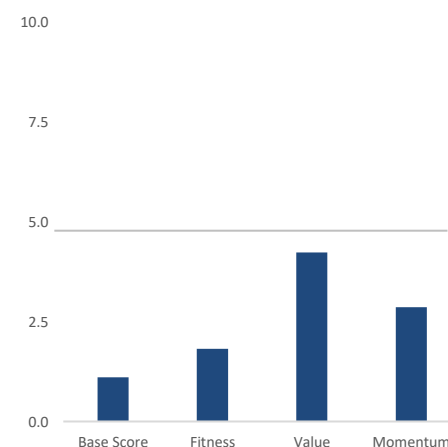
Holdings: 30

Characteristics

	AI Short Strategy	MSCI World
Dividend Yield	3.8	2.4
Price to Earnings Ratio (P/E)	-	18.8
Price to Cash Flow Ratio (P/CF)	17.0	12.7
Price to Book Ratio (P/B)	1.4	2.9
Total Debt to Common Equity	153	145
Current Ratio	1.1	1.2
Est ROE	18.8	34.6
Operating Income Growth	104	-5.8
Sales Growth	-2.8	6.4
Est P/E	25.6	16.3
Debt/EBITDA	15.2	3.3
Est EV/EBITDA	9.3	11.0
Profit Margin	-3.4	9.3
ROC	4.4	7.0

Characteristics are shown for each stock in the strategy vs. the MSCI World. As the strategy shorts stocks, items such as a dividend yield are a measure of what needs to be paid, rather than what is received as a yield.

Style characteristics (5 is neutral with Index)



1 month performance contribution (%)

	Attribution
Communication Services	-0.6
Consumer Discretionary	0.0
Consumer Staples	-0.1
Energy	0.0
Financials	0.2
Health Care	-0.7
Industrials	0.0
Information Technology	-0.1
Materials	-0.2
Real Estate	-1.2
Utilities	0.0

Source: PW/Bloomberg

Top contributors	Return
NIO INC - ADR	-25.1
RIVIAN AUTOMOTIVE INC-A	-17.2
NORTHERN TRUST CORP	-11.3
AT&T INC	-6.9
INTEL CORP	-4.9

Bottom contributors	Return
ELECTROLUX AB-B	24.0
KONINKLIJKE PHILIPS NV	18.9
DELIVERY HERO SE	17.0
VONOVIA SE	15.0
CHARTER COMMUNICATIONS INC-A	11.4

Source: PW/Bloomberg

Source: BW/PW

P L U R I M I

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