

Objectives

The objective of the Plurimi Balanced strategy is to achieve long-term capital appreciation through investments in a range of asset classes and types of investment vehicles. The strategy is a flexible and seeks to maximise returns vs a composite 50% MSCI World, 25% ICE US Treasury 7-10Y bonds and 25% iBoxx USD Liquid IG corporate bonds benchmark by employing active bottom-up stock selection, and tactical allocations across regions, styles and asset classes.

Risk and return targets

- Typical beta vs. MSCI World: 0.5
- Beta range: 0.3-0.7
- Return target: Composite benchmark +2 % per annum

Total return (%)



Total return in USD terms. (Jan 2017 - Apr 2023)
Gross of fees

Source: PW, Bloomberg

Monthly performance (%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|------|------|------|------|------|------|-----|------|------|------|------|------|-------------|
| 2023 | 4.1 | -2.3 | 2.3 | 0.6 | | | | | | | | | 4.7 |
| 2022 | -3.8 | 0.3 | 2.0 | -4.9 | 0.9 | -7.6 | 5.7 | -2.0 | -7.1 | 5.0 | 4.2 | -1.5 | -9.5 |
| 2021 | -0.7 | 1.4 | 1.2 | 4.0 | 2.7 | 0.9 | 2.7 | 2.2 | -3.0 | 1.8 | -2.3 | 2.4 | 13.9 |
| 2020 | 0.6 | -3.3 | -3.4 | 6.6 | 4.0 | 1.8 | 4.6 | 2.9 | -1.1 | -1.3 | 6.2 | 3.7 | 22.9 |
| 2019 | 2.4 | 0.7 | 1.8 | 0.8 | -0.5 | 2.8 | 0.2 | 2.6 | 0.0 | 1.2 | 1.4 | 2.4 | 17.0 |
| 2018 | 1.1 | -3.8 | -0.2 | 0.3 | 0.7 | -0.6 | 0.7 | 0.3 | -0.5 | -3.7 | 1.0 | -0.3 | -5.1 |

Total return in USD terms. (Jan 2018 - Apr 2023)
Gross of fees. Current year and previous five calendar years shown.

Source: PW, Bloomberg

Equity sector exposure (scaled to 100%)

| | Strategy | MSCI World | +/- |
|------------------------|----------|------------|------|
| Communication Services | 12.4 | 7.0 | 5.4 |
| Consumer Discretionary | 17.2 | 10.4 | 6.8 |
| Consumer Staples | 4.5 | 8.1 | -3.6 |
| Energy | 7.9 | 5.1 | 2.8 |
| Financials | 19.6 | 15.2 | 4.5 |
| Health Care | 15.5 | 13.6 | 1.9 |
| Industrials | 2.2 | 10.9 | -8.7 |
| Information Technology | 11.2 | 20.0 | -8.7 |
| Materials | 6.5 | 4.3 | 2.2 |
| Real Estate | 0.0 | 2.5 | -2.5 |
| Utilities | 3.0 | 3.0 | 0.0 |

Key points

Stock selection driven by independent research and proprietary selection models.

Top-down regional and style allocations.

Flexibility to allocate to equities, fixed income, alternatives, commodities and cash.

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.

Relative risk vs composite benchmark

| | |
|--------------------|-----|
| Tracking error (%) | 5.0 |
| Beta | 0.8 |

Performance indicators (%)

| | Strategy | Benchmark |
|-----------------------|----------|-----------|
| Annualised return | 8.7 | 6.3 |
| Annualised volatility | 9.3 | 10.4 |
| Sharpe ratio | 0.8 | 0.5 |
| Best month | 6.6 | 7.6 |
| Worst month | -7.6 | -7.4 |
| Max drawdown | -18.1 | -22.7 |

Holdings (%)

| | |
|------------------------------|------|
| NOVO NORDISK A/S-B | 3.1 |
| APPLE INC | 2.5 |
| ASML HOLDING NV | 2.5 |
| ACTIVISION BLIZZARD INC | 2.2 |
| LAS VEGAS SANDS CORP | 2.2 |
| HERMES INTERNATIONAL | 2.2 |
| HARTFORD FINANCIAL SVCS GRP | 2.2 |
| MERCK & CO. INC. | 2.0 |
| DANONE | 2.0 |
| STELLANTIS NV | 1.9 |
| VISA INC-CLASS A SHARES | 1.8 |
| CHEVRON CORP | 1.8 |
| AON PLC-CLASS A | 1.8 |
| BIOGEN INC | 1.8 |
| ARCELORMITTAL | 1.7 |
| ALPHABET INC-CL A | 1.7 |
| EOG RESOURCES INC | 1.7 |
| CITIGROUP INC | 1.6 |
| NIPPON TELEGRAPH & TELEPHONE | 1.5 |
| PAYPAL HOLDINGS INC | 1.4 |
| ALIBABA GROUP HOLDING-SP ADR | 1.4 |
| VERBUND AG | 1.3 |
| MOSAIC CO/THE | 1.1 |
| NIPPON YUSEN KK | 1.0 |
| TII 0 % 07/15/32 | 10.1 |
| ISHARES IBOXx INVESTMENT GRA | 5.6 |
| ISHARES 0-5 YR INV GRD CORP | 4.6 |
| WT AT1 COCO UCITS ETF USD | 3.1 |
| DD 4.493 11/15/25 | 3.0 |
| WFC 3 % 01/24/24 | 2.9 |
| VZ 2 % 08/15/26 | 2.7 |
| SPDR BBG EM INFLATION LINKED | 2.6 |
| F 4.346 12/08/26 | 0.9 |
| TABULA US ENHANCED INFLATION | 10.8 |
| BREXAN HOWARD AB RT G-A1 USD | 3.0 |
| SPDR GOLD SHARES | 4.4 |
| ABRDN PHYSICAL SILVER SHARES | 0.8 |
| ABRDN PHYSICAL PLATINUM SHRS | 0.8 |
| USD | 0.2 |

Source: Bloomberg

Commentary

The strategy rose by 0.6% during the month, lagging its composite benchmark which rose by 1.3%.

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. **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. **Las Vegas Sands** moved 11% higher on continued reopening of travel and growing gaming revenues in Macau.

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% and 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.

Fixed income holdings were up for the month with falling treasury yields. Small positive returns from corporate bonds were offset by weakness in the SPDR EM Inflation ETF which fell by 2%, driven largely by EM currency weakness.

The market outlook for the coming months will likely be shaped by the interaction between, Growth, Inflation and Liquidity. Growth indicators have held up well, due to China's reopening, and a strong consumer in the developed world. Western economies are likely to slow over the coming 3-6 months as the credit tightening bites, and as long as central banks continue tightening. We question if inflation will come down fast enough to let central banks stop before they break anything? Liquidity is once again being drained from the financial system by central banks. A continued contraction will add downside pressure to risk assets and expose hidden tail risks, especially in a slowing economy.

With this as a backdrop we have a small underweight in equity exposure and a shorter than benchmark duration in the strategy.

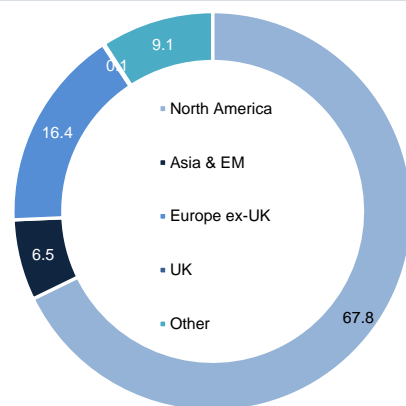
Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

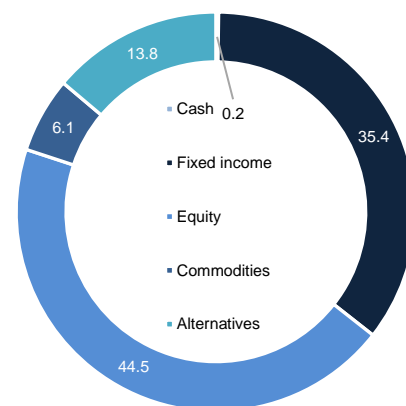
Target return: Composite benchmark +2% p.a.

Holdings: 39

Regional exposure (%)



Asset allocation (%)



1 month performance contribution (%)

| | Attribution | Top contributors | Return |
|--------------|-------------|------------------------------|--------|
| Equity | -1.1 | LAS VEGAS SANDS CORP | 11.1 |
| | | MERCK & CO. INC. | 8.5 |
| | | HERMES INTERNATIONAL | 7.7 |
| Commodities | -0.4 | BIOGEN INC | 9.4 |
| | | NOVO NORDISK A/S-B | 5.2 |
| Cash | -0.1 | | |
| | | Bottom contributors | Return |
| Fixed Income | 0.0 | ALIBABA GROUP HOLDING-SP ADR | -17.1 |
| | | INFOSYS LTD-SP ADR | -15.0 |
| | | ACTIVISION BLIZZARD INC | -9.2 |
| Alternatives | 0.2 | ASML HOLDING NV | -6.5 |
| | | ARCELORMITTAL | -6.3 |

Equity characteristics

| | Strategy | MSCI World |
|---------------------------------|----------|------------|
| Dividend Yield | 3.4 | 2.4 |
| Price to Earnings Ratio (P/E) | 10.1 | 18.8 |
| Price to Cash Flow Ratio (P/CF) | 9.8 | 12.7 |
| Price to Book Ratio (P/B) | 2.1 | 2.9 |
| Total Debt to Common Equity | 100.0 | 145 |
| Current Ratio | 1.4 | 1.2 |
| Est ROE | 20.4 | 34.6 |
| Op. Income Growth | 1.8 | -5.8 |
| Sales Growth | 9.6 | 6.4 |
| Est P/E | 12.5 | 16.3 |
| Debt/EBITDA | 3.2 | 3.3 |
| Est EV/EBITDA | 12.7 | 11.0 |
| Profit Margin | 14.4 | 9.3 |
| ROC | 10.8 | 7.0 |

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