

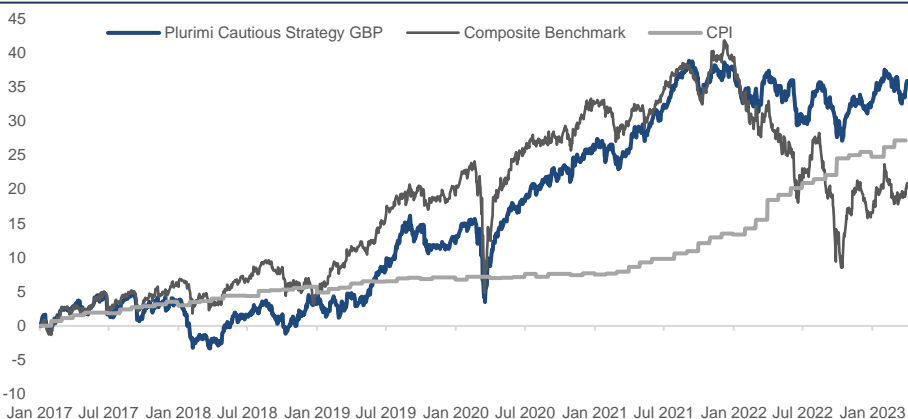
Objectives

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 GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

Risk and return targets

- Return target: CPI +2% per annum.
- Typical beta vs MSCI World: 0.4-0.6

Total return (%)



Total return in GBP terms. (Jan 2017 - Apr 2023)

Performance is compared to a composite index made up of 35% MSCI World GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

Source: Bloomberg/PW

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	2.6	-1.2	0.7	-0.1									2.0
2022	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6	-4.4	2.8	2.1	-1.0	-3.5
2021	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	9.3
2020	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	12.2
2019	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	8.6
2018	-3.8	-0.9	-0.5	1.1	2.8	-0.6	0.9	0.0	-0.9	-0.1	0.9	1.1	-0.2

Total return in GBP terms. (Jan 2018 - Apr 2023)

Gross of all fees. Current year and previous five calendar years shown.

Source: Bloomberg/PW

Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	21.6	7.0
Consumer Discretionary	0.0	10.4
Consumer Staples	5.6	8.1
Energy	12.3	5.1
Financials	15.3	15.2
Health Care	20.3	13.6
Industrials	0.0	10.9
Information Technology	12.1	20.0
Materials	9.2	4.3
Real Estate	0.0	2.5
Utilities	3.6	3.0

Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.8	2.4
Price to Earnings Ratio (P/E)	11.9	18.8
Price to Cash Flow Ratio (P/CF)	7.6	12.7
Price to Book Ratio (P/B)	2.2	2.9
Total Debt to Common Equity	37.3	145
Current Ratio	1.3	1.2
Est ROE	39.9	34.6
Op. Income Growth	3	-5.8
Sales Growth	29.9	6.4
Est P/E	12.7	16.3
Debt/EBITDA	1.1	3.3
Est EV/EBITDA	13.5	11.0
Profit Margin	11.6	9.3
ROC	16.9	7.0

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.

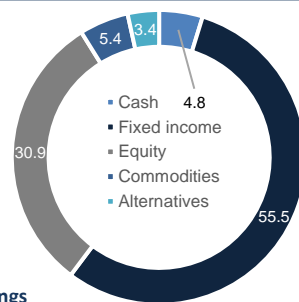
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

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 (%)

X NIKKEI 225	2.7
ACTIVISION BLIZZARD INC	2.2
APPLE INC	2.1
KDDI CORP	2.0
NOVO NORDISK A/S-B	1.9
ARCELORMITTAL	1.9
ALPHABET INC-CL A	1.9
SHELL PLC	1.8
PLUS500 LTD	1.8
EOG RESOURCES INC	1.7
VISA INC-CLASS A SHARES	1.7
DANONE	1.6
MERCK & CO. INC.	1.5
ASML HOLDING NV	1.4
ZOETIS INC	1.2
ASTRAZENECA PLC	1.1
CENTRICA PLC	1.0
HARTFORD FINANCIAL SVCS GRP	0.9
MOSAIC CO/THE	0.7
ISHARES GBP CORP BOND 0-5YR	18.5
ISHARES CORE GBP CORP	6.9
SPDR BBG EM INFLATION LINKED	6.7
WT AT1 COCO ETF GBP HEDGED	6.2
TABULA US ENHANCED INF GBPHA	5.2
ISHARES USD TIPS (GBP Hedged)	4.2
GS 3 ¼ 07/25/29	2.8
VW 2 ¼ 04/12/25	2.4
HTHROW 6 ¼ 12/03/26	1.8
EOANGR 5 ¼ 12/06/23	1.0
ISHARES PHYSICAL GOLD ETC	3.4
ISHARES SILVER TRUST	1.0
ABRDN PHYSICAL PLATINUM SHRS	1.0
BREVAN HOWARD AB RT G-A1 GBP	3.4
BRITISH POUND	4.8

Source: Bloomberg/PW

Commentary

The strategy fell by 0.1% in April, outperforming its composite benchmark which fell by 0.5%. Global equities fell by 0.1% for the month and Gilts fell by 1.8% in April.

The strategy's equities delivered a flat return for the month and we kept the equity exposure at 31%. We believe valuations and earnings may both provide headwinds for equities in the coming quarters. Our strategy owns equities trading at 13x forecast earnings, which compares to the MSCI World trading at 16x. We reduced the holding in **Novo Nordisk** as the stock continued to move higher in April. The increased prevalence of obesity and diabetes should drive continued mid-single-digit demand growth for insulin therapies, and Novo's new obesity therapy Wegovy is now significantly expanding the obesity treatment market given its strong efficacy. **Merck & Astra Zeneca** also delivered strong returns in April as the healthcare sector outperformed the broader market and all of those stocks outperformed the sector return.

We added a 1% position in **Centrica**. It is a UK utility which operates as an integrated energy company offering a wide range of home and business energy solutions. The stock trades at less than 7x forecast earnings and pays a 3% dividend yield. After stellar profits in 2022, the energy marketing and trading division's profits may stabilize well above pre-energy crisis levels thanks to attractive LNG positions.

ASML fell by 8% 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 11% as the UK competition authority vetoed the acquisition by Microsoft.

Fixed income holdings were flat for the month despite rising Gilt yields. Small positive returns from corporate bonds were offset by weakness in non-GBP holdings. The SPDR EM Inflation ETF fell by 4%, driven largely by EM currency weakness vs GBP. We added a 4% position in US Government Inflation Linked Bonds, hedged into GBP. US 10 year TIPS offer now a real yield of 1.3%, while UK Inflation linked bonds offer 0.1% real yield.

A structured note on Swatch and Stellantis was auto-called, at a 10% annualised return, leading to a 4% cash position in the strategy at month end.

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.

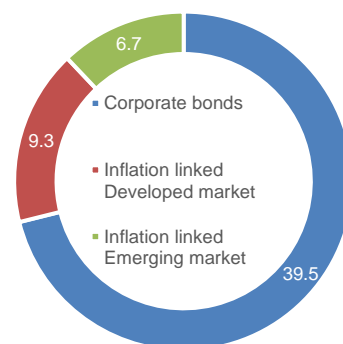
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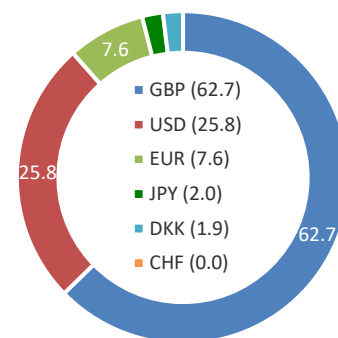
Target return: CPI +2% per annum

Holdings: 34

Fixed Income type (% of Portfolio)



Currency (%)



Performance attribution (%)

	Since inception	1 month attribution
Equity	+26.1	-0.0
Fixed Income	+9.4	-0.1
Commodity	+3.1	+0.0
Alternative	-3.5	+0.0
Cash	+0.1	+0.0

Top contributors	1 month return
NOVO NORDISK A/S-B	3.4
SHELL PLC	6.2
ISHARES GBP CORP BOND 0-5YR	0.5
MERCK & CO. INC.	6.8
DANONE	4.6

Bottom contributors	1 month return
ACTIVISION BLIZZARD INC	-10.7
SPDR BBG EM INFLATION LINKED	-3.7
ARCELORMITTAL	-7.8
ASML HOLDING NV	-8.1
MOSAIC CO/THE	-8.1

Portfolio characteristics (%)

Volatility (ex-ante)	5.7
Value at Risk (Monthly 97.5%)	3.5

Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	4.9	2.0
Annualised volatility	6.5	8.1
Sharpe ratio	0.6	0.2
Best month	4.6	6.6
Worst month	-4.4	-7.1
Max drawdown	-10.9	-22.9

P L U R I M I

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