Plurimi Growth Strategy GBP

April 2023

PLURIMI

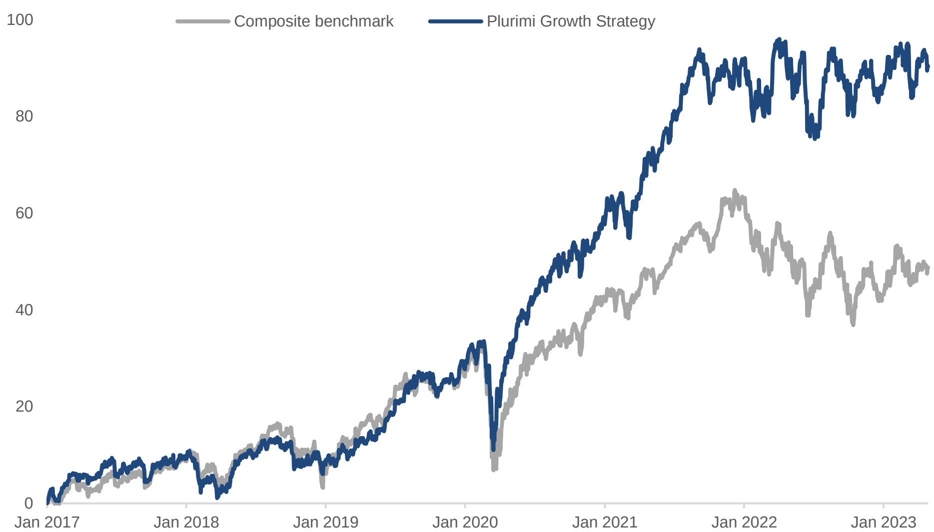
Objectives

The objective of the Plurimi Growth strategy is to achieve long-term capital appreciation through investments primarily in global stocks. The strategy is a flexible and seeks to maximise returns vs. a composite 70% MSCI World, 15% FTSE UK Gilts and 15% Markit iBoxx GBP Liquid Corporate Large Cap benchmark by employing active bottom-up stock selection, and tactical allocations across regions, styles and other asset classes.

Risk and return targets

- Typical beta vs. MSCI World: 0.8
- Beta range: 0.5-1.0
- Return target: Composite benchmark +2 % per annum.

Total return (%)



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

Source: Bloomberg

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	3.0	-0.9	0.9	-0.5									**2.5**
2022	-3.8	1.3	4.5	-2.1	0.6	-7.4	6.3	1.2	-5.3	3.9	2.2	-3.1	**-2.6**
2021	-0.6	0.3	3.5	4.8	1.3	4.1	2.5	3.8	-2.7	0.6	-0.5	2.2	**20.8**
2020	0.9	-3.0	-2.1	6.8	7.1	1.7	1.0	3.3	1.2	-2.3	4.0	3.1	**23.5**
2019	0.6	0.4	3.6	1.0	0.8	2.8	4.0	2.4	0.3	-2.1	2.1	1.6	**18.2**
2018	-2.2	-1.7	-2.0	2.4	4.1	0.1	1.6	0.8	0.0	-3.1	0.9	-1.8	**-1.0**

Total return in GBP terms. (Jan 2017 - Apr 2023)
Gross of fees. Current year and previous five calendar years shown.

Source: Bloomberg

Equity sector exposure (scaled to 100%)

	Strategy	MSCI World	+/-
Communication Services	11.5	7.0	4.5
Consumer Discretionary	14.1	10.4	3.6
Consumer Staples	5.0	8.1	-3.0
Energy	8.9	5.1	3.8
Financials	15.8	15.2	0.6
Health Care	18.5	13.6	4.9
Industrials	3.5	10.9	-7.4
Information Technology	12.5	20.0	-7.4
Materials	3.4	4.3	-0.9
Real Estate	0.0	2.5	-2.5
Utilities	3.4	3.0	0.4

Key points

Stock selection driven by independent research and proprietary selection models.

Top-down regional and style allocations.

More than 50% invested in equities, with flexibility to allocate to cash, commodities, fixed income and structured notes.

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. More than half of the exposure is allocated to equities. 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 (%)	5.8
Beta	0.8

Performance indicators (%)

	Strategy	Benchmark
Annualised return	10.7	6.5
Annualised volatility	9.3	10.2
Sharpe ratio	1.1	0.6
Best month	7.0	8.0
Worst month	-7.4	-7.9
Max drawdown	-16.9	-19.4

Holdings (%)

NOVO NORDISK A/S-B	3.7
HERMES INTERNATIONAL	3.6
DANONE	3.5
MERCK & CO. INC.	3.4
SHELL PLC	3.3
ASML HOLDING NV	3.3
APPLE INC	3.2
ZOETIS INC	3.1
KDDI CORP	2.9
EOG RESOURCES INC	2.9
BIOGEN INC	2.7
BANCO BILBAO VIZCAYA ARGENTA	2.6
ALPHABET INC-CL A	2.6
ACTIVISION BLIZZARD INC	2.5
DEERE & CO	2.5
MITSUBISHI UFJ FINANCIAL GRO	2.4
VERBUND AG	2.4
ARCELORMITTAL	2.4
STELLANTIS NV	2.3
3I INFRASTRUCTURE PLC	2.3
FORTINET INC	2.3
LAS VEGAS SANDS CORP	2.3
AON PLC-CLASS A	2.2
PAYPAL HOLDINGS INC	2.1
HARTFORD FINANCIAL SVCS GRP	1.7
ALIBABA GROUP HOLDING-SP ADR	1.6
WT AT1 COCO ETF GBP HEDGED	5.7
SPDR BBG EM INFLATION LINKED	3.5
ISHARES GBP CORP BOND 0-5YR	4.0
ISHARES PHYSICAL GOLD ETC	3.3
ABRDN PHYSICAL PLATINUM SHRS	1.5
TABULA US ENHANCED INF GBPHA	6.4
BRITISH POUND	6.3

Source: Bloomberg

Commentary

The strategy fell by 0.5% during the month, lagging its composite benchmark which fell by 0.1%.

We sold **CNH Industrial** and **LVMH** during the month. **Zoetis** was added mid month. It operates across pharmaceuticals, diagnostics and pet insurance. It is a potential beneficiary of growth in the pet-health market, and also in livestock. We believe consensus estimates of 10% growth per Anum through 2025 are too conservative. Zoetis has approximately 300 product lines sold in more than 100 countries around the world, making it one of the world's largest animal health businesses. Almost 50% of the company's total revenue is generated outside of the US. At month end **Mitsubishi UFJ Financial Group (MUFG)** was added**.** Trading at a price/book ratio of 0.6x and a dividend yield of more than 4% looks to be good value. MUFG has a strong presence in multiple banking markets in Southeast Asia that are underbanked and offer long-term secular growth. MUFG's growing presence in the U.S. market could provide profit upside if the group manages to reduce its high expense ratio there while controlling credit costs. **Alibaba** rebounded from a weak February, delivering a return of 16.4%. The company is being split into six business units, and the market reacted favourably to this news. This could result in a leaner cost structure which may deliver stronger earnings for the listed holding company. **Novo Nordisk** rose by 10%. Its growth prospects continue to look strong underpinned by its diabetes and obesity drugs. **Hermes** and **LVMH** rose by more than 7% as the luxury consumer continues ot exhibit strength. The strong performance and premium valuation were the driver of our decision to sell LVMH at month end. **Activision Blizzard** rose by 10%, moving closer to the $95 a share cash offer Microsoft has made for the company following a positive rulings in the UK and Japan relating to the impact on competition the takeover may create. Banks and financials moved lower with **Hartford Financial, and BBVA** all falling by more than 8% following the collapse of SV Bank in America and the forced merger of UBS and CS in Europe.

The strategy`s fixed income positioning was a significant detractor for the month. The strategy`s positions in subordinated bonds from European banks, through the **WT AT1 ETF** fell by 11.5%. Credit Suisse`s AT1 debt was written down to zero following its forced merger with UBS. Financial regulators in the UK and Europe have come out stating that AT1`s from banks in their jurisdictions will be treated as senior to equity in similar scenarios. AT1 bonds have been recovering over the last week of the month. There are almost no AT1 bonds (outside of Switzerland) that can be potentially written down completely (they can be temporarily written-down or converted to common equity and thus avoiding the sort of losses that CS AT1 had). Finally, while historically AT1 bonds have always been valued to first call-date, currently the market is pricing a majority of these bonds to-maturity and on a historical basis, these levels compare favourably with the risk involved in our opinion, so we are maintaining the position.

The Global economy is growing, but below potential. If the Fed is not done with its hiking cycle it is almost certainly nearing the end. A soft landing where the US economy avoids a recession remains a possibility. China is benefitting from its reopening, Europe is still benefiting from the energy crisis relief and US consumer confidence is stable. Job security still looks strong, and until something changes that the economy should continue to grow. With this back drop we continue with a pro-cyclical exposure in fixed income positioning, and prefer value equities to growth.

Strategy managers:
Patrick Armstrong, CFA
Eugen Fostiak

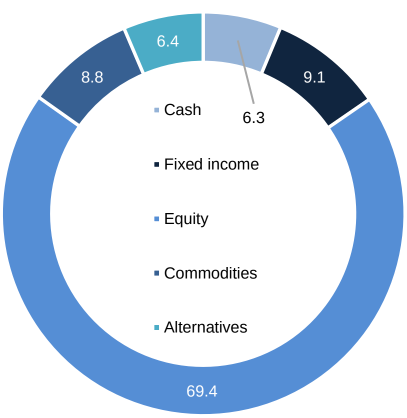
Target return: Composite benchmark +2% p.a.

Holdings: 33

Regional equity exposure (scaled to 100%)

	Strategy	MSCI W	Relative
North America	47.9	69.6	-21.7
Europe ex-UK	37.3	16.0	21.4
UK	4.8	4.4	0.4
Japan	7.7	6.1	1.6
Asia & EM	2.3	4.0	-1.7

Asset allocation (%)



1 month performance contribution (%)

	Attribution
Communication Services	-0.3
Consumer Discretionary	0.1
Consumer Staples	0.2
Energy	0.3
Financials	0.1
Health Care	0.6
Industrials	-0.3
Information Technology	-0.8
Materials	-0.2
Real Estate	0.0
Utilities	0.0

Top contributors	Return
HERMES INTERNATIONAL	5.9
MERCK & CO. INC.	6.8
SHELL PLC	6.2
BIOGEN INC	7.6
LAS VEGAS SANDS CORP	9.3

Bottom contributors	Return
INFOSYS LTD-SP ADR	-15.7
ALIBABA GROUP HOLDING-SP ADR	-18.5
ACTIVISION BLIZZARD INC	-10.7
ASML HOLDING NV	-8.1
DEERE & CO	-9.9

Equity characteristics

	Strategy	MSCI World
Dividend Yield	3.3	2.4
Price to Earnings Ratio (P/E)	12.3	18.8
Price to Cash Flow Ratio (P/CF)	10.6	12.7
Price to Book Ratio (P/B)	2.1	2.9
Total Debt to Common Equity	159	145
Current Ratio	1.3	1.2
Est ROE	28.7	34.6
Op. Income Growth	17.4	-5.8
Sales Growth	23.2	6.4
Est P/E	12.5	16.3
Debt/EBITDA	1.4	3.3
Est EV/EBITDA	12.3	11.0
Profit Margin	12.4	9.3
ROC	6.9	7.0

Source: Bloomberg

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