

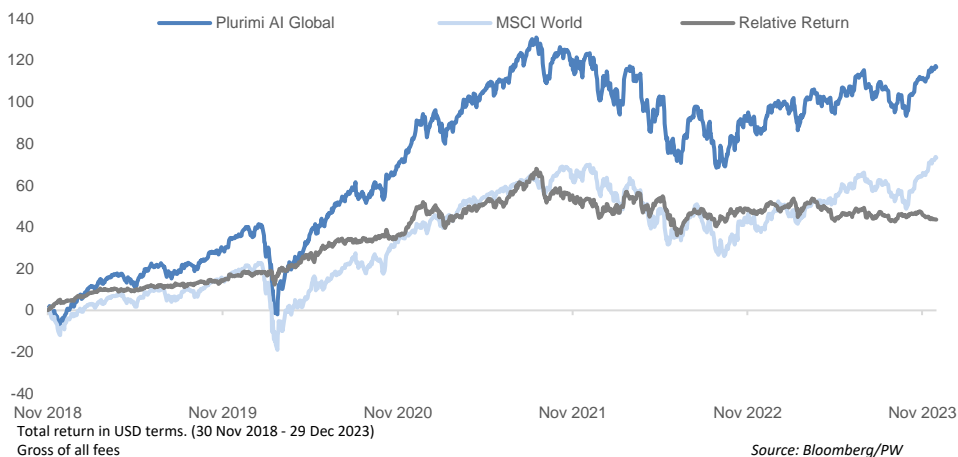
Objectives

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 (%)



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	-4.0	6.7	3.8	-3.2	-4.8	-1.3	7.7	2.9	16.7
MSCI W	7.1	-2.4	3.2	1.8	-0.9	6.1	3.4	-2.3	-4.3	-2.9	9.4	4.9	24.4
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	-3.8	-16.5
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 - 29 Dec 2023)
Gross of all fees

Source: Bloomberg/PW

Sector exposure (%)

	PW AI	MSCI W	+/-
Communication Services	4.2	7.2	-3.0
Consumer Discretionary	16.6	10.9	5.7
Consumer Staples	8.3	6.8	1.5
Energy	8.2	4.5	3.7
Financials	18.4	15.2	3.2
Health Care	13.9	12.1	1.8
Industrials	12.1	11.1	1.0
Information Technology	18.3	23.0	-4.7
Materials	0.0	4.1	-4.1
Real Estate	0.0	2.5	-2.5
Utilities	0.0	2.6	-2.6

Regional allocation

	PW AI	MSCI W	+/-
North America	55.5	71.7	-16.2
UK	7.6	3.8	3.8
Switzerland	2.9	3.0	-0.1
Rest of Europe	23.1	11.8	11.2
Japan	8.8	6.0	2.8
Asia & EM	2.1	3.6	-1.5

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 (%)	4.6
Beta	1.1
AI predicted alpha (%)	2.4
Active share (%)	85.3

Performance indicators

	PW AI	MSCI World
Annualised return	16.4	11.4
Annualised volatility	18.3	18.4
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

	(%)
NOVO NORDISK A/S-B	4.7
STELLANTIS NV	4.5
SHELL PLC	4.3
ADOBE INC	4.2
HERMES INTERNATIONAL	4.2
ALPHABET INC-CL C	4.2
APPLE INC	4.1
EOG RESOURCES INC	3.8
BANCO BILBAO VIZCAYA ARGENTA	3.7
APPLIED MATERIALS INC	3.6
ZOETIS INC	3.6
RECRUIT HOLDINGS CO LTD	3.5
MICROSOFT CORP	3.5
AMAZON.COM INC	3.4
VISA INC-CLASS A SHARES	3.3
BAE SYSTEMS PLC	3.3
HARTFORD FINANCIAL SVCS GRP	3.1
CITIGROUP INC	3.1
DANONE	3.0
CAPGEMINI SE	3.0
DEERE & CO	2.9
ROCHE HOLDING AG-GENUSSCHEIN	2.9
ASAHI GROUP HOLDINGS LTD	2.9
AON PLC-CLASS A	2.8
HUMANA INC	2.7
BUNGE GLOBAL SA	2.4
MITSUBISHI CORP	2.4
LAS VEGAS SANDS CORP	2.4
PAYPAL HOLDINGS INC	2.3
ALIBABA GROUP HOLDING-SP ADR	2.1

Commentary

The strategy was up by 2.9% in December, lagging the MSCI World return of 4.9%.

Since inception the strategy has delivered an annualized return of 16.4%, which compares to the MSCI World return of 11.4% per annum.

Recruit Holdings rose by 14%. The company announced a share buyback program of up to 2.5% of all shares outstanding. The company believes that the macroeconomic environment and the human resources matching market continue to be difficult to forecast, so in accordance with its capital allocation policy, it decided to buy back shares considering factors such as future investment capacity, share price levels, market conditions, and financial conditions. **Zoetis** rose by 12%. Zoetis' diversified companion-animal platform across pharmaceuticals, diagnostics and pet insurance appears to be well positioned to take advantage of the growth in the animal-health market, driven by heightened pet spending from younger generations, coupled with greater life expectancy for pets that require more expensive care. The company raised its dividend by 15% to 43cents per share. **Citi Group** rose by 12%. The stock benefitted from a broad rally in US bank stocks. The US yield curve remains inverted but the prospect of cuts from the Fed are increasing chances for improved interest margin for the sector.

Aon was the largest detractor falling by 11%. The insurance consulting firm fell after announcing it has entered into pact to buy NFP, a global professional services firm, for an estimated \$13.4 billion in cash and stock. Aon said deal will be funded by \$7 billion of cash and \$6.4B of Aon stock. **Bunge** fell 8%. Bunge's profit slid in the third quarter on lower sales as volumes weakened in its agribusiness. Bunge's agribusiness, which accounts for a majority of its revenue, logged lower volumes and sales for the quarter as higher results in the processing side of the business were more than offset by lower results on the merchandising side. The stock trades at less than 8x forecast earnings, which we think represents good value, and already discounts the weak volume growth of the company.

As we head into 2024 the repricing of the interest rate outlook now looks to be completed. After a strong 2023 valuation for global stocks are above the historical median. This may make it harder to extend the multiple expansion of 2023. Our base case is that global earnings growth will push equities higher in 2024. A rate cut cycle, supported by drivers from AI, and ideally a tail wind from reduced geopolitical competition.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

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

Holdings: 30

Portfolio characteristics

	AI PW	MSCI World
Dividend Yield	2.1	2.3
Price to Earnings Ratio (P/E)	17.3	20.7
Price to Cash Flow Ratio (P/CF)	15.6	14.0
Price to Book Ratio (P/B)	2.8	3.2
Total Debt to Common Equity	172	145
Current Ratio	1.3	1.2
Est ROE	24.3	30.9
Operating Income Growth	7	-0.1
Sales Growth	3.0	4.3
Est P/E	13.2	17.3
Debt/EBITDA	3.6	3.1
Est EV/EBITDA	14.5	11.6
Profit Margin	9.7	9.7
ROC	6.8	7.4

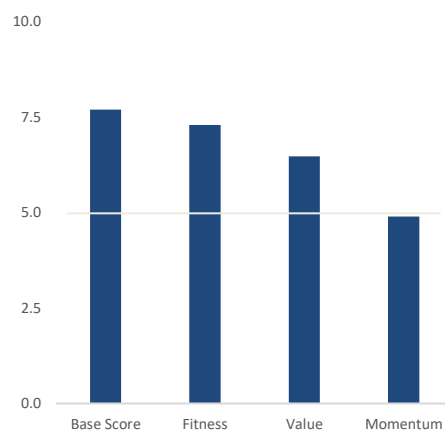
1 month performance contribution (%)

	Attribution
Communication Services	0.2
Consumer Discretionary	0.8
Consumer Staples	-0.1
Energy	0.0
Financials	0.2
Health Care	0.5
Industrials	1.0
Information Technology	0.3
Materials	0.0
Real Estate	0.0
Utilities	0.0

Top contributors	Return
RECRUIT HOLDINGS CO LTD	13.6
ZOETIS INC	11.7
CITIGROUP INC	11.6
STELLANTIS NV	7.6
APPLIED MATERIALS INC	8.2

Bottom contributors	Return
AON PLC-CLASS A	-11.4
BUNGE GLOBAL SA	-8.1
HUMANA INC	-5.4
ADOBE INC	-2.4
BANCO BILBAO VIZCAYA ARGENTA	-2.1

Style characteristics (5 is neutral with Index)



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