Plurimi Growth Strategy GBP

PLURIMI Wealth *Redesigned*

December 2023

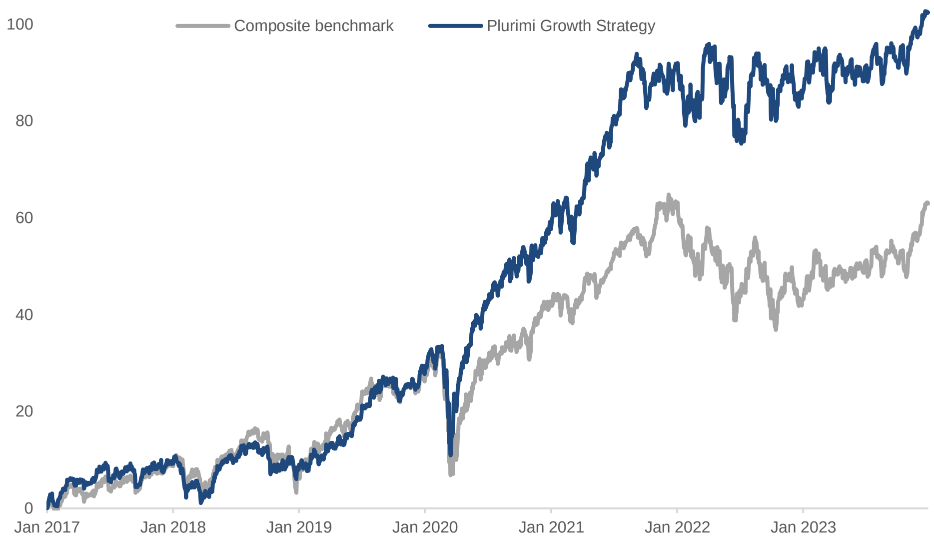
Objectives

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 - Dec 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	-1.5	2.0	2.4	-1.0	-0.8	-0.4	3.1	2.5	**9.0**
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 - Dec 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	4.6	7.2	-2.5
Consumer Discretionary	15.3	10.9	4.4
Consumer Staples	10.0	6.8	3.2
Energy	8.0	4.5	3.5
Financials	17.1	15.2	1.9
Health Care	13.8	12.1	1.7
Industrials	12.3	11.1	1.2
Information Technology	18.9	23.0	-4.2
Materials	0.0	4.1	-4.1
Real Estate	0.0	2.5	-2.5
Utilities	0.0	2.6	-2.6

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 (%)	5.6
Beta	0.8

Performance indicators (%)

	Strategy	Benchmark
Annualised return	10.6	7.2
Annualised volatility	9.1	10.0
Sharpe ratio	1.0	0.6
Best month	7.0	8.0
Worst month	-7.4	-7.9
Max drawdown	-16.9	-19.4

Holdings (%)

ADOBE INC	3.2
ZOETIS INC	3.2
APPLE INC	3.2
DANONE	3.1
ALPHABET INC-CL A	3.1
STELLANTIS NV	2.8
SHELL PLC	2.8
RECRUIT HOLDINGS CO LTD	2.8
HERMES INTERNATIONAL	2.6
APPLIED MATERIALS INC	2.6
EOG RESOURCES INC	2.6
BANCO BILBAO VIZCAYA ARGENTA	2.4
BAE SYSTEMS PLC	2.2
ROCHE HOLDING AG-GENUSSCHEIN	2.2
NOVO NORDISK A/S-B	2.1
VISA INC-CLASS A SHARES	2.1
ASAHI GROUP HOLDINGS LTD	2.0
AMAZON.COM INC	2.0
CITIGROUP INC	2.0
CAPGEMINI SE	1.9
HARTFORD FINANCIAL SVCS GRP	1.8
DEERE & CO	1.8
HUMANA INC	1.8
MICROSOFT CORP	1.8
AON PLC-CLASS A	1.8
BUNGE GLOBAL SA	1.6
LAS VEGAS SANDS CORP	1.5
MITSUBISHI CORP	1.4
ALIBABA GROUP HOLDING-SP ADR	1.3
PAYPAL HOLDINGS INC	1.3
ISHARES GBP CORP BOND 0-5YR	7.5
WT AT1 COCO ETF GBP HEDGED	4.6
ISHARES CORE GBP CORP	4.6
AM UST GOV IN-LK BD-ETF GHD	4.3
GS 3 ⅛ 07/25/29	2.6
LLOYDS 2 ¼ 10/16/24	2.3
UBS 2 ¾ 08/08/25	2.3
TABULA US ENHANCED INF GBPHA	4.3
BRITISH POUND	0.4

Source: Bloomberg

Commentary

The strategy rose by 2.5% during the month, lagging its composite benchmark which rose by 4.4%.

Recruit Holdings rose by 12.8%. 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 10.9%. 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 12%. The insurance consulting firm fell after announcing a pact to buy NFP, a global professional services firm, for an estimated $13.4 billion in cash and stock. Aon said the deal will be funded by $7 billion of cash and $6.4B of Aon stock. **Bunge** fell 9%. 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.

Fixed income instruments moved sharply higher. The repricing of the outlook for monetary policy has been very aggressive. Markets are now pricing 150bp of rate cuts from both the Fed and the ECB before the end of 2024. Corporate bonds rose by 4.8%. We expect the yield curve to steepen as longer yields rise in a “soft-landing” and Central Banks`s pivot to cuts in 2024.

After the strong rally in equities and bonds in December the re-pricing of interest rate outlook now looks to be completed. 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

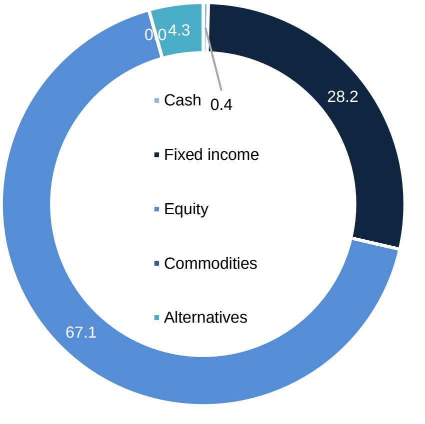
Target return: Composite benchmark +2% p.a.

Holdings: 39

Regional equity exposure (scaled to 100%)

	Strategy	MSCI W	Relative
North America	55.6	71.7	-16.1
Europe ex-UK	25.6	14.9	10.8
UK	7.5	3.8	3.7
Japan	9.3	6.0	3.3
Asia & EM	2.0	3.6	-1.6

Asset allocation (%)



1 month performance contribution (%)

	Attribution
Communication Services	0.1
Consumer Discretionary	0.4
Consumer Staples	-0.1
Energy	0.0
Financials	0.0
Health Care	0.4
Industrials	0.6
Information Technology	0.1
Materials	0.0
Real Estate	0.0
Utilities	0.0

Top contributors	Return
ZOETIS INC	10.9
RECRUIT HOLDINGS CO LTD	12.8
ISHARES CORE GBP CORP	4.8
CITIGROUP INC	10.8
WT AT1 COCO ETF GBP HEDGED	4.2

Bottom contributors	Return
AON PLC-CLASS A	-12.0
BUNGE GLOBAL SA	-8.8
HUMANA INC	-6.1
ADOBE INC	-3.1
BANCO BILBAO VIZCAYA ARGENTA	-2.8

Equity characteristics

	Strategy	MSCI World
Dividend Yield	2.4	2.3
Price to Earnings Ratio (P/E)	16.9	20.7
Price to Cash Flow Ratio (P/CF)	15.5	14.0
Price to Book Ratio (P/B)	2.7	3.2
Total Debt to Common Equity	170	145
Current Ratio	1.3	1.2
Est ROE	24.8	30.9
Op. Income Growth	10.6	-0.1
Sales Growth	7.9	4.3
Est P/E	13.4	17.3
Debt/EBITDA	3.6	3.1
Est EV/EBITDA	14.5	11.6
Profit Margin	9.7	9.7
ROC	6.5	7.4

Source: Bloomberg

P L U R I M I

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