

March 2024

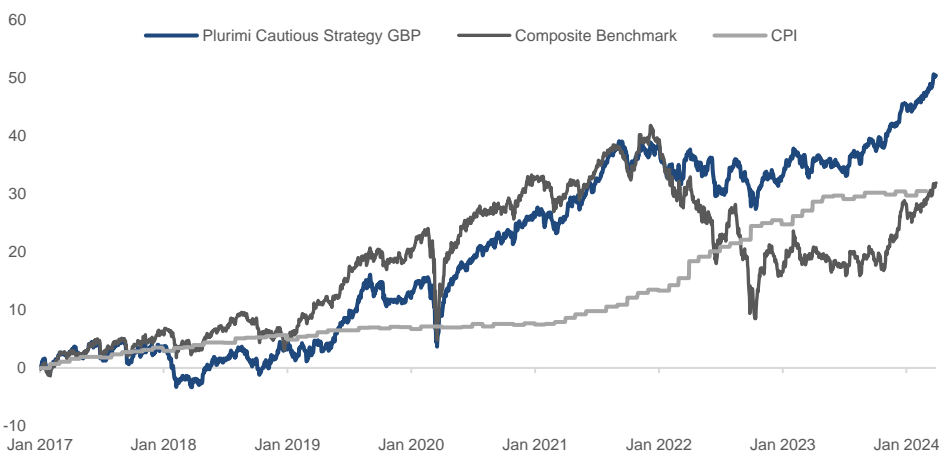
## Objectives

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 - Mar 2024)

The returns are gross and do not reflect the deduction of investment management fees, which will reduce return.

Source: Bloomberg

## Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2024</b>	0.0	1.1	2.3										<b>3.4</b>
<b>2023</b>	2.6	-1.2	0.7	-0.1	-0.6	-0.1	2.1	0.4	0.2	0.2	2.2	2.7	<b>9.5</b>
<b>2022</b>	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6	-4.4	2.8	2.1	-1.0	<b>-3.5</b>
<b>2021</b>	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	<b>9.3</b>
<b>2020</b>	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	<b>12.2</b>
<b>2019</b>	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	<b>8.6</b>

Total return for current and previous five calendar years in GBP terms. (Jan 2018 - Mar 2024)

The returns are gross and do not reflect the deduction of investment management fees, which will reduce return.

Source: Bloomberg

## Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	12.0	7.4
Consumer Discretionary	0.0	10.7
Consumer Staples	4.3	6.5
Energy	9.4	4.5
Financials	30.0	15.4
Health Care	17.7	12.0
Industrials	5.6	11.2
Information Technology	20.9	23.7
Materials	0.0	3.9
Real Estate	0.0	2.3
Utilities	0.0	2.4

## Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.6	2.2
Price to Earnings Ratio (P/E)	15.0	22.6
Price to Cash Flow Ratio (P/CF)	12.4	15.7
Price to Book Ratio (P/B)	2.7	3.3
Total Debt to Common Equity	276.3	143
Current Ratio	1.6	1.2
Est ROE	38.9	29.2
Op. Income Growth	2	3.2
Sales Growth	4.0	4.5
Est P/E	13.6	18.6
Debt/EBITDA	1.0	3.2
Est EV/EBITDA	17.2	12.4
Profit Margin	20.2	9.6
ROC	5.0	7.1

## 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.

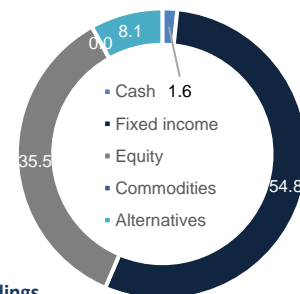
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

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 1D	3.0
NOVO NORDISK A/S-B	2.7
ALPHABET INC-CL A	2.4
BARCLAYS PLC	2.3
HARTFORD FINANCIAL SVCS GRP	2.0
GSK PLC	2.0
APPLE INC	1.9
PLUS500 LTD	1.9
MICROSOFT CORP	1.9
BAE SYSTEMS PLC	1.8
BANCO BILBAO VIZCAYA ARGENTA	1.8
VISA INC-CLASS A SHARES	1.8
APPLIED MATERIALS INC	1.7
EOG RESOURCES INC	1.6
META PLATFORMS INC-CLASS A	1.5
TENARIS SA	1.4
DANONE	1.4
ADOBE INC	1.3
ZOETIS INC	1.0
ISHARES CORE GBP CORP	14.5
ISHARES GBP CORP BOND 0-5YR	11.5
ISHARES USD TIPS GBP-H DIST	7.0
WT AT1 COCO ETF GBP HEDGED	6.2
UKT 3 ¼ 01/31/33	4.7
HTHROW 6 ¾ 12/03/26	4.0
GS 3 ¼ 07/25/29	2.6
VW 2 ¼ 04/12/25	2.3
GS 1 12/16/25	2.0
TABULA US ENHANCED INF GBPHA	4.7
BREVAN HOWARD AB RT G-A1 GBP	3.3
BRITISH POUND	1.6

Source: Bloomberg/PW

Commentary

The strategy rose 2.3% in March, in line with a rise of 2.3% from the composite benchmark.

The strategy's equities rose 4.3% in March, marginally better than the MSCI World. **Barclays** and **BBVA** rose by 11 and 20% respectively. A strong economic backdrop, better than anticipated loan growth and resilient asset quality has led to strong returns for bank stocks this month. **Tenaris** rose 11%. During the month it purchased a total of 774,526 ordinary shares for \$14.7 million as part of the company's second tranche of its buyback program. **EOG** rose by 12%. Oil prices rose by 5% to \$83 a barrel in March. **Adobe** fell 10% in March. The company reported earnings and revenues ahead of consensus, but it warned of increased competition in generative AI for images and video. Animal health company **Zoetis** fell 15%. The company faces an EU antitrust probe into concerns the company thwarted the market entry of a dog pain-relief treatment that could have rivalled its own. Investigation could lead to a formal warning from EU regulators, with the risk of a future penalty of 10% of global turnover.

We have kept the strategy with a close to neutral 35.5% position in equities. Tailwinds from strong real household income growth, a recovery in manufacturing, and a Fed which has indicated it expects to be cutting rates into a strong economic backdrop should continue to fuel the equity rally. A strong employment backdrop should see wage growth outstripping inflation in the coming three quarters, which should continue to produce disposable income growth.

Fixed income positions also rose for the month. The strategy's **TIPS** rose by 0.8%, as longer-term yields moved lower. The strategy's **Corporate bond ETF** rose by 1.8%, while short duration corporate bonds rose by 1.3%. We expect 10-year Gilt yields to continue a slow grind higher for the remainder of 2024, with a strong economy, large fiscal deficits, and looser monetary policy driving longer term yields higher.

Geopolitical risks are still elevated but the Global economy is proving to continue to be very resilient. The employment backdrop remains very strong in the United States, with wage growth above 4%, unemployment below 4% and inflation at 3.1%. Unless something negatively impacts the job market, we expect consumption to be the engine that drives economic growth.

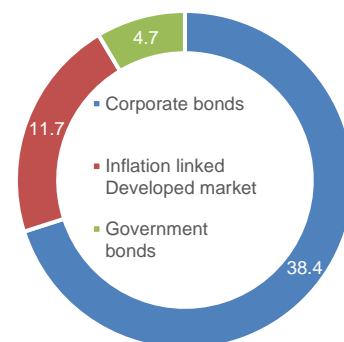
Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

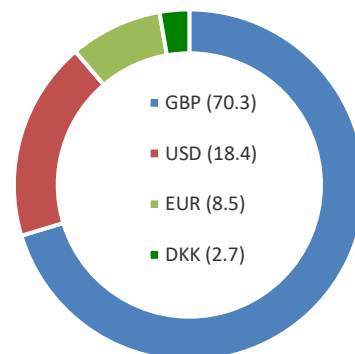
Target return: CPI +2% per annum

Holdings: 31

Fixed Income type (% of Portfolio)



Currency (%)



Performance attribution (%)

	Since inception	1 month attribution
Equity	+35.5	+1.5
Fixed Income	+15.1	+0.8
Commodity	+3.1	+0.0
Alternative	-3.4	+0.1
Cash	+0.1	+0.0

Top contributors	1 month return
BANCO BILBAO VIZCAYA ARGENTA	20.1
ISHARES CORE GBP CORP	1.8
BARCLAYS PLC	11.4
NOVO NORDISK A/S-B	8.1
ALPHABET INC-CL A	9.3

Bottom contributors	1 month return
ZOETIS INC	-14.5
ADOBE INC	-9.7
APPLE INC	-4.9
VISA INC-CLASS A SHARES	-1.0
META PLATFORMS INC-CLASS A	-0.7

Portfolio characteristics (%)

Volatility (ex-ante)	6.3
Value at Risk (Monthly 97.5%)	3.5

Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	5.8	3.9
Annualised volatility	6.2	8.2
Sharpe ratio	0.7	0.3
Best month	4.6	6.6
Worst month	-4.4	-7.1
Max drawdown	-10.7	-23.5

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