

## Objectives

The objective of the Plurimi AI Short Equity Strategy is to achieve appreciation through short selling a portfolio of global stocks. The strategy is always fully invested and rebalanced monthly with stock selection driven by artificial intelligence with machine learning techniques. The strategy can be implemented in isolation or in combination with a long equity strategy to create market neutral returns.

## Risk and return targets

- Typical Beta range -0.9 to -1.3
- Return target: +4% - MSCI World over a market cycle

## Total return (%)



Total return in USD terms. (1 Nov 2019 - 28 Jun 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 Plurimi AI Short</b>	4.7	0.3	-2.1	7.8	-5.9	1.6							5.9
MSCI World	1.2	4.3	3.3	-3.7	4.5	2.1							11.7
<b>2023 Plurimi AI Short</b>	-11.8	5.2	-0.5	-1.9	7.3	-5.2	-5.9	4.6	5.2	7.5	-7.0	-8.4	-12.6
MSCI World	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
<b>2022 Plurimi AI Short</b>	6.4	3.1	4.2	10.4	-4.0	8.7	-7.6	4.8	17.3	-4.8	-13.7	1.7	25.0
MSCI World	-5.3	-2.5	2.8	-8.3	0.1	-8.6	8.0	-4.1	-9.3	7.2	7.0	-4.2	-17.7
<b>2021 Plurimi AI Short</b>	-4.1	-1.6	-3.1	-0.4	-2.2	-2.5	6.3	-4.4	3.6	-3.4	4.6	-0.6	-8.2
MSCI World	-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
<b>2020 Plurimi AI Short</b>	4.7	10.5	20.7	-14.9	-2.7	-4.3	2.7	-7.4	2.5	1.6	-18.0	-6.3	-15.8
MSCI World	-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
<b>2019 Plurimi AI Short</b>											-0.3	-2.6	-2.9
MSCI World											2.8	3.0	5.9

Total return in USD terms. (1 Nov 2019 - 28 Jun 2024)

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

Source: Bloomberg

## Sector exposure (%)

	AI Short	MSCI W	+/-
Communication Services	-13.7	7.8	5.9
Consumer Discretionary	-12.6	10.2	2.4
Consumer Staples	-6.5	6.3	0.1
Energy	-3.3	4.3	-0.9
Financials	-10.1	14.8	-4.7
Health Care	-20.0	11.8	8.3
Industrials	-6.9	10.7	-3.8
Information Technology	-10.5	25.9	-15.4
Materials	-3.4	3.7	-0.2
Real Estate	-6.3	2.1	4.2
Utilities	-6.5	2.4	4.1

## Regional allocation

	AI Short	MSCI W	+/-
North America	50.7	73.7	-23.0
UK	3.4	3.6	-0.2
Switzerland	6.6	2.8	3.8
Rest of Europe	20.0	11.0	9.0
Japan	16.6	5.7	10.9
Asia & EM	2.9	3.3	-0.4

## 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.

Portfolio characteristics significantly underweight AI score, value, quality, and momentum stocks.

## Key risks

Capital is at risk. Equity markets are volatile and the stocks in the strategy may rise leading to capital losses for this strategy. Stocks may rise by much more than 100%, which would lead to a larger loss than size of investment. The strategy is a focused portfolio and not as diversified as the benchmark. Returns of the strategy are impacted by borrowing costs, and shorts may be bought in, which may lead to capital losses.

## Relative risk vs MSCI World (ex-ante)

Tracking error vs. short MSCI World	9.9%
Beta	1.1
AI predicted alpha	+2.8%

## Performance indicators

	AI Short	MSCI World
Annualised return	-2.9	12.3
Annualised volatility	24.8	18.2
Sharpe ratio	-0.2	0.5
Best month	20.7	12.8
Worst month	-18.0	-13.2
Max drawdown	-54.4	-34.0

## Holdings

	(%)
CHARTER COMMUNICATIONS INC-A	-3.7
ZSCALER INC	-3.7
BOEING CO/THE	-3.5
DIGITAL REALTY TRUST INC	-3.5
INTEL CORP	-3.5
US BANCORP	-3.4
AT&T INC	-3.4
VOLKSWAGEN AG-PREF	-3.4
BASF SE	-3.4
VODAFONE GROUP PLC	-3.4
BAYER AG-REG	-3.4
MICROSTRATEGY INC-CL A	-3.4
PNC FINANCIAL SERVICES GROUP	-3.4
M3 INC	-3.4
WEST JAPAN RAILWAY CO	-3.4
TAKEDA PHARMACEUTICAL CO LTD	-3.3
UBS GROUP AG-REG	-3.3
NESTE OYJ	-3.3
HUMANA INC	-3.3
PFIZER INC	-3.3
EISAI CO LTD	-3.3
EXELON CORP	-3.3
NESTLE SA-REG	-3.2
CARREFOUR SA	-3.2
EDP RENOVEVEIS SA	-3.2
LUCID GROUP INC	-3.2
NIPPON TELEGRAPH & TELEPHONE	-3.2
STARBUCKS CORP	-3.1
RIVIAN AUTOMOTIVE INC-A	-2.9
CHINA VANKE CO LTD-H	-2.9

Source: Bloomberg/PW

Commentary

The strategy rose 1.6% in June, despite a rise of 2.1% from the MSCI World. Year to date the strategy is up 5.9%, in the face of the market rally of 9.5%.

Removals: **Alnylam Pharmaceuticals**

New Addition: **MicroStrategy** has made large purchases of Bitcoin and has issued debt to make these purchases. With the advent of Bitcoin etf's we expect to see less demand for Microstrategy shares as an exchange traded play on the crypto currency. The company is not expected to make any profits in 2024.

**Neste** fell 15% and was the strongest contributor. Planned refinery shut-downs and headwinds for renewable-diesel demand have negatively impacted the shares. **China Vanke** fell 13%. The stock had a sharp rally in May, but June has seen it fall back towards new lows. High debt and weak property back drop are a dangerous combination for the company. **Carrefour** fell 13%. Rising input prices are not being passed on to the consumer, so profit margin is at risk. **Volkswagen** fell 10%. The company made a \$5 billion deal with Rivian to jointly develop battery-powered vehicles and software after VW has struggled to keep up on technology.

**Rivian** rose 23%, on the back of the VW deal. The company is not profitable, and the competitive EV market it participates in makes the prospect prospects for profit unlikely in the coming years.

**Alnylam Pharmaceuticals** rose 62%, and we closed the position after the jump. The company announced its drug vutrisiran helped reduce the number of deaths and cardiovascular events in a study of patients with a rare heart disease. This news improves the company's path to profitability.

Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

Target return: +4% - MSCI World

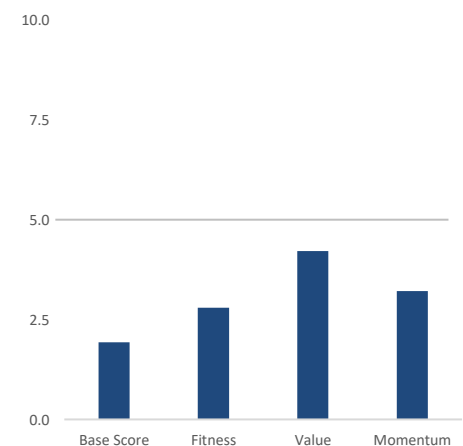
Holdings: 30

Characteristics

	AI Short Strategy	MSCI World
Dividend Yield	5.9	2.1
Price to Earnings Ratio (P/E)	28	22.9
Price to Cash Flow Ratio (P/CF)	7.9	16.3
Price to Book Ratio (P/B)	1.1	3.4
Total Debt to Common Equity	137	145
Current Ratio	1.3	1.2
Est ROE	-4.2	31.8
Operating Income Growth	27	0.7
Sales Growth	-1.3	3.9
Est P/E	17.0	18.5
Debt/EBITDA	5.3	3.2
Est EV/EBITDA	7.9	12.4
Profit Margin	2.5	9.5
ROC	4.5	7.0

Characteristics are shown for each stock in the strategy vs. the MSCI World. As the strategy shorts stocks, items such as a dividend yield are a measure of what needs to be paid, rather than what is received as a yield.

Style characteristics (5 is neutral with Index)



Source: BW/PW

1 month performance contribution (%)

Equity sector	Attribution	Top contributors	Return
Communication Services	-0.1	NESTE OYJ	-14.8
Consumer Discretionary	-0.1	CARREFOUR SA	-13.1
Consumer Staples	0.6	CHINA VANKE CO LTD-H	-13.2
Energy	0.5	EDP RENOVAVEIS SA	-12.5
Financials	0.3	VOLKSWAGEN AG-PREF	-9.5
Health Care	-1.5		
Industrials	0.1	Bottom contributors	Return
Information Technology	-0.2	ALNYLAM PHARMACEUTICALS INC	61.8
Materials	0.3	RIVIAN AUTOMOTIVE INC-A	22.9
Real Estate	0.2	ZSCALER INC	13.1
Utilities	0.7	DIGITAL REALTY TRUST INC	5.5
		AT&T INC	4.9

Source: PW/Bloomberg

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