

September 2024

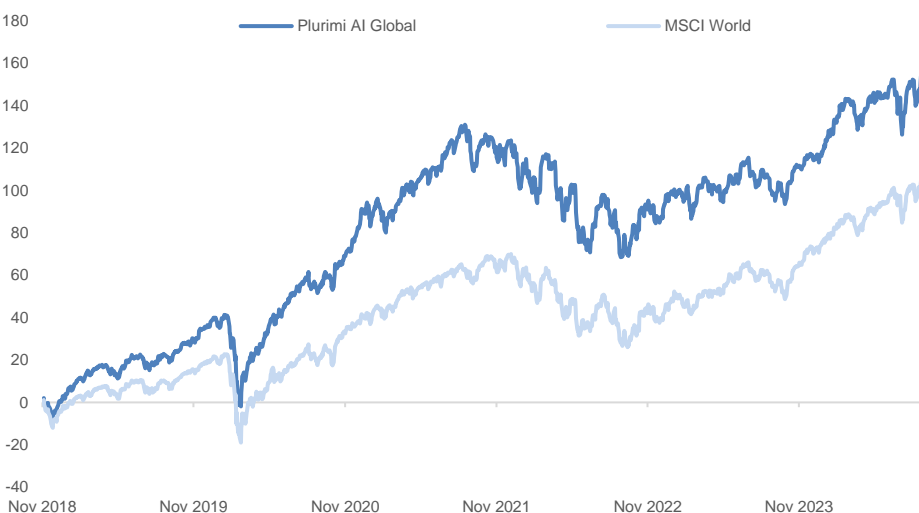
Objectives

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 (%)



Total return in USD terms. (30 Nov 2018 - 30 Sep 2024)

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	1.5	5.8	4.4	-4.6	4.7	0.6	-0.2	3.5	2.0				18.7
2023	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
2022	-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
2021	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
2020	-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
2019	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
2018												-3.6	-3.6

Total return in USD terms. (30 Nov 2018 - 30 Sep 2024)

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

Source: Bloomberg

Sector exposure (%)

	PW AI	MSCI W	+/-
Communication Services	11.5	7.6	3.9
Consumer Discretionary	12.9	10.3	2.6
Consumer Staples	9.3	6.5	2.8
Energy	5.8	3.9	1.9
Financials	13.7	15.4	-1.7
Health Care	9.4	11.7	-2.3
Industrials	17.1	11.1	6.0
Information Technology	14.5	24.7	-10.2
Materials	3.0	3.8	-0.8
Real Estate	0.0	2.3	-2.3
Utilities	2.9	2.7	0.2

Regional allocation

	PW AI	MSCI W	+/-
North America	65.0	73.5	-8.5
UK	3.0	3.6	-0.6
Switzerland	2.8	2.8	0.0
Rest of Europe	11.9	11.1	0.7
Japan	14.0	5.6	8.4
Asia & EM	3.2	3.3	-0.1

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 (%)	4.5
Beta	1.0
AI predicted alpha (%)	2.9
Active share (%)	86.7

Performance indicators

	PW AI	MSCI World
Annualised return	17.6	13.2
Annualised volatility	17.5	17.4
Sharpe ratio	0.9	0.6
Best month	10.4	12.8
Worst month	-12.6	-13.2
Max drawdown	-30.5	-34.0

Holdings

	(%)
NVIDIA CORP	4.4
RECRUIT HOLDINGS CO LTD	4.3
META PLATFORMS INC-CLASS A	4.3
ALPHABET INC-CL C	4.2
HARTFORD FINANCIAL SVCS GRP	3.9
APPLIED MATERIALS INC	3.8
PAYPAL HOLDINGS INC	3.6
HITACHI LTD	3.5
DR HORTON INC	3.4
GENERAL ELECTRIC	3.4
WALMART INC	3.4
EOG RESOURCES INC	3.3
OLYMPUS CORP	3.3
ZOETIS INC	3.3
HERMES INTERNATIONAL	3.2
CITIGROUP INC	3.2
ALIBABA GROUP HOLDING-SP ADR	3.2
SERVICENOW INC	3.2
ADOBE INC	3.1
3M CO	3.1
FREEMPORT-MCMORAN INC	3.0
ASSOCIATED BRITISH FOODS PLC	3.0
VISA INC-CLASS A SHARES	3.0
AMAZON.COM INC	3.0
PUBLICIS GROUPE	2.9
KANSAI ELECTRIC POWER CO INC	2.9
DANONE	2.9
ROCHE HOLDING AG-GENUSSCHEIN	2.8
DASSAULT AVIATION SA	2.8
DEVON ENERGY CORP	2.5

Source: Bloomberg/PW

Commentary

The strategy was up by 2.0% in September, beating the MSCI World return of 1.9%.

We did not make any changes during the month. The Federal Reserve cut interest rates by 0.5% in mid-month pushing equity markets higher. Towards month end the Chinese government put a significant monetary and fiscal stimulus package in place, pushing stocks with Chinese exposure sharply higher.

Alibaba was a noteworthy beneficiary of the stimulus, and it was the largest monthly contributor rising 27%. **Freeport-McMoran** also rallied on Chinese policy. The stock rose 13%, as copper prices rose by 7%. **Meta** rose 10%. Analysts continued to raise their profit estimates for the company following strong guidance in July. **Paypal** rose by 8%. The market is rewarding new partnerships Paypal has announced with companies such as Amazon, Adyen and Shopify.

Adobe fell 10%. The company delivered revenue guidance which was slightly below consensus expectations early in the month. We continue to own the stock as the company's diversified product set across digital media is leading to strong growth from professionals, content creators, developers, advertisers, and publishers. Adobe's large recurring subscription revenue stream, coupled with attractive margin structure provides attractive profitability characteristics. **Devon Energy** fell 12% and **EOG** fell 5% respectively. Oil prices fell by more than 5%, dragging energy shares down. We remain attracted to the undemanding valuations of the stocks and like the characteristics should geo-political events create a spike higher in oil prices.

We have our strategies positioned with a small overweight in equity as we enter the fourth quarter. An economy that is expanding combined with looser central bank policy sets stage for equity rally into year end. We continue with a pro-cyclical positioning as we enter the fourth quarter, with significant overweights in industrials and consumer discretionary sectors.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

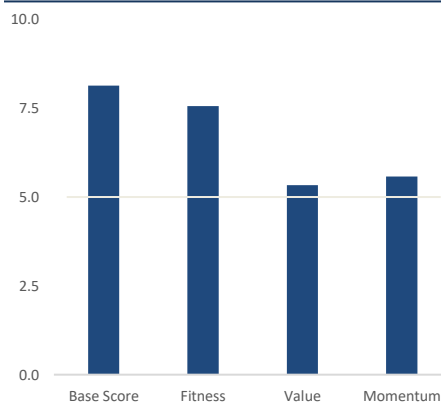
Target return: MSCI World +3% p.a.

Holdings: 30

Portfolio characteristics

	AI PW	MSCI World
Dividend Yield	1.4	2.0
Price to Earnings Ratio (P/E)	20.7	24.1
Price to Cash Flow Ratio (P/CF)	15.6	17.1
Price to Book Ratio (P/B)	3.5	3.6
Total Debt to Common Equity	126	144
Current Ratio	1.3	1.2
Est ROE	27.9	34.6
Operating Income Growth	12.0	1.1
Sales Growth	3.2	3.6
Est P/E	17.2	18.9
Debt/EBITDA	3.4	3.2
Est EV/EBITDA	15.9	12.5
Profit Margin	10.5	9.4
ROC	7.5	6.9

Style characteristics (5 is neutral with Index)



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Top contributors	Return
ALIBABA GROUP HOLDING-SP ADR	27.3
META PLATFORMS INC-CLASS A	9.9
FREEPORT-MCMORAN INC	12.7
GENERAL ELECTRIC	8.2
PAYPAL HOLDINGS INC	7.7
Bottom contributors	Return
ADOBE INC	-9.9
DEVON ENERGY CORP	-11.7
KANSAI ELECTRIC POWER CO INC	-5.6
ROCHE HOLDING AG-GENUSSSCHEIN	-5.3
EOG RESOURCES INC	-4.6