

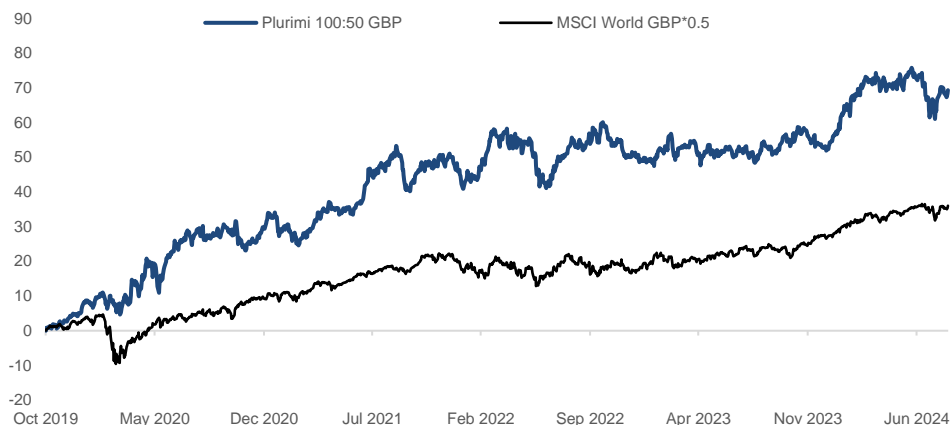
Objectives

The objective of the Plurimi AI Long/Short Equity Strategy is to achieve capital appreciation through a combination of owning a portfolio of global stocks with attractive valuation, growth and quality factors and shorting stocks with poor quality, momentum and value characteristics. The strategy combines a 100% allocation to the Plurimi Global Equity strategy and 50% allocation to the Plurimi AI short strategy and is rebalanced monthly. Stock selection is driven by artificial intelligence with machine learning techniques.

Risk and return targets

- Typical Beta range 0.3 to 0.6
- Return target: 50% of MSCI World return + 5% per annum

Total return (%)



Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024 Plurimi AI Long Short	3.5	5.5	3.0	-0.9	0.2	1.2	-3.5	1.6					10.9
MSCI W*0.5	0.7	2.5	1.7	-1.4	1.4	1.4	0.1	0.2					6.7
2023 Plurimi AI Long Short	-0.6	1.9	0.6	-1.5	-0.5	2.1	0.0	-0.8	-0.5	2.2	1.2	-2.2	1.9
MSCI W*0.5	2.3	-0.4	0.5	0.1	0.2	1.7	1.1	-0.4	-0.3	-1.2	2.4	2.1	8.5
2022 Plurimi AI Long Short	-4.1	1.8	6.6	-1.4	-0.1	-6.7	4.8	2.0	0.4	3.3	-2.6	-3.1	0.0
MSCI W*0.5	-2.2	-1.3	2.4	-1.9	-0.1	-2.6	3.9	0.1	-2.7	2.0	1.7	-2.6	-3.5
2021 Plurimi AI Long Short	-1.6	-0.5	1.5	4.6	-0.5	1.9	6.1	2.3	-2.0	0.9	0.7	1.8	15.9
MSCI W*0.5	-0.7	0.4	2.4	2.2	-0.6	2.2	0.6	1.8	-1.1	2.0	0.7	0.9	11.2
2020 Plurimi AI Long Short	2.3	-0.2	2.0	1.3	8.7	2.0	4.9	-0.5	0.7	-0.5	-1.6	3.2	24.2
MSCI W*0.5	0.0	-2.7	-5.3	4.5	3.5	1.4	-0.7	2.3	0.0	-1.5	4.6	0.9	6.8
2019 Plurimi AI Long Short											2.0	2.1	4.2
MSCI W*0.5											1.4	0.3	1.7

Total return in GBP terms. (1 Nov 2019 - 30 August 2024)
Net of annual 1.7% management and custody fees.

Source: Bloomberg/PW

Sector exposure and valuations

	AI Short *0.5	AI Long	Total		AI Long Short	MSCI W *0.5	Relative
Communication Serv.	-8.6	11.3	2.7	North America	41.8	36.6	5.2
Consumer Discretionary	-7.9	12.2	4.3				
Consumer Staples	-4.9	9.3	4.3	UK	1.5	1.8	-0.4
Energy	0.0	6.4	6.4	Switzerland	-0.3	1.5	-1.7
Financials	-5.2	13.7	8.5				
Health Care	-8.3	9.4	1.1				
Industrials	-4.9	17.1	12.2	Rest of Europe	-1.5	5.6	-7.0
Information Technology	-3.3	14.8	11.6	Japan	5.9	2.9	3.0
Materials	-1.7	2.7	1.0				
Real Estate	-1.8	0.0	-1.8	Asia & EM	2.6	1.7	0.9
Utilities	-3.5	3.2	-0.3				

Key points

Bottom-up stock selection driven by Artificial Intelligence (AI) and machine learning. Evaluating more than 5000 global companies.

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 positions in the strategy may rise leading to capital losses for this strategy. 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.

Risk (ex-ante), against MSCI World for relative

	100:50	MSCI W
Value at Risk (monthly 97.5%)	5.5%	7.4%
Beta	0.5	1.0
Volatility	9.7%	13.1%
AI predicted alpha	4.6%	0.0%

Performance indicators (%)

	AI 100:50	MSCI World
Annualised return	11.5	12.7
Annualised vol.	9.4	13.1
Sharpe ratio	1.0	0.8
Best month	8.7	9.3
Worst month	-6.7	-10.6
Max drawdown	-10.9	-26.1

Yield & earnings characteristics

	AI Long	AI Short	Net
Dividend Yield	1.5	6.1	3.5
Est P/E	16.9	18.8	15.1
Price to Cash Flow Ratio (P/CF)	15.3	9.0	40.7

Top 10 positions

Longs	Shorts
RECRUIT HOLDINGS CO LTD	PNC FINANCIAL SERVICES GROUP
NVIDIA CORP	SARTORIUS AG-VORZUG
ALPHABET INC-CL C	DIGITAL REALTY TRUST INC
META PLATFORMS INC-CLASS A	EXELON CORP
HARTFORD FINANCIAL SVCS GRP	NIPPON TELEGRAPH & TELEPHONE
APPLIED MATERIALS INC	AT&T INC
ADOBE INC	VODAFONE GROUP PLC
EOG RESOURCES INC	BAYER AG-REG
DR HORTON INC	US BANCORP
PAYPAL HOLDINGS INC	EDP RENOVAVEIS SA

Source: Bloomberg/PW

The strategy rose by 1.6% in net terms for the month against the MSCI World return of 0.6% in GBP terms. Since inception, the strategy has delivered an annualised return of 11.5% against the MSCI World index return of 12.7%.

Longs:

The strategy rose by 1.1% (+3.5% USD terms) in August.

New additions were the driver of the outperformance. At the beginning of the month, we added **Walmart**. It was the strongest contributor in August rising by 13.1% in August on the back of strong earnings and aggregate retail sales numbers. Walmart should be well positioned to expand its market share in the current environment where customers are becoming more cost conscious. Its scale and e-commerce gains and cost control are all driving higher profits for the company. ServiceNow rose 5.4% following its addition. **ServiceNow** provides enterprise information technology management software. The company designs, develops, and markets cloud computing platforms. 95% of revenue comes from subscriptions which makes it very predictable. The company's recent investor day highlighted a clear demand for its automation services, which are driving strong sales and margin growth. Dassault Aviation +7.5% since it was added. Dassault Aviation manufactures military aircraft, business jets, and space systems. The stock trades at less than 15x forecast earnings, and it should benefit from a longer-term trend of increased defense spending. **3M** rose 7.1% following its addition. 3M Company has operations in electronics, telecommunications, industrial, consumer and office, health care, and safety. A cost cutting program initiated in 2023 has led to margin expansion exceeding consensus expectations in recent quarters. **Roche** rose 5.7% after its addition. Roche is one of the world's largest pharmaceutical companies which operates in two divisions, Pharmaceuticals and Diagnostics. Roche's raised full-year earnings guidance in July and clinical trials have shown some early-stage success in obesity assets.

Meta rose 10%, as it significantly raised its revenue guidance for the coming quarter. **Hitachi** was the third largest contributor rising by 12.3% following strong earnings report with a wave of analyst upgrades.

Applied Materials was the most significant detractor in August, falling 6.9%. The stock suffered from tensions between US and China on potential increased chip restrictions attempting to cut China off from advanced technology. **Alphabet** fell 4.6%. It reported earnings that beat expectations, but its outlook was lower than some estimates.

Short:

The strategy rose by 1.7% (-0.7% USD terms) in August.

New additions:

Sartorius manufactures and markets precision electronic equipment and components. The stock trades at 61x forecast earnings and the company recently cut its revenue targets for the year amid a prolonged slump in demand for lab equipment and services from pharma companies and China. Softbank is a Japanese conglomerate owning stakes in a wide variety of technology companies. SoftBank's weaker-than-expected 1Q results highlight our concerns over the company's AI execution risks. Arm accounts for 55% of SoftBank's holdings value, and possible exuberance over AI appears may fade. Kering designs, manufactures, and markets fashion and leather goods. The company's biggest brand, Gucci, is facing difficult headwinds. A weakening Chinese luxury consumer is hampering the company's margins and it has had difficulty reinvigorating growth and profitability over recent quarters.

Intel was the strongest contributor falling 27%. The company delivered a weak outlook and continues to lose market share. **MicroStrategy** fell 18%. The company is now essentially a levered play on bitcoin. With advent of Bitcoin etf's we expect investors looking to gain listed market exposure here will reduce demand for the company's shares. Rivian fell 14%. **Rivian** reported a worse-than-expected loss in the second quarter while revenue came in higher than analyst projections. The company continues to lose money, and it is battling in a very competitive market.

Starbucks was the largest detractor as it rose 22% following the appointment of a new CEO. The market is now pricing in a turnaround for growth that we consider may be difficult to achieve. **Lucid** continues to face cash flow woes and we have concern about its viability. The company continues to produce negative cashflow, but it did receive a \$1.5 billion commitment from a Saudi Arabian fund which alleviated some of the market's concerns. The stock jumped 14% during the month, but it is still short of the multi-billions of capital it needs to survive the coming years in our opinion.

Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

Target return: 50% MSCI World +5% p.a.

Holdings: 30 Long, 30 Short

Available formats:

Segregated account

UBS issued Actively Managed Certificates

ISIN:

GBP: CH0552928746

USD: CH0550137639

EUR: CH1141734074

Daily Pricing from UBS

Source: UBSF on Bloomberg

DISCLAIMER

The information and opinions expressed in this publication were produced by Plurimi Wealth LLP (Plurimi). This publication is intended for information purposes only and does not constitute an offer, a recommendation or an invitation by, or on behalf of Plurimi to make any investments. Opinions and comments of the authors reflect their current views, but not necessarily of other Plurimi entities or any other third party. This publication has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, an investor should consider the suitability of the transaction against their individual circumstances and objectives. Any investment or trading or other decision should only be made after a review of the relevant product term sheet, subscription agreement, information memorandum, prospectus or other offering document relating to the issue of the securities or other financial instruments. Nothing in this publication constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate for an investor's circumstances, or otherwise constitutes a personal recommendation for any specific investor. Plurimi recommends that you independently assess, with a professional advisor, the specific financial risks as well as legal, regulatory, credit, tax and accounting consequences. Past performance is not a reliable indicator of future results. Performance forecasts are not a reliable indicator of future performance. An investor may not get back the amount invested or may be required to pay more. Although the information and data herein are obtained from sources believed to be reliable, no representation is made that the information is accurate or complete. Plurimi do not accept liability for any loss arising from the use of this publication. This publication cannot be reproduced or used for any other purpose and can only be distributed in countries where its distribution is legally permitted. This publication may relate to investments or services of an entity/person outside the UK, or to other matters which are not regulated by the FCA, or in respect of which the protections of the FCA for retail clients and/or the UK Financial Services Compensation Scheme may not be available. Further details as to where this may be the case are available on request in respect to this document, please contact your Plurimi Relationship Manager.

Plurimi Wealth LLP, a limited liability partnership, is incorporated in England & Wales with registered number OC326895. Authorised and Regulated by the Financial Conduct Authority ("FCA") 466728.