

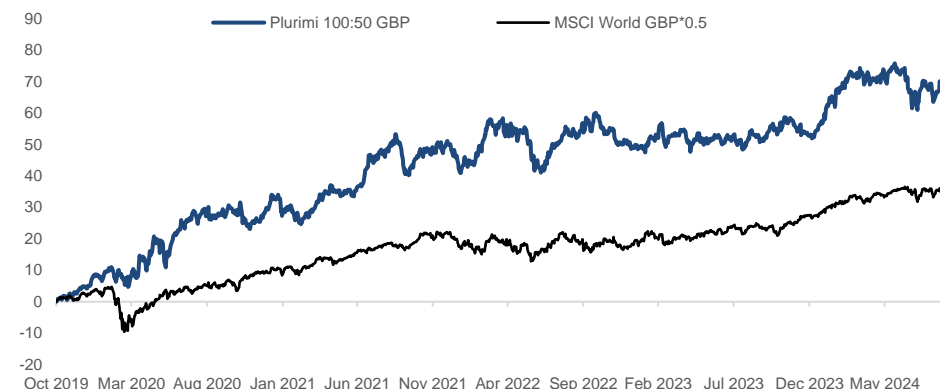
Objectives

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	0.4				11.3
MSCI W*0.5	0.7	2.5	1.7	-1.4	1.4	1.4	0.1	0.2	-0.1				6.5
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 September 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.	-8.9	11.5	2.6	North America	42.2	36.8	5.4
Consumer Discretionary	-7.6	12.9	5.2				
Consumer Staples	-3.4	9.3	5.9	UK	-0.5	1.8	-2.2
Energy	0.0	5.8	5.8	Switzerland	-0.5	1.4	-1.9
Financials	-6.9	13.7	6.8				
Health Care	-6.5	9.4	2.8				
Industrials	-6.4	17.1	10.7	Rest of Europe	-0.2	5.6	-5.8
Information Technology	-3.4	14.5	11.1	Japan	5.8	2.8	3.0
Materials	-1.8	3.0	1.2				
Real Estate	-1.7	0.0	-1.7	Asia & EM	3.2	1.6	1.6
Utilities	-3.4	2.9	-0.5				

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%)	5.4%	7.3%
Beta	0.5	1.0
Volatility	9.5%	12.8%
AI predicted alpha	4.6%	0.0%

Performance indicators (%)

	AI 100:50	MSCI World
Annualised return	11.4	12.4
Annualised vol.	9.3	13.0
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	1.4	5.6	3.3
Est P/E	17.2	18.4	15.8
Price to Cash Flow Ratio (P/CF)	15.6	10.0	30.3

Top 10 positions

Longs	Shorts
NVIDIA CORP	SARTORIUS AG-VORZUG
RECRUIT HOLDINGS CO LTD	PNC FINANCIAL SERVICES GROUP
META PLATFORMS INC-CLASS A	VERIZON COMMUNICATIONS INC
ALPHABET INC-CL C	VODAFONE GROUP PLC
HARTFORD FINANCIAL SVCS GRP	BASF SE
APPLIED MATERIALS INC	STARBUCKS CORP
PAYPAL HOLDINGS INC	ESTEE LAUDER COMPANIES-CL A
HITACHI LTD	MICROSTRATEGY INC-CL A
DR HORTON INC	BAYER AG-REG
GENERAL ELECTRIC	NIPPON TELEGRAPH & TELEPHONE

Source: Bloomberg/PW

The strategy rose by 0.4% in net terms for the month against the MSCI World return of -0.4% in GBP terms. Since inception, the strategy has delivered an annualised return of 11.4% against the MSCI World index return of 12.4%.

Longs:

The strategy was flat (+2.0% USD terms) in September.

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.

Short:

The strategy rose by 1.2% (-0.8% USD terms) in September.

New additions: HSBC HOLDINGS PLC, MITSUI & CO LTD.

The strategy continued to benefit from short positions in EV companies, with **Rivian** falling 21%, and **Lucid** falling 12% in September despite the broad equity rally. We do not see a clear path to profitability for these companies in a very competitive market. **Boeing** continued to plunge in September, falling 12% as the company suffers from safety concerns, and regulatory issues. At month end the National Transportation Safety Board has more concerns about Boeing's planes. Healthcare companies **Eisai** and **Humana** both also fell by 10%, as their pricing power appears to be being questioned by the market.

Microstrategy was the most significant detractor. The company rose 27% during the month, on the back of higher Bitcoin prices. We continue to short the stock, based on what we think is a questionable business model of owning bitcoin on a levered basis. **Carrerfour** rose 11% before we closed the position. The company delivered better sales and higher margins than we expected during the month. **AT&T** rose almost 10%. The heavily indebted company benefited from falling interest rates and the Fed's cut early in the month. We continue to question the company's long term growth, as its already faces significant competition and disruptive technology will likely continue to create new competition in the communications sector.

We added new short in **HSBC**. HSBC's commercial real-estate loans could drive credit costs higher and weaken capital adequacy in 2025. The stock may suffer earnings drags from margin squeeze and provision pressure on Hong King property loans. **Mitsui** has operating groups including iron and steel, non-ferrous metals, machinery, chemicals, foods, energy, textiles, and general merchandise. Mitsui also operates real estate and overseas development projects. The company has suffered negative earnings estimates following weak guidance over the summer.

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

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