

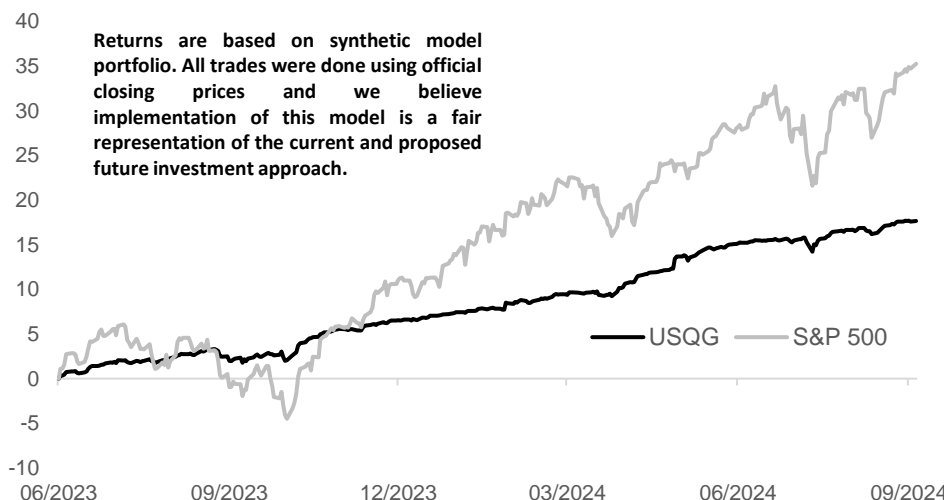
### Objectives

The objective of the Plurimi US Quality Growth Derivative Strategy is to achieve consistent returns through investments in cash, bonds, equity derivatives (short positions) and equity positions. The strategy is generally allocated to cash, with short put options on quality growth companies used to generate a premium and create a buying discipline on stocks at levels below current prices. Stock selection is aided by artificial intelligence with machine learning techniques.

### Risk and return targets

- Typical beta: 0.2 (Can rise towards 1 in equity selloffs)
- Beta range 0.0-1.0
- Return target: US Libor +4% per annum

### Total return (%) Simulated Strategy Model returns from inception



Returns are based on synthetic model portfolio. All trades were done using official closing prices and we believe implementation of this model is a fair representation of the current and proposed future investment approach.

Total return in USD terms. (June 26 2023 – September 30 2024). These are simulated model portfolio returns, which are gross of trading commissions and do not reflect the deduction of investment management fees, which will reduce return. Source: Plurimi Wealth Bloomberg

### Monthly model performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2024 USQG</b>	+0.7	+1.0	+0.9	+1.0	+2.3	+1.4	+0.3	+1.1	+0.7				+10.3
S&P 500	+1.7	+4.8	+3.8	+5.0	+3.6	+1.2	+3.8	+2.4	+2.1				+22.1
<b>2023 USQG</b>						+0.8	+1.3	+0.9	-0.1	+0.5	+2.6	+1.0	+6.6
S&P 500						+2.7	+3.2	-1.5	-4.9	-2.1	+9.1	+4.5	+11.0

Total return in USD terms. (June 26, 2023 – September 30 2024). These are simulated model portfolio returns, which are gross of trading commissions and do not reflect the deduction of investment management fees, which will reduce return. Source: Plurimi Wealth Bloomberg

### Sector exposure (%) on notional of Derivatives

	USQG	S&P 500	+/-
Communication Services	17.6	8.6	9.0
Consumer Discretionary	5.9	10.0	-4.1
Consumer Staples	11.8	6.2	5.6
Energy	0.0	3.3	-3.3
Financials	11.7	13.1	-2.4
Health Care	11.7	12.2	-0.5
Industrials	5.9	8.4	-2.5
Information Technology	35.3	31.0	4.3
Materials	0.0	2.2	-2.2
Real Estate	0.0	2.5	-2.5
Utilities	0.0	2.5	-2.5

### Monthly

Top contributors	Contribution
SPDR 1-3 MONTH T-Bill	0.4
DIS 11/15/24 P90	0.1
NVDA 10/18/24 P100	0.1
MSFT 09/20/24	0.0
GOOGL 01/17/25	0.0

Bottom contributors	Contribution
AMZN 11/15/24 P175	-0.1
LLY 11/15/24 P800	-0.1
LMT 11/15/24 P410	-0.0
ZTS 01/17/2025 P165	-0.0
MDLZ 01/17/25 P65	-0.0

### Key points

Portfolio characteristics skewed towards high quality, and growth stocks. Stock selection aided by Plurimi Artificial Intelligence (AI) and machine learning process. Consistent and predictable income generated from option premia and cash positions. The strategy is moderately bullish and should perform well in rising, flat and moderately lower equity markets. In large equity drawdowns the strategy will own equity positions as these positions are put on the strategy.

### Key risks

Capital is at risk. The use of derivatives may cap the upside of the strategy. The strategy is a focused portfolio, with significant stock specific risk. The strategy often exhibits low volatility, but individual equities are volatile and the positions in the strategy have equity like downside risk. The strategy takes significant sector differences from the benchmark which are intended to improve returns but can lead to capital loss. As equity markets fall, the equity exposure of strategy increases and decreases and equities rise.

### Relative risk vs S&P 500 (ex-ante)

Delta (%)	0.2
Theta	0.2
Vega	-0.4
Beta	0.2

### Performance indicators

	USQG	SP 500
Annualised return	11.1	27.2
Annualised volatility	3.0	14.1
Sharpe ratio	1.9	1.7
Best month	2.6	9.1
Worst month	-0.1	-4.9
Max drawdown	-1.6	-10.0

### Holdings

	(%)
T-Bill1-3 MONTH ETF	101.00
META US 10/18/24 P430	-0.01
CRM US 11/15/24 P220	-0.01
KO US 11/15/24 P57.5	-0.01
MSFT US 10/18/24 P390	-0.01
NVDA US 10/18/24 P100	-0.01
AAPL US 12/20/24 P190	-0.03
LMT US 11/15/24 P410	-0.04
ADBE US 10/18/24 P490	-0.04
MDLZ US 01/17/25 P65	-0.06
ZTS US 01/17/25 P165	-0.06
BLK US 01/17/25 P820	-0.07
GOOGL US 01/17/25 P145	-0.08
AVGO US 01/17/25 P140	-0.10
DIS US 11/15/24 P90	-0.13
LLY US 11/15/24 P800	-0.14
AMZN US 11/15/24 P175	-0.21

## Commentary

The strategy was up by 0.7% in September, which compares to the 2.2% return from the S&P 500.

The T-bill position rose 0.4% in September, contributing more than half of the monthly return. Short put options on Zoetis, Microsoft, Mondelez, Lilly, Alphabet, BlackRock, Broadcom, Adobe, Amazon, and Apple expired worthless in September. We rolled these into October 24 to January 25 expiries on the same stocks.

The November \$90 put option on Disney was the top contributor in September, as Disney rose by 6% to \$96.19 during the month.

The largest detractor and current exposure at month end is a November \$175 put on Amazon. This represents a 5% exposure of notional value and a current -0.2% position. The strategy has a modest delta of less than 0.3 at month end, with Amazon and Disney representing the largest contribution.

### Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

**Target return:** Cash + 4% per annum  
**Positions:** 1 Long, 17 Short.

**Minimum investment:** \$10 million

### Definition of Terms:

**Delta:** Estimate of how much an option's value may change given a 1% move up or down in the underlying security. Short put options have a positive delta, meaning lower equity prices are negative for existing positions.

**Vega:** The amount an option's price is expected to change for a 1% change in implied volatility. Short option positions have a negative Vega, meaning higher implied volatility is negative for existing positions.

**Theta:** Theta refers to the rate of decline in the value of an option over time. Short option positions have a positive theta, meaning as time passes the option value decreases.

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