

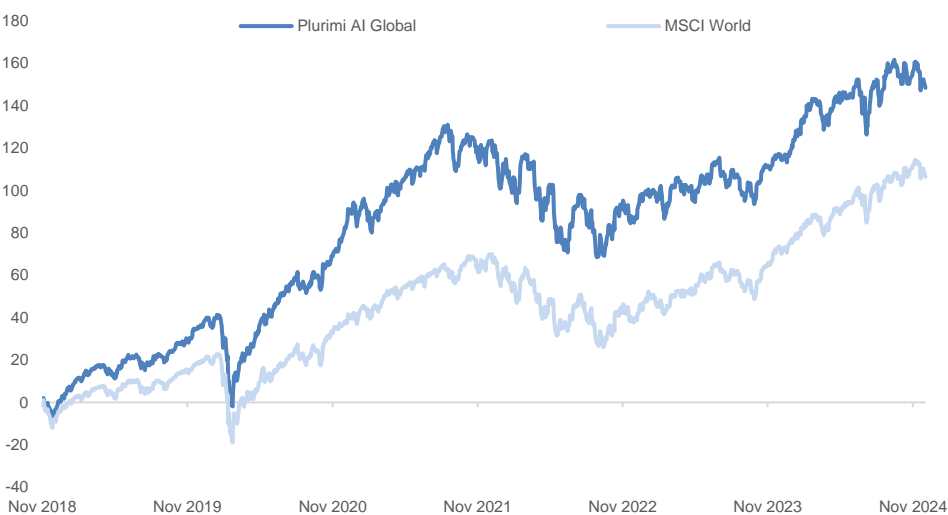
## Objectives

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 - 31 Dec 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
2024	1.5	5.8	4.4	-4.6	4.7	0.6	-0.2	3.5	2.0	-2.7	2.1	-2.8	14.6
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 - 31 Dec 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	15.5	8.1	7.4
Consumer Discretionary	11.8	11.2	0.6
Consumer Staples	9.3	6.1	3.2
Energy	3.4	3.7	-0.3
Financials	15.2	16.0	-0.8
Health Care	10.6	10.4	0.2
Industrials	17.3	10.6	6.7
Information Technology	14.5	26.2	-11.6
Materials	2.4	3.2	-0.8
Real Estate	0.0	2.1	-2.1
Utilities	0.0	2.5	-2.5

## Regional allocation

	PW AI	MSCI W	+/-
North America	69.6	75.6	-6.0
UK	2.6	3.4	-0.7
Switzerland	2.6	2.5	0.1
Rest of Europe	11.5	10.0	1.5
Japan	11.0	5.4	5.7
Asia & EM	2.7	3.1	-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.

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 (%)	4.3
Beta	1.0
AI predicted alpha (%)	2.8
Active share (%)	84.4

## Performance indicators

	PW AI	MSCI World
Annualised return	16.1	12.7
Annualised volatility	17.3	17.2
Sharpe ratio	0.8	0.6
Best month	10.4	12.8
Worst month	-12.6	-13.2
Max drawdown	-30.5	-34.0

## Holdings

	(%)
ALPHABET INC-CL C	5.0
RECRUIT HOLDINGS CO LTD	4.9
NVIDIA CORP	4.6
META PLATFORMS INC-CLASS A	4.6
PAYPAL HOLDINGS INC	4.0
SERVICENOW INC	3.9
WALMART INC	3.9
CITIGROUP INC	3.8
HARTFORD FINANCIAL SVCS GRP	3.8
AMAZON.COM INC	3.6
VISA INC-CLASS A SHARES	3.6
HITACHI LTD	3.4
EOG RESOURCES INC	3.4
APPLIED MATERIALS INC	3.2
GENERAL ELECTRIC	3.1
3M CO	3.0
PUBLICIS GROUPE	3.0
DEUTSCHE TELEKOM AG-REG	2.9
DASSAULT AVIATION SA	2.9
ABERCROMBIE & FITCH CO-CL A	2.8
ZOETIS INC	2.8
ADOBE INC	2.8
DANONE	2.8
OLYMPUS CORP	2.7
ALIBABA GROUP HOLDING-SP ADR	2.7
UNILEVER PLC	2.6
DR HORTON INC	2.6
ROCHE HOLDING AG-GENUSSCHEIN	2.6
ELI LILLY & CO	2.4
FREEMONT-MCMORAN INC	2.4

Source: Bloomberg/PW

Commentary

The strategy was down by 2.8% in December, lagging the MSCI World return of -2.6%.

We did not make any changes during the month. The strategy lagged due to an underweight position in US equities, particularly in the technology sector. The strategy is over-allocating to “value” equities which have been out of favour in recent months. The strategy owns equities which are trading 10% below the market estimated P/E ratio, but the strategy’s holdings have delivered a higher sales growth than the broader market.

**Alphabet** rose 11.8%. It unveiled its new quantum computing chip, “Willow,” capable of solving complex problems in mere minutes—a feat that would take classical computers an unimaginably long time. This breakthrough positions Alphabet at the forefront of quantum computing. **Amazon** rose 5.5%. Amazon’s AI system, Claude, has been recognized as a significant competitor to ChatGPT. The company’s leadership in AI infrastructure, supported by its cloud computing platform, Amazon Web Services (AWS), has strengthened its position in the AI space. **Recruit Holdings** rose 3% largely due to its ongoing share repurchase program.

**DR Horton** fell 17%. The stock has been significantly impeded by rising 30-year bond yields, which directly impact borrowing costs for US Home Buyers. The stock now trades below 10x forecast earnings. **Hartford Financial** fell 10.9%, despite reporting strong financial results. The company suffered from a proposed class-action suit, with claims that its auto insurance contracts failed to pay the actual cash value and applicable sales tax owed for totalled vehicles.

Strategy managers:

Patrick Armstrong, CFA  
Eugen Fostiak

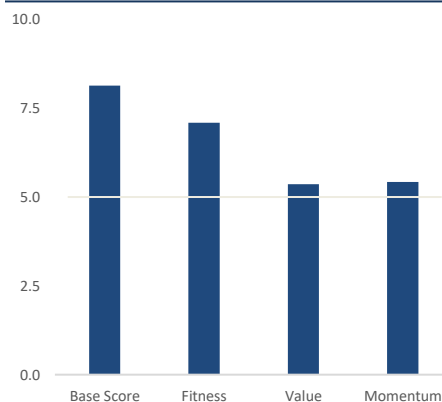
Target return: MSCI World +3% p.a.

Holdings: 30

Portfolio characteristics

	AI PW	MSCI World
Dividend Yield	1.5	2.0
Price to Earnings Ratio (P/E)	22.2	23.7
Price to Cash Flow Ratio (P/CF)	17.5	17.6
Price to Book Ratio (P/B)	3.8	3.5
Total Debt to Common Equity	131	145
Current Ratio	1.3	1.2
Est ROE	31.5	39.8
Operating Income Growth	22	2.9
Sales Growth	5.0	4.1
Est P/E	17.7	18.9
Debt/EBITDA	3.3	3.2
Est EV/EBITDA	15.8	12.3
Profit Margin	11.0	9.4
ROC	8.2	6.9

Style characteristics (5 is neutral with Index)



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Top contributors	Return
ALPHABET INC-CL C	11.8
AMAZON.COM INC	5.5
RECRUIT HOLDINGS CO LTD	2.6
META PLATFORMS INC-CLASS A	2.0
DASSAULT AVIATION SA	2.6
Bottom contributors	Return
DR HORTON INC	-17.2
HARTFORD FINANCIAL SVCS GRP	-10.9
ADOBE INC	-13.8
FREEPORT-MCMORAN INC	-13.8
EOG RESOURCES INC	-8.0