

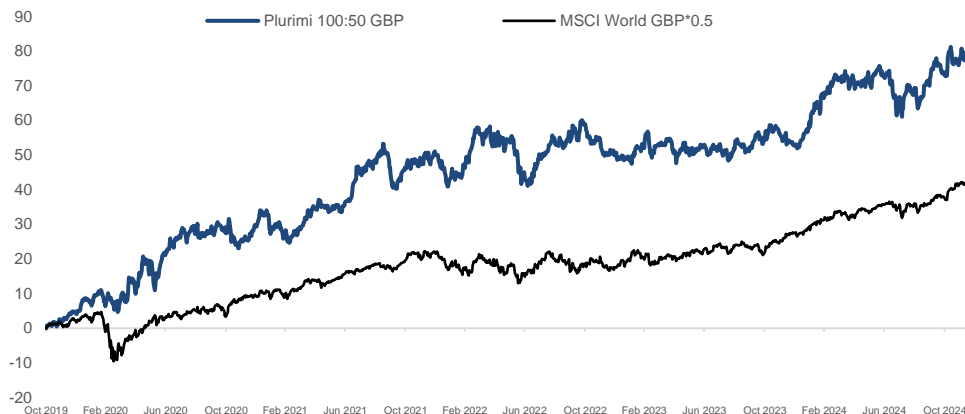
Objectives

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 (%)



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%)	5.9%	7.5%
Beta	0.5	1.0
Volatility	10.5%	13.2%
AI predicted alpha	3.7%	0.0%

Performance indicators (%)

	AI 100:50	MSCI World
Annualised return	11.5	13.3
Annualised vol.	9.2	13.0
Sharpe ratio	1.0	0.9
Best month	8.7	9.3
Worst month	-6.7	-10.6
Max drawdown	-10.9	-26.1

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	2.1	1.7	-0.6	14.8
MSCI W*0.5	0.7	2.5	1.7	-1.4	1.4	1.4	0.1	0.2	-0.1	1.1	2.9	-0.6	10.2
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 - 31 December 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.	-8.2	15.5	7.3	North America	53.3	37.8	15.5
Consumer Discretionary	-11.9	11.8	-0.2				
Consumer Staples	-3.4	9.3	5.9	UK	1.0	1.7	-0.7
Energy	0.0	3.4	3.4	Switzerland	-0.6	1.3	-1.9
Financials	-1.6	15.2	13.6				
Health Care	-4.9	10.6	5.6				
Industrials	-9.9	17.3	7.4	Rest of Europe	-9.1	5.0	-14.1
Information Technology	-1.7	14.5	12.9	Japan	2.7	2.7	0.1
Materials	-1.7	2.4	0.7				
Real Estate	-3.2	0.0	-3.2	Asia & EM	2.7	1.6	1.1
Utilities	-3.4	0.0	-3.4				

Top 10 positions

Longs	Shorts
ALPHABET INC-CL C	BOEING CO/THE
RECRUIT HOLDINGS CO LTD	BAYERISCHE MOTOREN WERKE AG
NVIDIA CORP	KERING
META PLATFORMS INC-CLASS A	VOLKSWAGEN AG-PREF
PAYPAL HOLDINGS INC	EDP RENOVEVIS SA
SERVICENOW INC	ESTEE LAUDER COMPANIES-CL A
WALMART INC	CELLNEX TELECOM SA
CITIGROUP INC	BIONTECH SE-ADR
HARTFORD FINANCIAL SVCS GRP	VONOVIA SE
AMAZON.COM INC	BASF SE

Source: Bloomberg/PW

The strategy fell by 0.6% in net terms for the month against the MSCI World return of -1.2% in GBP terms. Since inception, the strategy has delivered an annualised return of 11.5% against the MSCI World index return of 13.3%.

Longs:

The strategy fell 1.4% (-2.8% USD terms) in December.

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 13%. 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 7%. 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 4% largely due to its ongoing share repurchase program.

DR Horton fell 16%. 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%, 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.

Short:

The strategy rose by 2.6% (+3.9% USD terms) in December.

New additions: CELLNEX TELECOM SA, BIONTECH SE-ADR, VONOVIA SE.

Cellnex continues to lose money, it reported a net loss of €140 million for the first nine months of 2024. The negative cashflow has provoked a number of divestments, including its Austrian unit, which it plans to sell by the end of the year, and its Irish business, expected to be sold in the first quarter of 2025. **Biontech** revised its full-year revenue outlook downward, citing the seasonal nature of COVID-19 demand and inventory write-downs. Its reliance on COVID-19 vaccine revenues and the uncertain success of its pipeline products are reasons we are now short the stock. **Vonovia** is another loss making company. Vonovia reported a net loss of €529 million, an improvement from a €4.13 billion loss in the same period the previous year. The German real estate sector continues to face challenges, including rising interest rates and economic uncertainties, which have led to project delays and bankruptcies among developers.

Intel was the top contributor in December, falling 15%. Intel faced significant challenges, including a 60% decline in stock value, making it one of the worst-performing stocks in the S&P 500. The company reported a \$16.6 billion loss for the year, leading to the ousting of CEO Pat Gelsinger in December 2024.

Boeing was the largest detractor, rising by 15%. The stock has been a strong contributor during the year, but it bounced in December. The stock may continue to suffer from regulatory issues, following its poor safety record in recent years.

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

UCITS Plurimi World Long Short Equity

ISIN:

S – USD: LU2899631381

S – GBP: LU2899631464

S – EUR: LU2899631209

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