

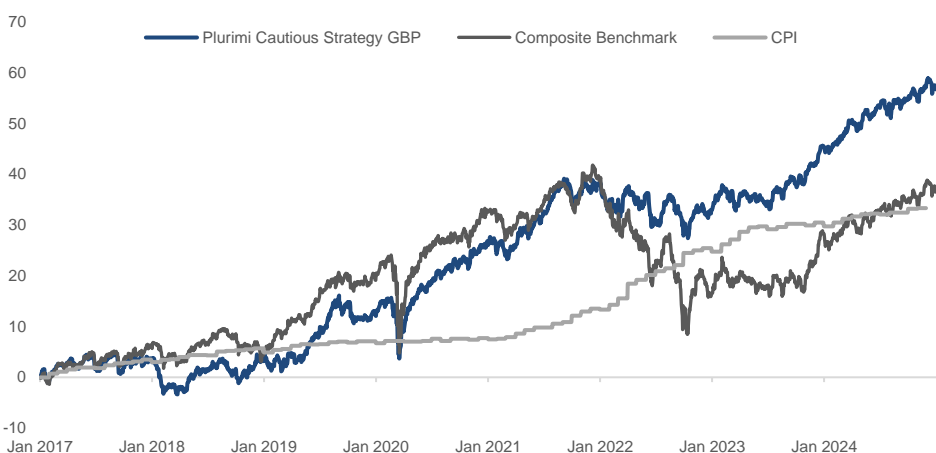
Objectives

The objective of the Plurimi Cautious strategy is to achieve long-term capital appreciation primarily through investments in a portfolio of global stocks and bonds. Tactically the strategy may also include exposure to commodities, real estate, and other alternative asset classes. The strategy is flexible and seeks to preserve capital on a 12-month basis and deliver a total return of inflation +2% per annum over a market cycle. Performance is compared to a composite index made up of 35% MSCI World GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

Risk and return targets

- Return target: CPI +2% per annum.
- Typical beta vs MSCI World: 0.4-0.6

Total return (%)



Total return in GBP terms. (Jan 2017 - 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	0.0	1.1	2.3	-0.9	1.7	1.1	0.5	0.6	-0.1	-0.2	2.2	-0.6	7.8
2023	2.6	-1.2	0.7	-0.1	-0.6	-0.1	2.1	0.4	0.2	0.2	2.2	2.7	9.5
2022	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6	-4.4	2.8	2.1	-1.0	-3.5
2021	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	9.3
2020	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	12.2
2019	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	8.6

Total return for current and previous five calendar years in GBP terms. (Jan 2018 - Dec 2024)

The returns are gross and do not reflect the deduction of investment management fees, which will reduce return.

Source: Bloomberg

Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	15.5	8.1
Consumer Discretionary	11.8	11.2
Consumer Staples	9.3	6.1
Energy	3.4	3.7
Financials	15.2	16.0
Health Care	10.6	10.4
Industrials	17.3	10.6
Information Technology	14.5	26.2
Materials	2.4	3.2
Real Estate	0.0	2.1
Utilities	0.0	2.5

Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.4	2.0
Price to Earnings Ratio (P/E)	22.5	23.7
Price to Cash Flow Ratio (P/CF)	18.0	17.6
Price to Book Ratio (P/B)	4.0	3.5
Total Debt to Common Equity	130	145
Current Ratio	1.3	1.2
Est ROE	31.5	39.8
Op. Income Growth	17.8	2.9
Sales Growth	1.3	4.1
Est P/E	17.8	18.9
Debt/EBITDA	3.1	3.2
Est EV/EBITDA	15.8	12.3
Profit Margin	11.0	9.4
ROC	8.2	6.9

Key points

Defensive strategy designed to protect capital in the short term and grow purchasing power over a cycle.

Objective stock selection process utilises independent research and proprietary screens.

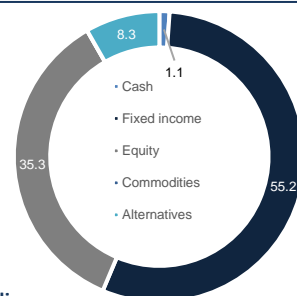
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

Portfolio characteristics skewed towards value, quality, and yield.

Key risks

Capital is at risk. The strategy has a flexible asset allocation policy, which means allocations to risky assets are not fixed and may be increased at the portfolio managers discretion. The strategy invests globally and takes currency exposure which also can create capital losses. The strategy is diversified but individual stock and corporate bond risk may be significant with positions up to 4 and 9% respectively.

Asset allocation (%)



Holdings (%)

Company	Percentage (%)
ALPHABET INC-CL C	1.8
RECRUIT HOLDINGS CO LTD	1.7
NVIDIA CORP	1.6
META PLATFORMS INC-CLASS A	1.6
PAYPAL HOLDINGS INC	1.4
SERVICENOW INC	1.4
WALMART INC	1.4
CITIGROUP INC	1.3
HARTFORD FINANCIAL SVCS GRP	1.3
AMAZON.COM INC	1.3
VISA INC-CLASS A SHARES	1.3
HITACHI LTD	1.2
EKG RESOURCES INC	1.2
APPLIED MATERIALS INC	1.1
GENERAL ELECTRIC	1.1
3M CO	1.1
PUBLICIS GROUPE	1.1
DEUTSCHE TELEKOM AG-REG	1.0
DASSAULT AVIATION SA	1.0
ABERCROMBIE & FITCH CO-CL A	1.0
ZOETIS INC	1.0
ADOBE INC	1.0
DANONE	1.0
OLYMPUS CORP	1.0
ALIBABA GROUP HOLDING-SP ADR	0.9
UNILEVER PLC	0.9
DR HORTON INC	0.9
ROCHE HOLDING AG-GENUSSCHEIN	0.9
ELI LILLY & CO	0.9
FREEMPORT-MCMORAN INC	0.8
ISHARES GBP CORP BOND 0-5YR	16.5
ISHARES CORE GBP CORP	14.6
WT AT1 COCO ETF GBP HEDGED	6.3
AM UST GOV IN-LK BD-ETF GHD	5.0
UKT 3 ¼ 01/31/33	4.4
HTHROW 6 ¼ 12/03/26	3.8
GS 3 ¼ 07/25/29	2.5
VW 2 ¼ 04/12/25	2.2
TABULA US ENHANCED INF GBPHA	4.7
BREVAN HOWARD AB RT G-A1 GBP	3.6
BRITISH POUND	1.1

Source: Bloomberg/PW

Commentary

The strategy fell 0.6% in December, amid a fall of 1.4% from the composite benchmark.

The strategy's equities delivered return marginally behind the benchmark 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 13.5%. 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 9.6%, 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.

The fixed income positioning delivered positive returns despite Gilt yield moving higher in December. Short duration corporate bonds rose by 0.4%, while longer duration bonds lost value in December. The UK's annual inflation rate edged up for the second consecutive month to 2.6% in November 2024 from 2.3% in October, indicating increasing price pressures in the economy. We are continuing with short duration and inflation protect positioning as we expect inflation will prove to be stickier than the market is pricing. Nationalistic and populist policies from Western governments may keep inflationary embers burning.

Strategy managers:

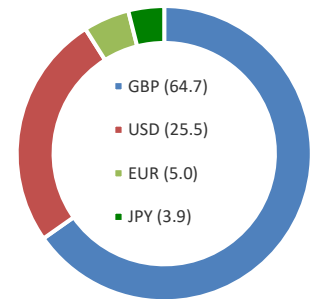
Patrick Armstrong, CFA
Eugen Fostiak

Target return: CPI +2% per annum

Holdings: 41

Currency

(%)



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Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	5.8	4.0
Annualised volatility	6.0	8.0
Sharpe ratio	0.7	0.3
Best month	4.6	6.6
Worst month	-4.4	-7.1
Max drawdown	-10.7	-23.5

Top contributors	1 month return
ALPHABET INC-CL C	13.5
AMAZON.COM INC	7.1
RECRUIT HOLDINGS CO LTD	4.1
ISHARES GBP CORP BOND 0-5YR	0.4
META PLATFORMS INC-CLASS A	3.5

Bottom contributors	1 month return
DR HORTON INC	-15.9
ADOBE INC	-12.5
HARTFORD FINANCIAL SVCS GRP	-9.6
FREEMPORT-MCMORAN INC	-12.6
EOG RESOURCES INC	-6.7