

# WISE INVESTMENT LIMITED - BALANCED

## Pershing



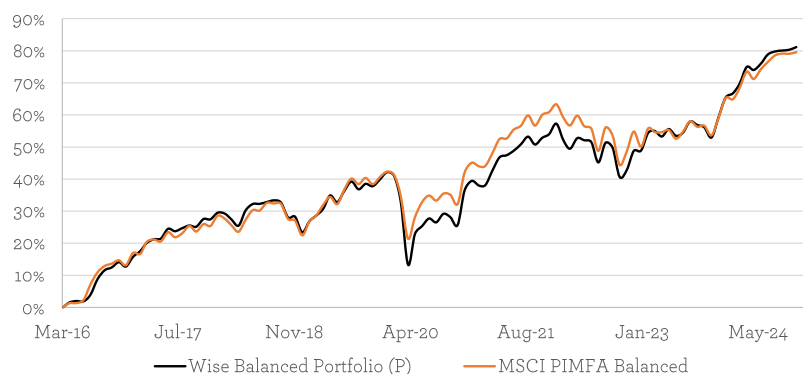
### MONTHLY FACTSHEET

all data as at 31st October 2024

## PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Balanced Model Portfolio is designed for clients who are looking for a total return in line with the MSCI PIMFA Balanced index over a 5 to 10 year period. We aim to achieve this by investing in a select and focussed list of funds (unit trusts, investment trusts and OEICs), with diversification across geography, asset class and investment style. These funds invest in real assets, such as company shares (listed both in the UK and overseas), property, fixed interest and cash. The Portfolio is managed so that 50%-80% is invested in 'medium' risk assets, such as shares and property. 20%-50% is to be held in assets defined as 'moderate', 'low' or 'minimal' risk, which are mainly comprised of fixed interest (UK government and higher quality company debt) and cash, and any remaining balance up to 10% can be held in higher risk assets, such as shares in specific countries and industries. We consider the portfolio to be suitable for those willing to adopt a balanced risk profile.

## PERFORMANCE SINCE LAUNCH (using month-end data)



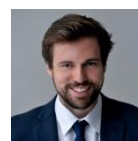
## CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Balanced Portfolio (P)	0.5%	0.8%	4.1%	18.4%	18.5%	31.5%	81.2%
MSCI PIMFA Balanced	0.3%	0.6%	4.9%	16.9%	12.2%	29.7%	79.5%

## DISCRETE ANNUAL PERFORMANCE

	31/10/2023	31/10/2022	31/10/2021	31/10/2020	31/10/2019
	31/10/2024	31/10/2023	31/10/2022	31/10/2021	31/10/2020
Wise Balanced Portfolio (P)	18.4%	7.1%	-6.5%	21.6%	-8.8%
MSCI PIMFA Balanced	16.9%	3.3%	-7.1%	21.0%	-4.5%

## PORTFOLIO MANAGEMENT



**WILLIAM GEFFEN**

Head of Investment  
Management

William joined Wise Investment in November 2023 and has 4 years' experience in managing equity funds. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements.

William successfully passed all three level of the Chartered Financial Analyst (CFA) exams gaining the qualification in 2021.

## Key Portfolio Details

<b>Launch Date</b>	3rd March 2016
<b>Holdings</b>	10
<b>Historic Yield<sup>1</sup></b>	3.5%
<b>Volatility<sup>2</sup></b>	8.0%
<b>Benchmark</b>	MSCI PIMFA Balanced
<b>Model OCF<sup>3</sup></b>	0.5%
<b>Service Charge<sup>4</sup></b>	1.9%

## Contact Details

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All data used on this factsheet is supplied by Financial Express. Rounding may result in charts and tables not adding up to 100% in displayed data. Performance is based on total returns on a bid-to-bid basis, net of UK dividend tax credits and is calculated referencing a model portfolio. Actual portfolio statistics may differ because of investment performance, cash movements, transaction costs and the timing of sales and purchases within the portfolio. Quoted performance does not include fees levied by Wise Investments Ltd or any fees from custodial services. Service fees will apply. Past performance is not a reliable indicator of future results. This document should not be construed as an investment recommendation.

1 The Historic Yield is the weighted average yield of the model based on the model's current constituents

2 Volatility is the annualised monthly volatility of the model portfolio to the most recent month end over a 3 year period or since launch if this period is less than 3 years

3 The Model OCF calculates the annual charges levied by the underlying fund holdings according to the model portfolio weights

4 The Service Fee incorporates the model OCF, the standard non-tiered annual fees levied by Wise Investments Limited and custodian fees, of which this is the highest possible fee. Further details of these charges are disclosed to clients investing in the model portfolios.



## MONTHLY COMMENTARY

October was a very mixed month for investors in the UK. The main source of return in the market came from a rapid depreciation of the British pound, especially vs the dollar, with the dollar strengthening more than 4% against the pound. This meant that despite the US market being down slightly in dollar terms, it appreciated 3.5% in sterling terms, driving the broad global equity index up 2.3%. Europe lagged despite euro strength vs GBP (up 1.5%), with the index down 1.9%.

The chief reason for the weak pound was likely around the UK autumn budget which sent yields higher due to higher anticipated public borrowing. This in turn pushed the pound down due to strained demand for GBP assets. The UK equity market also lagged, anticipating a hit to earnings from the new budget, primarily from the rise in employer NI payments.

The rise in interest rates also created turbulence in bond markets with the UK GILT index falling 2.7%, inflation linked bonds down 2.3% and corporate bonds down 1.1%.

Looking forward, the big upcoming event in November is of course the US election on the 5th and therefore no doubt lots to talk about in the November commentary. This event combined with ongoing earnings will likely cause a fair bit of upcoming volatility.

The Balanced model returned 0.47%, ahead of the benchmark (PIMFA Balanced) return of 0.28%.

The positions in global equity were mixed, with Fidelity World index returning 2.5% and the Janus Henderson Global Life Sciences fund returning 1.3% but the Fundsmith Equity fund returning -0.1%. The JOHCM fund returned -0.2%, low but ahead of the -1.3% for the UK CBOE 100. The fixed income positions were fairly flat despite headwinds from rising yields, and the small position in the CT property fund was down 3.3%.

We made no changes to the portfolio this month. We maintain our global approach, using mostly passive global index funds (like Fidelity Index World) to drive returns but also have a modest position JOHCM UK equity income fund to capture the substantial discount we see in the traditional “deep value” parts of the UK market.

In fixed income we continue to tend towards low duration, high-quality corporate bonds and ABS funds which have performed well despite volatility in the yield curve.

Tactically, we also retain a 5% position in the CT property fund, as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts. We also have the small position in the Janus Henderson Global Life Sciences fund to take advantage of temporarily depressed prices in the healthcare sector which is a long-time quality outperformer in equity markets.

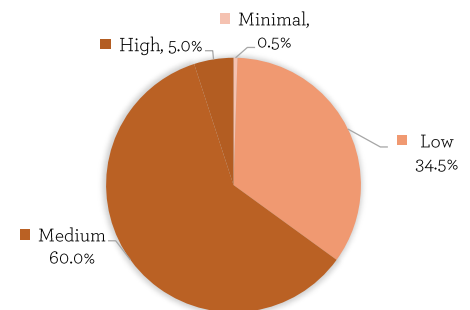
The Balanced model remains nicely ahead of its benchmark on a 1yr, 3 yr and 5yr basis, returning 18.4%, 18.4% and 31.5% respectively (vs 16.9%, 12.2% and 29.7% for the benchmark). Worth noting also, is that this outperformance hasn't been achieved through excess risk taking, rather, it has in fact been achieved with significantly less volatility than the benchmark, protecting investors from excessive price movements while simultaneously generating a higher return.

## HOLDINGS

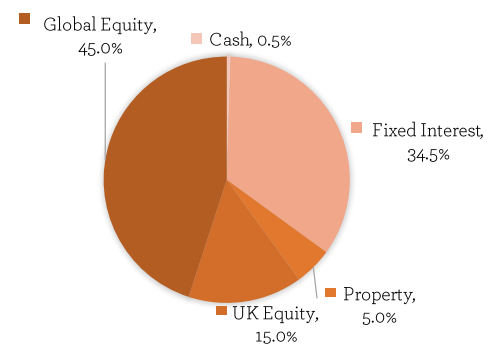
Name	Weight	OCF
BD5D3D8 TwentyFour Asset Backed Opportunitie	5.0%	0.74%
BSMTGF7 TwentyFour Corporate Bond	5.0%	0.36%
BDD9NH2 TwentyFour Monument Bond	5.0%	0.39%
BYYNFP2 TwentyFour Absolute Return Credit	19.5%	0.36%
BQWJ879 CT Property Growth & Income	5.0%	1.07%
B95FCK6 JOHCM UK Equity Income	15.0%	0.66%
B4MR8G8 Fundsmith Equity	15.0%	0.94%
BJS8SJ3 Fidelity Index World	25.0%	0.12%
BPXXDP6 Janus Henderson Global Life Sciences	5.0%	0.76%
Cash	0.5%	0.00%

## RISK ALLOCATION

For Asset Risk Category definitions see the Wise Investment Risk Appendix, supplied to investors in the model portfolios.



## ASSET ALLOCATION



### IMPORTANT INFORMATION

Portfolio returns from the Wise Investment Model Portfolio Service will be subject to investment market fluctuations and there is no guarantee that the portfolio objectives, including any income targets, will be achieved. Where income is received as dividends, these will be automatically reinvested in the Model Portfolio, which may result in the Model Portfolio returns being higher than what a client portfolio can actually achieve. The performance will be reduced by the withdrawal of income and the impact of the ongoing charges and portfolio transaction costs. The charges can vary. Prices of funds and the income from them may fall as well as rise and investors may not get back the amount originally invested. Consequently, an investment into this portfolio should be considered for a 5 to 10 year period. The funds may invest in higher-yielding or non-investment grade bonds. The funds may hold investments denominated in currencies other than sterling. Changes in exchange rates will cause the value of these investments and the income from them to rise or fall. The funds can use derivatives for investment purposes. These instruments can be more volatile than investment in equities or bonds. Every effort is taken to ensure the accuracy of the data used in this document, but no warranties are given. Wise Investment has expressed its own views and these may change. The data contained in this document has been sourced by Wise Investment and should be independently verified before further publication or use. Wise Investment is a trading brand of Wise Investments Ltd. Wise Investments Ltd is authorised and regulated by the Financial Conduct Authority. Ref no. 230553.

