Issue date: December 2024

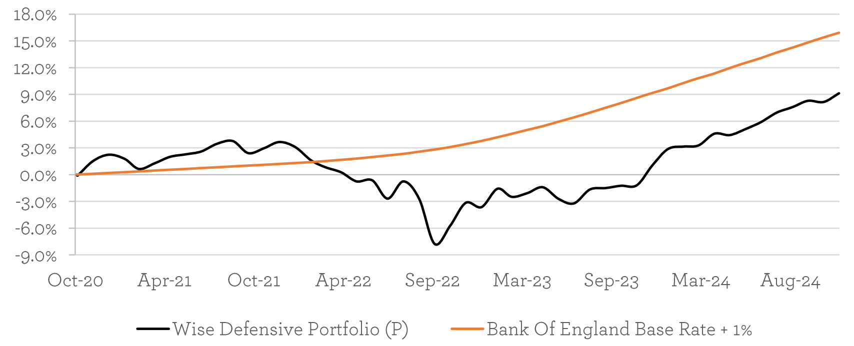
WISE INVESTMENT LIMITED - DEFENSIVE
Pershing

MONTHLY FACTSHEET
all data as at 30th November 2024

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Defensive Model Portfolio is designed for clients who are looking for a total return in line with Bank of England Base rate + 1% over a 5 to 10 year period with lower volatility than could be expected from full exposure to the stock market. 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 selected with no more than 40% invested in 'medium' risk assets, such as shares and property. The balance of at least 60% is 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. No exposure will be allocated to higher risk assets. We therefore consider the portfolio to be suitable for those willing to adopt a defensive risk profile.

PERFORMANCE SINCE LAUNCH (using month-end data)



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	Launch
Wise Defensive Portfolio (P)	0.9%	1.4%	3.8%	8.0%	5.3%	9.1%
Bank Of England Base Rate + 1%	0.5%	1.5%	3.0%	6.2%	14.5%	15.9%

DISCRETE ANNUAL PERFORMANCE

	30/11/2023 30/11/2024	30/11/2022 30/11/2023	30/11/2021 30/11/2022
Wise Defensive Portfolio (P)	8.0%	4.3%	-6.6%
Bank Of England Base Rate + 1%	6.2%	5.5%	2.2%

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

Launch Date	29th October 2020
Holdings	8
Historic Yield[1]	4.2%
Volatility[2]	5.2%
Benchmark	BoE Base Rate + 1.0%
Model OCF[3]	0.3%
Service Charge[4]	1.6%

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

3 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

November was broadly a very good month for investors. The key catalyst was of course the US election, which was both decisive and largely seen as favourable to markets, or at least US equities, with expected tax cuts, deregulation and a generally "Business Friendly" environment for US businesses. This saw the US market jump the following day and then continue to climb, returning over 7% in sterling terms in the month, with around 1% of that coming from dollar strengthening. With US equities making up the majority of the world market, the world index was itself propelled upwards over 5%.

Elsewhere the picture was more mixed. The UK market had a decent month (although nothing quite like the US), and rose about 2.5%, with UK stocks benefitting from general enthusiasm for global equities and as an unlikely target of US tariffs. Japan was similar, with its market up 1.8%.

The same cannot be said for Europe and Emerging Markets (predominately China) who are very much in the crosshairs for potential tariffs off the back of Trump's "America First" approach, causing their markets to drop 1.5% and 2.5% respectively.

In fixed income UK yields came down a bit prompting a decent return for bonds. The Gilt index rose 1.8%. Corporate bonds and high yield bonds lagged returning 1.4% and 0.8% respectively, both having slightly less exposure to interest rates, and more exposure to credit spreads which widened slightly.

Property had a weak month, with the listed index down 0.5% and the direct holding index down 0.8%.

Looking forward, US equities now trade at a similar valuation to their previous peak in 2021 – and while there is cause for optimism (Productivity gains from new technologies like AI, a business-friendly president, better than expected economic output + growth) these valuations do give us pause, particularly due to the weight of the US market in global portfolios. We do however see value in pockets like the UK, emerging markets and sectors like healthcare.

Similarly, while yields are high for bonds, credit spreads are very narrow at the moment, meaning that investors aren't being well compensated for the additional credit risk – this does depend on the interpretation of absolute safety in government bonds which are themselves looking increasingly shaky in a world of populists touting high spend and low tax. Here we do still see value in low duration high quality bonds, and ABS (Asset Backed Securities) with some added duration as necessary.

The defensive model returned +0.9%, ahead of the +0.5% return for the benchmark (BoE Base rate +1%). This was mainly driven by the larger holdings in field income funds, as well as the small 5% position in the world index fund. Notably the other small 5% position in the CT property growth and income fund underperformed, returning -0.06%.

We made no changes to portfolio positioning this month.

We maintain a strategy of sticking to shorter dated bonds and securities, preferring to take on modest credit risk where prudent to boost return while looking to avoid the volatility that comes from holding longer dated bonds due to their relatively poor yield.

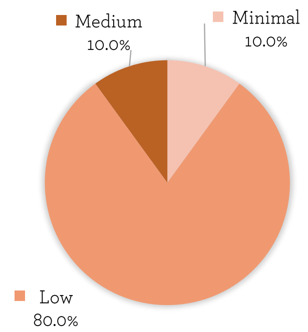
The model remains well ahead of the benchmark on a 1yr rolling basis, returning +8.0% vs +6.2% for the "BOE base rate +1%".

HOLDINGS

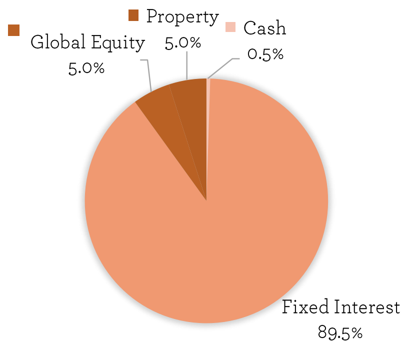
Name	Weight	OCF
Premier Miton UK Money Market	9.5%	0.17%
L&G Short Dated Sterling Corporate Bond	15.0%	0.14%
M&G UK Inflation Linked Corporate Bond	15.0%	0.45%
TwentyFour Monument Bond	10.0%	0.39%
TwentyFour Absolute Return Credit	40.0%	0.36%
CT Property Growth & Income	5.0%	1.07%
Fidelity Index World	5.0%	0.12%
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.