

WISE INVESTMENT LIMITED ETHICAL BALANCED

Pershing

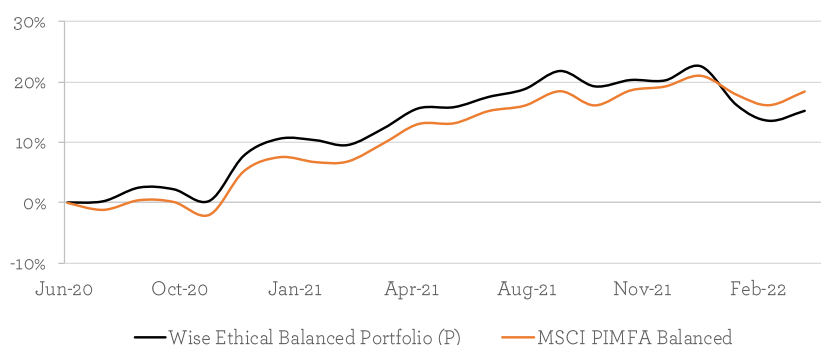
MONTHLY FACTSHEET

all data as at 31st March 2022

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical Balanced Model Portfolio is designed for clients who are looking for a level of capital growth in line with the MSCI PIMFA Balanced index over a 5 to 10-year period. We aim to achieve this by exclusively investing in a focussed list of ethical and sustainability-oriented funds (unit trusts, investment trusts and OEICs). These funds will have specific objectives of providing capital to businesses whose operations and activities either meet specific ethical standards or are engaged in improving the long-term sustainability of the earth's resources. The portfolio will have diversification across geography, asset class and investment style. The 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 no more than 80% is invested in 'medium' risk assets, such as shares and property. The balance of at least 20% 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 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	Launch
Wise Ethical Balanced Portfolio (P)	1.5%	-6.0%	-3.4%	2.6%	15.2%
MSCI PIMFA Balanced	1.9%	-2.2%	2.0%	7.8%	18.5%

DISCRETE ANNUAL PERFORMANCE

	31/03/2021
	31/03/2022
Wise Ethical Balanced Portfolio (P)	2.6%
MSCI PIMFA Balanced	7.8%

PORTFOLIO MANAGEMENT



ROBERT BLINKHORN

Head of Investment Management

Robert joined Wise Investment in July 2017 and has 18 years' experience in managing private client multi asset class portfolios. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements. Robert is a member of the CFA Society of the UK and has successfully passed the examinations for all three levels of the Chartered Financial Analyst qualification.

Key Portfolio Details

Launch Date	30th June 2020
Holdings	11
Historic Yield ¹	2.2%
Yield Target	n/a
Volatility ²	8.8%
Benchmark	MSCI PIMFA Balanced
Model OCF ³	0.7%
Service Charge ⁴	2.2%

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

In March, global equities rose by almost 4.5% in sterling terms. US equity markets led returns with a strong dollar adding to performance in our domestic currency. In terms of sectors, Energy and Mining companies continued to perform well as commodity prices remained strong under both demand and restricted supply. Similarly, Consumer Goods companies continued their downward trend as inflation impacts input costs for companies and investors shy away from interest rate sensitive equities. UK commercial property was higher in both the physical and listed spaces with listed companies leading the gains between the two. Although overall prices of both listed and physical property are ahead of their levels pre-Covid there remains a divide in terms of performance, particularly between town and city centre retail and out of town retail warehouses and distribution centres with the latter seeing continued interest. Finally, fixed interest was generally weaker in March as interest rates continued to creep higher. Equity markets have recovered from a weak beginning to 2022 when a combination of soaring inflation and the threat that was followed up by action from Russia in invading Ukraine dampened enthusiasm for risk. In addition, Covid was having an impact on economic activity, particularly in China where a 'zero-Covid' policy has been adopted leading to severe responses to limited outbreaks. However, there has been a significant difference in the performance of underlying regions over the first quarter. The UK equity market which has around 20% exposure to Energy and Mining companies has been well supported in this environment whereas European equity markets with less commodity exposure and with greater economic ties to Russia have struggled.

Looking forward, the UK equity market continues to offer relatively attractive value in our opinion (although less so in an absolute sense) where pricing hasn't drifted too far from fundamentals. Conversely, European equity markets, although they have been weaker, continue to trade at an excessive price versus fundamentals, in our view. Therefore, we would anticipate weaker returns from European equities (at least relative to the UK equity market). In Asia, cash flow, dividend and earnings growth has remained muted and equity markets even more so with weak pricing since the middle of 2021. This has been largely driven by China which is actively curbing the breadth and extent of economic activity in specific sectors such as construction, technology and education to head off economic bubbles and dilute concentrations of economic power. Despite the optical value, continued activism by the political elite in China may continue to drag on valuations.

Bond yields were higher, particularly at the shorter end of maturities although the negative impact of rising yields on returns was felt most in longer dated issues. Yields have been rising since the summer of 2020 as the gravest concerns over the impact of the Covid-19 pandemic dissipated and were replaced by inflation fears and central bank policy on normalising interest rates through increasing overnight rates and ceasing (indeed reversing) quantitative easing. In the UK, overnight rate expectations are expected to plateau at around 1.25% rising another 0.5% from their current level. This, and the unwinding of central bank bond purchases appears to be priced in by the UK Gilt market but is dependent on the speed at which the Bank of England resets interest rates and reduces its balance sheet.

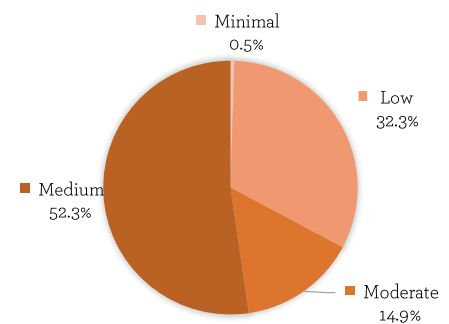
In the Ethical Balanced model portfolio returns were higher by 1.5% in March, behind the MSCI PIMFA Balanced benchmark which returned 1.9%. Against the index, strong relative performance in UK equity exposure was offset by our underweight positioning in global equities. At an individual fund level, leading portfolio returns was BMO Responsible Global Equity and BMO Responsible UK Income. BMO Responsible Global Equity was supported by its exposure to stock exchange operators whilst BMO Responsible UK Income saw strong returns from its holding in UK based investment management businesses. During the month, we altered the composition of the global equity exposure by selling our holding in Janus Henderson Global Sustainable Equity and purchasing the ESG oriented fund Kempen Global Listed Infrastructure. This provides the portfolio with an enhanced yield and gives exposure to asset backed investments with inflation linked revenues which have underperformed the broader global equity market since early 2020.

The year has begun with some volatile asset performance in response to economic disruption caused in the aftermath of Covid and exacerbated by Russia's military offensive in Ukraine. Equity markets have staged a recovery as Russia's initial objective appears to have floundered. However, recent events have highlighted a more divided world and regardless of any withdrawal by Russia wheels have been set in motion to unpick economic relationships and are unlikely to stop. This will come at a cost as goods, services and raw materials are obtained from what are considered to be more secure sources limiting potential supply. As we have noted many times before, we think asset prices trade at a premium to reasonable value based on their underlying fundamentals and therefore maintain a diversified portfolio that we expect to have moderated volatility compared to the benchmark. We look forward to deploying capital more aggressively as and when opportunity presents itself.

HOLDINGS

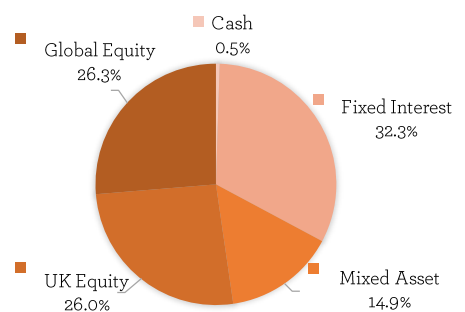
Name	Weight	OCF
EdenTree Responsible & Sustainable Sterling Bond	2.5%	0.59%
Rathbone Ethical Bond Fund	14.9%	0.65%
Royal London Ethical Bond	14.9%	0.40%
BNY Mellon Sustainable Real Return Inst	14.9%	0.81%
EdenTree Responsible & Sustainable UK Equity	7.5%	0.79%
BMO Responsible UK Income	10.0%	0.80%
Jupiter Responsible Income	8.5%	0.93%
BMO Responsible Global Equity	10.3%	0.80%
EdenTree Responsible & Sustainable Global Equity	6.0%	0.81%
Kempen Global Listed Infrastructure	10.0%	0.91%
Cash	0.5%	0.0%

ASSET RISK



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.

