Issue date: July 2022

WISE INVESTMENT LIMITED CAUTIOUS

Pershing

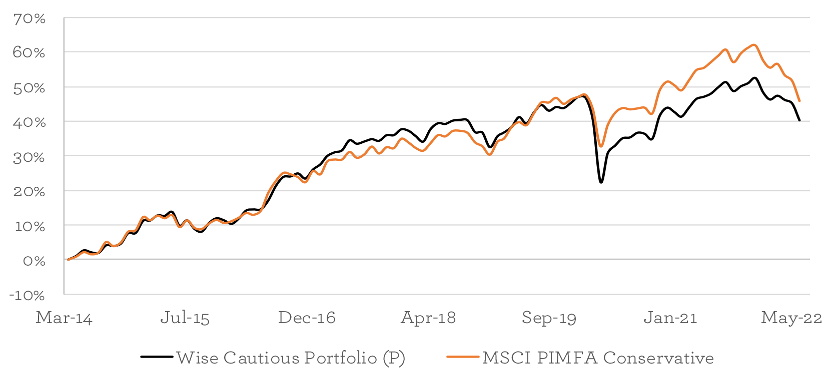
MONTHLY FACTSHEET

all data as at 30th June 2022

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Cautious Model Portfolio is designed for clients who are looking for a total return in line with the MSCI PIMFA Conservative index over a 5 to 10 year period, but 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 60% invested in 'medium' risk assets, such as shares and property. The balance of at least 40% 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 cautious risk profile.

PERFORMANCE SINCE LAUNCH (using month-end data)



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Cautious Portfolio (P)	-3.3%	-4.8%	-8.0%	-5.2%	-1.6%	5.1%	40.4%
MSCI PIMFA Conservative	-3.8%	-6.9%	-9.9%	-7.2%	2.5%	12.7%	46.0%

DISCRETE ANNUAL PERFORMANCE

	30/06/2021 30/06/2022	30/06/2020 30/06/2021	30/06/2019 30/06/2020	30/06/2018 30/06/2019	30/06/2017 30/06/2018
Wise Cautious Portfolio (P)	-5.2%	9.6%	-5.2%	2.3%	4.3%
MSCI PIMFA Conservative	-7.2%	9.3%	1.1%	4.9%	4.8%

PORTFOLIO MANAGEMENT

ROBERT BLINKHORN

Head of Investment Management

Robert joined Wise Investment in July 2017 and has 20 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	28th March 2014
Holdings	11
Historic Yield[1]	2.7%
Volatility[2]	10.2%
Benchmark	MSCI PIMFA Conservative
Model OCF[3]	0.6%
Service Charge[4]	2.1%

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 June, global equities declined by -5.2% in sterling terms. Stocks were lower across the board with all sectors of the market showing negative returns. Financials had the greatest impact on global equities partly due to their large weighting in equity indices. International banks are a dominant constituent of equity markets and are sensitive to the health of the global economy where data has been softening. In absolute terms, commodity stocks saw some of the largest drawdowns in the month with energy and industrial metals prices pulling back from recent peaks. Again, reflective of market expectations of a slowing global economy.

US equity markets have seen some of the steepest declines so far this year having been one of the strongest performing regions coming out of the pandemic up until the end of 2021. A significant contributor to this performance (both on the upside and downside) has been the large weighting towards Technology companies. The pandemic brought about a catalyst in the pace of adoption of technology services and therefore boosted the profitability of these companies. However, investors clearly found themselves getting carried away as growth in demand has slowed and, in some cases, has even reversed. This is particularly noticeable in leisure related technology businesses where share prices have retreated sharply. Yet, just as prices can be excessively high, they can also become oversold. The change in sentiment towards the Technology sector has been fairly indiscriminate with established, high quality, strong cash flow businesses being blown by the same general wind affecting companies with more distant prospects of stable profitability. As such, we think this may be an attractive time to add to our exposure here which we had avoided for some time on valuation grounds.

Listed real estate fell sharply. Property values are also very sensitive to the general health of the economy and prices will come under pressure if investors believe the economy is stuttering. In a similar vein to Technology companies, listed real estate has come under selling pressure pushing the sector down by around -20% for the year to the end of June. Again, this may not be the bottom of where prices fall but it looks like an attractive point at which we can accumulate property assets for a very reasonable price.

Within fixed income, there was a souring of risk appetite which drove high yield credit lower. Interest rates also continued to rise which depressed Gilts. Index Linked Gilts had further pressure as their lengthier maturity makes them more sensitive to interest rate rises and inflation expectations fell back adding a further burden on prices. Finally, corporate bond prices moved lower caught by rising interest rates and widening credit spreads as investors became more cautious. Yields in credit are now at more attractive levels particularly in lower quality debt.

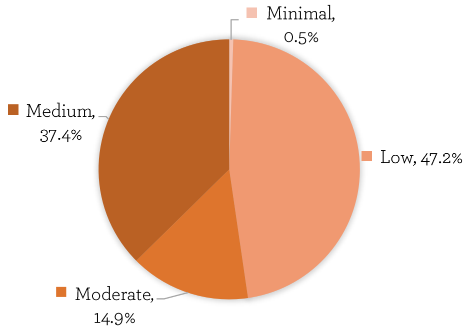
In the Cautious model portfolio, performance was lower by -3.3% in June. This was ahead of the MSCI PIMFA Conservative index which returned -3.8%. Outperformance was delivered by an underweight positioning in equities and generally superior performance from underlying holdings. In addition, there was a stronger performance versus the benchmark from our Alternative holding in BNY Mellon Real Return. Most holdings were lower on the month and were led by M&G Strategic Corporate Bond. The fund underperformed the broader corporate bond market as interest rates and credit spreads rose sending bond prices lower.

The last 18 months or so have been challenging in terms of identifying value amongst asset classes. However, recent price moves have created the potential for attractive absolute returns going forward. This is not universal though, and we would not rule out the possibility of those asset prices we believe to be attractive today declining further. It is important to be clear that our aim here is not to precisely time the movement of investment markets but to increase and reduce exposure to assets gradually as we identify appealing and unappealing value and steadily build capital over the long term.

HOLDINGS

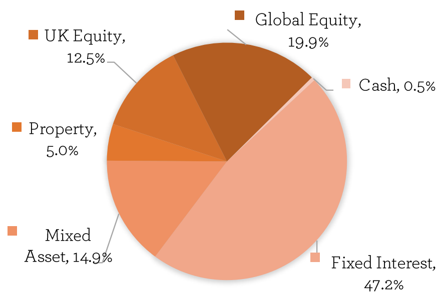
Security	Weight	OCF
Royal London Short Duration Gilts	7.5%	0.22%
M&G Strategic Corporate Bond	14.9%	0.43%
Schroder Strategic Credit	14.9%	0.77%
L&G All Stocks Gilt Index Trust	9.9%	0.15%
BNY Mellon Real Return	14.9%	0.79%
CT Property Growth & Income	5.0%	1.03%
TB Wise Multi-Asset Income	4.0%	0.69%
Fundsmith	14.9%	0.94%
BNY Mellon Global Infrastructure Income	5.0%	0.81%
JOHCM UK Equity Income	8.5%	0.67%
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.