

# WISE INVESTMENT LIMITED - ETHICAL BALANCED

## Pershing

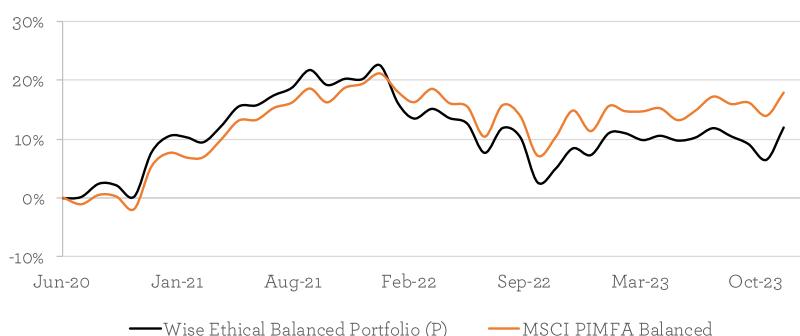
## MONTHLY FACTSHEET

all data as at 30th November 2023

### PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical 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 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 50%-80% is invested in 'medium' risk assets, such as shares and property, 20%-50% 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, 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	Launch
Wise Ethical Balanced Portfolio (P)	5.2%	1.4%	2.0%	3.3%	3.9%	12.0%
MSCI PIMFA Balanced	3.5%	1.7%	4.2%	2.7%	11.9%	17.8%

### DISCRETE ANNUAL PERFORMANCE

	30/11/2022	30/11/2021	30/11/2020
	30/11/2023	30/11/2022	30/11/2021
Wise Ethical Balanced Portfolio (P)	3.3%	-9.8%	11.5%
MSCI PIMFA Balanced	2.7%	-3.8%	13.3%

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.

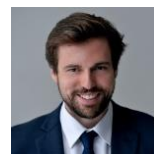
1 The Historic Yield is the weighted average yield of the model based on the model's current constituents

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.

### 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>	30th June 2020
<b>Holdings</b>	8
<b>Historic Yield<sup>1</sup></b>	2.4%
<b>Volatility<sup>2</sup></b>	8.9%
<b>Benchmark</b>	MSCI PIMFA Balanced
<b>Model OCF<sup>3</sup></b>	0.5%
<b>Service Charge<sup>4</sup></b>	1.8%

### Contact Details

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## MONTHLY COMMENTARY

November was a strong month for investors with decent gains across the board. Markets reacted positively to slowing inflation figures and have begun anticipating easing of monetary policy from central banks in order to counter economic slowdown, or in the case of Europe and the UK, a likely recession.

Global equities returned 4.84% (in sterling) in spite of the strengthening of GBP which was up over 4% vs USD and 1% vs EUR, and nearly 2% vs JPY. This was led by a resurgence in US listed stocks up 4.83% as well as European equities up over 6%. Meanwhile UK equities lagged, despite strong sterling, and returned only 2.91%, further widening the UK-USA disparity in valuations. Emerging markets also narrowly lagged global equities, returning 3.52% - another area of potential future value for more adventurous portfolios.

In fixed income, a general depression in yields following inflation figures and anticipated rate cuts provided a solid upward thrust to bond portfolios with corporate bonds, high yield bonds, gilts and inflation-linked gilts all returning just over 3%.

Real estate, being a highly leveraged asset class whose returns are reliant on cheap borrowing rates, also had a very good month off the back of lower bond yield. While the IA UK direct property sector only saw a 0.21% gain, the UK IMI Liquid Real Estate index saw a substantial 7.35% gain with listed vehicles seeing an influx of liquidity and a closing of the NAV (net asset value) discounts.

The Ethical Balanced model returned 5.2% ahead of 3.5% for the benchmark (PIMFA Growth). This return was anchored by a solid return from underlying bond funds and propelled by exposure to global equities that are more tilted to the growth and quality factors associated with ethical funds. The model's small exposure to property in the Schroder Global Cities Real Estate fund also contributed with a return of over 8%.

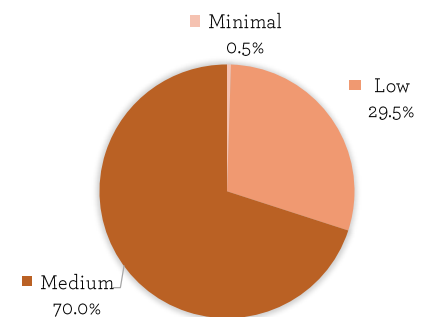
We have reduced the duration and credit risk in the bond portion of portfolio favouring higher quality and shorter dated securities. We have also moved exposure from multi-asset and some of the active UK + global equity funds into Vanguard ESG all world global equity index fund - leading to an overall reduction in underlying fees.

We have undergone various changes to model portfolios recently with the change in Head of Investment Management role, with a new focus on addressing markets on a more global basis, rather than the disproportionate focus on the UK within our PIMFA benchmarks. Additionally, we are now utilising more low fee passive index funds in order to better capture global equity exposure while also reducing underlying fees paid by clients. Both these changes, we hope will help boost long term returns and client outcomes.

## HOLDINGS

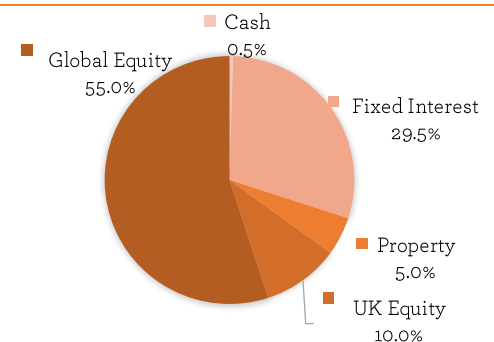
Name	Weight	OCF
EdenTree R&S Short Dated Bond	10.0%	0.38%
Rathbone Ethical Bond Fund	5.0%	0.66%
TwentyFour Sustainable Short term bond	14.5%	0.36%
Aegon Ethical Equity	10.0%	0.77%
Fundsmith Ethical	15.0%	0.96%
Vanguard ESG Developed World Equity Index	40.0%	0.20%
Schroder Global Cities Real Estate	5.0%	0.93%
Cash	0.5%	0.00%

## 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.

