Issue date: July 2024

WISE INVESTMENT LIMITED - GROWTH

Pershing

MONTHLY FACTSHEET

all data as at 30th June 2024

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Growth Model Portfolio is designed for clients who are looking for a total return in line with the MSCI PIMFA Growth 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 invests 60-100% in 'medium' risk assets, such as shares and property and can include up to 20% in 'high' risk assets such as shares in specific countries and industries. The Portfolio can also invest up to 40% in 'lower' or 'minimal' risk assets such as higher quality company debt and cash. We therefore consider the portfolio to be suitable for those willing to adopt a medium risk profile.

PORTFOLIO MANAGEMENT

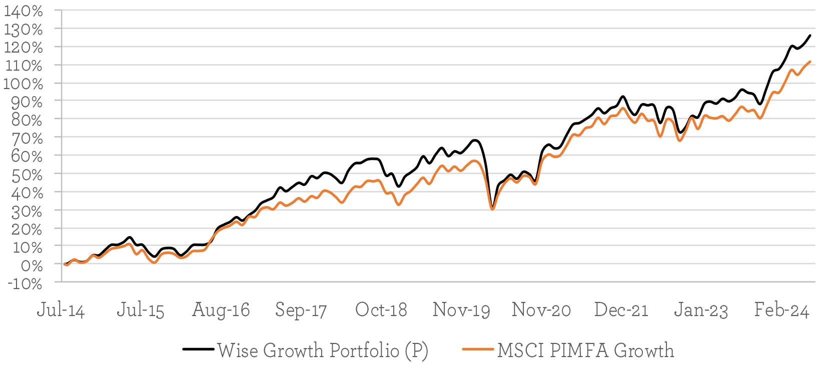
WILLIAM GEFFEN

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.

PERFORMANCE SINCE LAUNCH (using month-end data)



Key Portfolio Details

Launch Date	16th July 2014
Holdings	9
Historic Yield[1]	2.4%
Volatility[2]	8.9%
Benchmark	MSCI PIMFA Growth
Model OCF[3]	0.5%
Service Charge[4]	1.8%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Growth Portfolio (P)	2.1%	2.7%	9.8%	17.9%	25.7%	40.9%	126.0%
MSCI PIMFA Growth	1.5%	2.2%	8.8%	16.0%	21.0%	41.1%	111.7%

Contact Details

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DISCRETE ANNUAL PERFORMANCE

	30/06/2023 30/06/2024	30/06/2022 30/06/2023	30/06/2021 30/06/2022	30/06/2020 30/06/2021	30/06/2019 30/06/2020
Wise Growth Portfolio (P)	17.9%	7.8%	-1.1%	20.5%	-6.9%
MSCI PIMFA Growth	16.0%	7.1%	-2.6%	18.8%	-1.9%

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

June was another good month for investors, continuing the steady "bull run" that started in back in October 2023 initially spurred by the hope of upcoming central bank rate cuts and now sustained by a steady stream of news pointing to unexpectedly strong economic growth, particularly in the US.

Global equities rose 2.8%, in sterling, with the world's largest market, the USA, leading with a monthly return of 4.3%. Emerging markets also had a strong month, returning 4.7% driven by Asia Pacific markets (excluding Japan, which was flat) returning 5%.

Laggard geographies included our local UK market, which returned -1.3%, along with Europe dropping -1.7%.

In Fixed income, yields lowered slightly off the back of slightly lower than expected inflation figures, buoying the bond market. As a result, UK Gilts (government bonds) returned 1.3%, UK corporate bonds returned 0.8% and inflation linked bonds returned 1.2%. High yield bonds also returned 0.7%.

The property sector had a worse month, despite lower yields with direct property up only 0.1% and listed property down -1.66% likely reflecting broader market weakness.

Zooming out at this mid-point in the year, this month is reflective of the broad trend so far in 2024.

The US market has continued to surge on to new highs, returning 16% in the first half of the year alone, largely driven by a very concentrated leadership in a handful of trillion-dollar technology companies – the likes of Nvidia, Microsoft and Apple each of which alone eclipse the entire UK market. This has capped off an impressive return of 40% over the last 3 years (a period which includes the substantial peak to trough from 2021 to 2022) and nearly 100% over the last 5 years.

The UK market by contrast has only returned a plucky 7% so far this year, off the back of a substantial period of sluggish returns, with the past 3 years seeing just a 26% return, and the past 5 years seeing a paltry 29%. While poor past returns do not on their own indicate good value going forward, it is fair to say that the UK markets fall from grace has led to some compelling valuations – a sentiment backed up by a recent uptick in foreign M&A – which should help get the attention of other global investors.

Similar to the UK, emerging markets have also had a reasonable start to the year, returning 8% off the back of a very poor few years, with an awful -6.5% return over the last 3 years, largely due to the struggles of the Chinese market, with their economy suffering a tough mix declaration post-covid growth and a highly leveraged real estate sector.

Bonds have been steady, if not underwhelming. Yield curves remain stubbornly unmoved and fairly flat while the market waits for long expected rate cuts as inflation cools, with only a very cautious 0.25% cut from the ECB last month actually delivered so far.

The Growth model returned 2.10% ahead of the 1.49% return for the benchmark (PIMFA Growth). In addition to strong positioning, this month, the model benefited from timing differentials vs the benchmark, meaning some performance was taken away from the prior month (May) and likely also from the upcoming month (July). In any case, it was a good month for the model benefitting from its global equity exposure in the Fidelity Index World fund (up 3.84%) and Fundsmith equity fund (up 2.37%). Our tactical positions in the Janus Henderson Global Life Sciences fund and the Artemis SmartGARP Global Emerging Markets fund also returned a useful 4.57% and 4.24% respectively this month. Notable detractors were the small positions in the CT property growth and income fund (down 2.69%) as well as the JOHCM UK equity income fund (down 2.49%)

In terms of positioning, we continue to favour a strategy of strong core global equity exposure moderated by higher quality and shorter dated bonds in the fixed income portion of the portfolio.

However, in terms of tactical positioning, we have trimmed a further 5% of our global equity positioning (in the Fidelity Index World) due to concerns over the concentration of this sizeable position in a handful of extremely large tech companies which in turn have driven up the total funds valuation to a level where short to medium term forward returns are likely reduced and could well incur increased volatility.

We have cycled this 5% into a position in the Teviot UK smaller companies fund to take advantage of the attractive valuations and dynamics of that part of the domestic market – an area where other larger institutional investors are unable to access due to liquidity constraints.

We maintain a 5% position in the Janus Henderson Global Life Sciences fund to take advantage of the attractive valuations in the healthcare sector – a sector that has also enjoyed strong long-term returns due to the high quality nature of many healthcare businesses and the steady secular growth trends they are exposed to (e,g aging populations).

In addition, we hold a 10% position in the JOHCM UK equity income fund to capture the substantial discount we see in the traditional "deep value" parts of the UK market. We also have small 5% exposure to emerging markets through the impressive Artemis SmartGARP Global Emerging Markets fund to capture the extreme discount emerging markets currently trade at compared to developed market equities.

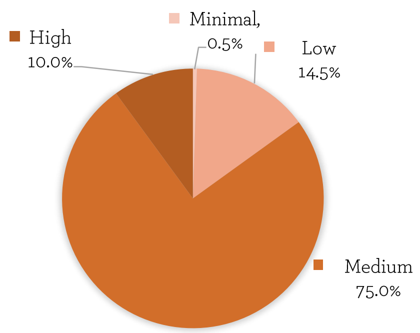
Finally, we also retain a small position in the CT property fund, as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

The Growth model remains ahead of its benchmark on a 1yr and 3 yr basis, returning 17.88% and 25.68% respectively (vs 15.97% and 21.03% for the benchmark). Worth noting also, is that this outperformance over the past 3 years hasn't been achieved through excess risk taking, rather, it has in fact been achieved with less volatility than the benchmark, protecting investors from excessive price movements while simultaneously generating a higher return.

HOLDINGS

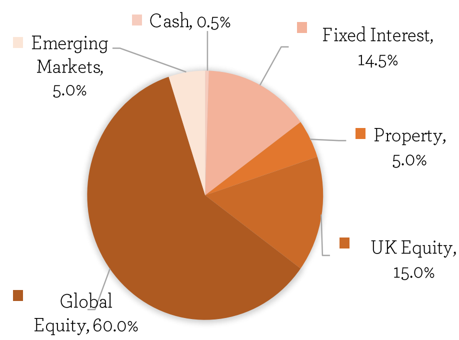
Name	Weight	OCF
TwentyFour Absolute Return Credit	14.5%	0.36%
VT Teviot UK Smaller Companies	5.0%	0.90%
JOHCM UK Equity Income	10.0%	0.69%
CT Property Growth & Income	5.0%	1.03%
Fundsmith Equity	15.0%	0.94%
Fidelity Index World	40.0%	0.12%
Janus Henderson Global Life Sciences	5.0%	0.76%
Artemis Global Emerging Markets	5.0%	0.92%
Cash	0.5%	0.0%

RISK ALLOCATION



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

ASSET ALLOCATION



IMPORTANT INFORMATION