

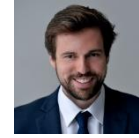
WISE INVESTMENT LIMITED - DEFENSIVE Pershing



MONTHLY FACTSHEET

all data as at 31st July 2024

PORTFOLIO MANAGEMENT



WILLIAM GEFFEN
Head of Investment
Management

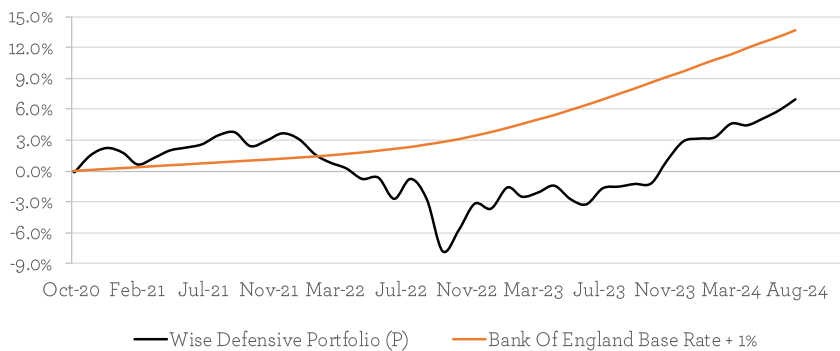
William joined Wise Investment in November 2023 and has 4 years' experience in managing equity funds. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements.

William successfully passed all three level of the Chartered Financial Analyst (CFA) exams gaining the qualification in 2021.

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)



Key Portfolio Details

| | |
|-----------------------------------|----------------------|
| Launch Date | 29th October 2020 |
| Holdings | 7 |
| Historic Yield¹ | 4.2% |
| Volatility² | 5.3% |
| Benchmark | BoE Base Rate + 1.0% |
| Model OCF³ | 0.3% |
| Service Charge⁴ | 1.7% |

CUMULATIVE PERFORMANCE

| | 1m | 3m | 6m | 1yr | 3yr | Launch |
|--------------------------------|------|------|------|------|-------|--------|
| Wise Defensive Portfolio (P) | 1.0% | 2.4% | 3.7% | 8.8% | 34% | 7.0% |
| Bank Of England Base Rate + 1% | 0.6% | 1.6% | 3.1% | 6.3% | 12.8% | 13.7% |

DISCRETE ANNUAL PERFORMANCE

| | 31/07/2023 | 31/07/2022 | 31/07/2021 |
|--------------------------------|------------|------------|------------|
| | 31/07/2024 | 31/07/2023 | 31/07/2022 |
| Wise Defensive Portfolio (P) | 8.8% | -0.9% | -4.1% |
| Bank Of England Base Rate + 1% | 6.3% | 4.5% | 1.5% |

Contact Details

Wise Investments Ltd
The Great Barn
Chalford Park Barns
Chipping Norton
OX7 5QR
Switchboard: 01608 695100
Website: www.wiseinvestment.co.uk

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

July was a mixed month for investors, with some signs of emerging volatility towards the end of the period perhaps signalling a change in sentiment at the end of a substantial “bull run” for equities stretching back into 2023.

In sterling terms, Global equities were fairly flat in the end, returning just 0.2% with the world’s largest market, the USA returning -0.4%, mostly due to a 1.5% drop in the dollar. Emerging markets and Asia ex-Japan also had poor months returning -1.3% and -1.7% respectively.

Europe fared better, being fairly flat at a -0.06% return; again pulled down by a 0.6% weakening of the currency. Japan also saw a currency driven return in the opposite direction with the Japanese market up 4.1% in sterling terms off the back of a substantial 5% strengthening of the Yen vs GBP.

The equity UK market was a marked outperformer this month, returning 3.2% as the market is now able to put any election uncertainty behind it, reassured by promises of a “pro-growth” labour government combined with much-hoped-for BOE rate cuts to boost the domestic economy.

In fixed income, yields dropped on anticipation of upcoming rate cuts due to steadily declining inflation and a cooling in the US jobs market. These lower rates boosted the bond, pushing UK Gilts (government bonds) up 2%, UK corporate bonds up 1.7% and inflation linked bonds up 2.1%. High yield bonds also returned 1.3%.

The property sector had a long overdue bounce likely helped by lower yields (and therefore reduced borrowing costs) with direct property up only 0.6% and listed property up a solid 2.6%.

Looking forward, we remain cautious on global equities, especially given recent volatility particularly in the US and Japanese markets and preferring the valuations and back drop of other markets such the UK equity market and good-quality fixed income.

The defensive model returned 1.0%, ahead of the +0.6% return for the benchmark (BoE Base rate +1%). The major positions in the Vontobel-TwentyFour ARC fund and the Premier Miton Money Market funds returned 1.0% and 0.5% respectively but parred by the small position in the Fidelity world index fund.

In terms of portfolio positioning, we have reduced the 10% position in the Fidelity Index World fund down to 5% due to stretched valuations in the US, particularly in the sizable position it has in megacap tech companies, along with mounting volatility, indicating a potential change in sentiment.

We maintain the overweight 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.

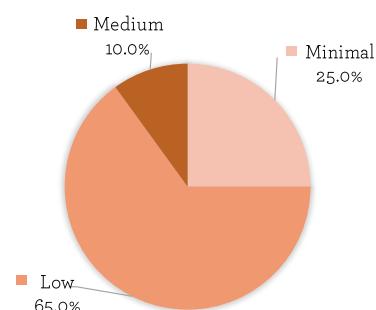
We also retain the small position in the CT property fund, as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

The model remains well ahead of the benchmark on a 1yr rolling basis, returning +8.8% vs +6.3% for the “BOE base rate +1%”.

HOLDINGS

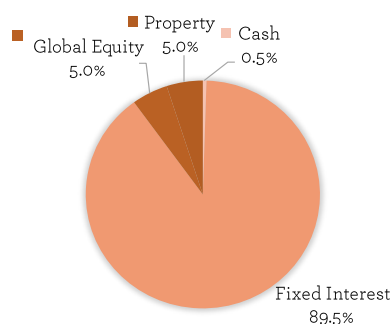
| Name | Weight | OCF |
|------------------------------------|--------|-------|
| Premier Miton UK Money Market | 24.5% | 0.16% |
| L&G Short Dated Sterling Corporate | 15.0% | 0.14% |
| M&G UK Inflation Linked Corporate | 15.0% | 0.45% |
| TwentyFour Absolute Return Credit | 35.0% | 0.36% |
| Fidelity Index World | 5.0% | 0.12% |
| CT Property Growth & Income | 5.0% | 1.03% |
| 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.

