Issue date: August 2024

WISE INVESTMENT LIMITED - ETHICAL GROWTH

Formerly WISE INVESTMENT LIMITED ETHICAL

Pershing

MONTHLY FACTSHEET

all data as at 31st July 2024

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical 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 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 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

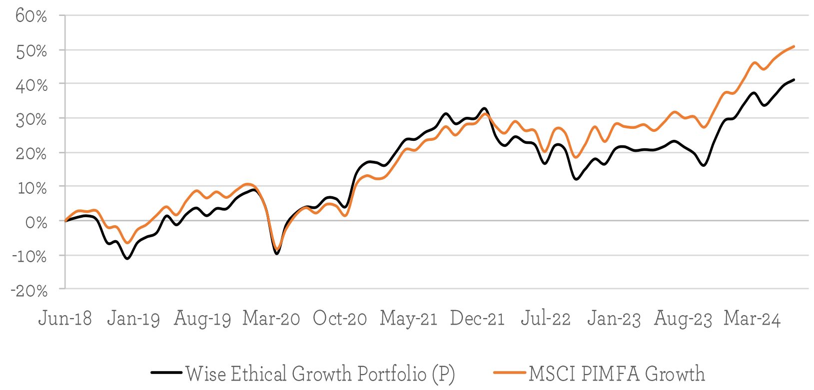
WILLIAM GEFFEN

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	26th June 2018
Holdings	8
Historic Yield[1]	1.8%
Volatility[2]	10.0%
Benchmark	MSCI PIMFA Growth
Model OCF[3]	0.5%
Service Charge[4]	1.9%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Ethical Growth Portfolio (P)	1.2%	5.6%	8.5%	14.5%	10.8%	36.1%	41.2%
MSCI PIMFA Growth	1.0%	4.6%	9.8%	14.5%	21.5%	38.7%	50.8%

Contact Details

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DISCRETE ANNUAL PERFORMANCE

	31/07/2023 31/07/2024	31/07/2022 31/07/2023	31/07/2021 31/07/2022	31/07/2020 31/07/2021	31/07/2019 31/07/2020
Wise Ethical Growth Portfolio (P)	14.5%	1.0%	-4.2%	22.5%	0.2%
MSCI PIMFA Growth	14.5%	4.0%	2.0%	21.3%	-5.9%

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

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 faired 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 Ethical Growth model returned 1.2%, ahead of the 1.0% return for the benchmark (PIMFA Growth).

While last month the model benefited from timing differentials vs the benchmark, this month it suffered, exemplified by the -1.4% return for the Vanguard ESG developed world all cap equity index fund vs +0.2% for the similar MSCI world index that makes up the global equity portion of the benchmark.

We continue to favour a strategy of strong core global equity exposure via the low fee passive Vanguard ESG developed world all cap equity index fund as well as the Fundsmith sustainable equity fund. This more volatile exposure is moderated by high quality and shorter dated bonds in the fixed income portion of the portfolio.

In terms of tactical positioning, we have trimmed a further 5% of our global equity positioning (in the Vanguard ESG developed world all cap equity index fund) 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 the Aegon ethical equity fund to capture the discount we see in the UK market now making up a 15% position and pairs with the recent addition of a 5% position in the Castlefield Sustainable 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.

Tactically, we also maintain the 5% position in the AB international healthcare fund to take advantage of the attractive valuations in the healthcare sector – a sector that also has 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).

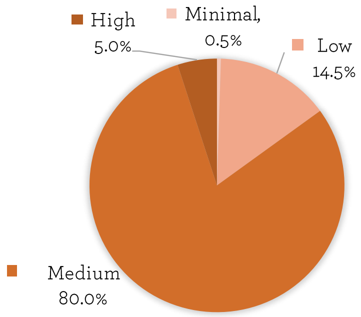
Finally, we also have a modest 5% position in Schroder Global Cities Real Estate fund as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

The Ethical Growth model is now in line with its benchmark on a 1yr basis, returning 14.6% vs 14.5% for the PIMFA Growth Benchmark but remains behind on a 3yr rolling basis.

HOLDINGS

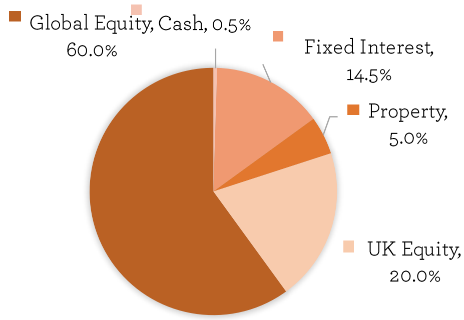
Name	Weight	OCF
TwentyFour Sustainable Short term bond	14.5%	0.36%
Schroder Global Cities Real Estate	5.0%	0.93%
CFP Castlefield Sustainable UK Smaller Compa	5.0%	1.00%
Aegon Ethical Equity	15.0%	0.77%
Fundsmith Ethical	15.0%	0.96%
Vanguard ESG Developed World Equity Index	40.0%	0.20%
Alliance Bernstein International Healthcare	5.0%	0.96%
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.