

# WISE INVESTMENT LIMITED - INCOME

Pershing



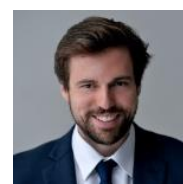
## MONTHLY FACTSHEET

all data as at 31st July 2025

### PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Income Model Portfolio is designed for clients who are looking for a level of income plus capital growth 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 aims to provide income of 3.5% or more per year. 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                 | 9th April 2014    |
| Holdings                    | 14                |
| Historic Yield <sup>1</sup> | 4.2%              |
| Yield Target                | 3.5%+             |
| Volatility <sup>2</sup>     | 7.5%              |
| Benchmark                   | MSCI PIMFA Growth |
| Model OCF <sup>3</sup>      | 0.7%              |
| Service Charge <sup>4</sup> | 2.0%              |

### CUMULATIVE PERFORMANCE

|                           | 1m   | 3m   | 6m   | 1yr   | 3yr   | 5yr   | Launch |
|---------------------------|------|------|------|-------|-------|-------|--------|
| Wise Income Portfolio (P) | 1.9% | 6.5% | 4.5% | 9.5%  | 25.3% | 58.5% | 107.8% |
| MSCI PIMFA Growth         | 3.8% | 9.8% | 2.8% | 10.4% | 31.5% | 62.8% | 141.7% |

### DISCRETE ANNUAL PERFORMANCE

|                           | 31/07/2024 | 31/07/2023 | 31/07/2022 | 31/07/2021 | 31/07/2020 |
|---------------------------|------------|------------|------------|------------|------------|
|                           | 31/07/2025 | 31/07/2024 | 31/07/2023 | 31/07/2022 | 31/07/2021 |
| Wise Income Portfolio (P) | 9.5%       | 12.6%      | 1.6%       | 3.0%       | 22.8%      |
| MSCI PIMFAGrowth          | 10.4%      | 14.5%      | 4.0%       | 2.0%       | 21.3%      |

### 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.

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

<sup>2</sup> 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

<sup>3</sup> The Model OCF calculates the annual charges levied by the underlying fund holdings according to the model portfolio weights

<sup>4</sup> 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 another strong month for investors. In equity markets, the US continued its steady recovery from the April lows post “Liberation Day”, pushing up 5.9% in sterling terms to new highs, pulling the world index (which is ~70% US driven) up 4.9%. This was partly helped by an appreciation of the dollar vs the pound of 3.6%.

The other notably high returns came from Emerging Markets, which rose 5.6% as news of trade deals flowed in and fears of extreme tariffs subsided.

Other equity markets rose, but lagged the US, with the UK market up 3.9%, Europe up 0.9%, and Japan up 2.1%.

In fixed income, markets were less buoyant, with Gilts returning -0.4% and Corporate bonds returning just 0.4% as the yield curve rose slightly but credit spreads narrowed. High Yield bonds returned 1.1%, benefitting more from the tightening of credit spreads.

Finally, in real estate, directly held property dropped -0.5% while the listed liquid real estate dropped a further -2.8%.

Looking forward, while the US administration has managed to make some very favourable trade deals, especially with Europe, some uncertainty persists regarding US tariff policy. Tariffs have now been widely implemented and while headline US inflation came in fairly low as expected, under the hood there are some warning signs. While services, digital goods and travel costs dropped, physical goods like clothes and electronics, i.e imports, rose, suggesting early signs of businesses passing tariff costs through to end consumers - a trend that could push inflation, hamper growth and force the US Federal Reserve to further postpone hotly anticipated rate cuts.

Meanwhile the US and UK governments both seem to be unable to bring spending under control. In the US, the Big Beautiful Bill, full of tax cuts and spending, passed through both the House and Senate and is now in full force, pushing government spending further despite cuts and efficiencies promised in the election. In the UK further taxes and borrowing appear almost inevitable. This puts a deal of stress on bond markets, and while it is unlikely to create a sudden shock like we saw with the Lizz Truss budget in late 2022, it will likely continue to put a higher than desired floor on bond yields.

The Income model returned 1.9%, behind the 3.8% return for the benchmark (PIMFA Growth).

This return was largely driven by a slight lag in the Global Equity positions, with the likes of the Guinness Global Equity Income fund and the Evenlode Global Income fund returning just 3.6% and 0.8% respectively.

Our bond funds were comparatively flat but performed well vs the benchmark positions with the likes of the Vontobel TwentyFour Absolute Return Credit fund returning 0.5% and the TwentyFour Asset Backed Opportunity fund returning 0.9% vs 0.4% return for the MSCI Corporate bond benchmark.

We made no changes to the portfolio in July, and 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 a solid 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, and a 5% 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 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.

Additionally, we retain positions in the CT Property fund and BNY Mellon Infrastructure Income fund, as we continue to see value in these down beaten asset classes as shown by the large net asset value discounts in listed real estate trusts and infrastructure companies.

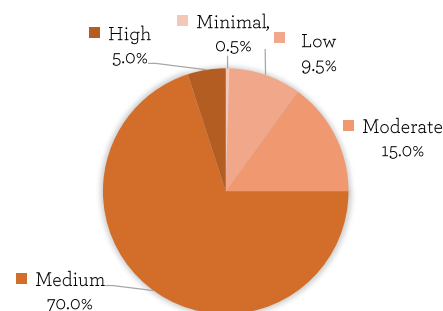
The income model low lags its benchmark on a 1yr basis, returning 9.5% (vs 10.4% for the MSCI PIMFA Growth benchmark) but it is worth noting that this return has been achieved with significantly lower volatility than the benchmark, protecting investors from excessive price movements and maintaining their income-earning power.

## HOLDINGS

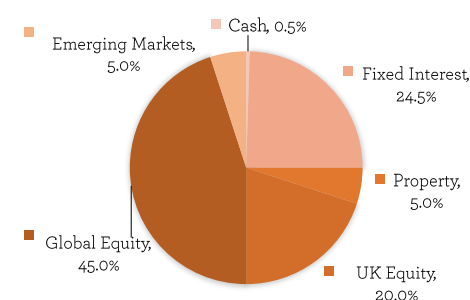
| Name                                    | Weight | OCF   |
|-----------------------------------------|--------|-------|
| WS Evenlode Global Income               | 15.0%  | 0.54% |
| TwentyFour Asset Backed Opportunities   | 10.0%  | 0.71% |
| JOHCM UK Equity Income                  | 10.0%  | 0.67% |
| BNY Mellon Global Income                | 10.0%  | 0.81% |
| BNY Mellon Global Infrastructure Income | 10.0%  | 0.53% |
| Guinness Global Equity Income           | 10.0%  | 0.79% |
| TwentyFour Absolute Return Credit       | 5.0%   | 0.35% |
| Man Dynamic Income                      | 5.0%   | 0.81% |
| VT Teviot UK Smaller Companies          | 5.0%   | 0.88% |
| Invesco UK Enhanced Index               | 5.0%   | 0.23% |
| CT Property Growth & Income             | 5.0%   | 1.11% |
| Artemis SmartGARP Emerging Markets      | 5.0%   | 0.86% |
| L&G All Stocks Gilt Index Trust         | 4.5%   | 0.15% |
| 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.

