Issue date: February 2026

WISE INVESTMENT LIMITED - ETHICAL GROWTH

Formerly WISE INVESTMENT LIMITED ETHICAL

Pershing

MONTHLY FACTSHEET

all data as at 31st December 2025

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

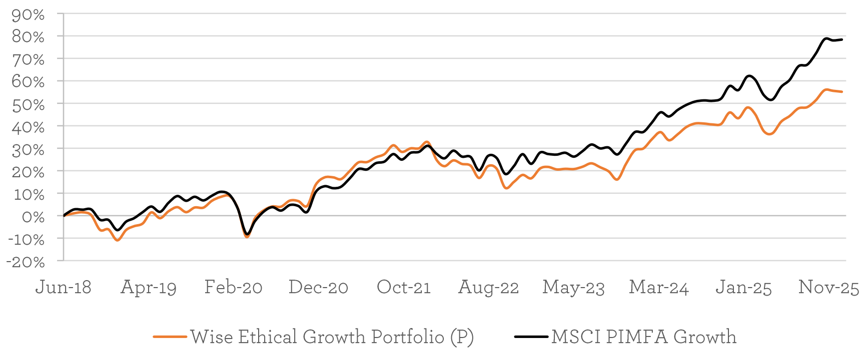
WILLIAM GEFFEN

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	12
Historic Yield[1]	2.3%
Volatility[2]	8.2%
Benchmark	MSCI PIMFA Growth
Model OCF[3]	0.5%
Service Charge[4]	1.8%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Ethical Growth Portfolio (P)	-0.3%	2.5%	7.5%	8.2%	33.0%	32.6%	55.1%
MSCI PIMFA Growth	0.2%	3.6%	11.2%	14.4%	44.9%	57.7%	78.3%

DISCRETE ANNUAL PERFORMANCE

	31/12/2024 31/12/2025	31/12/2023 31/12/2024	31/12/2022 31/12/2023	31/12/2021 31/12/2022	31/12/2020 31/12/2021
Wise Ethical Growth Portfolio (P)	8.2%	11.1%	10.6%	-12.1%	13.4%
MSCI PIMFA Growth	14.4%	13.7%	11.4%	-6.1%	15.9%

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.

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

December was a fairly mixed month for investors, but it capped off what turned out to be a fairly good year in 2025.

Global equites were down -0.7%, mostly due to a downturn in the US dollar, which retreated -1.5% vs sterling, meaning a flat US market was actually down -1.5% in Sterling terms. A similar situation occurred in Japan where the equity index was positive 1% in own currency terms but was down -0.9% in GBP due to a -1.9% slip in the yen vs the pound.

Elsewhere, equities performed very strongly. UK and European markets advanced 2.2% and 2.4% respectively, more insulated from issues around AI and Technology sentiment that is now such a large driver of US and global markets as well as lower impact from currency movements. Emerging markets also performed well, up 1.5%.

In fixed income, yields were fairly flat, allowing steady returns all round. Gilts and Corporate bonds returned 0.3% and 0.5% respectively, High Yield bonds returned just 0.6% as spreads held steady.

Finally, in real estate, directly held property traded fairly flat at -0.1% while the listed liquid real estate rose 0.5%.

Looking forward, the set-up remains a tricky one for investors. The US market is richly valued, largely bolstered by strong enthusiasm for AI investment and the dominance of a handful of very successful megacap tech stocks. While many of these are incredibly impressive, cash generative companies and some enthusiasm for this technology and the productivity gains it should produce, is justified, the market does seem vulnerable to runaway expectations of AI growth and profitability leaving it fragile to a potential demand shock in the near term.

This is also coupled to aggressive expectations for interest rate cuts from the Federal Reserve (egged on by the US president himself) that seem unrealistically fast given latent inflation, high government deficit spending, tariff uncertainty and generally hot economic conditions in the US. Indeed, the narrative coming from the Fed has continued to be cautious, with aggressive cuts only likely in a recessionary scenario.

Closer to home, the UK Government debt is looking a little healthier with yields dropping as the November budget provided clear commitment to spending rules and more headroom. However, the economic outlook continues to sour, while the Gilt market itself still relies on foreign investors who have persistently priced UK yields at a sustained premium to other developed nations since the disastrous Truss/Kwarteng min-budget in 2022. This added scrutiny is a potential issue when the current government seem unable to prompt much needed economic growth, nor rein in its sizeable welfare bill, while the electorate increasingly seem to favour more extreme parties both on the left and right.

This all leads us to favour a more defensive footing, with moderated exposure to US equities and a preference for lower duration and higher quality bonds which still offer a fairly attractive yield, especially compared to the yields on offer between 2009-2022. While this overall outlook may seem downbeat, it is always worth remembering that given enough time markets will soldier on through short term turbulence propelled by the tailwind of steady global economic growth – and so as ever we remain optimistic for the returns of long-term patient investors.

The Ethical Growth model returned -0.3%, behind the 0.2% return for the benchmark (PIMFA Growth).

This underperformance was largely driven by our positions in Global Equities, like the Vanguard ESG Developed World All Cap Equity Index fund which returned -0.49%. Property also underperformed with the small position in Schroder Global Cities fund returning -1.8%.

Our Fixed Income positions held up better with our largest bond holding, the Vontobel-TwentyFour Sustainable Short Term bond fund returning 0.3%, and the Vontobel ABS Opportunities fund returning 0.7%.

We made no changes to the portfolio in December and continue to favour a strategy of strong core global equity exposure via the low fee passive Vanguard ESG Developed World All Cap Equity Index. This more volatile exposure is moderated by high quality bonds in the Fixed Income portion of the portfolio.

Tactically, we maintain our position in the Aegon Ethical Equity and Royal London Sustainable Leaders funds to capture the substantial discount we see in the UK market along with an additional small position in the Castlefield Sustainable UK Smaller Companies fund to take advantage of the further discount in UK Small Caps. We also maintain a 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).

Another theme we have invested in is the Regnan Water and Waste fund, allowing us to invest in a relatively underappreciated global trend towards urbanisation and improved communal hygiene. Stocks here, while not glamorous, offer decent growth and favourable valuations compared to other growth trends such as those within technology like AI.

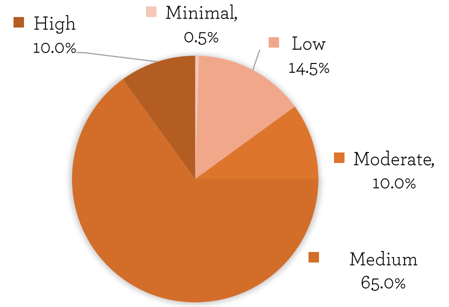
We also have a modest 5% position in the Schroder Global Cities Real Estate fund as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

HOLDINGS

Name	Weight	OCF
Vanguard ESG Developed World Equity Index	35.0%	0.20%
TwentyFour Asset Backed Opportunities	10.0%	0.70%
Royal London Sustainable Leaders Trust	10.0%	0.76%
TwentyFour Sustainable Short term bond	9.5%	0.36%
TwentyFour Sustainable Global Corporate Bond	5.0%	0.40%
Schroder Global Cities Real Estate	5.0%	0.93%
CFP Castlefield Sustainable UK Smaller Companies	5.0%	0.94%
Aegon Ethical Equity	5.0%	0.77%
JOHCM Regnan Sustainable Water and Waste	5.0%	0.85%
Alliance Bernstein International Healthcare	5.0%	0.96%
GIB AM EM Active Engagement	5.0%	0.80%
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