Issue date: October 2024

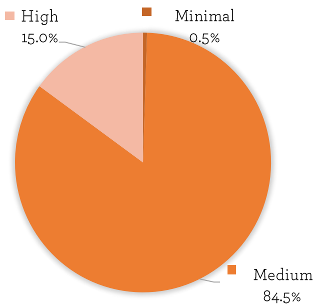
WISE INVESTMENT LIMITED – LONG-TERM GROWTH
Pershing

MONTHLY FACTSHEET
all data as at 30th September 2024

PORTFOLIO OBJECTIVES AND STRATEGY

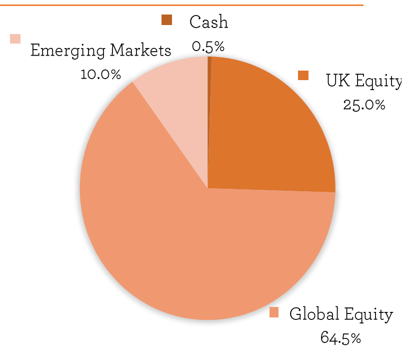
The Wise Long-Term Growth Model Portfolio is designed for clients who are looking for a total return in line with the MSCI PIMFA Global Growth index over a 5 to 10-year period. We aim to achieve this by investing in a select and focussed list of funds (unit trusts, investment trusts and OEICs), with 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 40% in 'high' risk assets such as shares in specific countries and industries. The Portfolio can also invest up to 20% 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 an adventurous risk profile.

Risk Allocation



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

Asset Allocation



HOLDINGS

Name	Weight	OCF
JOHCM UK Equity Income	15.0%	0.69%
VT Teviot UK Smaller Companies	5.0%	0.90%
L&G UK Index Trust	5.0%	0.10%
Fidelity Index World	44.5%	0.12%
Fundsmith Equity	15.0%	0.94%
Janus Henderson Global Life Sciences	5.0%	0.76%
Artemis Global Emerging Markets	5.0%	0.86%
Aubrey Global Emerging Markets Opportunity	5.0%	1.04%
Cash	0.5%	0.00%

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.

Key Portfolio Details

Launch Date	2nd January 2024
Holdings	9
Historic Yield[1]	2.2%
Benchmark	MSCI PIMFA Global Growth
Model OCF[2]	0.5%
Service Charge[3]	1.8%

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 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

September was a mixed month for investors. In equity markets the standout is China which had a massive rally of the back of the announcement of stimulus measures from their central bank aimed at steadying a faltering post-covid economy dragged down by an ailing property market.

With China as the largest component of the emerging-markets basket – the EM index was up 4.5% while other markets were more subdued. The US market, and the world market overall (of which the US is over 70%) was fairly buoyant, but ended flat in Sterling terms due to a sizeable strengthening of GBP vs USD (up 2%). Europe was down 1.6% in sterling terms, again largely due to GBP strength, this time up 1.2% vs the Euro. The origin of this strong GBP is likely the recent BOE decision to maintain interest rates at 5% while others, notably the US Fed, have begun seemingly more rapid cuts, with the Fed cutting a sizable 0.5% in one go.

Underperforming markets included Japan, which is still shaking off the volatility in August that capped its meteoric rise earlier in the year, down 2.6% over the month. The UK also saw a pull back of 1.5% where investor confidence is being shaken by increasingly worrying noises coming from the new labour government and potential tax rises in the upcoming Autumn Statement. Europe also lagged, down 1.6% in sterling terms, mostly due to a weakening euro vs GBP.

In Fixed income things were characteristically steady with Corporate bonds up 0.4% and Government bonds more or less flat, up 0.1%. High yield bonds came in with a solid 1% return. Elsewhere property had a very strong month with the liquid real estate sector up 1.2% and direct property up 0.9%.

Looking forward, we remain cautious in the shorter term 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 as the UK equity market. Upcoming rate cuts, however, should provide broad support.

In fixed income, we now look to be headed into the cutting part of the cycle where the question becomes, how quickly and deeply will central banks cut. We believe that cuts will not perhaps go as quick and far as markets seem to be predicting and should see a normalising yield curve (which is currently rater flat) thus the ideal spot is likely to be to position in the central "belly" of the curve as appropriate to portfolio time horizons and risk tolerance.

The Long-term growth model was launched on the 1st of January and returned -0.08% in September, slightly behind the Global Growth PIMFA benchmark return of 0.03%.

The notable underperforming positions were the small holding in the Janus Henderson Global Life Sciences fund which returned -4.2% and the Teviot UK Smaller Smaller Companies fund which returned -2.26%. The notable outperformer was the Artemis Smart GARP Global Emerging Markets fund returning +4%.

This model is designed to be an all-equity portfolio with a solid core of global equity exposure, which we currently maintain through a large position in the Fidelity MSCI World Index fund along with the Fundsmith equity fund. We also look to take tactical exposure to sectors and geographies that we believe offer superior returns in the short to medium term.

We maintain a 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 the fairly new 5% position in the Teviot UK smaller companies fund to benefit from the attractive set up that part of the domestic market – an area where other larger institutional investors are unable to access due to liquidity constraints.

We also hold 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).

Finally, we have a 10% exposure to emerging markets with 5% in the Artemis SmartGARP Global Emerging Markets fund to capture the extreme discount emerging markets currently trade at, as well as the Aubrey Emerging Markets Opportunity fund which seeks return via exposure to the rise in emerging market consumer spending.