

# WISE INVESTMENT LIMITED - DEFENSIVE Pershing

## MONTHLY FACTSHEET

all data as at 31st October 2024

## PORTFOLIO MANAGEMENT



**WILLIAM GEFFEN**  
Head of Investment  
Management

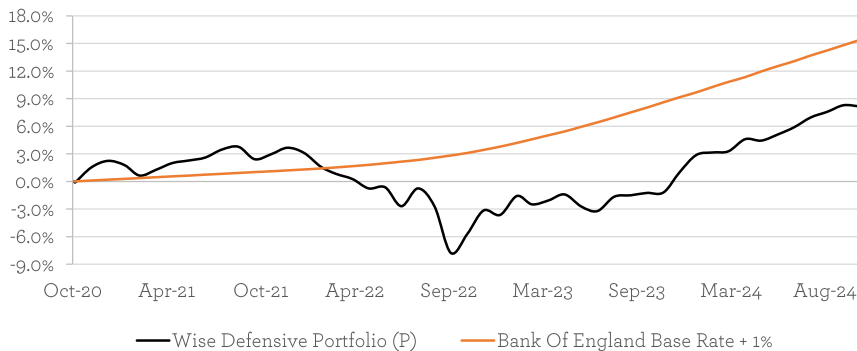
William joined Wise Investment in November 2023 and has 4 years' experience in managing equity funds. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements.

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	8
Historic Yield <sup>1</sup>	4.2%
Volatility <sup>2</sup>	5.2%
Benchmark	BoE Base Rate + 1.0%
Model OCF <sup>3</sup>	0.3%
Service Charge <sup>4</sup>	1.6%

## CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	Launch
Wise Defensive Portfolio (P)	-0.1%	1.1%	3.6%	9.5%	5.0%	8.2%
Bank Of England Base Rate + 1%	0.5%	1.5%	3.1%	6.2%	14.1%	15.4%

## DISCRETE ANNUAL PERFORMANCE

	31/10/2023	31/10/2022	31/10/2021
	31/10/2024	31/10/2023	31/10/2022
Wise Defensive Portfolio (P)	9.5%	4.8%	-8.4%
Bank Of England Base Rate + 1%	6.2%	5.3%	2.0%

## Contact Details

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OX7 5QR  
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Website: [www.wiseinvestment.co.uk](http://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

October was a very mixed month for investors in the UK. The main source of return in the market came from a rapid depreciation of the British pound, especially vs the dollar, with the dollar strengthening more than 4% against the pound. This meant that despite the US market being down slightly in dollar terms, it appreciated 3.5% in sterling terms, driving the broad global equity index up 2.3%. Europe lagged despite euro strength vs GBP (up 1.5%), with the index down 1.9%.

The chief reason for the weak pound was likely around the UK autumn budget which sent yields higher due to higher anticipated public borrowing. This in turn pushed the pound down due to strained demand for GBP assets. The UK equity market also lagged, anticipating a hit to earnings from the new budget, primarily from the rise in employer NI payments.

The rise in interest rates also created turbulence in bond markets with the UK GILT index falling 2.7%, inflation linked bonds down 2.3% and corporate bonds down 1.1%.

Looking forward, the big upcoming event in November is of course the US election on the 5th and therefore no doubt lots to talk about in the November commentary. This event combined with ongoing earnings will likely cause a fair bit of upcoming volatility.

The defensive model returned -0.12%, behind the +0.50% return for the benchmark (BoE Base rate +1%). The major position in the Vontobel-TwentyFour ARC fund returned -0.1% which, while negative, was well ahead of other bond fund returns. The small position in Fidelity World Index was up 2.5% however the small position in the CT Property fund was down 3.3% leading to an overall flattish month.

We made no changes to portfolio positioning this month. 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 small positions in the Fidelity World Equity Index to add a small bit of diversification to a fixed-income heavy portfolio, as well as in the CT Property fund, seeing value in this down beaten asset class.

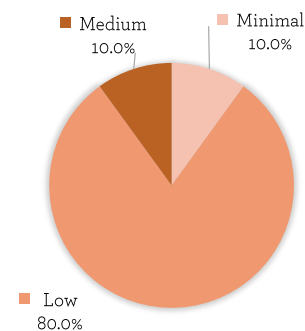
The model remains well ahead of the benchmark on a 1yr rolling basis, returning +9.5% vs +6.2% for the "BOE base rate +1%".

## HOLDINGS

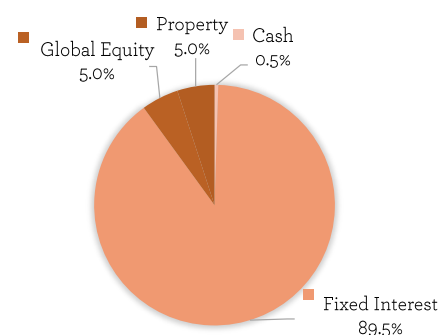
Premier Miton UK Money Market	9.5%	0.16%
L&G Short Dated Sterling Corporate	15.0%	0.14%
M&G UK Inflation Linked Corporate	15.0%	0.45%
TwentyFour Monument Bond	10.0%	0.39%
TwentyFour Absolute Return Credit	40.0%	0.36%
CT Property Growth & Income	5.0%	1.07%
Fidelity Index World	5.0%	0.12%
Cash	0.5%	0.00%

## 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.

