

# WISE INVESTMENT LIMITED - BALANCED

## Pershing



### MONTHLY FACTSHEET

all data as at 28th February 2025

### PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Balanced Model Portfolio is designed for clients who are looking for a total return in line with the MSCI PIMFA Balanced 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 is managed so that 50%-80% is invested in 'medium' risk assets, such as shares and property. 20%-50% is to be 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, and any remaining balance up to 10% can be held in higher risk assets, such as shares in specific countries and industries. We consider the portfolio to be suitable for those willing to adopt a balanced risk profile.

### PERFORMANCE SINCE LAUNCH (using month-end data)



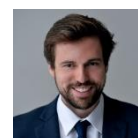
### CUMULATIVE PERFORMANCE

|                             | 1m    | 3m   | 6m   | 1yr   | 3yr   | 5yr   | Launch |
|-----------------------------|-------|------|------|-------|-------|-------|--------|
| Wise Balanced Portfolio (P) | -1.2% | 1.1% | 4.3% | 10.7% | 25.7% | 41.4% | 87.9%  |
| MSCI PIMFA Balanced         | -0.5% | 1.5% | 5.0% | 11.7% | 20.0% | 39.7% | 88.1%  |

### DISCRETE ANNUAL PERFORMANCE

|                             | 29/02/2024 | 28/02/2023 | 28/02/2022 | 28/02/2021 | 29/02/2020 |
|-----------------------------|------------|------------|------------|------------|------------|
|                             | 28/02/2025 | 29/02/2024 | 28/02/2023 | 28/02/2022 | 28/02/2021 |
| Wise Balanced Portfolio (P) | 10.7%      | 9.5%       | 3.7%       | 8.2%       | 4.0%       |
| MSCI PIMFA Balanced         | 11.7%      | 8.8%       | -1.3%      | 8.7%       | 7.1%       |

### 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

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Launch Date</b>                | 3rd March 2016      |
| <b>Holdings</b>                   | 12                  |
| <b>Historic Yield<sup>1</sup></b> | 3.2%                |
| <b>Volatility<sup>2</sup></b>     | 9.0%                |
| <b>Benchmark</b>                  | MSCI PIMFA Balanced |
| <b>Model OCF<sup>3</sup></b>      | 0.4%                |
| <b>Service Charge<sup>4</sup></b> | 1.8%                |

### Contact Details

Wise Investments Ltd  
The Great Barn  
Chalford Park Barns  
Chipping Norton  
OX7 5QR  
Switchboard: 01608 695100  
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 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

February was a mixed month, generally bucking the trend built up over the past year or so.

Equities bifurcated fairly heavily. On the one hand the largest global market, the US, had a very poor month, sliding -2.9%. This was mainly driven by fears around tariffs, which were threatened against Canada and Mexico before being delayed, while the Trump administration pressed ahead with 10% tariffs on Chinese imports. This has impacted technology companies hardest, particularly those with supply chains reliant on Chinese imports.

Japan also had a poor month, sliding -2.7% in solidarity, caught in the middle of the US-China trade conflict.

On the other hand, UK and European markets were strong, rising 2.4% and 1.5% respectively as they have so far dodged any tariffs and look to be having slightly better economic growth than previously feared.

Overall, with US markets weighing heavily, global equities ended the month down, returning -2.0% in GBP terms.

Bond returns were steady, with the yield curve holding form. Gilts returned 0.9% while corporate bonds returned 0.5% and High Yield returned 0.9%. Direct property moved up 0.3% and liquid listed property slid -0.8% as borrowing costs stayed high.

The Balanced model returned -1.2%, behind the benchmark (PIMFA Balanced) return of -0.5%.

The positions in global equities lagged, largely due to unfortunate fund price timings on the final day of the month. Nonetheless global equity exposure performed poorly, with the Fidelity Index returning -3.8%. Exposure to UK funds helped with the JOHCM UK Income fund returning 0.4%. Bond funds also helped steady the portfolio, with the likes of the Vontobel TwentyFour Absolute Return Credit fund returning 0.6%.

We made a number of changes to the portfolio, including trimming 5% of the JOHCM UK Equity Income fund and opening a 5% position in the Invesco Enhanced UK Index fund, looking to broaden our exposure to the UK where we see a fairly wide scope value opportunity. We also exited the 5% position in the TwentyFour Corporate Bond fund and started a position in the L&G All Stocks Gilt fund, looking to reduce our long dated corporate bond exposure due to the poor risk/reward offered by extremely narrow credit spreads. Finally, we trimmed 5% out of Fundsmith and allocated that 5% to the Invesco Global Ex UK Enhanced Index fund in order to take advantage of the impressive quantitative approach of this low-fee fund.

We maintain our global approach, using mostly passive global index funds (like Fidelity Index World) to drive returns, while moderating volatility with low volatility bond funds. We also look to take tactical positions in undervalued markets like the modest 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.

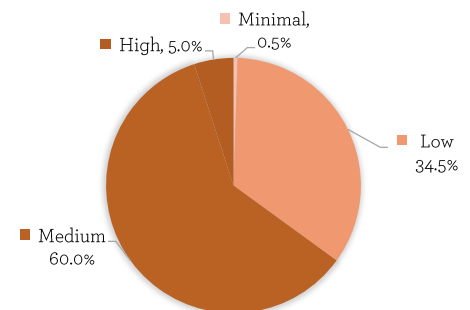
The Balanced model remains ahead of its benchmark on a 3 yr and 5yr basis, returning 25.7% and 41.4% respectively (vs 20.0% and 39.7% for the benchmark). Worth noting also, is that this outperformance hasn't been achieved through excess risk taking, rather, it has in fact been achieved with significantly less volatility than the benchmark, protecting investors from excessive price movements while simultaneously generating a higher return.

## HOLDINGS

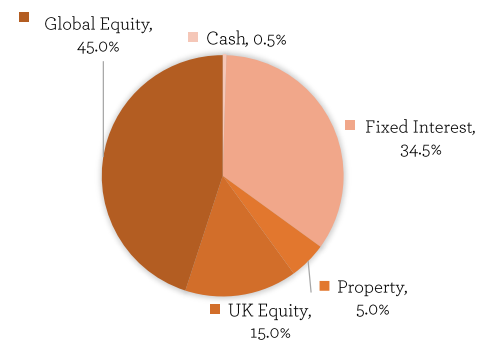
| Name                                  | Weight | OCF   |
|---------------------------------------|--------|-------|
| TwentyFour Asset Backed Opportunities | 5.0%   | 0.71% |
| L&G All Stocks Gilt Index Trust       | 5.0%   | 0.15% |
| TwentyFour Monument Bond              | 5.0%   | 0.39% |
| TwentyFour Absolute Return Credit     | 19.5%  | 0.35% |
| CT Property Growth & Income           | 5.0%   | 1.07% |
| JOHCM UK Equity Income                | 10.0%  | 0.66% |
| Invesco UK Enhanced Index             | 5.0%   | 0.23% |
| Fundsmith Equity                      | 10.0%  | 0.94% |
| Fidelity Index World                  | 25.0%  | 0.12% |
| Invesco Global Ex UK Enhanced Index   | 5.0%   | 0.23% |
| Janus Henderson Global Life Sciences  | 5.0%   | 0.76% |
| 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.

