

# WISE INVESTMENT LIMITED - ETHICAL BALANCED

## Pershing

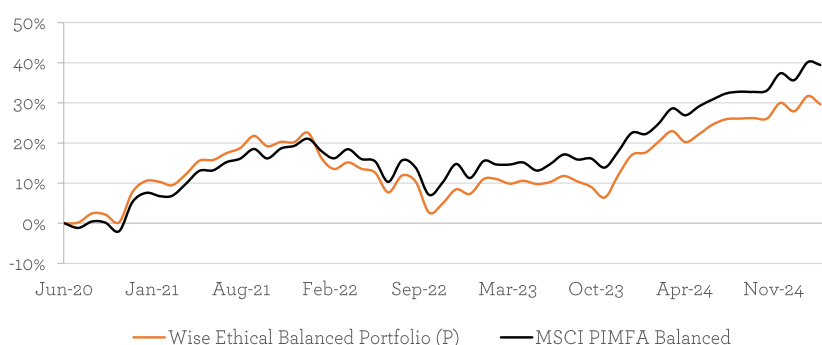
### MONTHLY FACTSHEET

all data as at 28th February 2025

## PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical 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 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 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, 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)



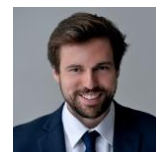
## CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	Launch
Wise Ethical Balanced Portfolio (P)	-1.6%	-0.3%	2.8%	7.8%	14.2%	29.6%
MSCI PIMFA Balanced	-0.5%	1.5%	5.0%	11.7%	20.0%	39.5%

## DISCRETE ANNUAL PERFORMANCE

	29/02/2024	28/02/2023	28/02/2022
	28/02/2025	29/02/2024	28/02/2023
Wise Ethical Balanced Portfolio (P)	7.8%	8.3%	-2.2%
MSCI PIMFA Balanced	11.7%	8.8%	-1.3%

## 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>	30th June 2020
<b>Holdings</b>	11
<b>Historic Yield<sup>1</sup></b>	2.3%
<b>Volatility<sup>2</sup></b>	5.1%
<b>Benchmark</b>	MSCI PIMFA Balanced
<b>Model OCF<sup>3</sup></b>	0.5%
<b>Service Charge<sup>4</sup></b>	1.9%

## 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

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 Ethical Balanced model returned -1.6%, behind the -0.5% return for the PIMFA Balanced benchmark.

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 Fundsmith Sustainable Equity fund returning -3.7%. Our UK exposure, despite the UK market broadly holding up well, did poorly with the Aegon Ethical fund down -4.2%, prompting us to review this underperforming position and look at alternatives. The AB International Healthcare fund benefitted from its defensive healthcare positioning, was fairly flat with a 0.4% return.

We made few changes to the portfolio this month. We trimmed 5% out of the Aegon Ethical fund and 5% out of Fundsmith Sustainable Equity fund topped up the Vanguard ESG Index fund 5% and opened a new 5% position in Regnan Sustainable Water and Waste – looking to invest in a long-term growth theme, riding urbanisation and development trends outside of the information technology sector.

Strategically we continue to favour a strategy of strong core global equity exposure via the low fee passive Vanguard ESG Developed World All Cap Equity Index fund as well as the Fundsmith Sustainable Equity fund. This more volatile exposure is moderated by high quality and shorter dated bonds in the fixed income portion of the portfolio.

Tactically, we maintain our position in the Aegon Ethical Equity fund to capture the substantial discount we see in the UK market. 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).

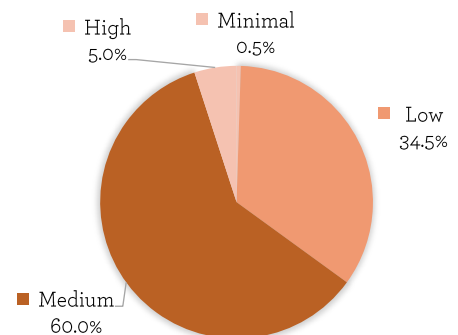
We also have a modest 5% position in Schroder Global Cities Real Estate fund as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

## HOLDINGS

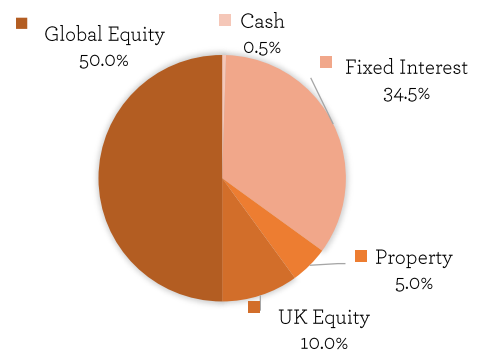
Name	Weight	OCF
TwentyFour Asset Backed Opportunities	5.0%	0.71%
TwentyFour Sustainable Global Corporate Bond	5.0%	0.40%
TwentyFour Monument Bond	5.0%	0.39%
TwentyFour Sustainable Short term bond	19.5%	0.36%
Schroder Global Cities Real Estate	5.0%	0.93%
Aegon Ethical Equity	10.0%	0.77%
Fundsmith Ethical	10.0%	0.96%
JOHCM Regnan Sustainable Water and Waste	5.0%	0.83%
Vanguard ESG Developed World Equity Index	30.0%	0.20%
Alliance Bernstein International Healthcare	5.0%	0.96%
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.

