

# WISE INVESTMENT LIMITED - INCOME

Pershing

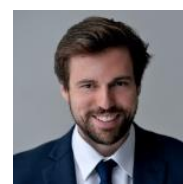
## MONTHLY FACTSHEET

all data as at 28th February 2025

### PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Income Model Portfolio is designed for clients who are looking for a level of income plus capital growth in line with the MSCI PIMFA 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 aims to provide income of 3.5% or more per year. 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



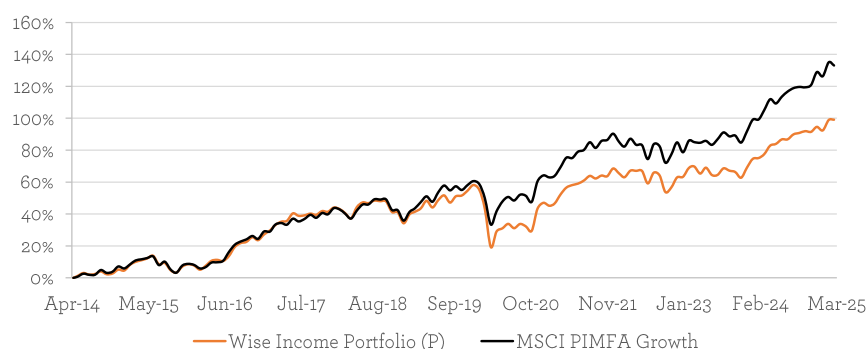
#### WILLIAM GEFFEN

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	9th April 2014
Holdings	13
Historic Yield <sup>1</sup>	4.0%
Yield Target	3.5%+
Volatility <sup>2</sup>	8.6%
Benchmark	MSCI PIMFA Growth
Model OCF <sup>3</sup>	0.6%
Service Charge <sup>4</sup>	2.0%

### CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Income Portfolio (P)	0.1%	2.3%	4.3%	12.2%	22.1%	39.0%	99.0%
MSCI PIMFA Growth	-0.8%	1.8%	6.1%	13.6%	27.9%	55.5%	133.1%

### 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 Income Portfolio (P)	12.2%	4.6%	4.1%	11.2%	2.4%
MSCI PIMFAGrowth	13.6%	10.9%	1.5%	11.2%	9.4%

### Contact Details

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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.

<sup>1</sup> The Historic Yield is the weighted average yield of the model based on the model's current constituents

<sup>2</sup> 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

<sup>3</sup> The Model OCF calculates the annual charges levied by the underlying fund holdings according to the model portfolio weights

<sup>4</sup> 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 Income model returned 0.1%, ahead of the -0.8% return for the benchmark (PIMFA Growth).

The positions in global equities performed better than the broader market, being more defensively positioned funds, with mature, dividend yielding stocks. 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 Asset Back Opportunities fund returning 1%.

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 9.5% position in the TwentyFour Corporate Bond fund and started a 4.5% position in the L&G All Stocks Gilt fund and a 5% position in the Vontobel TwentyFour Absolute Return Credit fund, looking to reduce our long dated corporate bond exposure due to the poor risk/reward offered by extremely narrow credit spreads.

Strategically, we continue to favour a strategy of strong core global equity exposure moderated by higher quality and shorter dated bonds in the fixed income portion of the portfolio.

However, in terms of tactical positioning, we have a solid 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, and a 5% position in the Teviot UK Smaller Companies fund to take advantage of the attractive valuations and dynamics of that part of the domestic market – an area where other larger institutional investors are unable to access due to liquidity constraints.

We also have small 5% exposure to emerging markets through the impressive Artemis SmartGARP Global Emerging Markets fund to capture the extreme discount emerging markets currently trade at compared to developed market equities.

Additionally, we retain positions in the CT Property fund and BNY Mellon Infrastructure Income fund, as we continue to see value in these down beaten asset classes as shown by the large net asset value discounts in listed real estate trusts and infrastructure companies.

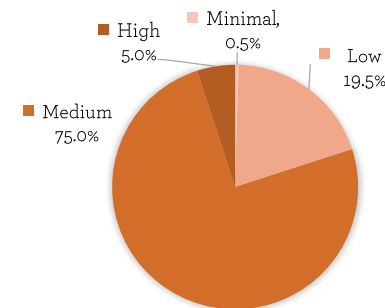
The income model remains a bit behind its benchmark on a 1yr and 3 yr basis, returning 12.2% and 22.1% respectively (vs 13.6% and 27.9% for the MSCI PIMFA Growth benchmark) however it is worth noting that this return has been achieved with significantly lower volatility than the benchmark, protecting investors from excessive price movements and maintaining their income-earning power.

## HOLDINGS

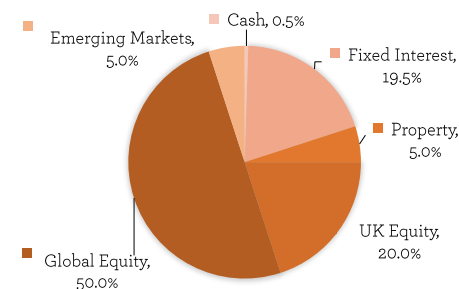
Name	Weight	OCF
TwentyFour Asset Backed Opportunities	10.0%	0.71%
L&G All Stocks Gilt Index Trust	4.5%	0.15%
TwentyFour Absolute Return Credit	5.0%	0.35%
JOHCM UK Equity Income	10.0%	0.66%
VT Teviot UK Smaller Companies	5.0%	0.88%
Invesco UK Enhanced Index	5.0%	0.23%
BNY Mellon Global Income	10.0%	0.81%
BNY Mellon Global Infrastructure Income	10.0%	0.53%
WS Evenlode Global Income	15.0%	0.54%
Guinness Global Equity Income	15.0%	0.79%
CT Property Growth & Income	5.0%	1.07%
Artemis Global Emerging Markets	5.0%	0.86%
Cash	0.5%	0.00%

## ASSET RISK

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.

