

WISE INVESTMENT LIMITED - DEFENSIVE

Pershing



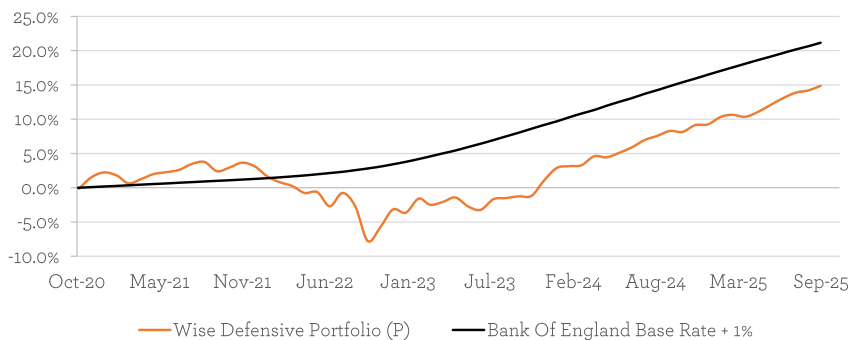
MONTHLY FACTSHEET

all data as at 30th September 2025

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)



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	Launch
Wise Defensive Portfolio (P)	0.6%	1.6%	4.1%	6.1%	24.5%	14.9%
Bank Of England Base Rate + 1%	0.4%	1.3%	2.6%	5.5%	17.8%	21.2%

DISCRETE ANNUAL PERFORMANCE

	30/09/2024	30/09/2023	30/09/2022	30/09/2021
	30/09/2025	30/09/2024	30/09/2023	30/09/2022
Wise Defensive Portfolio (P)	6.1%	9.7%	7.1%	-9.9%
Bank Of England Base Rate + 1%	5.5%	6.3%	5.1%	1.8%

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	29th October 2020
Holdings	9
Historic Yield ¹	4.6%
Volatility ²	3.1%
Benchmark	BoE Base Rate + 1.0%
Model OCF ³	0.3%
Service Charge ⁴	1.6%

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

September was another strong month for investors. In equity markets, the US continued its steady recovery from the April lows post “Liberation Day” returning 4.0% for the month. This propelled developed global equities to a 3.6% return in sterling terms. Other developed markets saw decent returns however not as strong as the US, with the UK market rising just 1.8%. Emerging markets had a blockbuster month, with the index seeing 7.5% return, largely propelled by strength in Chinese equities.

In fixed income, markets were also buoyant, with Gilts returning 0.7% and Corporate bonds returning 0.9% as the yield curves lowered slightly while High Yield bonds returned 0.7%, driven more from the slight tightening of credit spreads than a drop in the yield curve.

Finally, in real estate, directly held property dropped -0.5% while the listed liquid real estate rose 1.8% due to a more buoyant market in listed property trusts and anticipation of lower borrowing costs.

Looking forward, we continue to see a great deal of uncertainty. The US market returns are increasingly driven by increasing valuations (as opposed to underlying business growth), largely due to strong investor enthusiasm for AI investment and the dominance of a handful of very successful megacap tech stocks. While some enthusiasm is justified, the market does seem vulnerable to runaway expectations of AI growth and profitability leaving it fragile to potential demand shock. Indeed, significantly higher-than-average valuations are not in themselves reason to expect a pull back, but they do embed a fragility in the market, and when an inevitable (but unpredictable) shock occurs, it means there is ample room for stock prices to fall before finding support from the fundamentals of their underlying businesses.

This is also coupled to aggressive expectations for interest rate cuts from the Federal reserve (egged on by the US president himself) that seem unrealistically fast given latent inflation, high government deficit spending, tariff uncertainty and generally hot economic conditions. Indeed, the narrative coming from the Fed has continued to be cautious, with aggressive cuts only likely in a recessionary scenario.

Similarly in the UK the Gilt market is looking increasingly fraught, relying on foreign investors who are taking a dim view on the government’s finances. The BOE, like the Fed, is also cautious with its rate cuts given persistent inflation, meaning that lower government borrowing costs aren’t likely for the foreseeable.

This all leads us to continue to favour a more defensive footing, with moderated exposure to US equities and a preference for lower duration and higher quality bonds.

The defensive model returned 0.6%, ahead of the 0.4% return for the benchmark (BoE Base rate +1%). The performance was largely driven by the small position in Global Equities (Fidelity Index World - returning 2.62%) as well as solid returns from the bond positions like Vontobel-TwentyFour ARC returning 0.43%.

We made a couple of small changes to the portfolio in September, replacing our inflation-linked bond position with the Downing Active Defined Return fund, giving the portfolio some more steady equity exposure.

We maintain a strategy of sticking 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.

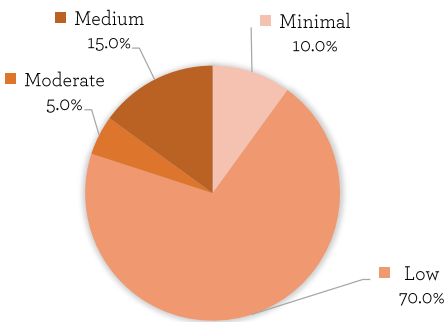
The model remains ahead of the benchmark on a 1yr rolling basis, with the model returning 6.08% vs the “BoE base rate +1%” returning 5.52% and has achieved a return far superior to cash.

HOLDINGS

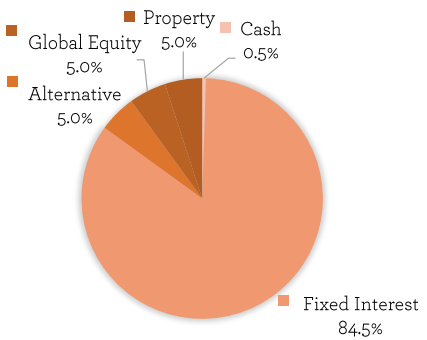
Name	Weight	OCF
TwentyFour Absolute Return Credit	40.0%	0.35%
L&G Short Dated Sterling Corporate Bond	15.0%	0.14%
TwentyFour Monument Bond	15.0%	0.38%
Premier Miton UK Money Market	9.5%	0.16%
Man Dynamic Income	5.0%	0.81%
CT Property Growth & Income	5.0%	1.11%
Fidelity Index World	5.0%	0.12%
Downing Active Defined Return	5.0%	0.35%
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.

