

WISE INVESTMENT LIMITED - BALANCED

Pershing



MONTHLY FACTSHEET

all data as at 28th February 2026

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 3 to 6 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)	2.4%	4.0%	9.8%	13.8%	37.9%	54.7%	113.7%
MSCI PIMFA Balanced	3.3%	5.1%	11.0%	15.1%	40.0%	50.2%	116.5%

DISCRETE ANNUAL PERFORMANCE

	28/02/2025	29/02/2024	28/02/2023	28/02/2022	28/02/2021
Wise Balanced Portfolio (P)	13.8%	10.7%	9.5%	3.7%	8.2%
MSCI PIMFA Balanced	15.1%	11.7%	8.8%	-1.3%	8.7%

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	3rd March 2016
Holdings	12
Historic Yield¹	3.5%
Volatility²	6.2%
Benchmark	MSCI PIMFA Balanced
Model OCF³	0.4%
Service Charge⁴	1.8%

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 strong month for investors, with most major asset classes delivering positive returns.

Global equity markets performed well overall, rising 2.82% during the month. The US, which represents a significant portion of the global equity index, lagged other major markets, returning a modest 1.14% in sterling terms. However, much of this gain was driven by currency movements rather than underlying market performance, as the US dollar strengthened by 2.07% against sterling, reflecting broader weakness in the pound against most major currencies during the month.

Elsewhere, equity markets delivered stronger returns. European equities rose 4.86%, UK equities gained 6.71%, and Emerging Markets advanced 7.68%. The standout performer was Japan, where equities returned 10.83%, supported by increased investor optimism following the decisive election victory of Sanae Takaichi. Her win has raised expectations for more expansionary fiscal policy and pro-growth economic reforms.

Bond markets also delivered positive returns during February as government bond yields declined across most major markets. This was supported by softer inflation data and growing expectations that central banks may begin cutting interest rates later in the year. UK government bonds (gilts) returned 2.52%, outperforming investment-grade corporate bonds (1.16%) and high-yield bonds (0.51%). The weaker performance of corporate and high-yield bonds reflected a small widening in credit spreads, suggesting a modest increase in investor caution.

In real estate, listed property securities rose 2.46%, helped by narrowing discounts to net asset values. Direct property delivered a more modest 1.13% return, reflecting the slower adjustment of physical property valuations.

Despite the generally strong market environment, the public software sector experienced a sharp sell-off during the month. Many Software-as-a-Service (SaaS) and enterprise software companies fell 20-30% or more amid concerns that rapid advances in artificial intelligence could disrupt traditional software business models. This market reaction, dubbed the "SaaSocalypse" by traders, reflected fears that increasingly capable AI systems could eventually replace some conventional software products rather than simply enhance them.

Looking ahead, the investment backdrop remains somewhat challenging. The US equity market continues to trade at relatively high valuations, supported largely by enthusiasm around artificial intelligence and the strong performance of a small number of large technology companies. While many of these businesses are highly profitable and well positioned to benefit from AI-driven productivity gains, market expectations appear elevated and could leave valuations vulnerable to disappointment.

Against this backdrop, we remain cautiously positioned. Our portfolios maintain moderate exposure to US equities relative to the benchmark, and a preference for higher-quality, shorter-duration bonds, which continue to offer attractive yields relative to the low levels seen in recent history.

While the near-term outlook may appear uncertain, it is important to remember that markets have historically navigated periods of volatility and uncertainty. Over time, steady global economic growth has continued to support long-term investment returns, and we remain optimistic about the prospects for patient, long-term investors.

The Balanced model returned 2.4%, behind the benchmark (PIMFA Balanced) return of 3.3%. The underperformance was again driven by the benchmark's allocation to Alternatives, an uninvestable asset class that mimics a factor-based long/short equity strategy, which returned 3.51% during the month.

Falling bond yields and rising bond prices also detracted from performance, as our short duration positioning was a headwind. However, we maintain this stance as protection against any unexpected rise in yields and ongoing market uncertainty.

The most notable contributor to relative performance was our overweight to property, where CT Property Growth delivered 5.95% over the month, well ahead of both direct property and listed real estate.

No portfolio changes were made in February.

We continue to take a globally diversified approach, using predominantly passive global index funds (such as Fidelity Index World) to drive returns while moderating volatility through low-volatility bond funds. We also take selective tactical positions in undervalued markets, such as our modest allocation to JOHCM UK Equity Income, where we see significant value in traditional "deep value" areas of the UK market.

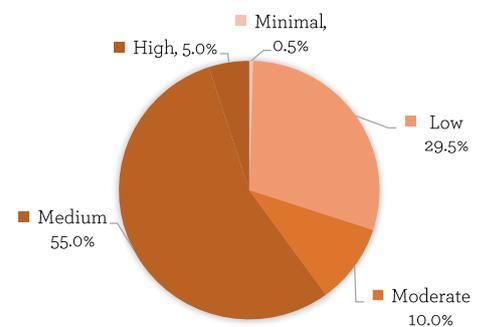
The Balanced model remains ahead of its benchmark on a 3 yr and 5yr basis, returning 37.87% and 54.68% respectively (vs 39.98% and 50.19% for the benchmark). Importantly, this outperformance has been achieved with lower volatility, delivering higher returns while reducing exposure to excessive price fluctuations.

HOLDINGS

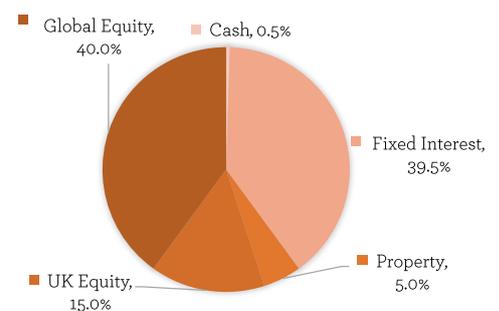
Name	Weight	OCF
Fidelity Index World	25.0%	0.12%
TwentyFour Absolute Return Credit	19.5%	0.36%
JOHCM UK Equity Income	10.0%	0.73%
Invesco Global Ex UK Enhanced Index	10.0%	0.23%
TwentyFour Monument Bond	5.0%	0.38%
Royal London Abs Return Gov Bond	5.0%	0.30%
TwentyFour Asset Backed Opportunities	5.0%	0.70%
Man Dynamic Income	5.0%	0.81%
CT Property Growth & Income	5.0%	1.11%
Invesco 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 3 to 6 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.

