

WISE INVESTMENT LIMITED - DEFENSIVE

Pershing



MONTHLY FACTSHEET

all data as at 28th February 2026

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 period of 6 months to 2 years 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	5yr	Launch
Wise Defensive Portfolio (P)	0.9%	1.9%	3.6%	7.0%	21.4%	17.6%	18.4%
Bank Of England Base Rate + 1%	0.4%	1.2%	2.4%	5.1%	18.2%	23.2%	23.6%

DISCRETE ANNUAL PERFORMANCE

	28/02/2025	29/02/2024	28/02/2023	28/02/2022	28/02/2021
	28/02/2026	28/02/2025	29/02/2024	28/02/2023	28/02/2022
Wise Defensive Portfolio (P)	7.0%	7.1%	5.9%	-3.3%	0.2%
Bank Of England Base Rate + 1%	5.1%	6.1%	6.0%	3.0%	1.2%

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	4.5%
Volatility ²	2.2%
Benchmark	BoE Base Rate + 1.0%
Model OCF ³	0.4%
Service Charge ⁴	1.7%

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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 Defensive Model returned 0.9% in February, ahead of the 0.4% return from the benchmark (Bank of England Base Rate +1%).

Performance was supported by the model's small equity and property allocations, with Fidelity World returning 2.79%, and CT Property Growth, which delivered 5.95% over the month. Fixed income holdings produced more modest returns.

No changes were made to the portfolio during February.

We continue to favour shorter-dated bonds, where yields remain attractive relative to the risks associated with longer-duration securities. Where appropriate, we take modest levels of credit risk to enhance returns while aiming to limit volatility.

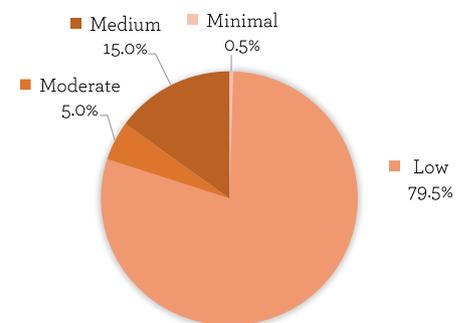
The model remains ahead of its benchmark over the past one and three years, returning 7.0% and 21.4% respectively, compared with 5.1% and 18.2% for the "BoE base rate +1%", while continuing to deliver stronger returns than cash.

HOLDINGS

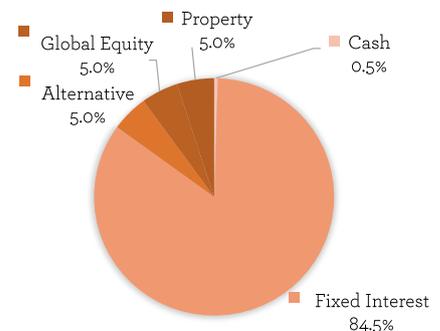
Name	Weight	OCF
TwentyFour Absolute Return Credit	40.0%	0.36%
L&G Short Dated Sterling Corporate Bond	15.0%	0.14%
TwentyFour Monument Bond	15.0%	0.38%
Royal London Abs Return Gov Bond	9.5%	0.30%
Man Dynamic Income	5.0%	0.81%
CT Property Growth & Income	5.0%	1.11%
Fidelity Index World	5.0%	0.12%
Downing 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 period of 6 months to 2 years. 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.

