

WISE INVESTMENT LIMITED BALANCED

Pershing

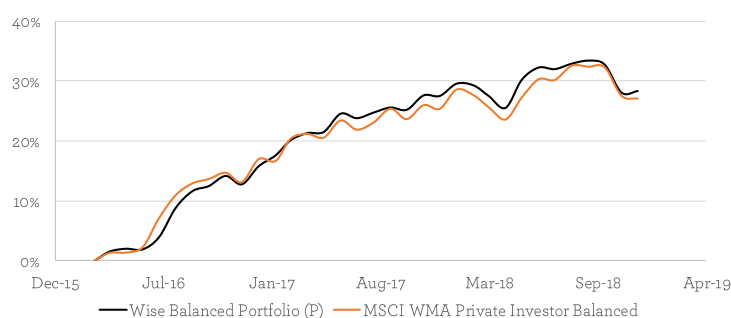
MONTHLY FACTSHEET

all data as at 30th November 2018

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Balanced Model Portfolio is designed for clients who are looking for a level of income plus capital growth in excess of cash 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 2.5% or more per year. The Portfolio is managed so that no more than 80% is invested in 'medium' risk assets, such as shares and property. The balance of at least 20% 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 consider the portfolio to be suitable for those willing to adopt a balanced risk profile.

PERFORMANCE SINCE LAUNCH



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	Launch
Wise Balanced Portfolio (P)	0.2%	-3.8%	-3.0%	0.6%	28.3%
MSCI WMA PI Balanced	-0.4%	-4.0%	-2.5%	1.3%	27.1%

DISCRETE ANNUAL PERFORMANCE

	30/11/2017	30/11/2016
	30/11/2018	30/11/2017
Wise Balanced Portfolio (P)	0.6%	13.1%
MSCI WMA PI Balanced	1.3%	10.8%

PORTFOLIO MANAGEMENT



ROBERT BLINKHORN

Head of Investment Management

Robert joined Wise Investment in July 2017 and has 15 years' experience in managing private client multi asset class portfolios. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements. Robert is a member of the CFA Society of the UK and has successfully passed the examinations for all three levels of the Chartered Financial Analyst qualification.

Key Portfolio Details

Launch Date	3rd March 2016
Number of Funds	10
Historic Yield ¹	3.0%
Volatility ²	5.7%
Benchmark	MSCI WMA PI Balanced
Model OCF ³	0.7%
Service Fee ⁴	1.4%

Contact Details

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All data used on this factsheet is supplied by Financial Express. 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. 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 current 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 standard non-tiered annual fees levied by Wise Investments Ltd and custodian fees

(P) refers to the assets being held in custody at Pershing Securities Limited



MONTHLY COMMENTARY

In November, global equities rose by around 1.3% in sterling terms. Positive performance was led by Asian securities with Technology names such as Tencent leading a recovery from what has been (and so far remains) a rather abysmal year for the region. Capital has flowed out of Asian and Emerging Markets as the dollar has strengthened on tightening US monetary policy compounded by various countries in the developing world being hit by scandal, sanctions, economic mismanagement and trade tariffs. In particular, trade tariffs have had a significant impact on the Chinese equity market since the announcement by the US at the beginning of the year. One cannot deny the negative impact such tariffs might have on China's international trade amplified by a general cooling of the Chinese economy as the government manages a change in the nature of domestic investment. However, pricing in Asian equities appears to reflect a particularly pessimistic view and one we believe is possibly overdone. This has led us to increase our exposure to the region recently where it was considered appropriate for the portfolio mandate.

At the other end of the performance spectrum, UK equities were collectively amongst the weakest performing securities in November with Oil and Mining stocks dragging the market lower. This has been consistent with our view formed in the middle of the year that UK Oil majors were trading at a premium on the back of a strong oil price and weak sterling. It is also why we reduced our overall exposure to the Oil sector in the summer. Although, in the interest of full disclosure, we have remained more positive on Mining stocks throughout!

UK Commercial Property delivered another month of positive returns, albeit this was largely driven by rental income as opposed to capital growth. This asset class has been a haven for the portfolios whilst the equity and bond markets have exhibited substantial levels of volatility. That said, with low yields, the UK's departure from the European Union early next year and a potential dampening of demand from overseas buyers through changes in tax legislation, the future returns from UK Commercial Property look limited. Where portfolio mandates allow we have reduced exposure here in favour of more volatile assets (as noted above). We also see other opportunities to rotate portfolio exposure into areas of improved value going forward which are discussed in more detail below.

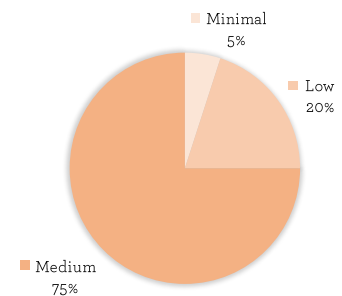
UK Gilts were weaker as the yield curve steepened (longer dated yields moved higher and shorter dated yields moved lower). This appeared to be driven by a slowing in global economic data and signalling by the US Federal Reserve that the recent cycle of tightening rates may be coming to an end. Index Linked Gilts, whose returns are linked to inflation, dropped sharply over the month. As a group, these issues tend to be much longer dated than nominal government bonds and therefore much more sensitive to interest rate rises. Returns from corporate bonds (both investment grade and high yield) were also negative with credit spreads widening as risk appetite amongst investors dwindled. Looking forward though, the difference in yield between government and corporate bonds is finally getting back to reasonably attractive levels having steadily expanded through 2018. This may open up possibilities for investment, particularly the more cautious portfolio strategies that have a greater exposure to this asset class.



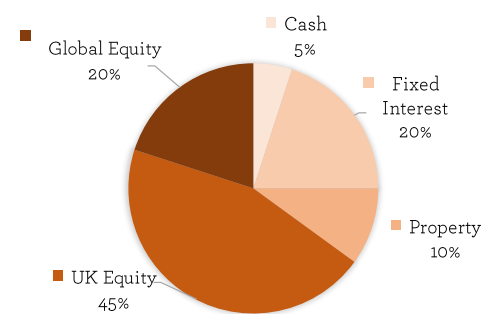
FUNDS

Premier UK Money Market	5%
TwentyFour Absolute Return Credit	10%
SVS Church House Fixed Interest	10%
Threadneedle UK Property	10%
TB Evenlode Income	15%
LF Lindsell Train UK Equity	15%
JOHCM UK Equity Income	10%
TB Wise Multi-Asset Income	5%
Artemis Global Income	10%
Veritas Global Equity Income	10%

ASSET RISK



ASSET ALLOCATION



IMPORTANT INFORMATION

Portfolio returns from the Wise Investment Model Portfolio Service will be subject to investment market fluctuations. 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. Past performance is not a reliable indicator of future results. 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.

