Issue date: January 2019

WISE INVESTMENT LIMITED INCOME

Pershing

MONTHLY FACTSHEET

all data as at 31st December 2018

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 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 3.5% or more per year. The Portfolio is invested mostly 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 or industries. The Portfolio can also invest in 'lower' or 'minimal' risk assets such as fixed interest (UK government and higher quality company debt) and cash. We therefore consider the Portfolio to be suitable for those willing to adopt a medium risk profile.

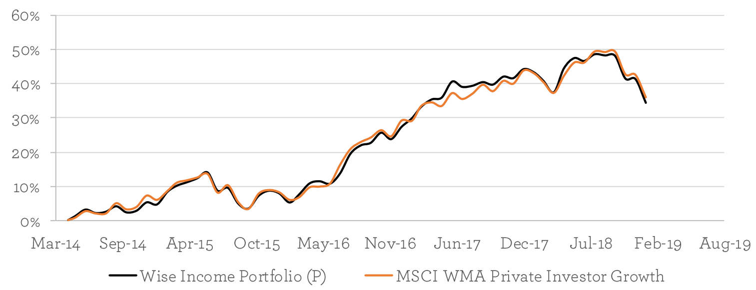
PORTFOLIO MANAGEMENT

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.

PERFORMANCE SINCE LAUNCH



Key Portfolio Details

Launch Date	9th April 2014
Number of Funds	10
Historic Yield[1]	4.1%
Volatility[2]	7.8%
Benchmark	MSCI WMA PI Growth
Model OCF[3]	0.8%
Service Fee[4]	1.4%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	Launch
Wise Income Portfolio (P)	-4.9%	-9.3%	-8.3%	-6.8%	24.5%	34.3%
MSCI WMA PI Growth	-4.6%	-9.0%	-7.0%	-5.5%	25.6%	35.9%

DISCRETE ANNUAL PERFORMANCE

	31/12/2017 31/12/2018	31/12/2016 31/12/2017	31/12/2015 31/12/2016
Wise Income Portfolio (P)	-6.8%	13.3%	18.0%
MSCI WMA PI Growth	-5.5%	11.3%	19.4%

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 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 December, global equities declined sharply by around -7.5% in sterling terms. Unusually for a market rout, more volatile markets such as Asia ex Japan and Emerging Markets outperformed developed markets such as the US and Japan. That said, all the broad equity indices that we regularly monitor were negative in December. The largest declines were in the US, driven by Financials. Worst hit were banking giants such as JP Morgan Chase and Citigroup. US interest rates may partly explain this deterioration. The difference between long term rates (the rate which banks lend at) and short term rates (the rate at which banks borrow) has continued to decline in the US with the difference in yield nearing previous record lows of around zero for short and long dated US Treasury bonds. When the difference between these two rates is narrow, as it is now, financial institutions find it difficult to derive profits from lending. In the UK, long and short dated interest rates still remain comparatively wide. Consequently, UK Banking stocks did not experience the severity of decline that US Banking stocks experienced. This also helped the UK market's overall relative performance against its peers in December. Equity price moves last month have provided a more attractive valuation level for equities and may warrant additional exposure in your portfolio.

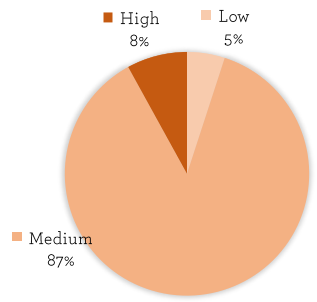
Across property unit trusts, the return from physical UK Commercial Property was flat for December. However, some funds, including Threadneedle UK Property which is held widely across our client portfolios, chose to amend their pricing from an 'offer' to a 'bid' basis. This decision reflects the direction of investment into the fund from having been mainly inflows to mainly outflows. The change in price effectively reduces the unit price of the fund by just over 6% and is designed to fairly reflect the price of buying and selling UK Commercial Property. It also protects the fund's value for the unitholders that remain invested in the fund. This indicates a cooling of enthusiasm by investors towards property which is coming into focus as the UK nears the date at which it exists the European Union. In 2016, immediately after the EU referendum, investors withdrew substantial amounts from property unit trusts in anticipation of a meltdown in UK Commercial Property prices. Although the valuation meltdown never actually came, the illiquid nature of the underlying assets of these funds meant they were forced to suspend redemptions for a period of up to 6 months. This is a scenario we need to be prepared for as we head towards the end of March.

UK Gilts were higher as investors sought refuge in safe haven assets. There is also further support for Gilts going forward as the prospect of the UK leaving the European Union without a trade deal becomes more likely. The Governor of the Bank of England has already expressed concerns about the UK economy regarding the exit of the UK from the EU. This trepidation is only likely to become more acute if the UK leaves the EU without an agreed trade deal. Therefore, interest rates are unlikely to rise in the run up to Brexit and possibly not for some time after (at least until there is clarity around the impact on the UK economy). Like equities, corporate bonds fell foul of weak sentiment towards risk. The yields demanded by investors over UK Gilts continued the rise they have exhibited since the beginning of the year. In a low interest rate world, debt has become an attractive financing option. However, investors may now be questioning the burdens that some companies have saddled themselves with and the sustainability of that debt. The current investment landscape has created a highly challenging environment for investing. However, we believe that these challenges can be mitigated by diversifying across different investments in multiple asset classes with managers we continue to have the highest confidence in.

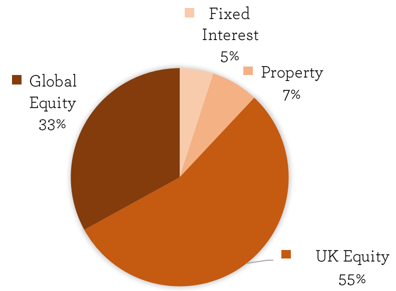
FUNDS

TwentyFour Absolute Return Credit	5%
Threadneedle UK Property	7%
TB Evenlode Income	15%
JOHCM UK Equity Income	15%
Jupiter Income	10%
TB Wise Multi-Asset Income	15%
Artemis Global Income	15%
Veritas Global Equity Income	10%
Newton Asian Income	5%
Schroder Asian Alpha Plus	3%

ASSET RISK



ASSET ALLOCATION



EMPLOYEE OWNERSHIP ASSOCIATION
BETTER BUSINESS TOGETHER

HIGHLY COMMENDED EMPLOYEE OWNED BUSINESS OF THE YEAR

PROUD SPONSORS OF WEST OXFORDSHIRE BUSINESS AWARDS