

WISE INVESTMENT LIMITED ETHICAL

Pershing

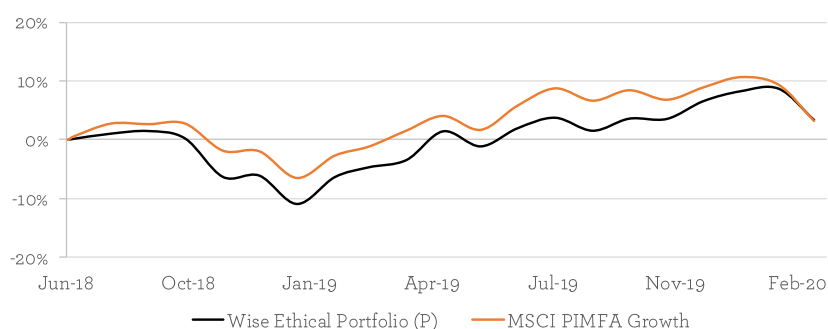
MONTHLY FACTSHEET

all data as at 29th February 2020

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical Model Portfolio is designed for clients who are looking for a level of capital growth in line with the MSCI PIMFA Growth index over a 5 to 10-year period. We aim to achieve this by exclusively investing in a focussed list of ethical and sustainability-oriented funds (unit trusts, investment trusts and OEICs). These funds will have specific objectives of providing capital to businesses whose operations and activities either meet specific ethical standards or are engaged in improving the long-term sustainability of the earth's resources. The portfolio will have diversification across geography, asset class and investment style. The funds invest in real assets, such as company shares (listed both in the UK and overseas), property, fixed interest and cash. 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 and industries. The Portfolio can also invest in 'lower' or 'minimal' risk assets such as higher quality company debt and cash. We therefore consider the portfolio to be suitable for those willing to adopt a medium risk profile.

PERFORMANCE SINCE LAUNCH



CUMULATIVE PERFORMANCE

	3m	6m	1yr	Launch
Wise Ethical Portfolio (P)	-3.0%	1.8%	8.5%	3.4%
MSCI PIMFA Growth	-5.2%	-3.2%	4.4%	3.2%

DISCRETE ANNUAL PERFORMANCE

	28/02/2019	29/02/2020
Wise Ethical Portfolio (P)	8.5%	
MSCI PIMFA Growth	4.4%	

PORTFOLIO MANAGEMENT



ROBERT BLINKHORN

Head of Investment
Management

Robert joined Wise Investment in July 2017 and has 17 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	26th June 2018
Holdings	11
Historic Yield ¹	2.2%
Volatility ²	11.0%
Benchmark	MSCI PIMFA Growth
Model OCF ³	0.8%
Service Fee ⁴	1.5%

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. 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 February, global equities were lower by just over -5.5% driven by fears over the impact of Covid-19 on the global economy. The slide in equity markets that started towards the end of January gained momentum in February leading to an official correction (a fall of 10% or more) in equity prices with some markets heading towards the definition of a bear market (a fall in excess of 20%). One of the largest sectors in the global listed market is the Financials sector, making up over 20% of total equities by market value. In the main, the constituents are Banks and Insurers but it also includes a substantial amount of property companies. Given its size, the performance of this group of businesses has a significant effect on the overall return from equities. The largest constituents, major American banks such as JP Morgan, Bank of America and Wells Fargo saw substantial declines over the month. Typically, deposit taking institutions will experience earnings declines as the difference between short term interest rates (their borrowing rate) and longer term interest rates (their lending rate) falls. In addition, as investor sentiment and economic activity weakens, this also impacts the earnings of companies that are reliant on mercantile activity. This makes the sector sensitive to the economic cycle.

Domestically, a weaker pound meant that the UK equity market performance was significantly worse than other country and regional markets. For the last 18 months there has been a substantial level of underperformance of the UK equity market versus the rest of the world. Coupled with recent falls, UK equities now look to offer compelling value against other markets.

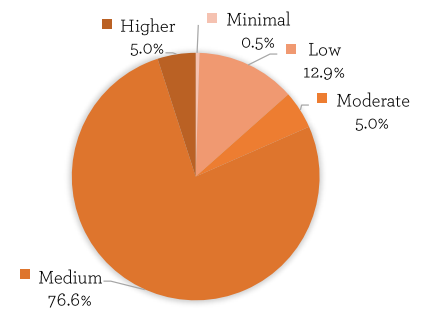
UK listed Real Estate securities were not immune to the general rout in equities. The UK sector fell by more than 6% in February. By stark contrast, the direct property market was flat. Often, general investor sentiment towards equities can disproportionately impact the valuation of listed property companies versus the value of their underlying assets. Price moves in February appear to be such an occasion, creating potential value in listed real estate assets.

UK Government Bonds were higher, with yields in the UK Gilt market falling back to the unattractive lows seen towards the end of last year. A rush for safe haven assets as well as central bankers indicating that they would factor in the impact of the spread of Covid-19 into ongoing easy monetary policy provided a pressure on yields and rise in government bond prices. Credit fared less well with a diminishing risk appetite offsetting any tightening of yields. Consequently, corporate bonds were slightly lower in February whilst High Yield bonds were around -1% lower for the month.

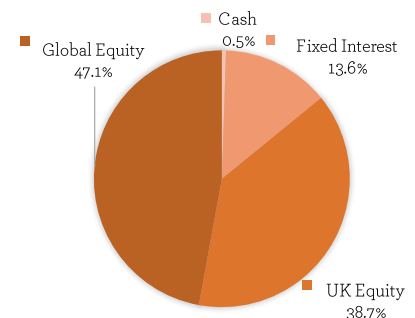
HOLDINGS

Rathbone Ethical Bond	6.5%
Royal London Ethical Bond	6.5%
BNY Mellon Sustainable Real Return	5.0%
EdenTree Amity UK	14.9%
BMO Responsible UK Income	14.9%
Jupiter Responsible Income	7.0%
BMO Responsible Global Equity	5.0%
EdenTree Amity International	14.9%
Janus Henderson Global Sustainable Equity	5.0%
Jupiter Ecology	14.9%
Stewart Investors Asia Pacific Sustainability	5.0%
Cash	0.5%

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.

