

**WISE INVESTMENT LIMITED INCOME**

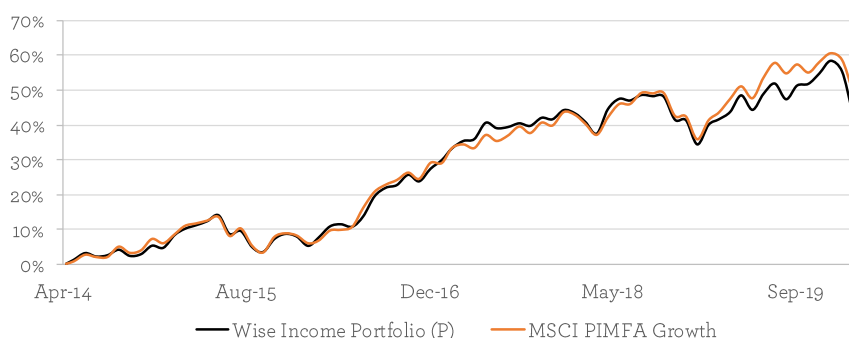
Pershing

**MONTHLY FACTSHEET**

all data as at 29th February 2020

**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 line with the MSCI PIMFA Growth index 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.

**PERFORMANCE SINCE LAUNCH****CUMULATIVE PERFORMANCE**

	3m	6m	1yr	3yr	5yr	Launch
Wise Income Portfolio (P)	-7.3%	-2.7%	1.3%	7.6%	30.2%	43.3%
MSCI PIMFA Growth	-5.2%	-3.2%	4.4%	12.4%	35.1%	49.9%

**DISCRETE ANNUAL PERFORMANCE**

	28/02/2019	28/02/2018	28/02/2017	29/02/2016	28/02/2015
	29/02/2020	28/02/2019	28/02/2018	28/02/2017	29/02/2016
Wise Income Portfolio (P)	1.3%	0.6%	5.7%	23.8%	-2.3%
MSCI PIMFA Growth	4.4%	2.3%	5.2%	25.0%	-3.8%

**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	9th April 2014
Holdings	10
Historic Yield <sup>1</sup>	4.3%
Volatility <sup>2</sup>	9.2%
Benchmark	MSCI PIMFA Growth
Model OCF <sup>3</sup>	0.7%
Service Fee <sup>4</sup>	1.4%

**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.

<sup>1</sup> The Historic Yield is the weighted average yield of the model based on the model's current constituents

<sup>2</sup> 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

<sup>3</sup> The Model OCF calculates the annual charges levied by the underlying fund holdings according to the model portfolio weights

<sup>4</sup> 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.

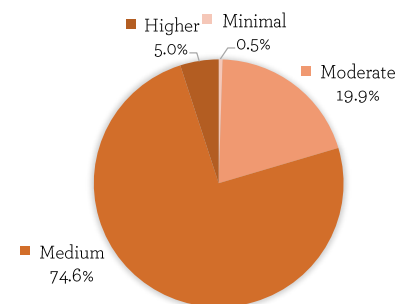
UK listed Real Estate securities were not immune to the general rout in equities. The UK sector fell by more than 6% in February. By stark contrast, the direct property market was flat. Often, general investor sentiment towards equities can disproportionately impact the valuation of listed property companies 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.

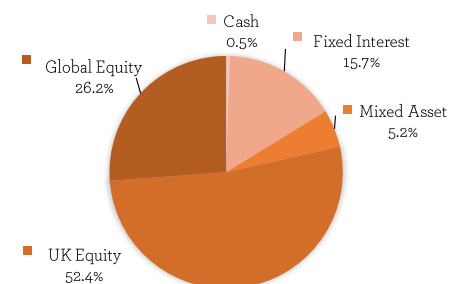
## HOLDINGS

Royal London Short Duration Global High Yield	14.9%
BNY Mellon Real Return	5.0%
BMO Property Growth & Income	5.0%
TB Evenlode Income	5.0%
JOHCM UK Equity Income	14.9%
Jupiter Income	14.9%
TB Wise Multi-Asset Income	14.9%
Artemis Global Income	10.0%
M&G Securities Global Dividend	10.0%
Newton Asian Income	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.

