Issue date: September 2020

WISE INVESTMENT LIMITED GROWTH

Pershing

MONTHLY FACTSHEET

all data as at 31st August 2020

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Growth 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 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 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 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.

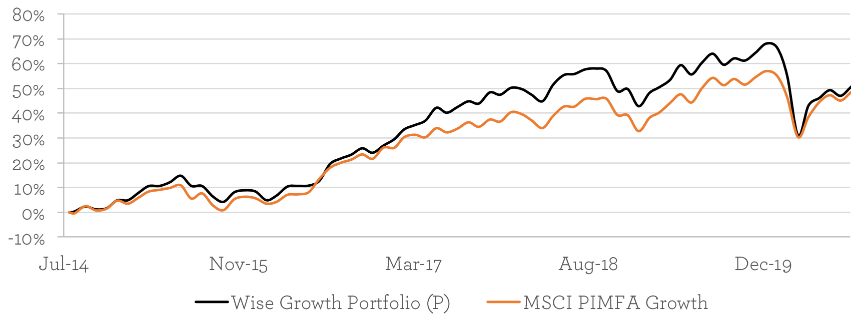
PORTFOLIO MANAGEMENT

ROBERT BLINKHORN

Head of Investment Management

Robert joined Wise Investment in July 2017 and has 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.

PERFORMANCE SINCE LAUNCH



Key Portfolio Details

Launch Date	16th July 2014
Holdings	10
Historic Yield[1]	3.3%
Volatility[2]	14.1%
Benchmark	MSCI PIMFA Growth
Model OCF[3]	0.7%
Service Fee[4]	1.4%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Growth Portfolio (P)	2.6%	3.2%	-2.8%	-5.5%	4.1%	41.8%	50.8%
MSCI PIMFA Growth	2.4%	2.9%	1.5%	-1.8%	9.0%	44.6%	48.6%

DISCRETE ANNUAL PERFORMANCE

	31/08/2019 31/08/2020	31/08/2018 31/08/2019	31/08/2017 31/08/2018	31/08/2016 31/08/2017	31/08/2015 31/08/2016
Wise Growth Portfolio (P)	-5.5%	1.0%	9.1%	19.0%	14.5%
MSCI PIMFA Growth	-1.8%	3.9%	6.8%	13.6%	16.8%

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. 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 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 August, global equities were higher by just under 4.5% in sterling terms led by continued strength in US shares. The performance of overseas markets also overcame a surge in the pound against other major currencies. Electric car manufacturer Tesla caught a substantial amount of investor interest, with their share price rising over 70% for the month. The company has reported expanding production in response to elevated demand post lockdown, and this has created some intense speculation around future cash flows for Tesla. However, it remains to be seen whether the current lofty share price will be justified by future revenues. More broadly, equity markets certainly appear to be trading at premium levels. Some markets have recovered strongly since the March lows, such as the US and Asia where indices have now reached new highs.

However there are some notable exceptions to this, including the UK equity market, which remains just over 20% below the price level it started the year at. There are some explanations for this relatively weak performance of UK equities. First of all, there is a greater exposure to old economy industries in the UK stock market, such as mining and energy, where ongoing commodity demand versus supply remains muted. Secondly, there are no global tech majors such as Amazon or Microsoft listed in the UK. Such companies have seen improvements to their business prospects (and consequently share prices) during the global lockdown. Finally, there is a significant weighting in the UK market to Financials (i.e. large banks), which are highly sensitive to the general economy and levels of interest rates - both of which remain subdued as we emerge from social restrictions. That said, the valuation disparity of the UK compared to the rest of the world does still appear rather aggressive. This leads us to currently favour a more meaningful exposure to UK equities versus markets such as the US that appear to be more fully (if not over) valued.

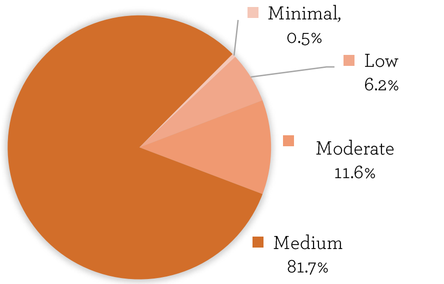
In Commercial Property returns continue to be flat. Open ended funds that hold physical property and typically offer daily dealing remain largely suspended due to valuation problems. Economic uncertainty and social distancing have led to a lack of buying and selling activity, which makes valuing properties and therefore pricing property funds unreliable and therefore potentially disadvantageous for either buyer or seller at any given point in time. This event, on the back of other recent fund suspensions caused by liquidity issues, has focussed the investment industry regulator, the FCA, on trying to reconcile the mismatch between funds offering daily dealing to investors whilst holding underlying assets that take significantly longer to buy and sell. As one might anticipate, the solution suggested by the FCA (which really is the only plausible one) is to introduce notice periods for investors to redeem holdings that broadly match the transaction timeframes of the underlying assets. If adopted, it will be interesting to see what effect this will have on Property Funds and investor behaviour.

Finally, in fixed income UK government bonds were lower by almost 3.5% as market yields rose from lows of 0.25% to 0.45%. This is a significant move for government debt in a short period of time and reflects a softening of concerns around the impact of Brexit and expectations of the Bank of England using negative interest rates to stimulate the economy. Investment grade bonds also marginally declined in sympathy as they tend to be sensitive to changes in government bond rates but also have a protective cushion from their additional yield over government bonds. High yield bonds delivered low positive returns as the risk appetite amongst investors (a more significant feature of returns in this asset class) remained constructive.

HOLDINGS

TwentyFour Absolute Return Credit	6.2%
BNY Mellon Real Return	11.6%
BMO Property Growth & Income	4.4%
JOHCM UK Equity Income	9.4%
TB Evenlode Income	13.2%
TB Wise Multi-Asset Income	14.6%
Invesco Global Equity (UK)	15.0%
TB Evenlode Global Income	11.9%
M&G Securities Global Dividend	13.3%
Cash	0.5%

ASSET RISK



ASSET ALLOCATION