

WISE INVESTMENT LIMITED BALANCED

Pershing

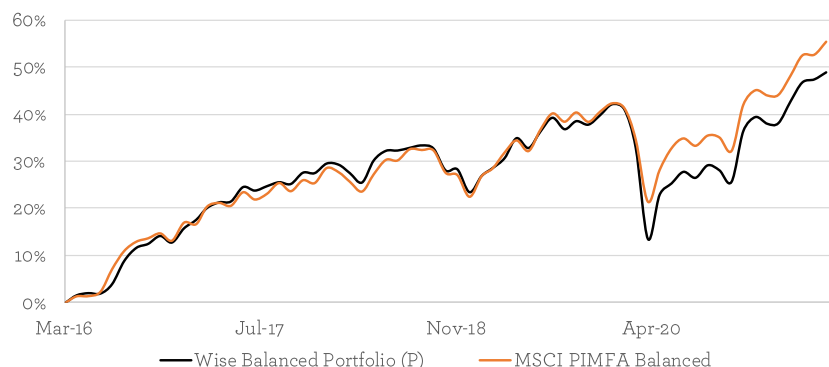
MONTHLY FACTSHEET

all data as at 30th June 2021

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 line with the MSCI PIMFA Balanced 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 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 (using month-end data)



CUMULATIVE PERFORMANCE

| | 1m | 3m | 6m | 1yr | 3yr | 5yr | Launch |
|-----------------------------|------|------|------|-------|-------|-------|--------|
| Wise Balanced Portfolio (P) | 1.0% | 4.3% | 6.8% | 16.5% | 12.6% | 43.3% | 48.9% |
| MSCI PIMFA Balanced | 1.8% | 4.9% | 7.1% | 15.2% | 19.4% | 45.1% | 55.4% |

DISCRETE ANNUAL PERFORMANCE

| | 30/06/2020 | 30/06/2019 | 30/06/2018 | 30/06/2017 | 30/06/2016 |
|-----------------------------|------------|------------|------------|------------|------------|
| Wise Balanced Portfolio (P) | 16.5% | -6.3% | 3.0% | 6.9% | 19.1% |
| MSCI PIMFA Balanced | 15.2% | -1.3% | 5.0% | 6.8% | 13.8% |

PORTFOLIO MANAGEMENT



ROBERT BLINKHORN

Head of Investment
Management

Robert joined Wise Investment in July 2017 and has 18 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 |
| Holdings | 11 |
| Historic Yield ¹ | 2.0% |
| Volatility ² | 13.1% |
| Benchmark | MSCI PIMFA Balanced |
| Model OCF ³ | 0.6% |
| Service Charge ⁴ | 2.1% |

Contact Details

Wise Investments Ltd
The Great Barn
Chalford Park Barns
Chipping Norton
OX7 5QR
Switchboard: 01608 695100
Website: www.wiseinvestment.co.uk

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. Service fees will apply. 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 the model OCF, the standard non-tiered annual fees levied by Wise Investments Limited and custodian fees, of which this is the highest possible fee. Further details of these charges are disclosed to clients investing in the model portfolios.



MONTHLY COMMENTARY

In June, global equities were higher by 4.4% in sterling terms, with a combination of equity market and foreign currency appreciation driving returns. Leading performance was the US equity market where roughly half of the returns came from a strengthening dollar and the remainder from market price appreciation. The US dollar has risen as the Federal Reserve has begun to introduce the prospect of rate hikes over the next few years in response to the economy healing from the impact of Covid. The United States appears to be ahead of most other nations in terms of recovery with corporate earnings reaching new all-time highs, although some of this will be deferred spending from the lockdown period and there may also be some reversal of reserves set aside by businesses that had initially taken a more cautious view of the impact of the pandemic on their earnings. Yet, regardless of the extent that these factors may be impacting the earnings numbers, the United States appears to be leading the rest of the developed world. That said, as we have noted many times in these monthly reviews, this recovery appears to have been already very much priced in by investors. In addition, there also seems to be substantial optimism around future earnings growth priced into markets. This may be justified, but history teaches us that the path of equity prices can be volatile and price direction can change rapidly. As ever though, the future factor or factors that might cause investors to alter their current perception is unclear, but we feel a more circumspect approach at this point is appropriate.

Physical UK property delivered positive returns whilst listed securities were flat overall. Open ended funds that invest directly into physical property and the investors in them continue to wait for clarity from the regulator, the Financial Conduct Authority, as to how these funds will be managed in the future. The suspension of trading in property unit trusts has, in recent times, been triggered by the Great Financial Crisis in 2007, the vote to leave the European Union in 2016 and the effect of the Covid lockdown in 2020. This has raised the question over the suitability of providing daily dealing on funds that hold illiquid assets such as physical property. Consequently, the regulator is consulting on the possibility of applying much longer liquidity terms of up to 6 months on funds that invest mainly into physical property. This may create challenges for asset managers with retail clients to continue to access property in the same manner. Such a change would not be expected to have a great impact on property values per se as a relatively small proportion of the commercial property stock in the UK is held via retail-oriented daily dealing funds, although it could (perhaps rather ironically) trigger a wave of redemptions from the affected funds.

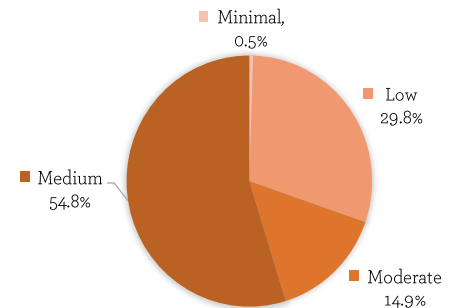
UK fixed interest securities generally performed well. High yield bonds and credit were slightly ahead of UK Gilts as market rates contracted slightly and risk appetite remained firm for corporate bonds. Credit spreads remain low reflecting similar enthusiasm for corporate bonds as can be observed in equity markets. Low interest rates, monetary and fiscal stimulus, corporate support and a trajectory for economic recovery out of the social restrictions implemented last year are keeping animal spirits high. Yet, as noted above, investor sentiment can change rapidly. With that in mind we continue to look for areas where we can gradually crystallise gains and protect capital in your portfolio to reinvest as and when these spirits darken and prices become more attractive.

As first reported in the 30 June 2020 factsheet commentary, generating income in current markets continues to be a challenge and the weighted average yield on the portfolio is currently running below the target yield. We continue to monitor this closely and to balance the demands of the yield target with the objective to achieve capital growth.

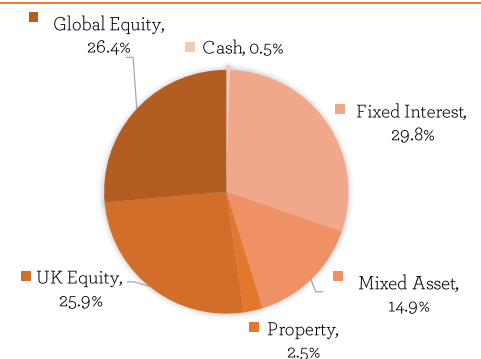
HOLDINGS

| Name | Weight | OCF |
|-----------------------------------|--------|-------|
| TwentyFour Absolute Return Credit | 14.9% | 0.35% |
| L&G All Stocks Gilt Index Trust | 14.9% | 0.15% |
| BNY Mellon Real Return | 14.9% | 0.80% |
| BMO Property Growth & Income | 2.5% | 1.02% |
| JOHCM UK Equity Income | 5.5% | 0.67% |
| Trojan Income | 12.9% | 0.86% |
| TB Wise Multi-Asset Income | 7.5% | 0.67% |
| TB Evenlode Global Income | 10.4% | 0.55% |
| Invesco Global Equity (UK) | 10.0% | 0.92% |
| M&G Securities Global Dividend | 6.0% | 0.66% |
| Cash | 0.5% | 0.0% |

ASSET RISK



ASSET ALLOCATION



IMPORTANT INFORMATION

Portfolio returns from the Wise Investment Model Portfolio Service will be subject to investment market fluctuations and there is no guarantee that the portfolio objectives, including any income targets, will be achieved. 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. 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.

