Issue date: November 2021

WISE INVESTMENT LIMITED CAUTIOUS

Pershing

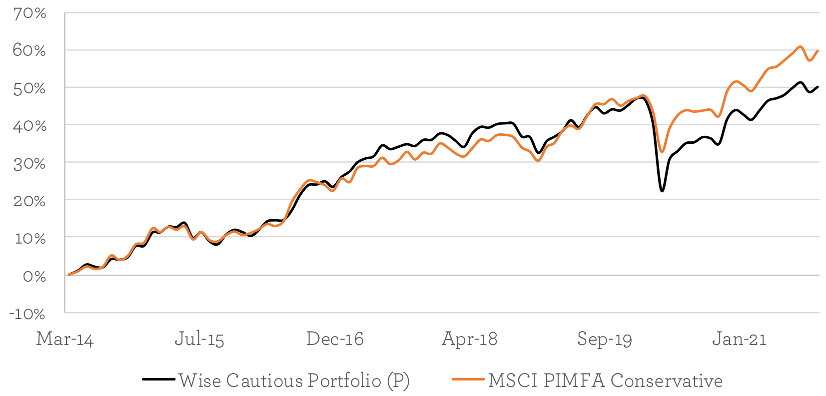
MONTHLY FACTSHEET

all data as at 31st October 2021

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Cautious Model Portfolio is designed for clients who are looking for a level of income plus capital growth in line with the MSCI PIMFA Conservative index over a 5 to 10 year period, but with lower volatility than could be expected from full exposure to the stock market. 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 3.0% or more per year. The Portfolio is selected with no more than 60% invested in 'medium' risk assets, such as shares and property. The balance of at least 40% 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 therefore consider the portfolio to be suitable for those willing to adopt a cautious risk profile.

PERFORMANCE SINCE LAUNCH (using month-end data)



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Cautious Portfolio (P)	0.9%	0.1%	2.5%	11.3%	9.7%	20.2%	50.2%
MSCI PIMFA Conservative	1.6%	0.4%	3.1%	12.2%	19.2%	28.9%	59.7%

DISCRETE ANNUAL PERFORMANCE

	31/10/2020 31/10/2021	31/10/2019 31/10/2020	31/10/2018 31/10/2019	31/10/2017 31/10/2018	31/10/2016 31/10/2017
Wise Cautious Portfolio (P)	11.3%	-6.2%	5.1%	0.6%	8.9%
MSCI PIMFA Conservative	12.2%	-1.9%	8.3%	1.0%	7.0%

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	28th March 2014
Holdings	11
Historic Yield[1]	1.7%
Yield Target	3.0%+
Volatility[2]	10.3%
Benchmark	MSCI PIMFA Conservative
Model OCF[3]	0.5%
Service Charge[4]	1.9%

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. 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.

WISE INVESTMENT
PLANNING FOR LIFE

MONTHLY COMMENTARY

In October, global equities rose by just under 4% in sterling terms although positive performance was largely the preserve of developed markets with Japanese, Asian and Emerging Market indices all moving lower. Sterling strengthened with major currencies down between 1.5% to 4% against the pound. Despite the dollar decline, the US market returned positive returns in sterling terms. A standout performer was automobile manufacturer Tesla, higher by just over 40% in US dollar terms. This was after Hertz, the rental car company fresh out of bankruptcy, placed an order for 100,000 vehicles at what appears to be the full retail price. This took Tesla's market cap to over 1 trillion US dollars joining the exclusive mega-cap tech club of Microsoft, Apple, Alphabet and Amazon (oil company Saudi Aramco is the only other listed company currently valued at over 1 trillion US dollars, but this is not traded on a US exchange).

Inflation continued to spur investor activity with the spread between short-dated index linked yields and fixed yields reaching a multi-decade high. Over the next 5 years, inflation expectations (indicated by the difference between index linked and fixed yields) are pricing in just under 4.5% per annum. There are indications of inflation although these seem to be more driven by lack of supply rather than surging levels of demand. Central bankers, who generally have mandates that include maintaining stable price rises with overnight interest rates being their main management tool will find their toolbox wanting against inflation driven by lack of supply. Moreover, one might expect these issues to be short-lived as supply bottlenecks are addressed. Of course, they may be addressed (at least partly) through rising wages and this may lead to more entrenched inflation as more money chases a finite supply of goods and services.

The Cautious model portfolio was higher by 0.9% in October, significantly behind the MSCI PIMFA Conservative index that returned 1.6%. Underperformance was largely driven by a lower duration profile within the fixed interest exposure compared to the benchmark. Leading the contribution to absolute returns was the BNY Mellon Real Return fund, a multi asset portfolio of largely global equity and credit exposure (mostly hedged back to sterling) with a constructive weighting to inflation sensitive (or, on occasion, inflation producing) assets such as commodities. The Cautious model portfolio was rebalanced in October. This was mainly to correct performance drift of higher than target equity exposure and lower than target fixed interest exposure as well as bringing the real estate exposure in line with the benchmark.

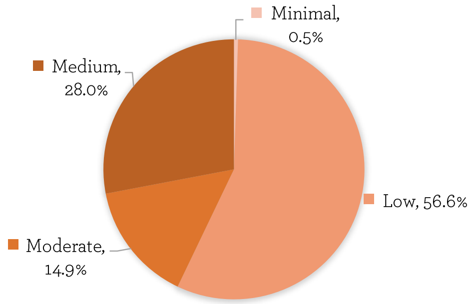
Strong equity performance in October has not changed our view that despite a recovery in fundamentals (that we expect to continue with some diminished momentum going forward), prices have drifted too far given our expected growth in future revenues, earnings and dividends. Consequently, we will maintain a relatively cautious equity exposure within the context of the risk mandate of the portfolio. UK Government bonds look relatively attractive, although this presupposes that inflation is transitory and the bond market has overreacted to future interest rate and price rises. There is evidence that inflation may be more deeply rooted than initially thought and, at the very least, elevated levels of inflation may last longer than central bankers originally guided. This could spell a difficult period for bonds going forward and therefore we generally maintain a lower-than-benchmark sensitivity to interest rate moves within fixed interest. The general expected effect of this positioning is that we will typically outperform when asset prices fall and underperform when they rise. Of course, this implies we believe the former is more likely than the latter but we also concede that we cannot time short-term market directions which can move further than we might anticipate (in either direction). As a result, should we continue to be incorrect about asset price behaviour in the near term we will more than likely seek to reduce volatility (particularly equity volatility) in the portfolio and seek to add to equity exposure should we see the relationship between fundamentals and prices more attractively balanced.

As first reported in the 30th 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

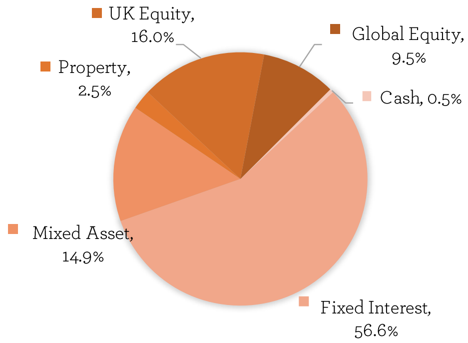
Security	Weight	OCF
Royal London Short Duration Gilts	13.4%	0.22%
M&G Strategic Corporate Bond	13.4%	0.41%
TwentyFour Absolute Return Credit	14.9%	0.35%
L&G All Stocks Gilt Index Trust	14.9%	0.15%
BNY Mellon Real Return	14.9%	0.80%
BMO Property Growth & Income	2.5%	1.02%
Trojan Income	9.5%	0.86%
TB Wise Multi-Asset Income	6.5%	0.67%
TB Evenlode Global Income	6.0%	0.55%
M&G Securities Global Dividend	3.5%	0.66%
Cash	0.5%	0.0%

ASSET RISK



For Asset Risk Category definitions see the Wise Investment Risk Appendix, supplied to investors in the model portfolios.

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.