Issue date: March 2026

WISE INVESTMENT LIMITED - ETHICAL GROWTH

Formerly WISE INVESTMENT LIMITED ETHICAL

Pershing

MONTHLY FACTSHEET

all data as at 31st January 2026

PORTFOLIO OBJECTIVES AND STRATEGY

The Wise Ethical Growth Model Portfolio is designed for clients who are looking for a total return 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 invests 60-100% 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 up to 40% 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.

PORTFOLIO MANAGEMENT

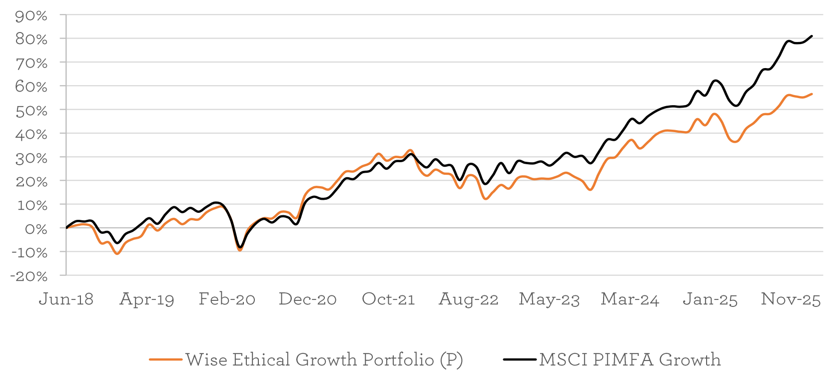
WILLIAM GEFFEN

Head of Investment Management

William joined Wise Investment in November 2023 and has 4 years' experience in managing equity funds. His main responsibility is the selection of suitable investments for portfolios and ensuring our investment service meets your requirements.

William successfully passed all three level of the Chartered Financial Analyst (CFA) exams gaining the qualification in 2021.

PERFORMANCE SINCE LAUNCH (using month-end data)



Key Portfolio Details

Launch Date	26th June 2018
Holdings	12
Historic Yield[1]	1.9%
Volatility[2]	8.0%
Benchmark	MSCI PIMFA Growth
Model OCF[3]	0.5%
Service Charge[4]	1.8%

CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr	Launch
Wise Ethical Growth Portfolio (P)	0.9%	0.4%	5.9%	5.7%	29.4%	33.7%	56.5%
MSCI PIMFA Growth	1.5%	1.4%	8.7%	11.8%	41.3%	61.2%	80.9%

DISCRETE ANNUAL PERFORMANCE

	31/01/2025 31/01/2026	31/01/2024 31/01/2025	31/01/2023 31/01/2024	31/01/2022 31/01/2023	31/01/2021 31/01/2022
Wise Ethical Growth Portfolio (P)	5.7%	14.0%	7.4%	-3.1%	6.6%
MSCI PIMFA Growth	11.8%	17.9%	7.2%	0.4%	13.6%

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.

MONTHLY COMMENTARY

January was a fairly good month for investors. US equities returned -0.7% in sterling terms despite rising in dollar terms as the dollar depreciated 2% vs the pound. Other regions did much better, European equities returned 2.2%, UK equities returned 3.2%, Japanese equities returned 4.5% and Emerging Markets led the pack, returning 6.7%. As a result, overall global equities, being around 70% US listed, only returned 0.2%.

In fixed income, yields rose slightly, depressing GILTs -0.2% while spreads remained tight allowing corporate bonds and high yield bonds to return 0.3% and 0.4% respectively.

Finally, in real estate, directly held property rose a modest 0.3% while the listed liquid real estate rose much faster, at 3.6% as NAV gaps (the stated per share value of the real estate on the balance sheet vs the market price per share) in real estate vehicles closed strongly.

The main market story of the month was the fallout from the US foreign policy pressure on the Greenland issue – particularly the uncertainty it has now created over NATO and the established structure of the Western alliance. While out and out conflict was always unlikely, the threat of tariffs loomed large, although like many tariff threats, it eventually was shelved, triggering a relief rally in markets. Similar to 2025 however, the longer term casualty seems to be the dollar which has continued to depreciate, setting up a more benign environment for businesses outside the US, hence strong returns from other equity markets, particularly those who have a larger proportion of US exporters.

Looking forward, the set-up remains a tricky one for investors. The US market is still richly valued, largely bolstered by strong enthusiasm for AI investment and the dominance of a handful of very successful megacap tech stocks. While many of these are incredibly impressive, cash generative companies and some enthusiasm for this technology and the productivity gains it should produce, is justified, the market does seem vulnerable to runaway expectations of AI growth and profitability leaving it fragile to a potential demand shock in the near term.

There are also ongoing expectations for further interest rate cuts from the Federal Reserve, but while inflation does look to have subsided, we do not expect many further cuts, especially given the new Fed Chair appointment combined with, high government deficit spending, tariff uncertainty and generally hot economic conditions in the US. Indeed, the narrative coming from the Fed has continued to be cautious, with aggressive cuts only likely in a recessionary scenario.

Closer to home, the UK Government debt is looking a little healthier than a year ago and inflation has eased, however, the economic outlook continues to sour, and the Gilt market itself still relies on foreign investors who have persistently priced UK yields at a sustained premium to other developed nations since the disastrous Truss/Kwarteng mini-budget in 2022. This added scrutiny is a potential issue when the current government seem unable to prompt much needed economic growth, nor rein in its sizeable welfare bill, while the electorate increasingly seem to favour more extreme parties both on the left and right.

This all leads us to maintain a more defensive footing, with moderated exposure to US equities and a preference for lower duration and higher quality bonds which still offer a fairly attractive yield, especially compared to the yields on offer between 2009-2022. While this overall outlook may continue to seem downbeat, it is always worth remembering that given enough time markets will soldier on through short term turbulence propelled by the tailwind of steady global economic growth – and so as ever we remain optimistic for the returns of long-term patient investors.

The Ethical Growth model returned 0.9%, behind the 1.5% return for the benchmark (PIMFA Growth).

The underperformance was largely driven by the PIMFA index's allocation to "Alternatives" which is mimicked through a factor based long/short equity return. Usually this has only a small impact, but this month produced a return of 3.7%, well in excess of the returns of the main asset classes like equities and bonds. This is not actually based on an investable asset and thus makes it very difficult to keep up with the PIMFA benchmark in months like this. Beyond this, the underperformance was also driven by our positions in Global Equities, like the Vanguard ESG Developed World All Cap Equity Index fund which returned -0.1%. Two highlights in our equity exposure were the holding in the Regnan Water and Waste fund, which returned 3.6%, and the holding in Castlefield Thoughtful UK Smaller Companies fund which returned 6.4%.

Our Fixed Income positions held up well with our largest bond holding, the Vontobel-TwentyFour Sustainable Short Term Bond fund returning 0.5%, and the Vontobel ABS Opportunities fund returning 0.8%.

We made no changes to the portfolio in January and continue to favour a strategy of strong core global equity exposure via the low fee passive Vanguard ESG Developed World All Cap Equity Index. This more volatile exposure is moderated by high quality bonds in the Fixed Income portion of the portfolio.

Tactically, we maintain our position in the Aegon Ethical Equity and Royal London Sustainable Leaders funds to capture the substantial discount we see in the UK market along with an additional small position in the Castlefield Sustainable UK Smaller Companies fund to take advantage of the further discount in UK Small Caps. We also maintain a 5% position in the AB International Healthcare fund to take advantage of the attractive valuations in the healthcare sector – a sector that also has enjoyed strong long-term returns due to the high-quality nature of many healthcare businesses and the steady secular growth trends they are exposed to (e.g. aging populations).

Another theme we have invested in is the Regnan Water and Waste fund, allowing us to invest in a relatively underappreciated global trend towards urbanisation and improved communal hygiene. Stocks here, while not glamorous, offer decent growth and favourable valuations compared to other growth trends such as those within technology like AI.

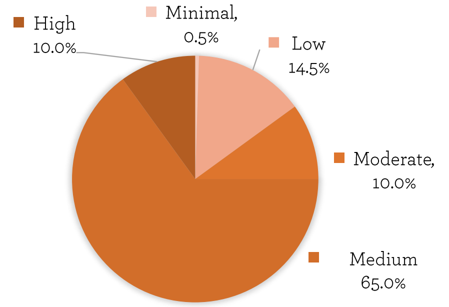
We also have a modest 5% position in the Schroder Global Cities Real Estate fund as we continue to see value in this down beaten asset class as shown by the depressed prices in commercial properties and large net asset value discounts in listed real estate trusts.

HOLDINGS

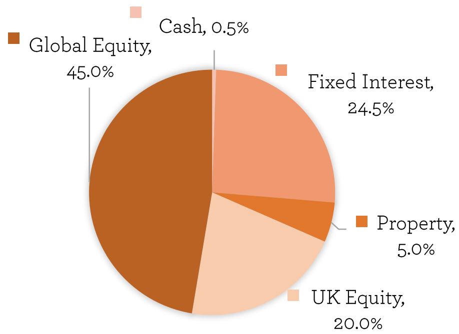
Name	Weight	OCF
Vanguard ESG Developed World Equity Index	35.0%	0.20%
TwentyFour Asset Backed Opportunities	10.0%	0.70%
Royal London Sustainable Leaders Trust	10.0%	0.76%
TwentyFour Sustainable Short term bond	9.5%	0.36%
TwentyFour Sustainable Global Corporate Bond	5.0%	0.39%
Schroder Global Cities Real Estate	5.0%	0.93%
CFP Castlefield Sustainable UK Smaller Companies	5.0%	0.94%
Aegon Ethical Equity	5.0%	0.77%
JOHCM Regnan Sustainable Water and Waste	5.0%	0.85%
Alliance Bernstein International Healthcare	5.0%	0.96%
GIB AM EM Active Engagement	5.0%	0.80%
Cash	0.5%	0.00%

RISK ALLOCATION

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.