



Wise Investment

## **TB WISE INVESTMENT FUNDS**

INTERIM REPORT &  
FINANCIAL STATEMENTS (UNAUDITED)

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For the six month period ended 31 August 2017



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*Note: The Authorised Corporate Director’s Report consists of ‘Authorised Status’ and ‘Structure of the Company’ on page 2, ‘Authorised Status’ and ‘Investment Objective and Policy’ on pages 6, 22 and 43, ‘Investment Review’ as provided by the Investment Manager, on pages 7 to 11, 23 to 27 and 44 to 45, and ‘Directory’ on page 59.*



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## THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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The Authorised Corporate Director (the 'ACD') of TB Wise Investment Funds (the 'Company') is T. Bailey Fund Services Limited.

Wise Funds Limited\* is the Investment Manager of TB Wise Multi-Asset Growth (formerly TB Wise Investment) and TB Wise Multi-Asset Income (formerly TB Wise Income). Evenlode Investment Management Limited\* is the Investment Manager of Evenlode Income.

*\* Please note that Wise Funds Limited and Evenlode Investment Management Limited replaced Wise Investments Limited as the Investment Manager of the respective sub-funds on 6 May 2017. Please see pages 3 and 4 for further details.*

Wise Funds Limited, Evenlode Investment Management Limited and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority.

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## YOUR INVESTMENTS

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You can buy or sell shares in the sub-funds of the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8258, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from the website: [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds).

The sub-funds are eligible for ISA investments/transfers and the shares are available as part of a regular savers scheme.

Prices for the sub-funds are published each normal business day on [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds) and also via the website; [www.fundlistings.com](http://www.fundlistings.com).

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## OTHER INFORMATION

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Full details of TB Wise Investment Funds are set out in the Prospectus. This document provides investors with extensive information about the Company and its sub-funds including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be found at [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds).

The Key Investor Information documents and Supplementary Information document are also available at [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds).

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## AUTHORISED STATUS

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TB Wise Investment Funds is an open-ended investment company (an 'OEIC') with variable capital, as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook, incorporated in England and Wales under registration number IC 000283. The effective date of the authorisation order made by the FCA was 4 February 2004. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

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## STRUCTURE OF THE COMPANY

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The Company is structured as an umbrella company and different sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. On the introduction of any new sub-fund, or share class, a revised prospectus will be prepared and issued.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

At the period end, there were three sub-funds; TB Wise Multi-Asset Growth\*, TB Wise Multi-Asset Income\*\* and Evenlode Income\*\*\*.

The base currency of the Company is Pounds Sterling.

*\* TB Wise Multi-Asset Growth was previously called TB Wise Investment (please see page 3 for more details).*

*\*\* TB Wise Multi-Asset Income was previously called TB Wise Income (please see page 3 for more details).*

*\*\*\* Evenlode Income is now closed (please see page 4 for more details).*

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## CROSS HOLDINGS BETWEEN SUB-FUNDS

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As at the period end there were no cross holdings between the three sub-funds.

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## CHANGES TO THE COMPANY AND ITS SUB-FUNDS

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### **TB Wise Multi-Asset Growth (formerly TB Wise Investment)**

- Following an internal reorganisation at Wise Investments Limited, the Investment Manager of the Fund was changed from Wise Investments Limited to Wise Funds Limited. The change of Investment Manager became effective on 6 May 2017.
- On 1 September 2017, following approval by shareholders in an extraordinary general meeting on 30 August 2017, the TB Wise Investment sub-fund changed its name to TB Wise Multi-Asset Growth. On the same date, the investment objective and policy of the Fund was changed from:

*'To provide capital growth over the medium to long term in excess of deposit account returns and inflation. The Fund will invest in collective investment schemes, including unit trusts and open-ended investment companies although other investments may also be held, including investment trusts, money market instruments and deposits. The Fund will from time to time invest directly in UK-listed shares if the manager feels that value can be added by doing so. The Fund will invest in the following assets: UK and overseas equities, fixed interest securities and cash.'*

to the following:

*'To provide growth over the medium to long term in excess of the BATS UK All Companies Index and in line with, or better than, the rate of UK inflation (based on the Bank of England's preferred measure of UK inflation, which is currently the Consumer Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period. The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash. The Fund may also use derivatives for the purpose of efficient portfolio management from time to time. There will be no restriction on allocations between asset classes or geographic regions.'*

### **TB Wise Multi-Asset Income (formerly TB Wise Income)**

- Following an internal reorganisation at Wise Investments Limited, the Investment Manager of the Fund was changed from Wise Investments Limited to Wise Funds Limited. The change of Investment Manager became effective on 6 May 2017.
- On 1 September 2017, following approval by shareholders in an extraordinary general meeting on 30 August 2017, the TB Wise Income sub-fund changed its name to TB Wise Multi-Asset Income. On the same date, the investment objective and policy of the Fund was changed from:

*'To provide a starting yield roughly equivalent to a good building society account, with the potential for income growth and capital growth from a diversified portfolio of collective investment schemes, including unit trusts and open-ended investment companies, equities including investment trusts, bonds, Government securities, money market instruments and cash. There will be no restriction on allocations between asset classes or geographic regions.'*

to the following:

*'To provide a yield in excess of the BATS UK All Companies Index with the potential to provide income growth and capital growth over the medium to long term in line with, or better than, the rate of UK inflation (based on the Bank of England's preferred measure of UK inflation, which is currently the Consumer Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period. The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash. The Fund may also use derivatives for the purpose of efficient portfolio management from time to time. There will be no restriction on allocations between asset classes or geographic regions.'*

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## CHANGES TO THE COMPANY AND ITS SUB-FUNDS (CONTINUED)

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### Evenlode Income

- Following an internal reorganisation at Wise Investments Limited, the Investment Manager of the Fund was changed from Wise Investments Limited to Evenlode Investment Management Limited. The change of Investment Manager became effective on 6 May 2017.
- On 1 September 2017, following approval by shareholders in an extraordinary general meeting on 30 August 2017, all shareholders and investments of Evenlode Income (a sub-fund of TB Wise Investment Funds) were transferred to a new fund, TB Evenlode Income (a sub-fund of TB Evenlode Investments Funds ICVC), via a Scheme of Arrangement. All remaining assets and liabilities are in the process of being realised and the Fund is now in the process of being wound up.



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## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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The Authorised Corporate Director (“ACD”) of TB Wise Investment Funds (the “Company”) is responsible for preparing the Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 (“the OEIC Regulations”), the Financial Conduct Authority’s Collective Investment Schemes’ Sourcebook (“COLL”) and the Company’s Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice (“United Kingdom Accounting Standards and applicable law”), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Statement of Recommended Practice: “Financial Statements of Authorised Funds” issued by the Investment Association (“IA SORP”) in May 2014; and
- give a true and fair view of the financial position of the Company as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Company for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTOR'S STATEMENT

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In accordance with COLL 4.5.8BR, the Report and the Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 13 October 2017.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-funds consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence in the foreseeable future.

**Helen Stevens**  
Chief Executive Officer  
T. Bailey Fund Services Limited  
Nottingham, United Kingdom  
13 October 2017

**Richard Taylor**  
Compliance Director  
T. Bailey Fund Services Limited  
Nottingham, United Kingdom  
13 October 2017

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## TB WISE MULTI-ASSET GROWTH, AUTHORISED STATUS

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TB Wise Multi-Asset Growth ('the Fund') is a sub-fund of TB Wise Investment Funds with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

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## INVESTMENT OBJECTIVE AND POLICY\*

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The investment objective of the TB Wise Multi-Asset Growth Fund is to provide growth over the medium to long term in excess of the BATS UK All Companies Index and in line with, or better than, the rate of UK inflation (based on the Bank of England's preferred measure of UK inflation, which is currently the Consumer Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period. The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash. The Fund may also use derivatives for the purpose of efficient portfolio management from time to time. There will be no restriction on allocations between asset classes or geographic regions.

*\* Please note that the investment objective and policy of the Fund was changed on 1 September 2017 (please see page 3 for further details).*

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. As the Fund invests in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 15 to 17.

*Please note that the maximum level of management fees which may be charged to any collective investment scheme in which the Fund invests is 6%.*

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## SYNTHETIC RISK AND REWARD INDICATOR

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The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 4 because it invests in a variety of asset classes, but with a bias towards shares.

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## RISK PROFILE

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The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The Fund invests in global shares (via collective investment schemes and investment trusts), with some regions being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them.

Whilst the intention of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to losses.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## TB WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW

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### Performance

	Cumulative returns for the periods ended 31 August 2017 (%)			
	6 months	1 year	3 years	5 years
TB Wise Multi-Asset Growth – B Shares	8.96	24.94	37.68	89.50
TB Wise Multi-Asset Growth – A Shares	8.61	24.13	35.19	83.69
IA Flexible Investment Sector	5.09	12.71	28.03	57.16
BATS UK All Companies Index	5.34	14.35	25.40	64.73

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

### Market Background

Over the past few years, we have got used to highlighting how macro and political events appear to drive markets. Be it due to the great economic experiment that central banks around the world have embarked on since 2009 or shifts towards populism in the political landscapes around the world or the increase of passive versus active investments, investors have had to learn how to navigate markets where macro events often appear to move a whole asset class without much discrimination. The 6 month period since the end of February was no exception. On the political front, the main event in the UK was the failure of Theresa May to secure the strong and stable government she was hoping for when calling a “snap” election. The British Government is now coming to the negotiations table with its European Union counterparts from a position of weakness and, with the so-called “Brexit” set to happen by the end of March 2019, this creates a large amount of uncertainty. The UK wasn’t the only country suffering political turmoil though: there was a presidential election in France seeing a moderate, pro-EU candidate, narrowly beat a far-right candidate; continued apparent chaos in the Trump administration in the US coupled with a lack of any concrete policy achievements; and, of course, escalation of tensions and belligerent rhetoric between North Korea and the US leading to fears of a nuclear war. This is to name only a few. Turning to central banks, although the Federal Reserve in the US is set on a cautious path to normalisation of its extra stimulating policies by raising rates, the policy makers in the UK and Europe are still grappling with an economic environment on a much less stable footing than across the Atlantic. This leads to a game of cat and mouse between central bankers keen to normalise their policies (there isn’t much dry powder left to use when the next crisis comes so they would like base rates to be higher) and market participants who worry about the end to the loose financial conditions they have been benefitting from.

So what did the above background mean for markets? On the face of it, not much. Equities, corporate and sovereign bonds continued to perform well (with possibly the exception of UK Gilts), displaying strong resilience in the face of tumultuous times. The events mentioned above certainly left their mark, creating pockets of volatility, especially during the summer period when volumes tend to be lower. The direction of travel, however, remained broadly unchanged. We remain in this environment where macro fundamentals, although generally below trend, look decent, and where financial conditions remain - and will remain for the foreseeable future - accommodative. At the individual company level, earnings reports have lately beaten expectations showing that a lot of corporates are adapting to the somewhat difficult environment (threat from technological disruptions, lacklustre demand, currency headwinds, subdued inflation...). This is a positive outcome for our portfolios and the funds we invest in. Out of the about 130 meetings with fund managers or company executives we have conducted so far this year, though the macro themes and drivers highlighted above continue to be factors they have learnt to take into account, we are starting to feel that stock selection is making a come-back with the spread of performance between the winners (those companies that can adapt) and the losers (the ones that cannot) becoming more pronounced. This is a very slow process though, hence why caution remains warranted.

## Performance

In that environment, we are pleased to report that TB Wise Multi-Asset Growth (see the 'General Update' section on page 10 for an explanation of the name change) delivered returns well above the market and its peer group. The B shares (representing close to 99% of our external shareholders) returned 8.96% over the period while the BATS UK All Companies index returned 5.34% and the IA Flexible Investment sector 5.09%.

From a contribution standpoint, our top three sectoral allocations on average over the period (Private Equity, UK Smaller Companies and International) were our top contributors to return. Theoretically, this should always be the case: our top conviction ideas should be the ones that perform the best. Unfortunately, though, this doesn't always happen in practice so we are pleased that this was the case over the past 6 months. This doesn't mean that those sectors were the top performing sectors in our portfolio (some others have performed better but, with a smaller weight, didn't contribute as much) but it means that none of our top conviction ideas have been wrong.

Starting with Private Equity, this is a sector that is cyclical by nature and in which we invested heavily after last year's Brexit referendum as many top-quality investment trusts in the sector presented some very attractive discounts. We are now in the part of the cycle where underlying portfolios are more mature and we start reaping the rewards of investments that our managers have made over the past few years. The strong performance in our private equity "bucket" comes mainly from a number of realisations that those managers have been able to do at very attractive valuations. A good example comes from our largest holding, HG Capital Trust, which recently announced the sale of Sequel Business Solutions (provider of insurance software and services) representing a 161% uplift over its valuation at the start of the year.

The second largest contributor to performance were UK Smaller Companies funds. Similar to Private Equity, we increased our allocation to the asset class following last year's referendum and the asset class has had very strong performance since then, outperforming larger UK companies. There has been a sense that, despite the uncertainty related to Brexit, the UK economy is still improving, albeit slowly, and perversely, the weak Pound makes British companies attractive targets.

Finally, our International holdings have also contributed strongly to performance, whether they are the ones with a global mandate or regional ones such as in Asia (Schroder Asian Alpha Plus is a notable contributor), Japan (Atlantis Japan Growth Fund Ltd for example) or, closer to home, in Europe where the Henderson Euro Trust outperformed strongly.

On the negative side, our Mining and Resources holdings were small detractors. We believe that, after years of cost cutting and under-investment, the end of the negative cycle for the mining sector is in sight and that valuations don't reflect it.

Finally, we regularly monitor the premium/discount that TB Wise Multi-Asset Growth trades at relative to its underlying Net Asset Value (NAV). As you know, the Fund is invested in a mixture of open-ended funds (typically unit trusts, SICAVs or OEICs) and closed-ended funds (investment trusts). The latter trade on a stock exchange like a stock and are thus subject to investors' sentiment which can make the price trade above (premium) or below (discount) the value of the assets that are held in the fund (its NAV). Being value investors at heart, you can imagine that we like to buy investment trusts that trade on heavy discounts and we are getting quite nervous when those discounts narrow significantly or turn to premium (this isn't always strictly true as some trusts structurally trade at premia or at very tight discounts, but this is the general message). As such, when we aggregate all the premia/discounts of the investment trusts we own in the portfolio (64% of the portfolio as at the end of August 2017), it is telling us that TB Wise Multi-Asset Growth trades at about 9% discount to its Net Asset Value. It would be misleading to assume that it should trade 9% higher than it currently is but it is still an interesting metric we like to look at. It is a narrower discount than what it has been in the recent past but still, in itself, gives an indication that there is still value (and thus upside) to be found.

### Allocation Changes

The period has been an active one for us in terms of research and portfolio analysis. The macro environment we described earlier forces us to review our portfolio with an intensified level of scrutiny as events can easily turn sentiment and markets. This doesn't mean that we need to react to all or any events particularly. However, it means that opportunities are thrown at us more regularly when good funds get penalised alongside the market due to a macro event. Conversely, for some of our existing holdings, it means that they may reach their potential quicker than we would have initially anticipated so may need to be trimmed or sold.

The main change we made in the portfolio was to take a more cautious positioning, especially from June onwards. After a very strong period for financial markets, it is our view that we are, at the very least, due a setback. This somewhat happened over the summer but remained relatively contained and short-lived so we think there could be more difficult times ahead. Timing those will always be extremely difficult but we are minded to err on the side of caution.

We have done so in four different ways so far:

1. **Take profits:** a number of our holdings have had a great performance over the past few months and it has always been our discipline to take profits on a regular basis. This is what we have done in this period, particularly with the two top contributing sectors we mentioned above, Private Equity and UK Smaller Companies. Although we believe there is still some upside left in both of those sectors, we have started reducing our allocations as the cycle becomes fuller and, for investment trusts, valuations are getting dearer.
2. **Raise cash:** you will have noticed that the level of cash in the portfolio has gone up to above 9% at the end of the period. This is a level that we are broadly comfortable with (not so high that it would hurt performance too much in case the risk rally persisted, but high enough to offer some protection and leave us ready to invest when the opportunities arise).

Cash, of course, doesn't give us any return (or at least barely any at current base rates), which is why we much prefer looking for asset classes that we think have got the potential to perform well while still offering some downside protection. This is the case with the two other options we have used below.

3. **Invest in undervalued assets:** we have increased our allocation to the Mining and Resources theme for the reasons we mentioned in the Performance section (attractive valuations and now in the attractive part of the cycle). Under this theme, we have also been opportunistic in building up our position in gold through gold miners as the asset class can provide an attractive hedge in the case of increased risk aversion.
4. **Invest in strategies offering downside protection:** there are many ways to offer downside protection for a flexible multi-asset fund like ours. Aside from raising cash and looking for a valuation buffer, we can also look for asset classes that, by their nature, are less risky than equities. This is why we invested in the Vontobel TwentyFour Absolute Return Credit Fund. The fund invests in corporate bonds with short duration (no more than 5 years), which limits volatility compared to longer duration bonds.

We can also look for managers that, by their nature, tend to be more cautious and have got the flexibility to do so. As such, we took a new position in the Ruffer Equity and General Fund, which takes a very forensic approach to investing in global equities with the flexibility to hold high levels of cash (currently more than 30%).

Finally, we can look for managers with tools available to them to mitigate downside risks, either by using derivatives and/or by having a large panel of assets they can choose from. It is in this category that we bought the SVS Church House Tenax Absolute Return Strategies. This fund is a multi-asset strategy with a strong emphasis on direct equities and credit and taking a very conservative approach to building a portfolio likely to outperform cash in any environment.

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**TB WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW (CONTINUED)**

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The asset allocations at the period end are shown below:

<b>Sector</b>	<b>Asset allocation as at 31 August 2017 (%)</b>	<b>Asset allocation as at 28 February 2017 (%)</b>
Asia	4.6	5.6
Europe	0.8	1.2
Fixed Income	3.0	-
International	19.6	20.4
Japan	3.6	5.3
Mining and Resources	8.1	5.9
Multi-Asset	2.0	-
Private Equity	18.3	24.6
Property	3.0	3.5
Specialist – Alternative Energy	3.7	4.2
Specialist - Biotechnology	1.0	-
Specialist – Technology	4.5	4.8
Specialist – Utilities	0.3	0.4
UK Growth	6.7	7.0
UK Mid-Cap	3.0	2.8
UK Smaller Companies	7.9	11.0
USA	0.7	1.9
Cash and Other	9.2	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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The full list of holdings at the period end is shown in the Portfolio Statement on pages 12 to 14.

### **Outlook**

Early last year, large parts of the financial markets were trading at depressed levels, far below our estimation of their fair value. Many of these assets have recovered a long way, without yet becoming particularly expensive. On the other hand, some parts of the financial markets do look overvalued to us, in particular the technology sectors, large parts of the US markets, and the ‘growth defensives’ that held up so well during the 2007-09 crisis. The styles that look least attractive to us at the moment are quality, growth and momentum. We continue to impose our unwavering value criteria to the holdings in the TB Wise Multi-Asset Growth portfolio, taking profits on those assets which we believe have exceeded their fair values, and are generally adopting a more cautious approach to the markets in which we invest.

### **General Update**

A few general points on the Fund and our team to conclude.

Firstly, you will have noticed that the name of your fund has changed from TB Wise Investment to TB Wise Multi-Asset Growth as at the beginning of September. While the new name is far from the simplest, we felt the change was necessary to reflect better what the Fund is all about. To be absolutely clear, the way we manage the Fund hasn’t and will not change as a result but please do not hesitate to contact us if you have any questions.

We feel that the strong performance of the Fund is starting to be noticed and we are seeing an increase in the number of enquiries as well as direct flows, which is very satisfactory. At the start of the reporting period, assets under management were at £49m versus £54m currently. Although our aim is to continue delivering good performance for our existing clients, as fund managers, it is pleasing to see our hard work recognised. We would like to take this opportunity to thank our clients whose support means a lot to us.

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**TB WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW (CONTINUED)**

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Finally, you may have noticed a slightly different style in this investment report compared to previous ones. I joined Tony as a co-manager on both of our funds (the TB Wise Multi-Asset Growth Fund discussed here and the TB Wise Multi-Asset Income Fund). The reason for me joining was that, as assets have grown, it is important that we ensure we have the appropriate resources to continue managing the funds with the high standards that we set ourselves. The intention is also to prepare a smooth transition for when Tony decides to retire. This is still some years away and, in the meantime, I will have the privilege to work alongside Tony, Manasa, John and Debbie to continue managing our funds as best we can - and the only change you should notice should be a larger number of convoluted sentences in some of our reports (I'm working on improving my style!).

**Vincent Ropers**  
**Fund Manager**  
**Wise Funds Limited**  
**Chipping Norton, United Kingdom**  
**13 October 2017**

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**TB WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT**

 As at 31 August 2017
 

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Asia</b>		
<b>(4.6%; 28.02.17 - 5.6%)</b>		
180,000 Aberdeen Asian Smaller Companies	1,915,200	3.5
597,722 Schroder Asian Alpha Plus	598,918	1.1
	<b>2,514,118</b>	<b>4.6</b>
<b>Europe</b>		
<b>(0.8%; 28.02.17 - 1.2%)</b>		
36,000 Henderson Eurotrust	424,800	0.8
	<b>424,800</b>	<b>0.8</b>
<b>Fixed Income</b>		
<b>(3.0%; 28.02.17 - 0.0%)</b>		
14,484 Vontobel TwentyFour Absolute Return Credit	1,599,478	2.9
175 Vontobel TwentyFour Absolute Return Credit 'Inc'	18,289	0.1
	<b>1,617,767</b>	<b>3.0</b>
<b>International</b>		
<b>(19.6%; 28.02.17 - 20.4%)</b>		
473,651 British Empire Trust	3,351,081	6.2
151,665 Caledonia Investments	4,210,220	7.8
237,391 CF Ruffer Equity & General	1,103,181	2.0
120,790 Hansa Trust	1,123,951	2.1
88,340 Hansa Trust 'A'	812,728	1.5
	<b>10,601,161</b>	<b>19.6</b>
<b>Japan</b>		
<b>(3.6%; 28.02.17 - 5.3%)</b>		
612,680 Atlantis Japan Growth	1,164,092	2.1
51,669 Baillie Gifford Japanese	786,924	1.5
	<b>1,951,016</b>	<b>3.6</b>
<b>Mining and Resources</b>		
<b>(8.1%; 28.02.17 - 5.9%)</b>		
1,547,500 Baker Steel Resources	564,837	1.0
176,713 BlackRock Gold and General	1,892,601	3.5
500,747 BlackRock World Mining	1,940,395	3.6
	<b>4,397,833</b>	<b>8.1</b>



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**TB WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT (CONTINUED)**


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As at 31 August 2017

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Multi-Asset</b>		
<b>(2.0%; 28.02.17 - 0.0%)</b>		
672,306 SVS Tenax Absolute Return Strategies	1,073,672	2.0
	<b>1,073,672</b>	<b>2.0</b>
<b>Private Equity</b>		
<b>(18.3%; 28.02.17 - 24.6%)</b>		
238,742 Better Capital (2009)	128,921	0.2
1,410,725 Better Capital (2012)	451,432	0.8
260,037 HgCapital	4,420,629	8.1
506,800 ICG Enterprise	3,770,592	7.0
65,000 Pantheon International	1,170,000	2.2
	<b>9,941,574</b>	<b>18.3</b>
<b>Property</b>		
<b>(3.0%; 28.02.17 - 3.5%)</b>		
444,229 TR Property Investment Trust	1,616,994	3.0
	<b>1,616,994</b>	<b>3.0</b>
<b>Specialist - Alternative Energy</b>		
<b>(3.7%; 28.02.17 - 4.2%)</b>		
839,000 Impax Environmental Markets	2,032,477	3.7
	<b>2,032,477</b>	<b>3.7</b>
<b>Specialist - Biotechnology</b>		
<b>(1.0%; 28.02.17 - 0.0%)</b>		
85,000 International Biotechnology	530,400	1.0
	<b>530,400</b>	<b>1.0</b>
<b>Specialist - Technology</b>		
<b>(4.5%; 28.02.17 - 4.8%)</b>		
224,557 Herald Investment Management	2,413,988	4.5
	<b>2,413,988</b>	<b>4.5</b>
<b>Specialist - Utilities</b>		
<b>(0.3%; 28.02.17 - 0.4%)</b>		
626,734 Ecofin Realisation Company	172,352	0.3
	<b>172,352</b>	<b>0.3</b>

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**TB WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT (CONTINUED)**


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 As at 31 August 2017
 

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>UK Growth</b>		
<b>(6.7%; 28.02.17 - 7.0%)</b>		
200,915 Liontrust Special Situations 'Inc'	755,781	1.4
1,046,919 Man GLG Undervalued Assets	1,588,176	2.9
113,946 Polar Capital UK Value Opportunities	1,277,334	2.4
	<b>3,621,291</b>	<b>6.7</b>
<b>UK Mid-Cap</b>		
<b>(3.0%; 28.02.17 - 2.8%)</b>		
315,000 Schroder UK Mid Cap	1,612,800	3.0
	<b>1,612,800</b>	<b>3.0</b>
<b>UK Smaller Companies</b>		
<b>(7.9%; 28.02.17 - 11.0%)</b>		
451,593 MI Downing UK Micro-Cap Growth	989,800	1.8
400,000 Strategic Equity Capital	886,000	1.6
195,185 TB Amati UK Smaller Companies	1,939,928	3.6
5,321 The MI Discretionary Unit	478,786	0.9
	<b>4,294,514</b>	<b>7.9</b>
<b>USA</b>		
<b>(0.7%; 28.02.17 - 1.9%)</b>		
22,013 Polar Capital North American 'Inc'	378,849	0.7
	<b>378,849</b>	<b>0.7</b>
<b>Portfolio of investments</b>	<b>49,195,606</b>	<b>90.8</b>
<b>Net other assets</b>	<b>4,989,844</b>	<b>9.2</b>
<b>Total net assets</b>	<b>54,185,450</b>	<b>100.0</b>

'Inc' denotes income units of, or shares in, collective investment schemes, all other holdings in collective investment schemes are accumulation units/shares. All holdings in collective investment schemes are traded on regulated markets.

All other holdings are in investment trusts and are listed on recognised stock exchanges.

Asset Class	Asset class allocation as at 31 August 2017 (%)	Asset class allocation as at 28 February 2017 (%)
Investment Trusts	64.0	76.6
Collective Investment Schemes	26.8	22.0
Cash and Other	9.2	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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**TB WISE MULTI-ASSET GROWTH, SUMMARY OF FUND PERFORMANCE**


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<b>B Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> <small>(pence per share)</small>	<b>1 Mar 2016 to 28 Feb 2017</b> <small>(pence per share)</small>	<b>1 Mar 2015 to 29 Feb 2016</b> <small>(pence per share)</small>	<b>1 Mar 2014 to 28 Feb 2015</b> <small>(pence per share)</small>
<b>Change in net assets per share</b>				
Opening net asset value per share	287.53	209.57	227.11	221.10
Return before operating charges*	28.36	80.29	(15.36)	8.29
Operating charges	(1.38)	(2.33)	(2.18)	(2.28)
Return after operating charges*	26.98	77.96	(17.54)	6.01
Distributions	(2.33)	(2.35)	(1.84)	(1.04)
Retained distributions on accumulation shares	2.33	2.35	1.84	1.04
Closing net asset value per share	314.51	287.53	209.57	227.11
* after direct transaction costs of:	0.15	0.27	0.23	0.40
<b>Performance</b>				
Return after charges	9.38%	37.20%	(7.72)%	2.72%
<b>Other information</b>				
Closing net asset value	£20,623,866	£48,309,175	£36,260,816	£37,708,642
Closing number of shares	6,557,455	16,801,299	17,302,358	16,603,657
Operating charges (p.a.)	1.16%	1.15%	1.28%	1.27%
Direct transaction costs (p.a.)	0.10%	0.11%	0.10%	0.18%
<b>Prices</b>				
Highest published share price	314.92	290.11	235.19	230.60
Lowest published share price	287.37	210.77	202.80	214.64

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**TB WISE MULTI-ASSET GROWTH, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>A Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> <small>(pence per share)</small>	<b>1 Mar 2016 to 28 Feb 2017</b> <small>(pence per share)</small>	<b>1 Mar 2015 to 29 Feb 2016</b> <small>(pence per share)</small>	<b>1 Mar 2014 to 28 Feb 2015</b> <small>(pence per share)</small>
<b>Change in net assets per share</b>				
Opening net asset value per share	264.49	194.02	211.45	207.08
Return before operating charges*	26.06	74.03	(14.24)	7.75
Operating charges	(2.18)	(3.56)	(3.19)	(3.38)
Return after operating charges*	23.88	70.47	(17.43)	4.37
Distributions	(1.22)	(0.70)	(0.81)	(0.13)
Retained distributions on accumulation shares	1.22	0.70	0.81	0.13
Closing net asset value per share	288.37	264.49	194.02	211.45
* after direct transaction costs of:	0.14	0.25	0.22	0.37
<b>Performance</b>				
Return after charges	9.03%	36.32%	(8.24)%	2.11%
<b>Other information</b>				
Closing net asset value	£258,426	£188,785	£254,957	£1,739,305
Closing number of shares	89,616	71,378	131,408	822,551
Operating charges (p.a.)	1.81%	1.80%	1.93%	1.92%
Direct transaction costs (p.a.)	0.10%	0.11%	0.10%	0.18%
<b>Prices</b>				
Highest published share price	288.79	266.89	218.64	215.25
Lowest published share price	264.22	195.13	187.78	200.26

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**TB WISE MULTI-ASSET GROWTH, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>W Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> <small>(pence per share)</small>	<b>9 Dec 2016<sup>1</sup> 28 Feb 2017</b> <small>(pence per share)</small>
<b>Change in net assets per share</b>		
Opening net asset value per share	287.76	266.45
Return before operating charges*	28.42	21.76
Operating charges	(1.00)	(0.45)
Return after operating charges*	27.42	21.31
Distributions	(2.70)	(0.06)
Retained distributions on accumulation shares	2.70	0.06
Closing net asset value per share	315.18	287.76
* after direct transaction costs of:	0.15	0.07
<b>Performance</b>		
Return after charges	9.53%	8.00%
<b>Other information</b>		
Closing net asset value	£33,303,158	£15,827
Closing number of shares	10,566,559	5,500
Operating charges (p.a.)	0.91%	0.90%
Direct transaction costs (p.a.)	0.10%	0.11%
<b>Prices</b>		
Highest published share price	315.58	290.31
Lowest published share price	287.67	266.45

<sup>1</sup> W shares launched on 9 December 2016.

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

**TB WISE MULTI-ASSET GROWTH, STATEMENT OF TOTAL RETURN**

For the six month period ended 31 August 2017

		31.08.17	31.08.16
	£	£	£
Income			
Net capital gains		4,153,815	6,656,499
Revenue	619,793		444,310
Expenses	(202,159)		(185,699)
Interest payable and similar charges	(11)		(2)
Net revenue before taxation	417,623		258,609
Taxation	(94)		(16)
Net revenue after taxation		417,529	258,593
<b>Total return before distributions</b>		<b>4,571,344</b>	<b>6,915,092</b>
Distributions		(417,505)	(257,694)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4,153,839</b>	<b>6,657,398</b>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

For the six month period ended 31 August 2017

		31.08.17	31.08.16
	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>48,513,787</b>	<b>36,515,773</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	51,307,696		2,047,458
Amounts payable on cancellation of shares	(50,228,653)		(3,907,704)
		1,079,043	(1,860,246)
Change in net assets attributable to shareholders from investment activities		4,153,839	6,657,398
Retained distributions on accumulation shares		438,781	248,099
<b>Closing net assets attributable to shareholders</b>		<b>54,185,450</b>	<b>41,561,024</b>

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

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**TB WISE MULTI-ASSET GROWTH, BALANCE SHEET**As at 31 August 2017

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	<b>31.08.17</b>	<b>28.02.17</b>
	<b>£</b>	<b>£</b>
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	49,195,606	47,856,138
<b>Current assets:</b>		
Debtors	452,174	307,675
Cash and bank balances	<u>5,957,239</u>	<u>670,828</u>
<b>Total assets</b>	<b><u>55,605,019</u></b>	<b><u>48,834,641</u></b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	<u>1,419,569</u>	<u>320,854</u>
<b>Total liabilities</b>	<b><u>1,419,569</u></b>	<b><u>320,854</u></b>
<b>Net assets attributable to shareholders</b>	<b><u>54,185,450</u></b>	<b><u>48,513,787</u></b>

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**TB WISE MULTI-ASSET GROWTH, NOTES TO THE FINANCIAL STATEMENTS**

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As at 31 August 2017

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**Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2017.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.



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**TB WISE MULTI-ASSET GROWTH, DISTRIBUTION TABLE**

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For the six month period ended 31 August 2017

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**Interim Distribution (31 August 2017)**

Group 1 - Shares purchased on or prior to 28 February 2017

Group 2 - Shares purchased after 28 February 2017

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid/Accumulated</b>	<b>Paid/Accumulated</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>31.10.17</b>	<b>31.10.16</b>
			<b>(pence)</b>	<b>(pence)</b>
<b>B Accumulation</b>				
Group 1	2.3255	-	<b>2.3255</b>	<b>1.4973</b>
Group 2	0.8403	1.4852	<b>2.3255</b>	<b>1.4973</b>
<b>A Accumulation</b>				
Group 1	1.2246	-	<b>1.2246</b>	<b>0.6977</b>
Group 2	0.0096	1.2150	<b>1.2246</b>	<b>0.6977</b>
<b>W Accumulation</b>				
Group 1	2.6989	-	<b>2.6989</b>	<b>N/A</b>
Group 2	1.5369	1.1620	<b>2.6989</b>	<b>N/A</b>

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<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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## TB WISE MULTI-ASSET INCOME, AUTHORISED STATUS

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TB Wise Multi-Asset Income ('the Fund') is a sub-fund of TB Wise Investment Funds with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

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## INVESTMENT OBJECTIVE AND POLICY\*

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The investment objectives of the TB Wise Multi-Asset Income Fund are to provide a yield in excess of the BATS UK All Companies Index with the potential to provide income growth and capital growth over the medium to long term in line with, or better than, the rate of UK inflation (based on the Bank of England's preferred measure of UK inflation, which is currently the Consumer Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period. The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash. The Fund may also use derivatives for the purpose of efficient portfolio management from time to time. There will be no restriction on allocations between asset classes or geographic regions.

*\* Please note that the Investment objective and Policy of the Fund was changed on 1 September 2017 (please see page 3 for further details).*

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## ONGOING CHARGES FIGURE

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. As the Fund invests in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 32 to 37.

*Please note that the maximum level of management fees which may be charged to any collective investment scheme in which the Fund invests is 6%.*

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## SYNTHETIC RISK AND REWARD INDICATOR

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The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment. The Fund is in risk category 4 because it invests in a variety of asset classes, but with a bias towards shares.

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## RISK PROFILE

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The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives and where there is more than one objective there may be periods where not all of the objectives are being met.

The Fund invests in global shares, with some regions being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them.

Whilst the intention of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to losses.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## TB WISE MULTI-ASSET INCOME, INVESTMENT REVIEW

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### Performance

	Cumulative returns for the periods ended 31 August 2017 (%)			
	6 months	1 year	3 years	5 years
TB Wise Multi-Asset Income – B	7.46	21.71	40.66	101.94
TB Wise Multi-Asset Income – A	7.12	20.93	38.14	95.82
IA Flexible Investment Sector	5.09	12.71	28.03	57.16
Bats UK All Companies Index	5.34	14.35	25.40	64.73

*Performance based on Income shares.*

*Source: Financial Express. Total return, Bid to Bid. Sterling terms.*

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the income derived from them is not guaranteed and may go down as well as up.*

### Explanation of the TB in TB Wise Multi-Asset Income

T. Bailey, a Nottingham-based firm, has been our funds' administrator and Authorised Corporate Director (ACD) since 2007. The ACD is a regulated function which primarily involves ensuring that the Fund does not breach any of the FCA's rules. An FCA rule states that where a company manages a fund with its own company name in the title, as in Wise Multi-Asset Income, if the fund uses an external firm as its ACD, then this fact must be designated by inserting the initials of the ACD in the title, as in TB Wise Multi-Asset Income. For brevity, the Fund will be referred to as **Wise Income** in the remainder of this report.

### Change of Name

From 1 September 2017, the name of the Fund changed from TB Wise Income to TB Wise Multi-Asset Income, to clarify the fact that the Fund can invest in any income-producing asset class. Despite the change of name, there has been no change to the way we manage the Fund, and no such change is intended.

### Introduction

This report will discuss the Fund's performance during the half year ended 31 August 2017, and give a brief summary of the outlook for the coming year.

A discussion of the environment and the factors that have contributed to the Fund's performance over the period can be found under the 'Review' section below.

### Investment Objectives and Policy

**Wise Income** was launched in October 2005. Its three aims remain the same as they were on the day we launched the Fund. The aims are to pay an attractive income yield to investors, and to increase the annual income payments, and the Fund's share value, at the rate of inflation or better over time. Our investment universe is deliberately as broad as possible. **Wise Income** can invest in any or all of the following asset classes, cash, fixed interest including government stock (gilts) and company stock (corporate bonds), shares - both listed equities and private equity, commercial property (via investment trusts) and infrastructure funds including renewable energy. We can invest in these assets anywhere in the world, and in whatever proportions we believe will best achieve our stated objectives. **Wise Income** is listed in the IA Flexible Investment sector, which gives us the freedom to invest in the unconstrained fashion which we believe will produce the best overall returns for our investors.

### Performance

**Wise Income** performed well in the six months to 31 August 2017, producing a total return of 7.46% (B Shares). The Fund beat both its benchmarks, the IA Flexible Investment sector average, which made 5.09%, and the Bats UK All Companies index, a proxy for the UK stock market, which made 5.34%.

Longer-term performance has been good, too. In the five years to 31 August, **Wise Income** made a total return of 102%, meaning that an investor who had bought the Fund on 1 September 2012, and stayed in it for five years, leaving the dividends to accumulate, would have slightly more than doubled their initial investment, net of all charges. This return was well ahead of our benchmark indices, the IA Flexible Investment sector average and the Bats UK All Companies index, which made 57.2% and 64.7% respectively.

### Volatility

**Wise Income's** volatility continues to be low. The Fund's current risk score on Financial Express is 63, compared to a risk score of 100 for the UK stock market.

### Dividends

**Wise Income's** dividends totalled 6.61p (B Income shares) in the 12 months to 31 August 2017. The price of the B Income shares on 31 August was £1.331, so based on these figures, the dividend yield of the Fund on that day was 4.97%. This means that an investor who bought the Fund on that day could expect to receive an income of around 5.0% over the coming year, assuming that the Fund pays the same amount of dividends in 2017-18 as it did in 2016-17. One of the Fund's aims is to pay a steadily rising income, so a flat or falling dividend would imply a failure on our part, however this might happen, for example if a number of the shares and funds we hold reduced or failed to pay their dividends, if we sold higher-yielding assets and replaced them with lower-yielding ones, or if we were holding an unusually high level of cash. Equally, the Fund's yield could be higher in the year ahead if we receive more dividend increases than reductions, or if we sell lower-yielding assets and buy higher-yielding ones.

### Charges

The current Ongoing Charges Figure or 'OCF' of **Wise Income** is 0.91% (as at 31 August 2017). This fee is the all-in annual charge applied to the B shares, which are the Fund's standard class of shares. The fee is low for a multi-asset fund, partly reflecting the fact that we own a proportion of the assets directly - at the period end only around 3% of **Wise Income** was invested in funds which are subject to underlying charges. The Fund's OCF has been falling steadily over the last five years, and we hope it will continue to do so.

**Wise Income** has no initial charge and no performance fee.

### Fund Size

**Wise Income** grew by around 31% during the period, from £77.3m to £101.2m. Over a year, the Fund has grown by 62%, from £62.3m at the end of August 2016.

## REVIEW

### Performance Review

**Wise Income** performed strongly up to the end of May, and has been trading sideways and slightly downwards since then. Many of our assets had been rebounding strongly from depressed levels reached in 2016, and by the end of May had reached fair value.

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**TB WISE MULTI-ASSET INCOME, INVESTMENT REVIEW (CONTINUED)**

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An example is the construction and land promotion company Henry Boot. The shares briefly fell to £1.64 in the aftermath of the referendum, a level at which we were happy to add to our holding. By the end of May, the share price had recovered to £3.00, at which it stopped, and has fluctuated within a few pence of £3.00 for the last four months. We believe that the share is still good value, with the potential to rise to £4.00, and possibly £5.00, in the current cycle, but a period of consolidation is normal in an up-cycle.

Some of the Fund's share prices have been hit following announcements which were taken badly by the market. The most significant of these was Carillion, whose share price fell 75% following a profits warning and the writing-off of four large construction contracts. Management had confirmed that they were prioritising withdrawal from all unprofitable construction contracts and the reduction of debt, so the news came as a major disappointment. For us the lesson of this painful experience is that the combination of a less than exceptionally able management team with high levels of debt is unacceptably risky, and should be avoided on principle. Carillion is now in the early stages of a major restructuring, and we will sell the shares.

Another company whose shares were marked sharply lower following a profits warning was the replacement doors and windows company Safestyle. Safestyle is the most efficient company in its sector, has a strong balance sheet with no debt, has responded robustly to the current challenging market, in which it continues to gain market share, and will hold its dividend. We have added to this small position.

The asset allocations at the period end are shown below:

<b>Sector</b>	<b>Asset allocation as at 31 August 2017 (%)</b>	<b>Asset allocation as at 28 February 2017 (%)</b>
Asia	3.1	3.1
Fixed Income	4.1	2.5
International	1.5	2.0
Japan	-	0.8
Large-Cap	15.0	13.3
Mid-Cap	6.7	12.2
North America	3.8	4.0
Private Equity	7.9	12.6
Property	11.3	10.4
Small-Cap	23.3	27.9
Specialist – Aircraft Leasing	1.8	-
Specialist – Clean Energy	2.0	1.6
Specialist – Resources	5.4	3.9
Specialist – Telecommunications	4.1	-
Specialist – Utilities	5.7	3.5
UK Equity Investment Trusts	1.0	-
Cash and Other	3.3	2.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The full list of holdings at the period end is shown in the Portfolio Statement on pages 28 to 31.

### **Market Background**

Financial commentators are telling us, and have been telling us for several years now, that the financial markets are expensive. The current uptrend which started in response to the Quantitative Easing (QE) programme in March 2009 is now over eight years old, a very long time for a bull market, and we are due for a correction, which might well be precipitated by the 'normalisation' of monetary policy – the raising of interest rates, and the withdrawal of QE as central banks sell the bonds they bought under the programme back into the markets.

Without question, there is truth in this narrative, but it fails to explain many observed facts. The overall level of most stock markets is high, but many investors are feeling extremely nervous. This level of anxiety is not typical of bull-market tops, where investors tend to believe that the market rally has only just begun, and prices rise confidently every day. In the UK, the main market index, the FTSE-100, is just 2% higher than it was at its May 2015 high - hardly an unsustainable rally.

When we look in more detail, it becomes clear that the stock-market rally has missed out a number of sectors entirely. Bull market conditions exist in technology and consumer staples, but it is hard to argue that there is anything resembling a bull market in the banking, mining, oil, retail, telecom or utility sectors. Investors appear to dislike these areas of the market so intensely that they refuse to see value in them at any price. The mining sector is a case in point. The 'top of the market' narrative was already in full swing early last year when the mining sector hit its low point, after a five-year decline. Since then, the price of Rio Tinto shares, for example, has risen by 120%, from £16 to £35, which shows how the value in the sector was overlooked at the time. We can see equally compelling opportunities today.

The UK commercial property market shows similar characteristics. At an aggregate level, it looks fully valued, and many of the investment vehicles are unattractive - the investment trusts are at premiums, and the unit trusts hold high levels of cash, which act as a drag on performance. However, there is value to be had. None of the entities through which **Wise Income** invests is at a premium to its asset value, some are at substantial discounts, and there are reasons to believe that the assets themselves remain attractively valued.

### De-risking the Portfolio

The existence of these pockets of value presents us with an opportunity, we believe. At the same time, we accept that the overall level of financial markets is high, and that the reversal of QE, when it occurs, is unlikely to happen without disruption. So, for the last few months, we have been considering ways of 'parking the bus' - making **Wise Income's** portfolio more liquid (holding assets which are easy to sell if need be), and looking for assets which are already so cheap that they would be unlikely to fall much further even in the direst of situations - and might even be discovered to have 'defensive' qualities which had gone un-noticed hitherto.

The portfolio changes which we've made over the last six months have been with a view to lowering the Fund's risk profile and increasing its liquidity. We have reduced **Wise Income's** exposure to private equity to 7.9% from 12.6%, following a run of excellent performance. We have sold a number of our UK smaller companies for the same reason - Savills, Morgan Sindall and XP Power - all excellent but no longer cheap, and reduced position sizes in others, including Polar Capital, Henry Boot and Telford Homes.

The money raised has mainly gone into the utilities and telecom sectors.

We have also invested in British Land, whose shares have fallen by around a third from their highs of two years ago. British Land owns office and retail properties, mainly in and around London. Investors are concerned about retail in the light of the inexorable rise of internet shopping, and about London offices in the light of Brexit. However, British Land's properties are prime, and London stands a good chance of remaining a major world city even after Brexit. British Land has perceptive and experienced managers, the share price is at a discount of 35% to the value of the properties in the portfolio, and investors are being paid a well-covered 4.8% dividend. If you are concerned about the market falling by a third (which would take the FTSE-100 to 4850), then you may rest easy - British Land is already there.

In comparison, National Grid, another new holding, is only 14% lower than its level of a year ago. National Grid runs the UK's electric grid, and has a similar operation in the north-east US, which is thriving. National Grid is at the heart of many of the changes that are expected over the next few years, including the further growth of renewable energy, which is less predictable than the energy provided by fossil fuels, but needs to be stored and distributed all the same - National Grid are advising the UK government on how this can be achieved - and the advent of the electric car. National Grid is a regulated monopoly, is at the centre of much of what we do in the UK, is 'too big to fail', isn't expensive, and pays us a dividend of around 4.5%. We expect to increase this holding as opportunities present themselves over the coming months.

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## TB WISE MULTI-ASSET INCOME, INVESTMENT REVIEW (CONTINUED)

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While interest rates remain at rock-bottom levels, investors' appetite for income remains as insatiable as ever. New investment trusts offering long-term income streams appear almost every day, and for the most part we have avoided them. There are now two trusts offering an exposure to social housing. The trusts invest mainly in sheltered housing developments, which they rent out to housing associations and local authorities, while avoiding all the costs of maintaining, managing and insuring the properties. The expected income is around 5.0% per annum, rising in line with inflation. These trusts have been extremely popular, and could raise an almost unlimited amount of money in today's conditions. We have avoided them, for two reasons. The trusts raise cash, which they will then invest gradually in portfolios of houses as these become available, over the course of nine months to a year, and during that period, there is no income. A more serious concern is that when new players come into a market with fresh capital, asset prices are likely to rise. We feel it would be less risky to enter this interesting-looking market in a few years' time, once it has settled down.

We have continued to avoid the fashionable infrastructure sector, and have only a small exposure to renewable energy, as the prices of all these funds remain at high premiums to their net asset values. The infrastructure funds are significantly less expensive than they were a year ago, but have not yet reached the point at which we would be happy to invest in them.

### The Wise Funds Team

Our team has five members currently. Tony Yarrow is Chief Investment Officer, and lead manager on both funds, TB Wise Multi-Asset Income and TB Wise Multi-Asset Growth. Vincent Ropers, who joined us in April from Standard Life is our Chief Executive and is co-manager on both funds. Manasa Patil is our investment analyst, and spends most of her time on the TB Wise Multi-Asset Income Fund. Debbie Long is our PA, arranging the twenty-odd fund and company meetings we have each month, and a great deal else. John Newton is in charge of communication and marketing, and runs our website.

### Recognition

**Wise Income** maintains its Financial Express (FE) five-star rating, the highest possible rating.

Tony Yarrow is a City Wire A rated fund manager. During the half-year, his rating briefly rose to two stars (out of a possible three).

### Outlook

The macro-economic and political background remains challenging. However, our job of managing a high-yielding multi-asset income fund will not wait until things become easier.

We have adapted the portfolio, investing in larger companies in unloved but economically essential sectors, with high and relatively safe dividend yields. A number of the smaller companies we look at, and much of the private equity sector, together with the infrastructure and renewable funds, have reached levels at which we aren't comfortable to own them, but fortunately there are plenty of alternatives within our investable universe at undemanding prices.

**Wise Income** offers more value, and slightly more yield, than it did six months ago.

We continue to look ahead with cautious optimism.

**Tony Yarrow**  
**Fund Manager**  
**Wise Funds Limited**  
**Chipping Norton, United Kingdom**  
**13 October 2017**

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**TB WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT**

 As at 31 August 2017
 

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Asia</b>		
<b>(3.1%; 28.02.17 - 3.1%)</b>		
1,395,000 Aberdeen Asian Income	3,082,950	3.1
	<b>3,082,950</b>	<b>3.1</b>
<b>Fixed Income</b>		
<b>(4.1%; 28.02.17 - 2.5%)</b>		
752,354 Balfour Beatty 10.75p	857,684	0.9
1,025,774 Royal London Sterling Extra Yield Bond	1,247,443	1.2
19,264 Vontobel TwentyFour Absolute Return Credit	2,016,944	2.0
	<b>4,122,071</b>	<b>4.1</b>
<b>International</b>		
<b>(1.5%; 28.02.17 - 2.0%)</b>		
120,155 Murray International	1,557,209	1.5
	<b>1,557,209</b>	<b>1.5</b>
<b>Large-Cap</b>		
<b>(15.0%; 28.02.17 - 13.3%)</b>		
1,338,000 Centrica	2,673,324	2.6
91,500 GlaxoSmithKline	1,403,152	1.4
760,000 J Sainsbury	1,789,800	1.8
1,540,058 Legal & General	4,005,691	4.0
4,300,000 Lloyds	2,741,680	2.7
355,000 Marks & Spencer	1,133,160	1.1
340,650 Standard Life Aberdeen	1,463,092	1.4
	<b>15,209,899</b>	<b>15.0</b>
<b>Mid-Cap</b>		
<b>(6.7%; 28.02.17 - 12.2%)</b>		
413,295 Ashmore	1,522,992	1.5
1,030,000 Carillion	454,333	0.5
60,000 Close Brothers	926,400	0.9
167,419 Kier	1,963,825	1.9
1,693,766 Marston's	1,954,606	1.9
	<b>6,822,156</b>	<b>6.7</b>
<b>North America</b>		
<b>(3.8%; 28.02.17 - 4.0%)</b>		
3,789,350 Middlefield Canadian Income	3,884,084	3.8
	<b>3,884,084</b>	<b>3.8</b>



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**TB WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT (CONTINUED)**

 As at 31 August 2017
 

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Private Equity</b>		
<b>(7.9%; 28.02.17 - 12.6%)</b>		
214,856 F&C Private Equity	692,911	0.7
132,000 NB Private Equity Partners	1,330,560	1.3
657,263 Princess Private Equity	5,968,236	5.9
	<b>7,991,707</b>	<b>7.9</b>
<b>Property</b>		
<b>(11.3%; 28.02.17 - 10.4%)</b>		
520,000 British Land Company	3,179,800	3.2
2,960,000 Ediston Property	3,256,000	3.2
1,200,000 Impact Healthcare REIT	1,224,000	1.2
3,000,000 Picton Property Income	2,550,000	2.5
675,000 U + I	1,243,687	1.2
	<b>11,453,487</b>	<b>11.3</b>
<b>Small-Cap</b>		
<b>(23.3%; 28.02.17 - 27.9%)</b>		
3,350,000 Alliance Pharma	1,733,625	1.7
869,092 Boot (Henry)	2,615,967	2.6
300,000 Braemar Shipping Services	900,750	0.9
362,915 Chesnara	1,439,865	1.4
1,610,000 Harvey Nash	1,304,100	1.3
765,905 McColl's Retail	2,044,966	2.0
1,134,669 Moss Bros	1,043,895	1.0
450,000 Numis Corporation	1,264,500	1.3
582,335 Polar Capital	2,509,864	2.5
426,900 Quarto	533,625	0.5
400,000 Safestyle UK	932,000	0.9
1,570,000 Shoe Zone	2,464,900	2.5
870,000 Stobart	2,544,750	2.5
372,492 Tarsus	1,145,413	1.1
272,573 Telford Homes	1,058,265	1.1
	<b>23,536,485</b>	<b>23.3</b>
<b>Specialist - Aircraft Leasing</b>		
<b>(1.8%; 28.02.17 - 0.0%)</b>		
1,750,000 Amedeo Air Four Plus	1,855,000	1.8
	<b>1,855,000</b>	<b>1.8</b>

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**TB WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT (CONTINUED)**

 As at 31 August 2017
 

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Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
<b>Specialist - Clean Energy</b>		
<b>(2.0%; 28.02.17 - 1.6%)</b>		
912,735 Bluefield Solar Income	1,010,854	1.0
900,000 John Laing Environmental Assets	963,000	1.0
	<b>1,973,854</b>	<b>2.0</b>
<b>Specialist - Resources</b>		
<b>(5.4%; 28.02.17 - 3.9%)</b>		
914,500 BlackRock World Mining	3,543,687	3.5
49,800 Rio Tinto	1,865,757	1.9
	<b>5,409,444</b>	<b>5.4</b>
<b>Specialist - Telecommunications</b>		
<b>(4.1%; 28.02.17 - 0.0%)</b>		
590,000 BT Group	1,726,045	1.7
710,000 Manx Telecom	1,391,600	1.4
450,000 Vodafone Group	995,850	1.0
	<b>4,113,495</b>	<b>4.1</b>
<b>Specialist - Utilities</b>		
<b>(5.7%; 28.02.17 - 3.5%)</b>		
2,387,278 Ecofin Global Utilities and Infrastructure	3,151,207	3.1
85,000 National Grid	828,495	0.8
225,000 Pennon Group	1,825,875	1.8
	<b>5,805,577</b>	<b>5.7</b>
<b>UK Equity Investment Trusts</b>		
<b>(1.0%; 28.02.17 - 0.0%)</b>		
77,000 Temple Bar Investment Trust	995,610	1.0
	<b>995,610</b>	<b>1.0</b>
<b>Portfolio of investments</b>	<b>97,813,028</b>	<b>96.7</b>
<b>Net other assets</b>	<b>3,360,369</b>	<b>3.3</b>
<b>Total net assets</b>	<b>101,173,397</b>	<b>100.0</b>

'Japan' sector disinvested since the beginning of the period (28 February 2017: 0.8%).

All holdings in investment trusts, equities and preference shares are listed on recognised stock exchanges. All holdings in collective investment schemes are Income units/shares and are traded on regulated markets.

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**TB WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT (CONTINUED)**

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As at 31 August 2017

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<b>Asset Class</b>	<b>Asset class allocation as at 31 August 2017 (%)</b>	<b>Asset class allocation as at 28 February 2017 (%)</b>
Investment Trusts	37.8	39.4
Collective Investment Schemes	3.2	2.3
Equities	54.8	54.9
Preference Shares	0.9	1.2
Cash and Other	3.3	2.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE**


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<b>B Income Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> (pence per share)	<b>1 Mar 2016 to 28 Feb 2017</b> (pence per share)	<b>1 Mar 2015 to 29 Feb 2016</b> (pence per share)	<b>1 Mar 2014 to 28 Feb 2015</b> (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	125.62	99.54	108.94	107.33
Return before operating charges*	10.29	33.17	(2.88)	8.05
Operating charges	(0.59)	(1.04)	(1.03)	(1.10)
Return after operating charges*	9.70	32.13	(3.91)	6.95
Distributions	(4.14)	(6.05)	(5.49)	(5.34)
Closing net asset value per share	131.18	125.62	99.54	108.94
* after direct transaction costs of:	0.24	0.42	0.40	0.45
<b>Performance</b>				
Return after charges	7.72%	32.28%	(3.59)%	6.48%
<b>Other information</b>				
Closing net asset value	£27,894,853	£46,819,205	£31,429,486	£29,141,914
Closing number of shares	21,264,977	37,270,068	31,574,077	26,750,359
Operating charges (p.a.)	0.91%	0.93%	0.99%	1.19%
Direct transaction costs (p.a.)	0.36%	0.37%	0.38%	0.42%
<b>Prices</b>				
Highest published share price	137.11	127.43	114.46	111.58
Lowest published share price	126.49	98.43	95.32	102.30

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**

<b>B Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b>	<b>1 Mar 2016 to 28 Feb 2017</b>	<b>1 Mar 2015 to 29 Feb 2016</b>	<b>1 Mar 2014 to 28 Feb 2015</b>
	(pence per share)	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	229.67	172.50	179.34	168.25
Return before operating charges*	18.76	59.02	(5.11)	12.85
Operating charges	(1.10)	(1.85)	(1.73)	(1.76)
Return after operating charges*	17.66	57.17	(6.84)	11.09
Distributions	(7.61)	(10.70)	(9.22)	(8.50)
Retained distributions on accumulation shares	7.61	10.70	9.22	8.50
Closing net asset value per share	247.33	229.67	172.50	179.34
* after direct transaction costs of:	0.44	0.75	0.67	0.72
<b>Performance</b>				
Return after charges	7.69%	33.14%	(3.81)%	6.59%
<b>Other information</b>				
Closing net asset value	£36,932,405	£28,830,183	£17,619,039	£18,442,681
Closing number of shares	14,932,294	12,552,963	10,213,771	10,283,696
Operating charges (p.a.)	0.91%	0.93%	0.99%	1.19%
Direct transaction costs (p.a.)	0.36%	0.37%	0.38%	0.42%
<b>Prices</b>				
Highest published share price	250.65	231.38	188.42	179.70
Lowest published share price	231.26	174.25	163.86	164.74

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>A Income Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> <small>(pence per share)</small>	<b>1 Mar 2016 to 28 Feb 2017</b> <small>(pence per share)</small>	<b>1 Mar 2015 to 29 Feb 2016</b> <small>(pence per share)</small>	<b>1 Mar 2014 to 28 Feb 2015</b> <small>(pence per share)</small>
<b>Change in net assets per share</b>				
Opening net asset value per share	117.13	93.41	102.81	101.97
Return before operating charges*	9.58	31.04	(2.70)	7.64
Operating charges	(0.95)	(1.65)	(1.52)	(1.66)
Return after operating charges*	8.63	29.39	(4.22)	5.98
Distributions	(3.85)	(5.67)	(5.18)	(5.14)
Closing net asset value per share	121.91	117.13	93.41	102.81
* after direct transaction costs of:	0.22	0.39	0.38	0.43
<b>Performance</b>				
Return after charges	7.37%	31.46%	(4.10)%	5.86%
<b>Other information</b>				
Closing net asset value	£654,631	£536,766	£419,068	£710,324
Closing number of shares	536,976	458,282	448,614	690,888
Operating charges (p.a.)	1.56%	1.58%	1.64%	1.84%
Direct transaction costs (p.a.)	0.36%	0.37%	0.38%	0.42%
<b>Prices</b>				
Highest published share price	127.64	118.83	107.88	105.86
Lowest published share price	117.92	92.19	89.47	96.72

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>A Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b> <small>(pence per share)</small>	<b>1 Mar 2016 to 28 Feb 2017</b> <small>(pence per share)</small>	<b>1 Mar 2015 to 29 Feb 2016</b> <small>(pence per share)</small>	<b>1 Mar 2014 to 28 Feb 2015</b> <small>(pence per share)</small>
<b>Change in net assets per share</b>				
Opening net asset value per share	213.53	161.42	168.78	159.28
Return before operating charges*	17.43	55.02	(4.80)	12.12
Operating charges	(1.75)	(2.91)	(2.56)	(2.62)
Return after operating charges*	15.68	52.11	(7.36)	9.50
Distributions	(7.07)	(10.01)	(8.71)	(8.11)
Retained distributions on accumulation shares	7.07	10.01	8.71	8.11
Closing net asset value per share	229.21	213.53	161.42	168.78
* after direct transaction costs of:	0.41	0.69	0.63	0.68
<b>Performance</b>				
Return after charges	7.34%	32.28%	(4.36)%	5.96%
<b>Other information</b>				
Closing net asset value	£1,658,637	£1,133,761	£1,171,625	£4,529,373
Closing number of shares	723,640	530,957	725,831	2,683,536
Operating charges (p.a.)	1.56%	1.58%	1.64%	1.84%
Direct transaction costs (p.a.)	0.36%	0.37%	0.38%	0.42%
<b>Prices</b>				
Highest published share price	232.68	215.15	177.06	169.12
Lowest published share price	214.98	162.73	153.37	155.37

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>W Income Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b>	<b>9 Dec 2016 to<sup>1</sup> 28 Feb 2017</b>
	<small>(pence per share)</small>	<small>(pence per share)</small>
<b>Change in net assets per share</b>		
Opening net asset value per share	125.82	118.93
Return before operating charges*	10.28	7.82
Operating charges	(0.43)	(0.19)
Return after operating charges*	9.85	7.63
Distributions	(4.14)	(0.74)
Closing net asset value per share	131.53	125.82
* after direct transaction costs of:	0.24	0.10
<b>Performance</b>		
Return after charges	7.83%	6.42%
<b>Other information</b>		
Closing net asset value	£27,903,302	£2,646
Closing number of shares	21,214,503	2,103
Operating charges (p.a.)	0.66%	0.68%
Direct transaction costs (p.a.)	0.36%	0.37%
<b>Prices</b>		
Highest published share price	137.37	127.50
Lowest published share price	126.71	118.35

<sup>1</sup> W Income Shares were created on 9 December 2016

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.



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**TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>W Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017</b>	<b>9 Dec 2016 to<sup>1</sup> 28 Feb 2017</b>
	<small>(pence per share)</small>	<small>(pence per share)</small>
<b>Change in net assets per share</b>		
Opening net asset value per share	229.79	215.95
Return before operating charges*	18.82	14.18
Operating charges	(0.79)	(0.34)
Return after operating charges*	18.03	13.84
Distributions	(7.61)	(1.34)
Retained distributions on accumulation shares	7.61	1.34
Closing net asset value per share	247.82	229.79
* after direct transaction costs of:	0.44	0.18
<b>Performance</b>		
Return after charges	7.85%	6.41%
<b>Other information</b>		
Closing net asset value	£6,129,569	£8,592
Closing number of shares	2,473,372	3,739
Operating charges (p.a.)	0.66%	0.68%
Direct transaction costs (p.a.)	0.36%	0.37%
<b>Prices</b>		
Highest published share price	250.98	231.51
Lowest published share price	231.40	214.90

<sup>1</sup> W Accumulation Shares were created on 9 December 2016

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

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**TB WISE MULTI-ASSET INCOME, STATEMENT OF TOTAL RETURN**For the six month period ended 31 August 2017

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	£	31.08.17 £	31.08.16 £
Income			
Net capital gains		3,767,520	7,284,394
Revenue	2,908,647		1,897,910
Expenses	(384,027)		(265,840)
Interest payable and similar charges	(21)		(10)
Net revenue before taxation	<u>2,524,599</u>		<u>1,632,060</u>
Taxation	<u>(4,852)</u>		<u>(6,495)</u>
Net revenue after taxation		<u>2,519,747</u>	<u>1,625,565</u>
<b>Total return before distributions</b>		<b>6,287,267</b>	<b>8,909,959</b>
Distributions		(2,869,197)	(1,870,218)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b><u>3,418,070</u></b>	<b><u>7,039,741</u></b>

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six month period ended 31 August 2017

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	£	31.08.17 £	31.08.16 £
<b>Opening net assets attributable to shareholders</b>		<b>77,331,153</b>	<b>50,639,218</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	80,104,011		10,921,509
Amounts payable on cancellation of shares	<u>(60,959,337)</u>		<u>(7,007,003)</u>
		19,144,674	3,914,506
Change in net assets attributable to shareholders from investment activities		3,418,070	7,039,741
Retained distributions on accumulation shares		1,279,500	735,804
<b>Closing net assets attributable to shareholders</b>		<b><u>101,173,397</u></b>	<b><u>62,329,269</u></b>

*Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.*

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**TB WISE MULTI-ASSET INCOME, BALANCE SHEET**As at 31 August 2017

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	<b>31.08.17</b>	<b>28.02.17</b>
	<b>£</b>	<b>£</b>
<b>Assets:</b>		
<b>Fixed assets:</b>		
Investments	97,813,028	75,612,655
<b>Current assets:</b>		
Debtors	1,027,810	717,791
Cash and bank balances	<u>4,157,651</u>	<u>1,641,773</u>
<b>Total assets</b>	<b><u>102,998,489</u></b>	<b><u>77,972,219</u></b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income shares	786,332	326,247
Other creditors	<u>1,038,760</u>	<u>314,819</u>
<b>Total liabilities</b>	<b><u>1,825,092</u></b>	<b><u>641,066</u></b>
<b>Net assets attributable to shareholders</b>	<b><u>101,173,397</u></b>	<b><u>77,331,153</u></b>

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**TB WISE MULTI-ASSET INCOME, NOTES TO THE FINANCIAL STATEMENTS**

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As at 31 August 2017

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**Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2017.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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**TB WISE MULTI-ASSET INCOME, DISTRIBUTION TABLE**

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For the six month period ended 31 August 2017

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**Interim Distribution (31 May 2017)**

Group 1 - Shares purchased on or prior to 28 February 2017

Group 2 - Shares purchased after 28 February 2017

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid</b>	<b>Paid</b>
			<b>/Accumulated</b>	<b>/Accumulated</b>
			<b>31.07.17</b>	<b>31.07.16</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>	<b>(pence)</b>
<b>B Income</b>				
Group 1	2.3094	-	<b>2.3094</b>	<b>2.3333</b>
Group 2	1.3214	0.9880	<b>2.3094</b>	<b>2.3333</b>
<b>A Income</b>				
Group 1	2.1476	-	<b>2.1476</b>	<b>2.1881</b>
Group 2	1.3758	0.7718	<b>2.1476</b>	<b>2.1881</b>
<b>W Income</b>				
Group 1	2.3036	-	<b>2.3036</b>	N/A
Group 2	1.5920	0.7116	<b>2.3036</b>	N/A
<b>B Accumulation</b>				
Group 1	4.2166	-	<b>4.2166</b>	<b>4.0428</b>
Group 2	2.5536	1.6630	<b>4.2166</b>	<b>4.0428</b>
<b>A Accumulation</b>				
Group 1	3.9163	-	<b>3.9163</b>	<b>3.7840</b>
Group 2	2.1976	1.7187	<b>3.9163</b>	<b>3.7840</b>
<b>W Accumulation</b>				
Group 1	4.2089	-	<b>4.2089</b>	N/A
Group 2	3.6244	0.5845	<b>4.2089</b>	N/A

---

<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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**TB WISE MULTI-ASSET INCOME, DISTRIBUTION TABLE (CONTINUED)**

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For the six month period ended 31 August 2017

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**Interim Distribution (31 August 2017)**

Group 1 - Shares purchased on or prior to 31 May 2017

Group 2 - Shares purchased after 31 May 2017

---

<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid</b>	<b>Paid</b>
			<b>/Accumulated</b>	<b>/Accumulated</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>31.10.17</b>	<b>31.10.16</b>
			<b>(pence)</b>	<b>(pence)</b>
<b>B Income</b>				
Group 1	1.8275	-	<b>1.8275</b>	<b>1.2462</b>
Group 2	0.7921	1.0354	<b>1.8275</b>	<b>1.2462</b>
<b>A Income</b>				
Group 1	1.6999	-	<b>1.6999</b>	<b>1.1658</b>
Group 2	0.7466	0.9533	<b>1.6999</b>	<b>1.1658</b>
<b>W Income</b>				
Group 1	1.8316	-	<b>1.8316</b>	N/A
Group 2	0.8316	1.0000	<b>1.8316</b>	N/A
<b>B Accumulation</b>				
Group 1	3.3983	-	<b>3.3983</b>	<b>2.2110</b>
Group 2	1.7524	1.6459	<b>3.3983</b>	<b>2.2110</b>
<b>A Accumulation</b>				
Group 1	3.1521	-	<b>3.1521</b>	<b>2.0589</b>
Group 2	1.6086	1.5435	<b>3.1521</b>	<b>2.0589</b>
<b>W Accumulation</b>				
Group 1	3.4035	-	<b>3.4035</b>	N/A
Group 2	2.0935	1.3100	<b>3.4035</b>	N/A

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<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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## **EVENLODE INCOME, CLOSURE OF THE FUND**

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On 1 September 2017, following approval by shareholders in an extraordinary general meeting on 30 August 2017, all shareholders and investments of Evenlode Income (a sub-fund of TB Wise Investment Funds) were transferred to a new fund, TB Evenlode Income (a sub-fund of TB Evenlode Investments Funds ICVC), via a Scheme of Arrangement. All remaining assets and liabilities are in the process of being realised and the Fund is now in the process of being wound up.

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## **AUTHORISED STATUS**

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Evenlode Income ('the Fund') was a sub-fund of TB Wise Investment Funds with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

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## **INVESTMENT OBJECTIVE AND POLICY**

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The investment objective of Evenlode Income was to produce attractive long-term total returns, with an emphasis on income.

The Fund invested predominantly in the equity securities of companies listed in the United Kingdom, with the balance invested in the equity securities of companies listed internationally and cash (or near cash securities). The Fund could also invest in fixed income securities, collective investment schemes and derivatives for the purpose of efficient portfolio management from time to time. The Investment Manager aimed to invest in a focused portfolio of shares which offered a combination of high and growing cash-flows (to deliver both capital growth and dividend growth for the Fund) and low business risk. The Investment Manager undertook fundamental analysis to identify shares in companies that offer this combination.

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## **ONGOING CHARGES FIGURE**

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The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 48 to 53.

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## **SYNTHETIC RISK AND REWARD INDICATOR**

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The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment. The Fund was in risk category 5 because it invested in shares.

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## **RISK PROFILE**

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The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

A limited number of investments may be held which has the potential to increase the volatility of performance.

The movements of exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

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## EVENLODE INCOME, INVESTMENT REVIEW

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### Performance

	Cumulative returns for the periods ended 31 August 2017 (%)			
	6 months	1 year	3 years	5 years
Evenlode Income – B Shares	4.98	10.09	44.29	98.32
Evenlode Income – A Shares	4.72	9.55	42.19	93.49
IA UK All Companies Sector	5.95	13.77	25.72	70.35

*Performance based on income shares.*

*Source: Financial Express. Total return, bid to bid. Sterling terms.*

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

The period under review was a relatively quiet one for global financial markets. Geopolitical events continued to provide some uncertainty, with a surprise UK election result, a lack of policy progress made by the new US administration and North Korean tensions all providing some volatility. However, global economic news was reasonable and stock markets delivered positive returns.

In terms of business fundamentals, we have been reassured by the progress that the Evenlode portfolio continues to make, with cash generation and dividend flow remaining resilient. The Fund's first two quarterly dividends rose +6.2% year-on-year (B Income shares) and attractive long-term real dividend growth remains a key aim for the Fund. The current low growth and low inflation backdrop is tempering the dividend outlook somewhat, and I continue to think that moderate real dividend growth is a realistic expectation for the quality businesses on which Evenlode is focused.

### Performance Commentary

In terms of total return (i.e. the combined return from dividends and capital performance), Evenlode rose +5.0% (B Income shares) over the six months to 31 August 2017 compared to a rise of +6.0% for the IA UK All Companies sector (since launch in October 2009, Evenlode has risen +174.9% compared to +104.7% for the IA UK All Companies sector).

The most positive contributors to return were Unilever and WS Atkins. Following Kraft's aborted bid in February, Unilever shares were helped by good operational progress and upgraded profit and cash flow guidance from management. Engineering consultant WS Atkins received a recommended takeover approach from Canadian peer SNC-Lavalin. As a relatively small company with a strong competitive position in the global engineering consultancy market, Atkins has always looked like a potential participant in sector consolidation. Other companies contributing positively to return included Diageo, Microsoft, PageGroup, and Smith & Nephew, all of which reported strong operational performance.

The most negative contributors were Fidessa, IBM and WPP. We remain comfortable with technology holdings Fidessa and IBM and topped up these positions during the period - both trade on attractive dividend yields supported by strong cash generation. WPP, a global market leader in the advertising, marketing and communications sector, was introduced as a new position during the period. The company is experiencing some headwinds as client spending slows. However, we think longer-term potential is positive thanks to a strong competitive position and a business model increasingly orientated to digital services and data analytics. As with IBM and Fidessa, WPP's dividend yield of nearly 5% is growing and well supported by free cash flow.



### Portfolio Changes

In addition to WPP, we introduced a new holding in UBM, a market leader in the global trade exhibition industry. This is a sector we know well (UBM's two largest global peers are divisions of Relx and Informa, also Evenlode holdings) and produces several desirable economic characteristics including high barriers to entry, good revenue recurrence and strong cash generation.

On the sell side we exited RWS Holdings, a global provider of intellectual property support services. RWS is a high quality, well-managed business but following very strong performance (shares have risen more than +250% since we initiated the position in 2015) the valuation and dividend yield became less attractive. We also completed a staged exit from MITIE at the beginning of the period, where we felt balance sheet risk had become too high.

### Outlook

High global debt levels, ageing demographics and technological disruption have been signature motifs of the last few years and they remain key drivers of the macroeconomic backdrop. These disinflationary trends continue to provide a challenge for companies in terms of pricing power and overall growth rates, and we are seeing the effect across all industries. Whilst no business is immune, companies that enjoy the following factors are in our view equipped with important defences and sources of resilience against these trends:

- A strong economic moat (i.e. difficult to replicate competitive advantages).
- A durable product offering with good customer loyalty and a low risk of obsolescence.
- A willingness and ability to invest in innovation and future growth to help evolve the franchise over time.
- Healthy cash generation.

We remain very keen on businesses that fit these criteria.

It is also important to note that this backdrop is providing opportunities, not just challenges. The majority of the companies in the Evenlode portfolio sell to other businesses (rather than to consumers), often in specialist niche markets with high barriers to entry. Many are seeing the ability to harness technological change, helping their customers cope with a changing world by offering products and services that increase efficiency and productivity. Software analytics and proprietary data are often key planks in this strategy and many Evenlode holdings, particularly in the business-to-business information and software sectors, are benefiting.

Turning to valuations, our view has changed little over the last three years or so. Prospects for future returns appear less attractive than they did several years ago, and many stocks that are ostensibly 'cheap' on a price/earnings basis carry significant fundamental risk such as high levels of debt and a lack of cash generation. The management of both fundamental and valuation risk remains central to our process, and we continue to nudge the portfolio towards opportunities where we see the most attractive combination of quality, resilience, dividend yield and long-term valuation appeal. A somewhat boring message I admit, but hopefully a familiar one for long-term Evenlode investors.

**Hugh Yarrow**  
**Fund Manager**  
**Evenlode Investment Management Limited**  
**Chipping Norton, United Kingdom**  
**13 October 2017**

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**EVENLODE INCOME, PORTFOLIO STATEMENT**As at 31 August 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>UK Equities</b>		
<b>(80.8%; 28.02.17 - 80.9%)</b>		
7,227,373 Ashmore	26,632,869	1.8
985,779 AstraZeneca	44,744,509	3.0
1,075,231 AVEVA	20,698,197	1.4
2,055,096 Burberry	36,909,524	2.5
3,575,399 Compass	59,029,837	4.0
4,926,778 Daily Mail & General	30,718,461	2.1
4,798,882 Diageo	124,315,038	8.4
2,554,830 EMIS	25,011,786	1.7
2,225,539 Euromoney Institutional Investor	24,436,418	1.6
1,554,187 Fidessa	32,529,134	2.2
3,708,400 GlaxoSmithKline	56,868,314	3.8
7,714,480 Halfords	24,910,056	1.7
1,574,874 IMI	17,874,820	1.2
713,005 Imperial Brands	22,819,725	1.5
7,175,921 Informa	49,549,734	3.3
2,906,927 Jardine Lloyd Thomson	33,516,868	2.3
7,175,806 Pagegroup	36,596,611	2.5
2,693,377 Pay Point	24,738,668	1.7
9,053,412 Pz Cussons	31,016,990	2.1
204,975 Reckitt Benckiser	15,028,767	1.0
1,500,972 Relx	25,366,427	1.7
13,087,892 Rotork	29,971,273	2.0
10,141,180 Sage	70,227,671	4.7
2,865,139 Smith & Nephew	39,968,689	2.7
3,252,691 Smiths	50,254,076	3.4
1,392,279 Spectris	32,217,336	2.2
4,854,188 UBM	32,183,266	2.2
2,776,283 Unilever	125,404,703	8.4
1,364,281 Victrex	27,776,761	1.9
1,937,643 WPP	27,514,531	1.8
	<b>1,198,831,059</b>	<b>80.8</b>
<b>US Equities</b>		
<b>(14.2%; 28.02.17 - 15.3%)</b>		
132,782 IBM	14,729,184	1.0
516,329 Johnson & Johnson	52,982,387	3.6
1,111,525 Microsoft Corporation	64,463,967	4.3
374,855 Pepsico	33,624,732	2.3
625,335 Procter & Gamble	44,739,533	3.0
	<b>210,539,803</b>	<b>14.2</b>

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**EVENLODE INCOME, PORTFOLIO STATEMENT (CONTINUED)**

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As at 31 August 2017

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<b>Holding or nominal value of positions</b>	<b>Bid market value £</b>	<b>Percentage of total net assets %</b>
<b>Belgian Equities</b>		
<b>(1.0%; 28.02.17 - 1.1%)</b>		
166,195 Anheuser-Busch	15,239,774	1.0
	<b>15,239,774</b>	<b>1.0</b>
<b>Switzerland Equities</b>		
<b>(1.8%; 28.02.17 - 2.0%)</b>		
401,063 Novartis	26,147,846	1.8
	<b>26,147,846</b>	<b>1.8</b>
<b>Portfolio of investments</b>	<b>1,450,758,482</b>	<b>97.8</b>
<b>Net other assets</b>	<b>31,960,533</b>	<b>2.2</b>
<b>Total net assets</b>	<b>1,482,719,015</b>	<b>100.0</b>

*All holdings are equities listed on recognised stock exchanges.*

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**EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE**


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<b>B Income Shares</b>	<b>1 Mar 2017 to 31 Aug 2017 (pence per share)</b>	<b>1 Mar 2016 to 28 Feb 2017 (pence per share)</b>	<b>1 Mar 2015 to 29 Feb 2016 (pence per share)</b>	<b>1 Mar 2014 to 28 Feb 2015 (pence per share)</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	197.83	166.64	170.42	155.78
Return before operating charges*	11.56	39.60	4.19	22.42
Operating charges	(0.98)	(1.76)	(1.55)	(1.51)
Return after operating charges*	10.58	37.84	2.64	20.91
Distributions	(3.08)	(6.65)	(6.42)	(6.27)
Closing net asset value per share	205.33	197.83	166.64	170.42
* after direct transaction costs of:	0.14	0.81	0.55	1.21
<b>Performance</b>				
Return after charges	5.35%	22.71%	1.55%	13.42%
<b>Other information</b>				
Closing net asset value	£126,652,551	£113,761,289	£54,921,690	£230,663,365
Closing number of shares	61,683,283	57,505,111	32,957,388	135,346,122
Operating charges (p.a.)	0.95%	0.95%	0.95%	0.95%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%	0.76%
<b>Prices</b>				
Highest published share price	211.48	200.40	177.03	172.43
Lowest published share price	199.36	167.29	155.72	147.86

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

## EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)

<b>B Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017 (pence per share)</b>	<b>1 Mar 2016 to 28 Feb 2017 (pence per share)</b>	<b>1 Mar 2015 to 29 Feb 2016 (pence per share)</b>	<b>1 Mar 2014 to 28 Feb 2015 (pence per share)</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	261.56	212.69	209.33	184.21
Return before operating charges*	15.24	51.18	5.31	26.96
Operating charges	(1.30)	(2.31)	(1.95)	(1.84)
Return after operating charges*	13.94	48.87	3.36	25.12
Distributions	(4.08)	(8.59)	(7.98)	(7.50)
Retained distributions on accumulation shares	4.08	8.59	7.98	7.50
Closing net asset value per share	275.50	261.56	212.69	209.33
* after direct transaction costs of:	0.19	1.06	0.67	1.46
<b>Performance</b>				
Return after charges	5.33%	22.98%	1.61%	13.64%
<b>Other information</b>				
Closing net asset value	£174,672,478	£148,977,696	£34,579,061	£46,482,840
Closing number of shares	63,402,065	56,956,815	16,257,955	22,205,834
Operating charges (p.a.)	0.95%	0.95%	0.95%	0.95%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%	0.76%
<b>Prices</b>				
Highest published share price	281.64	261.25	217.44	208.98
Lowest published share price	263.56	214.45	192.80	177.76

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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A Income Shares	1 Mar 2017 to 31 Aug 2017 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)	1 Mar 2014 to 28 Feb 2015 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	190.75	161.50	165.98	152.43
Return before operating charges*	11.14	38.28	4.08	21.89
Operating charges	(1.44)	(2.61)	(2.32)	(2.21)
Return after operating charges*	9.70	35.67	1.76	19.68
Distributions	(2.97)	(6.42)	(6.24)	(6.13)
Closing net asset value per share	197.48	190.75	161.50	165.98
* after direct transaction costs of:	0.14	0.78	0.52	1.18
<b>Performance</b>				
Return after charges	5.09%	22.09%	1.06%	12.91%
<b>Other information</b>				
Closing net asset value	£2,001,948	£1,954,775	£823,584	£570,917
Closing number of shares	1,013,734	1,024,765	509,973	343,964
Operating charges (p.a.)	1.45%	1.45%	1.45%	1.45%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%	0.76%
<b>Prices</b>				
Highest published share price	203.61	193.61	172.36	167.93
Lowest published share price	192.20	161.89	151.30	144.25

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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A Accumulation Shares	1 Mar 2017 to 31 Aug 2017 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)	1 Mar 2014 to 28 Feb 2015 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	252.32	206.21	203.95	180.30
Return before operating charges*	14.69	49.47	5.15	26.28
Operating charges	(1.91)	(3.36)	(2.89)	(2.63)
Return after operating charges*	12.78	46.11	2.26	23.65
Distributions	(3.94)	(8.30)	(7.75)	(7.33)
Retained distributions on accumulation shares	3.94	8.30	7.75	7.33
Closing net asset value per share	265.10	252.32	206.21	203.95
* after direct transaction costs of:	0.18	1.01	0.65	1.41
<b>Performance</b>				
Return after charges	5.06%	22.36%	1.11%	13.12%
<b>Other information</b>				
Closing net asset value	£3,320,383	£2,761,890	£1,427,750	£1,393,195
Closing number of shares	1,252,523	1,094,593	692,375	683,100
Operating charges (p.a.)	1.45%	1.45%	1.45%	1.45%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%	0.76%
<b>Prices</b>				
Highest published share price	271.28	252.03	211.79	203.61
Lowest published share price	254.20	207.90	187.41	173.48

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*

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**EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>C Income Shares</b>	<b>1 Mar 2017 to 31 Aug 2017 (pence per share)</b>	<b>1 Mar 2016 to 28 Feb 2017 (pence per share)</b>	<b>30 Apr 2015 to<sup>1</sup> 29 Feb 2016 (pence per share)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	198.18	166.78	171.06
Return before operating charges*	11.59	39.65	3.33
Operating charges	(0.88)	(1.59)	(1.19)
Return after operating charges*	10.71	38.06	2.14
Distributions	(3.09)	(6.66)	(6.42)
Closing net asset value per share	205.80	198.18	166.78
* after direct transaction costs of:	0.14	0.81	0.45
<b>Performance</b>			
Return after charges	5.40%	22.82%	1.25%
<b>Other information</b>			
Closing net asset value	£1,095,946,335	£905,689,875	£248,775,437
Closing number of shares	532,526,228	456,992,457	149,165,443
Operating charges (p.a.)	0.85%	0.85%	0.85%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%
<b>Prices</b>			
Highest published share price	211.93	200.69	176.80
Lowest published share price	199.72	167.46	155.76

<sup>1</sup> C Income shares were launched on 30 April 2015.

*Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.*



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**EVENLODE INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)**


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<b>C Accumulation Shares</b>	<b>1 Mar 2017 to 31 Aug 2017 (pence per share)</b>	<b>1 Mar 2016 to 28 Feb 2017 (pence per share)</b>	<b>30 Apr 2015 to<sup>1</sup> 29 Feb 2016 (pence per share)</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	262.03	212.86	210.10
Return before operating charges*	15.27	51.22	4.24
Operating charges	(1.17)	(2.05)	(1.48)
Return after operating charges*	14.10	49.17	2.76
Distributions	(4.09)	(8.60)	(7.98)
Retained distributions on accumulation shares	4.09	8.60	7.98
Closing net asset value per share	276.13	262.03	212.86
* after direct transaction costs of:	0.19	1.05	0.56
<b>Performance</b>			
Return after charges	5.38%	23.10%	1.31%
<b>Other information</b>			
Closing net asset value	£80,125,320	£60,433,951	£30,355,022
Closing number of shares	29,017,465	23,064,028	14,260,384
Operating charges (p.a.)	0.85%	0.85%	0.85%
Direct transaction costs (p.a.)	0.14%	0.43%	0.32%
<b>Prices</b>			
Highest published share price	282.23	261.72	217.15
Lowest published share price	264.03	214.63	192.85

<sup>1</sup> C Accumulation shares were launched on 30 April 2015.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

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**EVENLODE INCOME, STATEMENT OF TOTAL RETURN**For the six month period ended 31 August 2017

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		31.08.17	31.08.16
	£	£	£
Income			
Net capital gains		49,009,173	103,459,063
Revenue	26,694,951		14,706,765
Expenses	(6,089,360)		(2,942,348)
Interest payable and similar charges	(2)		(3,837)
Net revenue before taxation	20,605,589		11,760,580
Taxation	(549,524)		(173,483)
Net revenue after taxation		20,056,065	11,587,097
<b>Total return before distributions</b>		<b>69,065,238</b>	<b>115,046,160</b>
Distributions		(20,737,419)	(10,412,358)
<b>Change in net assets attributable to shareholders from investment</b>		<b>48,327,819</b>	<b>104,633,802</b>

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**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**For the six month period ended 31 August 2017

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		31.08.17	31.08.16
	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>1,233,579,476</b>	<b>370,882,544</b>
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	343,010,408		628,775,382
Amounts payable on cancellation of shares	(146,194,903)		(89,456,444)
		196,815,505	539,318,938
Dilution levy		263,693	1,978,101
Change in net assets attributable to shareholders from investment activities		48,327,819	104,633,802
Retained distributions on accumulation shares		3,732,522	1,773,607
<b>Closing net assets attributable to shareholders</b>		<b>1,482,719,015</b>	<b>1,018,586,992</b>

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

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**EVENLODE INCOME, BALANCE SHEET**As at 31 August 2017

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	<b>31.08.17</b>	<b>28.02.17</b>
	<b>£</b>	<b>£</b>
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	1,450,758,482	1,225,392,881
<b>Current Assets:</b>		
Debtors	13,100,400	14,481,525
Cash and bank balances	<u>40,372,843</u>	<u>16,675,210</u>
<b>Total assets</b>	<b><u>1,504,231,725</u></b>	<b><u>1,256,549,616</u></b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income shares	9,183,314	11,892,488
Other creditors	<u>12,329,396</u>	<u>11,077,652</u>
<b>Total liabilities</b>	<b><u>21,512,710</u></b>	<b><u>22,970,140</u></b>
<b>Net assets attributable to shareholders</b>	<b><u>1,482,719,015</u></b>	<b><u>1,233,579,476</u></b>

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**EVENLODE INCOME, NOTES TO THE FINANCIAL STATEMENTS**

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As at 31 August 2017

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**Accounting policies**

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2017.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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**EVENLODE INCOME, DISTRIBUTION TABLE**

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For the six month period ended 31 August 2017

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**Interim Distribution (31 May 2017)**

Group 1 - Shares purchased on or prior to 28 February 2017

Group 2 - Shares purchased after 28 February 2017

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<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid/Accumulated</b>	<b>Paid/Accumulated</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>31.07.17</b>	<b>31.07.16</b>
			<b>(pence)</b>	<b>(pence)</b>
<b>B Income</b>				
Group 1	1.5400	-	<b>1.5400</b>	<b>1.4500</b>
Group 2	0.8862	0.6538	<b>1.5400</b>	<b>1.4500</b>
<b>A Income</b>				
Group 1	1.4844	-	<b>1.4844</b>	<b>1.4431</b>
Group 2	0.4858	0.9986	<b>1.4844</b>	<b>1.4431</b>
<b>C Income</b>				
Group 1	1.5435	-	<b>1.5435</b>	<b>1.4509</b>
Group 2	0.4943	1.0492	<b>1.5435</b>	<b>1.4509</b>
<b>B Accumulation</b>				
Group 1	2.0365	-	<b>2.0365</b>	<b>1.8502</b>
Group 2	1.2313	0.8052	<b>2.0365</b>	<b>1.8502</b>
<b>A Accumulation</b>				
Group 1	1.9637	-	<b>1.9637</b>	<b>1.8418</b>
Group 2	1.1982	0.7655	<b>1.9637</b>	<b>1.8418</b>
<b>C Accumulation</b>				
Group 1	2.0416	-	<b>2.0416</b>	<b>1.8518</b>
Group 2	1.5475	0.4941	<b>2.0416</b>	<b>1.8518</b>

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<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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**EVENLODE INCOME, DISTRIBUTION TABLE (CONTINUED)**

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For the six month period ended 31 August 2017

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**Interim Distribution (31 August 2017)**

Group 1 - Shares purchased on or prior to 31 May 2017

Group 2 - Shares purchased after 31 May 2017

---

<b>Shares</b>	<b>Revenue</b>	<b>Equalisation<sup>1</sup></b>	<b>Paid/Accumulated</b>	<b>Paid/Accumulated</b>
	<b>(pence)</b>	<b>(pence)</b>	<b>31.10.17</b>	<b>31.10.16</b>
			<b>(pence)</b>	<b>(pence)</b>
<b>B Income</b>				
Group 1	1.5400	-	<b>1.5400</b>	<b>1.4500</b>
Group 2	0.4219	1.1181	<b>1.5400</b>	<b>1.4500</b>
<b>A Income</b>				
Group 1	1.4826	-	<b>1.4826</b>	<b>1.3578</b>
Group 2	0.5073	0.9753	<b>1.4826</b>	<b>1.3578</b>
<b>C Income</b>				
Group 1	1.5432	-	<b>1.5432</b>	<b>1.4515</b>
Group 2	0.4456	1.0976	<b>1.5432</b>	<b>1.4515</b>
<b>B Accumulation</b>				
Group 1	2.0484	-	<b>2.0484</b>	<b>1.8626</b>
Group 2	0.6655	1.3829	<b>2.0484</b>	<b>1.8626</b>
<b>A Accumulation</b>				
Group 1	1.9730	-	<b>1.9730</b>	<b>1.7529</b>
Group 2	0.4707	1.5023	<b>1.9730</b>	<b>1.7529</b>
<b>C Accumulation</b>				
Group 1	2.0527	-	<b>2.0527</b>	<b>1.8650</b>
Group 2	0.2635	1.7892	<b>2.0527</b>	<b>1.8650</b>

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<sup>1</sup> Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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## DIRECTORY

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### The Company

TB Wise Investment Funds  
64 St. James's Street  
Nottingham NG1 6FJ

### Authorised Corporate Director

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Website: [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds)

Authorised and regulated by the Financial Conduct Authority.

### Directors of the ACD

Mrs H C Stevens  
Mr R J Bonney  
Mr R J Taylor

### Investment Managers (please see pages 3 and 4)

Wise Funds Limited & Evenlode Investment Management Limited  
The Long Barn  
Chalford Park Barns  
Oxford Road  
Chipping Norton  
Oxon  
OX7 5QR

Tel: 01608 646 738  
Fax: 01608 641 955  
Website: [www.wiseinvestment.co.uk](http://www.wiseinvestment.co.uk)

Authorised and regulated by the Financial Conduct Authority.

### Depositary

National Westminster Bank Plc  
135 Bishopsgate  
London EC2M 3UR

Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Registrar and Share Dealing

T. Bailey Fund Services Limited  
64 St. James's Street  
Nottingham NG1 6FJ

Tel: 0115 988 8200  
Fax: 0115 988 8222  
Dealing Line: 0115 988 8258  
Website: [www.tbaileyfs.co.uk/funds/tb-wise-investment-funds](http://www.tbaileyfs.co.uk/funds/tb-wise-investment-funds)

Authorised and regulated by the Financial Conduct Authority.

### Auditors

Deloitte LLP  
4 Brindleyplace  
Birmingham B1 2HZ

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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