

TB WISE MULTI-ASSET INCOME

MONTHLY FACTSHEET
all data as at 29 February 2020



FUND ATTRIBUTES

The investment objectives of TB Wise Multi-Asset Income are to provide a yield in excess of the Cboe 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 Price Index (CPI)).

- ✓ A flexible, diversified portfolio that can invest in all asset classes
- ✓ A consistent and attractive level of income
- ✓ The portfolio invests both direct and through open and closed-ended funds
- ✓ Adopts a value bias investment approach
- ✓ Monthly distributions

FIVE YEAR PERFORMANCE (%)



CUMULATIVE PERFORMANCE

	1m	3m	6m	1yr	3yr	5yr
Fund ¹	-12.5	-9.0	0.0	-3.1	0.6	29.1
Relative to Cboe UK All Companies*	-3.3	0.5	5.7	-1.0	-3.2	10.4
Relative to CPI*		-8.7	0.2	-4.4	-5.4	20.4
Relative to IA Flexible*	-7.8	-5.7	1.8	-7.6	-9.6	2.3
Rank in sector	157/160	156/160	36/158	147/154	117/128	68/119
Quartile	4	4	1	4	4	3

DISCRETE ANNUAL PERFORMANCE

	28/02/19	28/02/18	28/02/17	29/02/16	28/02/15
	29/02/20	28/02/19	28/02/18	28/02/17	29/02/16
Fund ¹	-3.1	-1.4	5.3	33.2	-3.7
Relative to Cboe UK All Companies*	-1.0	-3.0	0.9	9.5	3.9
Relative to CPI*	-4.4	-3.2	2.6	30.9	-4.0
Relative to IA Flexible*	-7.6	-0.3	-1.3	12.5	1.0

*A negative figure denotes underperformance of the fund, and a positive figure denotes outperformance.

All performance data used on this factsheet is total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express.

The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

1. TB Wise Multi-Asset Income B Inc

Past performance is not a guide to the future and outperforming target benchmarks is not guaranteed.

RATINGS



PORTFOLIO MANAGERS



Vincent Ropers, Tony Yarrow, and Philip Matthews (left to right)

PHILIP MATTHEWS

Philip joined the Wise Funds team in September 2018 as co-portfolio manager, bringing nineteen years of portfolio management experience.

TONY YARROW

Tony founded Wise Investment, now Wise Funds, in 1992. He has been managing investment funds since 1988 bringing thirty years experience.

VINCENT ROPERS

Vincent joined the Wise Funds team in April 2017 as a co-portfolio manager, bringing twelve years of portfolio management experience.

KEY DETAILS

Target Benchmarks ²	Cboe UK All Companies, UK CPI
Comparator Benchmark	IA Flexible
Launch date	3 October 2005
Fund value	£104.7 million
Holdings	44
Historic yield ³	5.9%
Div ex dates	First day of every month
Div pay dates	Last day of following month
Valuation time	12pm

2. The target benchmarks have been chosen as the most appropriate benchmarks for the fund. Targeting an income in excess of the CBOE UK All Companies Index and long term growth above the level of CPI. The comparator benchmark shows the fund against the Flexible sector. To find out more, please see the full prospectus.

3. The historic yield reflects distributions over the past 12 months as a percentage of the price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

CONTACT US

The Long Barn, Chalford Park Barns, Oxford Road,
Chipping Norton, Oxon OX7 5QR

01608 695 180
www.wise-funds.co.uk

Authorised Corporate Director & Administrator:
T. Bailey Fund Services Ltd (www.tbailey.co.uk/wise)



PORTFOLIO ANALYSIS

MANAGER COMMENTARY

February was dominated by the impact of the Coronavirus as hopes that its impact might be contained to China were dashed and cases have now been reported in 92 countries globally. Efforts to contain the virus in these countries appear to have been unsuccessful with cases now deriving from community transmission rather than being directly linked to travellers from abroad. This signals that a change in strategy will be needed to deal with the disease and the markets have been assessing its implications for the global economic outlook. Initial hopes were the impact of the virus might be contained to a regional slowdown in demand within China coupled with some global supply chain disruption as factories remained on extended New Year shut-down. It is increasingly clear the impact on demand will be more widespread and on the workforce more severe. At this stage it is impossible to forecast what this impact might be. There are, however, some encouraging signs that the worst may be already behind us in China. Today Hubei province, excluding the provincial capital Wuhan, reported zero new cases for the first time since the outbreak. We might question the accuracy of this information, however, speaking to companies such as Page Group and XP Power held in the portfolio there are some encouraging signs. Page Group's continue to see new business enquiries albeit down 40% over 2 months and at the end of February their Chinese staff had nearly fully returned to work. Similarly, XP Power's factory was forced to remain shut for 2.5 weeks longer than their normal Chinese Year shut down. Currently 170 out their 415 staff are back at work with the remainder in quarantine or unable to travel due to travel restrictions but management expect to be back at full capacity by the end of March.

Whilst there remains a large degree of uncertainty, the market response has been extremely swift and the magnitude of some of its moves reminiscent of what we last experienced in the depths on the financial crisis of 2008. Equity indices fell sharply across the globe with value stocks falling faster than growth stocks, Crude oil fell 13% and the CBOE VIX volatility index has reached a level that indicates levels of stress in markets similar to the Global Financial Crisis. Conversely, safe havens have performed strongly. Gold rose to nearly \$1700/ oz and US Treasury yields fell below 0.7% for the first time in 150 years. Interestingly this occurred on the same day the US Labor Department announced that American employers added 273,000 jobs in February, highlighting the encouraging economic backdrop pre-coronavirus as did improving manufacturing. Closer to home companies were reporting the election result and greater Brexit clarity were leading to a pick-up in spending. Whilst investor attention is currently focussed on the uncertainty the coronavirus brings, we should also remain mindful that the combination of low valuations and an underlying improving backdrop might provide the conditions for a sharp snapback in performance were coronavirus fears to recede. We remain unconvinced that investing into US Treasuries to generate a return of 0.7% per annum over the next decade at a point when US CPI Inflation is running at 2.5% is attractive.

The fund was poorly positioned entering February to weather recent volatility given our high allocation to equities and the belief we held, that the prospects for our investee companies were improving. Against this backdrop, the TB Wise Multi-Asset Income fund fell sharply, down 12.5%. This compared to a fall of 9.2% for the CBOE UK All Companies index and to the average fund in the IA Flexible sector, which fell 4.6%. Given recent performance, the yield on the fund has risen to 5.6%.

The breadth of underperformance within the portfolio has been the biggest surprise and cause of disappointment to us. Somewhat understandably our financial holdings have fallen as interest rate expectations have reduced and concerns over the outlook for the economy have increased. We feel the extent of the falls, however, is unwarranted and current valuations are highly attractive. As an example, Legal & General, a global leader in pension risk transfer and asset management, has fallen nearly 30% from its peak and currently trades on 8.5x historic profits and yields 7.5% on a dividend the board chose to raise 7% in the midst of the coronavirus uncertainty. Our Industrials holdings have on average fallen 21% given their cyclical exposure and reliance on China for parts of their supply chain. Similarly our mining exposed holdings, Blackrock World Mining and Rio Tinto have both fallen more than 10%. Whilst stocks with more direct exposure to the coronavirus have fallen sharply, the magnitude of the falls of certain stocks with a far more tenuous connection to it has often been just as severe.

We do not want to predict the way this epidemic unfolds, rather to look at the extent to which valuations currently discount a significant amount of pessimism or indeed risk aversion and position the portfolio accordingly. Good companies will benefit from such periods of stress and poor ones, such as Flybe, will disappear. Central bankers and governments have already used some of the monetary and fiscal tools at their disposal to support the economy but we can not be certain how effective they will be in the face of an unpredictable virus. Last month we reported we had tentatively added to Asian holdings, which had been impacted heavily in the first instance. More recently we have used cash inflows to add to holdings, such as Trifast, Legal & General, Provident Financial, Paragon, Easyjet and New River Reit, which we believe now offer compelling long term value.

SHARE CLASS DETAILS - B SHARES (CLEAN CLASS)

SEDOL Codes	Acc: BoLJ1M4	Inc: BoLJ016
Minimum Lump Sum	£1,000	
Initial Charge	0%	
Investment Management Fee	0.75% taken from capital	
Ongoing Charges Figure ^{1,2}	0.88% taken from capital	
Regular Savings Option Available?	Yes - minimum £50 per month	

TOP TEN HOLDINGS (%)

Legal & General	6.0
Princess Private Equity	5.7
Blackrock World Mining	4.9
Rio Tinto	4.7
Aberdeen Asian Income Fund	4.3
Middlefield Canadian Income	3.9
Ediston Property	3.2
Palace Capital	3.0
Provident Financial	2.8
Newriver Reit	2.7
Total	41.2

ASSET ALLOCATION (%)

Region	
UK	47.0
Europe	15.0
Global	14.0
Asia	11.0
North America	6.0
Europe ex UK	5.0
Investment Type	
Equities	72.0
Alternatives	13.0
Property	13.0
Cash & Income	
	1.7

HOW TO INVEST

TB Wise Multi-Asset Income is available as an OEIC and is also suitable to include in stocks and shares ISAs. You can buy shares in the fund by visiting www.tbailey.co.uk/wise; by telephoning the TB Wise Investor Dealing Line on 0115 988 8258 (open business days between 9am and 5pm); or through various third parties including Cofunds, Skandia, Axa Winterthur, Axa Elevate and Standard Life.

1. The Ongoing Charges Figure is based on the expenses incurred by the fund for the 12 months ended 31 August 2019. The figure may vary year to year.
2. Includes Investment Management Fee.

IMPORTANT INFORMATION

Full details of the TB Wise Funds, including risk warnings, are published in the TB Wise Funds Prospectus, the TB Wise Supplementary Information Document (SID) and the TB Wise Key Investor Information Documents (KIIIDs) which are available on request and at www.wise-funds.co.uk. The TB Wise Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Capital appreciation in the early years will be adversely affected by the impact of initial charges and you should therefore regard your investment as medium-to-long term. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Wise Funds Limited is authorised and regulated by the Financial Conduct Authority, No. 768269. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.