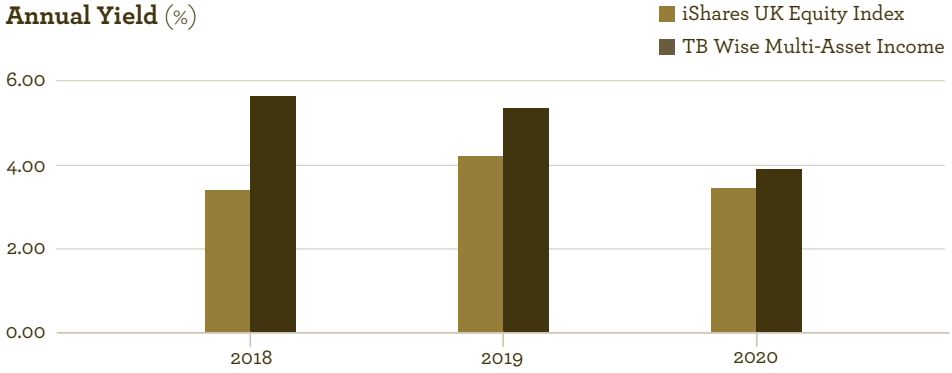
TB WISE MULTI-ASSET INCOME

INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide an annual yield in excess of the Cboe UK All Companies Index with the potential to provide income and capital growth over Rolling Periods of 5 years in line with or in excess of the Consumer Price Index, in each case after charges.

Annual Yield (%)

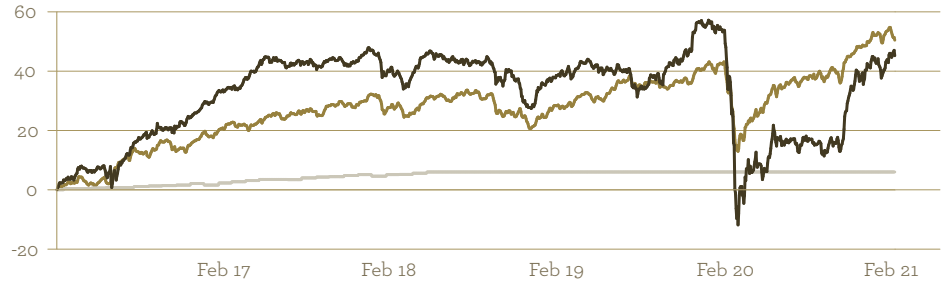


Historic Yield has been calculated by summing the dividends over the given period divided by the price on the final XD date for the period.

The iShares UK Equity Index yield is shown as a proxy for the Cboe UK All Companies Index yield as a yield is not currently published for this index. Annual Income paid for TB Wise MAI B Inc

Source: Financial Express 28 February 2021

5 YEAR PERFORMANCE (%)



Cumulative Performance

	1m	3m	6m	1yr	3yr	5yr
Fund[1]	5.0	8.4	23.9	7.8	3.0	44.5
CPI		0.1	0.4	0.4	3.9	9.2
IA Flexible Investment	0.6	3.1	8.8	13.0	16.8	50.4
Quartile	1	1	1	3	4	3

Discrete Annual Performance

12 months to	28.02.2021	29.02.2020	28.02.2019	28.02.2018	28.02.2017
Fund[1]	7.8	-3.1	-1.4	5.3	33.2
CPI	0.4	1.7	1.8	2.7	2.3
IA Flexible Investment	13.0	4.5	-1.1	6.6	20.7

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.

Both the Cboe UK All Companies and CPI are target benchmarks. The IA Flexible Investment Sector has been chosen as an additional comparator benchmark. To find out more, please see the full prospectus.

As the factsheets are produced prior to the publication of the latest monthly CPI figures, the performance calculations assume the published CPI for the most recent month is the same as the previous month.

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

PORTFOLIO MANAGERS

Wise Funds adopt a team approach. For full bios see www.wise-funds.co.uk/about-us/our-people.

PHILIP MATTHEWS

Philip started his investment career in 1999 before he joined the Wise Funds team in September 2018 as a co-portfolio manager.

TONY YARROW

Tony started his investment career in 1988 before he founded Wise Investment, now Wise Funds, in 1992 as a co-portfolio manager.

VINCENT ROPERS

Vincent started his investment career in 2004 before he joined the Wise Funds team in April 2017 as a co-portfolio manager.

FUND ATTRIBUTES

- A flexible, diversified portfolio that can invest in all asset classes.
- Targets 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.

INVESTOR PROFILE

- Seek a high level of income and the prospect of some capital growth.
- Accept the risks associated with the volatile nature of an adventurous multi-asset investment.
- Plan to hold their investment for the long term, 5 years or more.

RATINGS

DYNAMIC PLANNER PROFILED 8

DEFAQTO 7 RISK MAPPING MEDIUM TO HIGH RISK Powered by Defaqto Engage

defaqto INCOME RISK RATED FUND

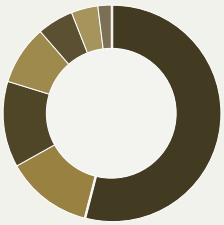
PORTFOLIO

Top 20 Holdings (%)

Blackrock World Mining	6.4
Temple Bar Investment Trust	5.9
Legal & General	5.7
Princess Private Equity	5.0
Aberforth Smaller Companies Trust	4.8
Middlefield Canadian Income	4.0
Aberdeen Asian Income	3.9
European Assets Trust	3.9
Ediston Property	3.8
TwentyFour Income	3.5
Rio Tinto	3.3
Murray International	2.9
Aviva	2.8
Palace Capital	2.8
Standard Life Property	2.7
NewRiver REIT	2.4
Paragon	2.2
Provident Financial	2.1
SThree	2.1
Polar Capital Global Financials Trust	1.9
Total	**72.1**

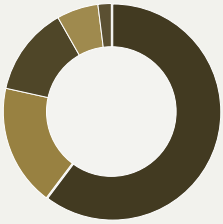
Geographical Allocation (%)

UK	54.0
Global	12.9
Europe	12.9
Asia Pacific ex-Japan	8.9
Europe ex UK	5.4
North America	4.0
Cash & Income	2.0



Asset Allocation (%)

Equities	60.3
Alternatives	18.2
Property	13.3
Fixed Interest	6.2
Cash & Income	2.0



CONTRIBUTIONS TO PERFORMANCE

Top 5 Contributors	Monthly Contribution (%)
Legal & General	0.36
NatWest Group	0.34
Morses Club	0.29
Provident Financial	0.28
Aviva	0.21
Top 5 Detractors	
BMO Private Equity Trust	-0.03
Princess Private Equity	-0.05
Ecofin Global Util. & Infra. Trust	-0.18

The contributions are the holdings that either contributed or detracted on performance over the month, showing the top 5 (where relevant) of each category.

All Data is sourced from Wise Funds and Factset.

ANNUAL DIVIDEND PAYMENTS

Year	Pence/share	Rolling 5 Year Change	5 Year UK CPI (Inflation)
2010	4.22	NA	+14.25%
2011	4.95	NA	+16.75%
2012	5.29	23.02%	+17.41%
2013	5.10	1.39%	+17.83%
2014	5.35	16.30%	+16.24%
2015	5.34	26.54%	+12.81%
2016	5.49	10.91%	+8.48%
2017	6.06	14.56%	+7.36%
2018	6.87	34.71%	+7.26%
2019	6.62	23.74%	+7.34%
2020	6.09	14.04%	+9.15%

Pence/share figures relate to the fund's financial year ended February of the relevant year.

Rolling 5 Year change figure is calculated as Pence/share figure for relevant year compared to same figure from 5 years before.

MONTHLY COMMENTARY

February saw the previous month's concerns over the emergence of new, contagious variants of the virus replaced by optimism that the vaccine roll-out was progressing faster than expected and that it was effective in dramatically reducing transmission. GDP data released during the month confirmed that UK economy contracted by -9.9% in 2020, making it one of the most impacted economies during the pandemic, however, it is highly encouraging that the UK has now rolled out 20 million first jabs, the fastest vaccination programme in Europe. Coupled with falling hospitalisation rates and a rapid decline in new infections, investors quickly overlooked the negative economic impact of the latest lockdown and factored in a quick and permanent return to normal life. The roadmap for easing of restrictions announced by Boris Johnson towards the end of the month was therefore widely anticipated.

There were a number of important impacts for markets from this belief that economies would normalise and that the UK, having fallen furthest last year, was likely to rebound faster than other global economies. The most important impact was a reassessment of the outlook for inflation. Since the global financial crisis of 2008/9, the market has consistently over-estimated the amount of future inflation. The economic shock that Covid delivered on top of longer term structural disinflationary forces (such as demographics, globalisation and technology) meant that in the depths on the Covid crisis last year, investors were willing to accept very low yields on government bonds and a negative return when adjusting these bonds for expected inflation. Implicitly investors were already pricing in the likelihood that inflation expectations were too high and were being encouraged to do so by central bankers, who were themselves keeping longer term bond yields supressed by their QE programmes. There has been a shift, however, in investor views towards inflation ever since the vaccine news was announced last year. During the month this gathered significant momentum.

Firstly, as investors have become more confident over the recovery in the global economy they have moderated their assessment of the cyclical, deflationary impact of Covid. It is notable that economists at large US investment banks now expect the US economy to exceed the growth trajectory anticipated prior to Covid. This is very different to the Global Financial Crisis when there was a permanent step down in growth forecasts that have never been recovered. Higher growth forecasts are being driven partly by economies re-opening but also as a result of the proposed $1.9 trillion stimulus package currently passing through the Senate. This is equivalent to 10% of US GDP and marks an obvious departure from the previous decade of austerity. Finally, a change in stance from the Fed with regards to monetary policy now allows the economy to run hotter than it would have in the past. This has further fuelled the argument we may be at a turning point for inflation. Longer term inflation expectations have, therefore, risen sharply and now sit at their highest levels for 6 ½ years.

This has significant consequences for investors, particularly for investors in a multi-asset fund. The two main impacts we have seen have been a sharp rise in the 10-year US government bond yield as well as a rotation out of 'growth' equities towards 'value' equities. During the month there was a significant increase in the 10-year US government bond yield with yields reaching 1.5% at the month end, sharply above the 1.1% level at the start of the month and 0.5% at the trough in August last year. For bond investors, this rising rate environment has led to the start of 2021 representing the worst start to the year since 2015. The rising cost of borrowing mainly impacts the value of high growth companies, where investors expect the bulk of their profits to be made a long way off into the future. When the cost of money is extremely cheap, investors do not penalise these companies as they discount these future profits back at an abnormally low rate thus inflating their near- term valuation. We have previously highlighted our concern about the valuation, particularly of US technology stocks, which benefited rather than were impacted by Covid. Perhaps the decision by Tesla in the month to invest $1.5bn in Bitcoin will come to be seen as the highwater mark of this exuberance. It is notable that the shares fell 22% over the subsequent 3 weeks of the month. Despite the magnitude of this fall it is worth remembering that Tesla shares still remain over 800% higher than they were at the end of 2019. The other side of this trade out of growth stocks has been a resurgence in the performance of value names, generally beneficiaries of an economic recovery. Financial shares benefit directly from rising and steepening yield curves and have performed strongly in the new environment. Finally, an important investment consideration for UK investors this year has been the strength in sterling which reflects greater confidence in the UK economic recovery and the extent to which it had derated during the period of Brexit uncertainty. A higher pound reduces the performance of overseas investments when translated back into sterling.

In February, the TB Wise Multi-Asset Income fund rebounded 5% which compares to the IA Flexible Investment sector which was up 0.6%. As discussed above, our financials holdings performed strongest, in particular Natwest, Morses Club, Provident Financial domestically and Polar Capital Global Financials internationally. Our UK investment trust holdings responded to the positive news around lockdown, particularly Aberforth Smaller Companies and Temple Bar as did our property holdings. Our private equity holdings and Ecofin Global Utilities and Infrastructure retreated as investors rotated away from these 'growth' areas. The reappraisal of inflation expectations has led to certain defensive infrastructure assets that we previously deemed too expensive come back into an attractive range. We initiated a holding in GCP Infrastructure at a yield of 6.9% and sold our holding in Trifast given the recovery in its shares and lower expected yield of 3.3%.

SHARE CLASS DETAILS

	B Acc (Clean)	B Inc (Ckean)	W Acc (Institutional)	W Inc (Institutional)
Sedol Codes	BoLJ1M4	BoLJo16	BD386V4	BD386W5
ISIN Codes	GBooBoLJ1M47	GBooBoLJo160	GBooBD386V42	GBooBD386W58
Minimum Lump Sum	£1,000	£1,000	£100 million	£100 million
Initial Charge	0%	0%	0%	0%
IFA Legacy Trail Commission	Nil	Nil	Nil	Nil
Ongoing Charges Figure[1,2]	0.88%	0.88%	0.63%	0.63%

1. The Ongoing Charges Figure is based on the expenses incurred by the fund for the 12 months ended 29 February 2020. The figure may vary year to year.
2. Includes Investment Management Fee.

KEY DETAILS

Target Benchmarks[1]	Cboe UK All Companies, UK CPI
Comparator Benchmark[1]	IA Flexible Investment Sector
Launch date	3 October 2005
Fund value	£86.7 million
Holdings	38
Historic yield[2]	3.4%
Div ex dates	First day of every month
Div pay dates	Last day of following month
Valuation time	12pm

1. To find out more, please see the full prospectus.

2. 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.

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 platforms. Please contact us if you can not find the fund on your chosen platform.

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 (KIIDs) 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.

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