

TB WISE MULTI-ASSET INCOME



MONTHLY FACTSHEET
all data as at 31 May 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	-1.7	-17.6	-25.0	-21.3	-23.7	1.4
Relative to Cboe UK All Companies*	-4.7	-9.4	-8.0	-9.3	-14.3	-4.8
Relative to CPI*		-17.5	-25.0	-21.9	-28.7	-7.0
Relative to IA Flexible*	-5.5	-16.8	-20.9	-22.7	-29.5	-20.4
Rank in sector	158/161	156/159	156/159	153/156	126/129	109/118
Quartile	4	4	4	4	4	4

DISCRETE ANNUAL PERFORMANCE

	31/05/19	31/05/18	31/05/17	31/05/16	31/05/15
	31/05/20	31/05/19	31/05/18	31/05/17	31/05/16
Fund ¹	-21.3	-2.8	-0.2	35.0	-1.6
Relative to Cboe UK All Companies*	-9.3	0.6	-6.8	10.6	4.2
Relative to CPI*	-21.9	-4.8	-2.6	32.1	-1.9
Relative to IA Flexible*	-22.7	-2.4	-5.0	13.6	3.6

*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	£85.5 million
Holdings	42
Historic yield ³	6.9%
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

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PORTFOLIO ANALYSIS

MANAGER COMMENTARY

The global fight against the Covid-19 pandemic continued during the month and the policy of lockdown has been shown to work with fewer active cases and confirmed deaths being reported in many countries thus reducing pressure on hospitals and paving a way to a gradual easing of restrictions. Most advanced countries have started or want to gradually return to a level of economic normality and so far the evidence seems encouraging that this can be achieved, if managed carefully, without triggering a second wave of infections.

Over the course of the month, however, the economic toll that the pandemic has inflicted became clearer. The Bank of England has been aggressive and swift in its response with the objective of helping to contain its economic impact and to prevent a deep recession turning into a financial crisis. Despite this the BOE estimated that real GDP contracted by 3% in Q1 2020 and projected a further 25% fall for Q2 2020. It also forecast unemployment to rise to 9% in Q2 2020 despite the widespread take-up of the Coronavirus Job Retention Scheme. As part of its May Monetary Policy Report it also published a headline scenario forecasting a 'V-shaped' recovery from this recession with growth recovering by 15% in 2021 after a drop of 14% in 2020.

Such a recovery depends upon a gradual reopening of society and during the month the government announced a movement into Phase Two of the crisis, whereby economic activity restarts in stages whilst adhering to social-distancing practices in order to prevent a second wave of the virus. Reflecting the higher number of active cases and a greater risk of a second spike in infections, the initial steps out of lockdown for the UK were more tentative than those in continental Europe. Continued restrictions in sectors such as retail, tourism and entertainment mean the impact of the crisis will affect different parts of the economy unevenly. Recent announcements will benefit the construction and manufacturing sectors most. If the relaxation measures progress well, some parts of the hospitality industry would begin to open up in July.

Phase Three of the crisis will only be reached when a medical solution, such as a vaccine or effective treatment, becomes available and to date there has been limited tangible progress. Encouragingly, the economic survey data suggests that the worst of the crisis is behind us and indicate both that economic sentiment has improved markedly and that economic activity has begun to increase in advance of lockdown measures easing.

Whilst the spectre of Covid-19 loomed large during the month, a couple of political issues that preoccupied investors in 2019 returned back into view. China announced its intention to impose a national security law in Hong Kong, further inflaming tensions in the region and eliciting strong international criticism, particularly from the US which threatened further sanctions. Relations between the US and China have deteriorated since December's initial trade deal and as the US enters the run-up to a presidential election later in the year we should anticipate further volatility. Closer to home, Brexit negotiations rumble on with little sign that trade talks have made much progress. With the UK adamant it will leave the single market and customs union at the end of the year, the risk remains that a disorderly exit will result.

Against this backdrop and following a strong month of recovery for the fund in April, performance paused for breath whilst the wider market continued to make progress. There was a notable performance difference between quality and value stocks and underperformance of certain domestically exposed companies during the month. Perhaps this reflected concerns over the more limited relaxation of lockdown measures in the UK as well as a more cautious approach until is the hoped-for a V-shaped recovery appears. During the month the TB Wise Multi-Asset Income fund fell 1.7%. This compared to a rise of 3.0% for the target benchmark CBOE UK All Companies index and a rise of 3.8% for the IA Flexible sector average.

Reflecting higher Iron Ore prices and the prospect of increased Chinese infrastructure spending to stimulate their economy, Rio Tinto (+17%) and Blackrock World Mining (+9%) performed strongly as did certain companies which have felt the impact of Covid-19 most acutely but where restrictions look set to ease. Whilst Shoezone (+23%), Easyjet (+13%), Bakkavor (+13%), and Sthree (+9%) rose, it was notable that such performance was not uniform. Certain Property holdings and Financials positions fell despite the improvement in lockdown restrictions. U&I (-15%), NewRiver Reit (-20%) and Palace Capital (-7%) have all suffered from reduced rental income as retail clients withhold rent whilst unable to trade. Material discounts to net asset values already appear to reflect this, however, and it is interesting to note a pick-up in corporate activity post month end in advance of shops reopening for business.

With regards to transactions during the month, we have remained focussed on our twin objectives of trying to replenish lost income as a result of announced dividend cuts whilst not sacrificing the prospect of capital upside. We have sold our holdings in BT, Lookers and Photo-me where we have reduced conviction in the medium term investment case and have increased our holdings in funds, such as Aberdeen Asian Income, Middlefield Canadian Income, Ecofin Global Utilities and Infrastructure and European Assets Trust, where we have been encouraged by recent commitments to paying dividends. We have added to British Land and Taylor Wimpey where we believe a material valuation opportunity warrants further investment despite dividends being currently suspended. We expect both companies to be early returners to the dividend list. Finally, we added a corporate bond investment in the Provident Financial 7% 2023 corporate bond. We understand the credit well as we already have a holding in the equity and believe the yield of 10% on purchase provides a highly attractive annual coupon whilst a redemption at par in 3 years' time would provide further capital upside of 21%.

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	

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.

TOP TEN HOLDINGS (%)

Legal & General	6.9
Blackrock World Mining	6.6
Princess Private Equity	6.5
Rio Tinto	6.3
Aberdeen Asian Income Fund	3.9
Middlefield Canadian Income	3.9
Ecofin Global Utilities and Infra. Trust	3.0
European Assets Trust	2.8
Taylor Wimpey	2.6
Ediston Property	2.6
Total	45.1

ASSET ALLOCATION (%)

Region	
UK	45.0
Europe	15.0
Global	15.0
Asia	12.0
North America	6.0
Europe ex UK	5.0
Investment Type	
Equities	68.0
Alternatives	16.0
Property	10.0
Fixed Interest	4.0
Cash & Income	1.8

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.