TB WISE MULTI-ASSET INCOME

WISE FUNDS

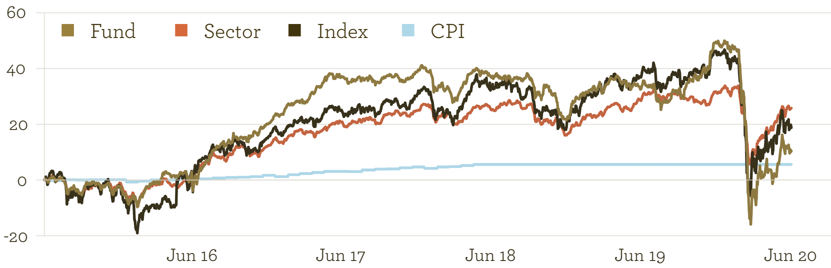
MONTHLY FACTSHEET
all data as at 30 June 2020

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]	4.5	14.1	-26.2	-17.4	-19.5	10.0
Relative to Cboe UK All Companies*	2.6	3.8	-8.2	-3.8	-14.4	-4.2
Relative to CPI*		14.2	-26.2	-18.0	-24.5	1.7
Relative to IA Flexible*	2.5	0.5	-22.2	-17.7	-28.0	-19.5
Rank in sector	7/161	85/160	155/158	152/155	126/129	102/117
Quartile	1	3	4	4	4	4

DISCRETE ANNUAL PERFORMANCE

	30/06/19 30/06/20	30/06/18 30/06/19	30/06/17 30/06/18	30/06/16 30/06/17	30/06/15 30/06/16
Fund[1]	-17.4	-3.0	0.4	36.3	0.3
Relative to Cboe UK All Companies*	-3.8	-3.3	-9.1	18.0	-1.4
Relative to CPI*	-18.0	-5.0	-2.0	33.6	-0.1
Relative to IA Flexible*	-17.7	-6.0	-4.6	18.4	-0.9

*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

DEFAQTO RISK MAPPING 7 MEDIUM TO HIGH RISK Powered by Defaqto Engage
defaqto INCOME RISK RATED FUND
DYNAMIC PLANNER PREMIUM FUND
MONEY OBSERVER RATED FUND 2019
FE fundinfo Crown Fund Rating
DYNAMIC PLANNER PROFILED 8

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	**£87.3 million**
Holdings	**40**
Historic yield[3]	**6.6%**
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 month under review started with increased optimism that the countries initially affected by Covid-19 and where lockdown restrictions had started to ease were experiencing a sharper bounce back in economic activity than expected. However, as the period developed concerns grew that countries impacted more recently by the virus, most notably the US and Brazil, had failed to control its spread effectively and had eased lockdowns too early. In the UK interest rates were kept unchanged and bond purchases by the Bank of England increased by a further £100bn as expected, however, it was notable that the Bank's own economist voted against the latter decision stating that the recovery was happening sooner and materially faster than expected a month ago. Elsewhere manufacturing survey data in Europe and China pointed to economic activity returning to growth in the period, a sentiment shared by a number of industrial companies held within the portfolio that we have spoken to. Further easings of lockdown restrictions have been announced coupled with announcements for increased fiscal stimulus, especially infrastructure spending, which look set to support the economy as well as underpin global stock markets. The extent of government support to the economy and declines to GDP inflicted by lockdown restrictions was reflected in the announcement that UK Debt to GDP had reached 100% in May, its highest level since 1963. For the economy to continue its current recovery trajectory it is necessary that continued social distancing measures do not discourage demand or make servicing that demand economically impossible for businesses. Similarly, it will be important to monitor how the economy transitions as furlough support schemes are withdrawn and whether this leads to a significant spike in unemployment. Finally, the risks of a second wave of infections was highlighted by the return to lockdown in Leicester, although on a global basis recent flare ups have continued to remain locally contained.

During the month we have had a number of corporate updates which have confirmed the view that those companies able to trade through lockdown have not seen the drop-off in demand feared in April and those companies most severely impacted by lockdown have been able to return to trading slightly ahead of expectations. Within our industrial holdings, **XP Power** announced that their strong order intake in April and May continued at high levels with no drop off compared to Q1 driven by strong semi-conductor and healthcare demand. Similarly, **Volution**, a provider of ventilation systems, announced that trading in countries that have exited lockdown earliest outside the UK is now running at 90-95% of normal levels. Whilst the return to work in the UK has been more gradual, we believe the impact of Covid-19 will only reinforce the structural environmental driver of improving airflow within buildings. We supported a 10% placing in **Trifast** which is seeking to continue with strategic investments in operational efficiency improvements as well as recruit to improve their ability to grow via acquisition. We are encouraged that current trading has given them the confidence to get on the front foot and were happy to help them invest in working capital and thus position themselves to take market share as their end markets recover. **Taylor Wimpey**, announced that all its employees had come back off furlough and most English sites were now back to work. Again, increased confidence from recent sales data was reflected in their decision to raise money via a placing to increase their land spend at a time when they believe they will achieve better margins due to lower competition. In addition, the company announced that it would repay all the money used via the government furlough scheme and would expect to return to paying dividends in 2021. The final company that announced a fund raising in the month was **Easyjet** accompanying its H1 results. The company has taken encouraging steps to reduce capacity and manage costs. The fleet will fall from 337 in 2019 to 302 in 2021 and a significant cost cutting plan has been launched such that cost per seat is expected to remain flat over the same time period despite lower seat capacity. Further updates from **Paragon, Henry Boot, RPS, U&I, Shoe Zone, New River REIT and Bakkavor** all pointed to growing confidence that the worst was behind them and that funding, albeit tight in some circumstances, left them with sufficient headroom to ride out the current volatile trading environment.

During the month the TB Wise Multi-Asset Income fund rose 4.5%. This compared to a rise of 1.9% for the CBOE UK All Companies index and to the IA Flexible sector average, which rose 2.0%. Over the second quarter the fund has recovered 14.0% compared to 10.2% for the CBOE UK All Companies Index and 13.6% for the IA Flexible sector. The performance of our Financials & Property holdings contributed strongly in the month, albeit this was not uniform across all holdings. We continue to see these holdings as providing some of the most material upside potential should the economy return to more normal levels of activity. Equity holdings more exposed to the global economy, especially Emerging Markets, performed well as did our fund holdings, in particular **Princess Private Equity** which increased its Net Asset Valuation, **Blackrock World Mining** and **TwentyFour Income,** which has seen a strong recovery in its Asset Backed Security markets.

We remain cautiously optimistic that there remains significant value within the portfolio that will provide either a cushion should the gradual relaxation of lockdown restrictions falter or will be released as normality returns. We have written a dedicated article outlining our updated views on the dividend. Our conclusion is that the decision for many companies to cut dividends was informed by a worst-case scenario for profitability that has failed to materialise. Our confidence has increased, therefore, that our more optimistic forecast is more likely to materialise than our more pessimistic one, which currently assumes all dividends that are cut do not return.

TOP TEN HOLDINGS (%)

Legal & General	7.4
Princess Private Equity	7.2
Blackrock World Mining	6.8
Rio Tinto	5.6
Aberdeen Asian Income Fund	4.1
Middlefield Canadian Income	4.0
Ediston Property	3.1
European Assets Trust	3.0
Ecofin Global Utilities and Infra. Trust	3.0
TwentyFour Income Fund	2.8
Total	**47.0**

ASSET ALLOCATION (%)

Region	
UK	44.0
Global	16.0
Europe	15.0
Asia	12.0
North America	6.0
Europe ex UK	5.0

Investment Type	
Equities	67.0
Alternatives	17.0
Property	10.0
Fixed Interest	4.0
Cash & Income	2.2

SHARE CLASS DETAILS - B SHARES (CLEAN CLASS)

SEDOL Codes	Acc: B0LJ1M4 Inc: B0LJ016
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

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.