

TB WISE MULTI-ASSET INCOME



MONTHLY FACTSHEET

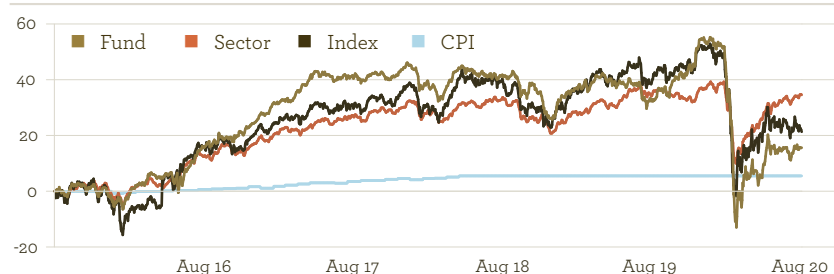
all data as at 31 August 2020

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	3.9	5.6	-13.0	-13.0	-18.5	15.2
Relative to Cboe UK All Companies*	2.0	5.6	-4.7	0.5	-9.0	-1.4
Relative to CPI*		5.1	-13.4	-13.6	-23.6	6.4
Relative to IA Flexible*	1.4	0.9	-16.8	-15.0	-27.5	-23.2
Rank in sector	30/164	64/161	155/158	153/156	131/134	105/117
Quartile	1	2	4	4	4	4

DISCRETE ANNUAL PERFORMANCE

	31/08/19	31/08/18	31/08/17	31/08/16	31/08/15
	31/08/20	31/08/19	31/08/18	31/08/17	31/08/16
Fund ¹	-13.0	-6.4	0.0	21.7	16.1
Relative to Cboe UK All Companies*	0.5	-6.6	-4.3	7.4	3.4
Relative to CPI*	-13.6	-8.1	-2.6	18.8	15.5
Relative to IA Flexible*	-15.0	-8.4	-4.7	9.0	3.5

*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 ²	IA Flexible
Launch date	3 October 2005
Fund value	£84.5 million
Holdings	38
Historic yield ³	5.2%
Div ex dates	First day of every month
Div pay dates	Last day of following month
Valuation time	12pm

2. The benchmarks have been chosen as the most appropriate benchmarks for the fund, given the fund's stated investment objectives and policy. 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

Despite accelerating numbers of renewed Covid cases in a number of developed markets and the disruptive impact of quarantine requirements impacting travel plans over a key holiday month, markets continued their upward trajectory. Existing trends were reinforced, such as the strength in growth companies less directly exposed to the disruptive impacts of lockdown restrictions, in particular the narrow subset of US technology companies which continue to drive US stock market indices to new highs. There was, however, a slight rotation away from risk-free assets, such as US and UK government bonds, where yields rose during the month. This reflects recent economic data that is supportive of a gradual tick-shaped economic recovery whilst the death rate from Covid appears to have disconnected from the number of new infections. In addition, inflation data has proved surprisingly strong with the UK announcing CPI inflation in August of 1% against expectations of 0.6%. Domestically there are signs that the government support measures, such as the stamp duty holiday and the Eat Out to Help Out scheme, are having the desired stimulus in the housing market and leisure sectors. Whilst concerns remain around how well the economy will respond to the unwinding of furlough support schemes, the impact this will have on employment and the risks of second waves of infections, there are signs that the global economy is gradually normalising. Underpinning this was also the announcement from the US Federal Reserve at the end of the month that monetary policy should target an average inflation rate of 2% indicating both that interest rates in the short term will remain low but also longer term inflation expectations have further room to rise.

During the month the TB Wise Multi-Asset Income fund rose 3.9%. This compared to a rise of 1.9% for the CBOE UK All Companies index and to the IA Flexible sector average, which rose 2.5%. We highlighted in our previous commentary that the performance of the fund had suffered from the financials holdings within the portfolio. We noted the disconnect between this underperformance and the better than expected commentary from the companies themselves. Combined with extremely attractive valuation multiples and capital positions having considerably increased from the last Global Financial Crisis, we believed this sector represents one of the best value opportunities in the market. Supported by the backdrop of rising yields and inflation expectations described above, the month of August saw a sharp bounce back in a number of these holdings. Provident Financial, for example, rose 50% in the month on the back of interim results that were significantly better than expected. Whilst the company has taken a meaningful upfront provision to reflect the prospect of a severe UK recession, this should mark the bottom from a profitability standpoint. Its balance-sheet strength positions the group very well to selectively increase lending at better risk adjusted margins at a point when demand for its products looks set to increase. The valuation continues to suggest this is a company in distress rather than in any way being based on discounting the level of profits achievable once the immediate storm from Covid passes. It was notable that the company felt sufficiently well-financed to be able to tender for £75m of the 8.25% 2023 bonds we also hold in the portfolio, again reflecting a disparity between the market view of a company's financial strength and that of the board of the company. Paragon, a buy-to-let lender, rose 13% as the market digested the upbeat trading statement issued on the last day on the previous month which highlighted recovering new business flows and positive commentary around the subsequent behaviour of customers who had previously requested payment holidays. Again, the current valuation trades at a discount to the net tangible asset value of the company and suggests an impairment environment multiple times worse than the Global Financial crisis, which is completely at odds with commentary from the company. We had similarly encouraging updates from Aviva and Morses Club, which both performed strongly in the month. Other notable performers in the month were XP Power, a supplier of power supply products to the electronics industry which looks set to continue to grow profits through the Covid crisis on the back of strong demand from semi-conductor and healthcare equipment manufacturers. Finally, Princess Private Equity saw a strong share price move, rising 15% in the month. We added to this Investment Trust during the crisis on weakness which reflected both a net asset value write-down as well as a significant widening of the discount at which the shares are traded. The net asset value write-down has proved to be overly cautious and its exposure to resilient sectors, such as healthcare, technology and consumer staples, has seen a strong recent net asset value recovery. The excessive discount has also narrowed accordingly.

We continue to focus on improving the dividend yield on the fund without sacrificing the capital upside inherent in the portfolio. We have reduced a number of companies, such as Easyjet, RPS and Elementis, which are most exposed to Covid risk and where the balance-sheet weakness suggests management will prioritise debt reduction rather than a return to paying dividends. We have used the proceeds over the month end to initiate a holding in Aberforth Smaller Companies, which maintains our exposure to the value opportunity in many domestic, small cap names whilst the trust will continue to pay out an attractive yield of 3.8%. Furthermore, the Trust trades at a wider than usual discount of 13% to the value of its underlying holdings. Elsewhere we took some profits in XP Power, Rio Tinto and Blackrock World Mining following strong recent performance.

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 income
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 (%)

Princess Private Equity	7.4
Legal & General	7.2
Blackrock World Mining	5.9
Rio Tinto	4.9
Aberdeen Asian Income Fund	4.2
Middlefield Canadian Income	4.2
European Assets Trust	3.4
Ediston Property	3.0
Ecofin Global Utilities and Infra. Trust	3.0
TwentyFour Income Fund	2.9
Total	46.1

ASSET ALLOCATION (%)

Region	
UK	44.0
Europe	17.0
Global	13.0
Asia Pacific ex Japan	11.0
North America	6.0
Europe ex UK	5.0
Investment Type	
Equities	63.0
Alternatives	16.0
Property	11.0
Fixed Interest	6.0
Cash & Income	4.0

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 29 February 2020. The figure may vary year to year.
2. Includes Investment Management Fee.