TB WISE MULTI-ASSET INCOME

WISE FUNDS

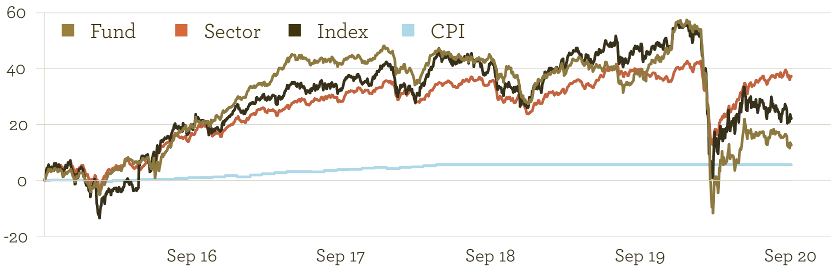
MONTHLY FACTSHEET
all data as at 30 September 2020

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]	**-4.0**	**-2.9**	**10.7**	**-19.6**	**-21.4**	**12.1**
Relative to Cboe UK All Companies*	-2.2	0.8	4.5	-1.7	-10.7	-5.3
Relative to CPI*		-2.9	10.7	-19.7	-25.7	3.7
Relative to IA Flexible*	-3.6	-5.2	-5.5	-20.5	-31.2	-29.1
Rank in sector	158/164	153/159	126/158	153/156	131/134	108/117
Quartile	4	4	4	4	4	4

DISCRETE ANNUAL PERFORMANCE

	30/09/19 30/09/20	30/09/18 30/09/19	30/09/17 30/09/18	30/09/16 30/09/17	30/09/15 30/09/16
Fund[1]	**-19.6**	**-2.4**	**0.2**	**19.7**	**19.1**
Relative to Cboe UK All Companies*	-1.7	-5.1	-5.7	7.7	1.7
Relative to CPI*	-19.7	-4.2	-2.2	16.8	18.2
Relative to IA Flexible*	-20.5	-5.7	-5.2	9.2	2.7

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

defaqto INCOME RISK RATED FUND

DYNAMIC PLANNER PREMIUM FUND

MONEY OBSERVER RATED FUND 2019

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[2]	**IA Flexible**
Launch date	**3 October 2005**
Fund value	**£78.3 million**
Holdings	**38**
Historic yield[3]	**4.9%**
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

September provided evidence that the UK economy had bounced back relatively strongly following the easing of restrictions over the summer months, however, this was soon replaced by the realisation that this had also caused a second wave of infections and that tighter restrictions were set to return. In addition, the decision of the government to introduce an Internal Market bill, which overrode elements of the Northern Ireland protocol and broke international law, forced the market to face the unresolved Brexit negotiations which it had allowed to rumble on in the background during lockdown but which are now reaching a more urgent phase. Concerns over the impact both developments will have on the outlook for economic growth caused bond yields to fall, the Bank of England to debate the merits of negative interest rates and sterling to retreat from its recent highs. The familiar narrative of value stocks underperforming, in particular Financials, which benefit from a backdrop of higher interest rates, re-established itself in the month. However, perhaps for the first time this year the uninterrupted upward performance of technology stocks showed the first signs of cracking at the start of the month with Tesla notably falling 21% in one day and the Nasdaq Index falling 5.1% over the month. Whilst we recognise the attractions of companies exposed to growth end-markets, we maintain a valuation discipline to our process but recognise this has led to a portfolio with a bias to equities and to companies with a greater direct sensitivity to either Covid-19 restrictions or the resolution of Brexit negotiations. It is worth reflecting, however, on the distortions that currently sit in global equity markets. The UK equity market currently sits at its biggest valuation discount to world equity indices in the last 30 years. Indeed, the discount is now nearly twice as wide as at previous troughs. Within the UK market investors need to go back to the early 1980s to see similar valuation discounts being applied to value stocks whilst the premium being paid for cyclical stocks over defensive stocks is as wide as it was during the financial crisis. Despite the uncertainty over how the Covid-19 crisis and Brexit negotiations will unfold, we believe this valuation backdrop provides an exceptional foundation upon which to build a value-based investment portfolio. As discussed previously, we have focussed strongly on the balance-sheet strength of the holdings within the portfolio and pruned those companies most directly exposed to a prolonged Covid-19 related lockdown. Valuations across a number of more domestically exposed sectors, such as banks and housebuilding, have fallen to such an extent that, were they to return to the depressed valuation levels they reached immediately after the 2016 Brexit vote, their share prices would actually rise, despite the negative downgrades to earnings forecasts due to Covid-19.

During the month the TB Wise Multi-Asset Income fund fell 4.0%. This compared to falls of 1.8% for the CBOE UK All Companies index and 0.4% for the IA Flexible sector average. What has really surprised us this month has been the contrast between the disappointing share price performances of some of the holdings in our fund and the positive trading statements being made by these very same companies. A few examples will help to illustrate this. Under a new Chief Executive, the insurer Aviva has decided to focus on the three countries (UK, Ireland, Canada) in which it is dominant. The Singapore division was sold during the month at a valuation far above that which the market currently values the whole group, which suggests just how undervalued Aviva has become in the market. Another insurer, Chesnara, announced its half-year results, increased its already generous dividend by 3.0%, and mentioned that it expects the current market to be a fertile hunting ground for acquisitions. The stockbroker Numis makes money when its client companies issue new shares, and has done exceptionally well over the last few months in which many of its clients have raised capital to see them through these uncertain times. Another insurer, Randall & Quilter continues to trade robustly and to acquire new business streams at bargain prices. All the above are financial companies, in a deeply unloved sector. The market has treated all of these companies as if they would be lucky to survive the current crisis, but their trading updates tell a very different story.

We added **Aberforth Smaller Companies, Polar Capital Global Financials** and **Standard life Investments Property Income Fund** to the portfolio. All provide exposure to existing value themes within the portfolio at substantial discounts to their underlying asset values whilst their investment trust structure allows them to maintain dividend payments. These have been funded by reductions in similar direct investments where we have less confidence dividends will return.

TOP TEN HOLDINGS (%)

Princess Private Equity	7.3
Legal & General	6.6
Blackrock World Mining	6.2
Rio Tinto	4.9
Aberdeen Asian Income Fund	4.6
Middlefield Canadian Income	4.4
European Assets Trust	3.9
TwentyFour Income Fund	3.6
Ediston Property	3.2
Ecofin Global Utilities and Infra. Trust	3.1
Total	**47.8**

ASSET ALLOCATION (%)

Region	
UK	45.0
Europe	16.0
Global	15.0
Asia Pacific ex-Japan	11.0
North America	7.0
Europe ex UK	5.0
Investment Type	
Equities	66.0
Alternatives	16.0
Property	10.0
Fixed Interest	7.0
Cash & Income	1.0

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