

TB WISE MULTI-ASSET INCOME



MONTHLY FACTSHEET
all data as at 31 October 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	0.5	0.2	0.2	-20.8	-21.7	8.6
Relative to Cboe UK All Companies*	4.6	4.3	3.2	-0.6	-5.6	1.0
Relative to CPI*	0.5	0.2	-0.4	-21.6	-26.4	-0.2
Relative to IA Flexible*	1.7	-0.7	-6.8	-21.5	-27.3	-24.6
Rank in sector	17/165	89/165	147/159	153/156	133/136	107/118
Quartile	1	3	4	4	4	4

DISCRETE ANNUAL PERFORMANCE

	31/10/19	31/10/18	31/10/17	31/10/16	31/10/15
	31/10/20	31/10/19	31/10/18	31/10/17	31/10/16
Fund ¹	-20.8	3.6	-4.5	18.9	16.5
Relative to Cboe UK All Companies*	-0.6	-3.3	-2.9	5.3	3.8
Relative to CPI*	-21.6	2.1	-6.9	16.0	15.7
Relative to IA Flexible*	-21.5	-4.1	-2.0	8.3	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. 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.

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 twenty one 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 two years experience.

VINCENT ROPERS

Vincent joined the Wise Funds team in April 2017 as a co-portfolio manager, bringing fourteen 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	£76.8 million
Holdings	39
Historic yield ³	4.6%
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

Familiar themes of Covid, the US election, Brexit and the outlook for global growth continued to provide the backdrop for global investment markets. A number of companies provided trading updates clarifying the impact of recent events on their profits for the third quarter of the year. Covid infection numbers have continued to rise, both a reflection of more intense testing infrastructure and that the virus had not been sufficiently suppressed over the summer months before restrictions were eased. Whilst daily death rates have not returned to the heightened levels reached in the spring, governments across Western Europe have reimposed lockdown measures to avert an acceleration of infections before Christmas. Once again it will be the hospitality and physical retail sectors which will be hit hardest by these measures, especially in the run up to their busiest trading period. Whilst these second lockdowns are unwelcome, it is, however, anticipated that their economic impact will be less severe than the first lockdown in the Spring.

The impact of rising daily case numbers in the US had also influenced investors' view of the probable outcome of the Presidential election. Recent elections have taught us to remain sceptical of polling data but it appeared on the day of the election that markets had accepted a Democratic victory was most likely. As we write this, the morning after the election, the outcome is much less clear with betting odds initially favouring a second term for Trump. Uncertainty over the presidential outcome remains, however, it looks increasingly likely that the Democrats will fail to secure a majority in the Senate. The implications of a Biden victory would be a more conciliatory foreign policy stance and, with a Senate majority, the expectation had been that after the election there would be increased level of direct stimulus payments as well as unemployment benefits to mitigate the economic impact of the virus. Furthermore, investors also anticipated a reversal of President Trump's environmental policies. These actions were considered by the market to be broadly inflationary and as a consequence longer dated US government bond yields rose as the election date neared and the market saw a rotation out of more defensive sectors towards value areas, such as financials, which benefit from higher yields. The uncertainty of the election result has led to a reversal of these moves as it will be harder for Biden to enact his policy agenda given the likely make-up of the Senate even if he is ultimately elected. Given the high level of postal votes and Trump's comments overnight, an unseemly legal dispute over the validity of the result looks set to rumble on over the course of the month and we should, therefore, expect greater levels of market volatility.

Closer to home Brexit negotiations appeared to enter a more intense phase towards the end of the month. Mid-month Boris Johnson announced that he would walk away from Brexit negotiations and the UK should prepare to trade on World Trade Organisation terms with a no trade deal. Quickly this position was reversed and it appears the prospect of a no-deal exit has once again receded. More domestically focussed mid and small-cap companies outperformed their peers as a result.

During the month the TB Wise Multi-Asset Income fund rose 0.5%. This compares to a fall of 4.1% for the CBOE UK All Companies index and a fall of 1.3% for the IA Flexible sector. UK equity markets fell as sectors which had held up relatively well year to date underperformed and investors rotated into more cyclical, domestic sectors, in particular financials. We highlighted last month the extreme value offered by these holdings within the portfolio and once again the favourable commentary coming out of the companies during the month was at odds with their highly depressed valuations. As examples, NatWest beat earnings expectations for the quarter by 90% with loan losses coming in 60% below consensus forecasts. The group's capital position was notably strong and net interest margins were surprisingly resilient. Similarly, Standard Chartered reported loan losses materially lower than consensus as well as stronger than expected capital ratios. This bodes well for our other bank holdings and increases the likelihood that they will return to returning to paying dividends at the year end. Our property holdings performed well in the period as very wide discounts to net asset values narrowed. New River Reit, Ediston Property and Palace Capital all provided reassuring updates on recent levels of rent collection with Ediston indicating they might raise their dividend once the impact of the second lockdown becomes clearer. Industrial holdings Volution and Trifast both performed strongly with the former's share price recovering back to pre-Covid levels on the back of strong cash generation and an encouraging outlook statement whilst Trifast announced that recent trading has been ahead of their base case assumptions for the year.

During the month we added to two UK equity funds, Temple Bar and Schroder UK Mid Cap Fund. Following the announcement that it was to change investment manager to the highly regarded team at RWC, the Temple Bar fund will be run with a similar value process to our own. We were able to fund this investment out of a basket of existing UK equity holdings and invest at a discount to NAV of more than 10% whilst receiving a committed dividend yield over 5.3%. We also sold down our Alliance Pharma and Volution holdings following strong relative performance and invested the proceeds into the Schroder UK Mid Cap Fund at a mid-teens NAV discount. We believe this again improves the portfolio yield whilst maintaining the option for good capital growth.

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

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	6.8
Legal & General	5.9
Blackrock World Mining	5.9
Aberdeen Asian Income Fund	4.5
Middlefield Canadian Income	4.5
Temple Bar Inv Trust	4.1
Rio Tinto	4.0
European Assets Trust	3.9
TwentyFour Income Fund	3.6
Ediston Property	3.2
Total	46.4

ASSET ALLOCATION (%)

Region	
UK	47.4
Europe	15.0
Global	14.8
Asia Pacific ex-Japan	10.0
North America	5.8
Europe ex UK	5.3
Investment Type	
Equities	64.6
Alternatives	15.7
Property	10.9
Fixed Interest	6.8
Cash & Income	1.9

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.