TB WISE INVESTMENT FUNDS

INTERIM REPORT &
FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 31 August 2018

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Note: The Authorised Corporate Director's Report consists of 'Authorised Status' and 'Structure of the Company' on page 2, 'Authorised Status' and 'Investment Objective and Policy' on pages 4 and 21, 'Investment Review' as provided by the Investment Manager, on pages 5 to 10, and 22 to 29, and 'Directory' on page 45.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

The Authorised Corporate Director (the "ACD") of TB Wise Investment Funds (the "Company") is T. Bailey Fund Services Limited. Wise Funds Limited is the Investment Manager (the "Investment Manager") of the Company.

Wise Funds Limited and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Wise Funds Limited and the funds which it manages can be found at www.wise-funds.co.uk.

YOUR INVESTMENTS

You can buy or sell shares in the sub-funds of the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8258, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from the website: www.tbaileyfs.co.uk/funds/tb-wise-investment-funds.

The sub-funds are eligible for ISA investments/transfers and the shares are available as part of a regular savers scheme.

Prices for the sub-funds are published each normal business day on www.tbaileyfs.co.uk/funds/tb-wise-investment-funds and also via the website; www.fundlistings.com.

OTHER INFORMATION

Full details of TB Wise Investment Funds are set out in the Prospectus. This document provides investors with extensive information about the funds including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be found at www.tbaileyfs.co.uk/funds/tb-wise-investment-funds.

The Key Investor Information documents and Supplementary Information document are also available at www.tbaileyfs.co.uk/funds/tb-wise-investment-funds.

AUTHORISED STATUS

TB Wise Investment Funds is an investment company with variable capital incorporated in England and Wales under registered number IC 283 and authorised by the Financial Conduct Authority ("FCA") with effect from 4 February 2004. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or share class, a revised prospectus will be prepared setting out the relevant details of each sub-fund or share class.

The Company is a UCITS scheme.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for any such purpose.

As at the period end, there were two sub-funds; TB Wise Multi-Asset Growth and TB Wise Multi-Asset Income.

The base currency of the Company is Pounds Sterling.

CROSS HOLDINGS BETWEEN SUB-FUNDS

As at the period end, there were no cross holdings between the two sub-funds.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Authorised Corporate Director ("the ACD") of TB Wise Investment Funds ("the Company") is responsible for preparing the Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with COLL 4.5.8BR, the Report and the Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 24 October 2018.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and its sub-funds consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of these financial statements.

Helen Stevens
Chief Executive Officer
T. Bailey Fund Services Limited
Nottingham, United Kingdom
24 October 2018

Richard Taylor
Compliance Director
T. Bailey Fund Services Limited
Nottingham, United Kingdom
24 October 2018

TB WISE MULTI-ASSET GROWTH, AUTHORISED STATUS

TB Wise Multi-Asset Growth ("the Fund") is a sub-fund of TB Wise Investment Funds with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ("FCA") Handbook.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of TB Wise Multi-Asset Growth is to provide growth over the medium-to-long term in excess of the Cboe UK All Companies Index and 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 Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period.

The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash.

The Fund may also use derivatives for the purpose of efficient portfolio management from time to time.

There will be no restriction on allocations between asset classes or geographic regions.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ("OCF") provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. As the Fund invests in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 14 to 16.

Please note that the maximum level of management fees that may be charged by any collective investment scheme in which the Fund invests is 6%.

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 4 because it invests in a variety of asset classes, but with a bias towards shares.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The Fund invests in global shares (via collective investment schemes and investment trusts), with some regions being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them.

Whilst the intention of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to losses.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

TB WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 August 2018 (%)			
	6 months	1 year	3 years	5 years
TB Wise Multi-Asset Growth – A Shares	3.14	5.27	48.36	56.57
TB Wise Multi-Asset Growth – B Shares	3.48	5.96	51.19	61.49
TB Wise Multi-Asset Growth – W Shares*	3.61	6.22	N/A	N/A
IA Flexible Investment Sector	3.10	4.62	32.88	44.77
UK Consumer Price Index (CPI)	0.86	1.93	5.48	7.19
Cboe UK All Companies Index	5.23	4.28	34.40	44.26

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

** The W Shares were launched on 9 December 2016.*

While the TB Wise Multi-Asset Growth Fund beat its peer group over the period, it lagged the Cboe UK All Companies index (formerly known as the Bats UK All Companies index). The B shares (representing 98% of our external shareholders) returned 3.5% over the period while the IA Flexible Investment Sector returned 3.1%. This put the Fund in the top half within its peer group. Over 3, 5 and 10 years, the Fund is easily in the top 25%. Relative to the UK equity market however, while medium to long term performance remains strong, it underperformed over the past 6 months. UK equities have broadly fluctuated in line with movements in the pound, itself moving with the latest updates on the Brexit negotiations. Our direct exposure to the UK, while important, is not currently a key driver of our performance. The asset allocation breakdown on page 9 shows an allocation of 17% to UK equities at the end of August 2018. In practice, we also try to break our allocation down by looking at where the underlying companies we invest in generate their revenues. This is far from an exact science and we need to make some approximations, but we estimate that our UK exposure by this measure is actually closer to 24%. What is key to understand however, is that this exposure is very different from what the UK equity index looks like. We tend to have a bias towards small and mid-cap names and have a mixture of growth strategies, which have performed well, as well as value strategies, which, as a group, have underperformed the broad index by 25% since 2005 but we think are due a comeback. We also invest in UK private equity and UK long/short managers, which both buy and sell shares. All in all, this means that looking purely at our asset allocation from a regional standpoint does not give the full story. Our UK exposure is thus relatively little exposed to the vagaries of British and European politicians' negotiating tactics.

We are not suggesting that asset allocation is not an important factor. It clearly is and we are not pretending to isolate our portfolio completely from the broad macro factors at play. This is why we spend a lot of our time trying to understand what those dynamics are, in order to allocate capital to the right regions and asset classes. While being in the right asset classes helps, the next step is to find the best possible managers in those. Over the reporting period, our largest contributors to performance are good examples of this fund selection effect and why we focus a lot on meeting managers to find the outstanding ones as opposed to simply investing in indices. As an example, our largest contributor to performance was HG Capital Trust. The manager of the trust invests in private equity, focusing primarily on companies in the technology or technology-enabled services which can grow their earnings through operational improvements and exploiting new markets (e.g. so-called "platform" companies which generate growth by integrating smaller companies and creating synergies by sharing common systems or infrastructure). The trust is composed of solid, fast growing companies (weighted average of 23% sales growth and 19% earnings growth) and, while valuations are high, the manager has focused on taking profits for the past 12-18 months recognizing that now is a good time to exit positions given the large amount of capital willing to enter the private equity space. In 2017, the average uplift to carrying value was 40%. This means that, on average, positions were sold at 40% higher than what they were valued at in the portfolio. In the first half of this year, the average uplift to carrying value has come down but is still a very attractive 28%, allowing the manager to concentrate the portfolio on the highest conviction ideas and raise some cash as a means to limit the downside. Overall, our private equity managers have performed strongly by focusing on their respective niches and taking advantage of new capital waiting to enter the space.

Our position in EF Realisation was another good example of performance uncorrelated to equity markets. This investment trust was set up in September 2016 to hold, manage and realise the illiquid assets previously owned by the Ecofin Water and Power Opportunities Trust. This is a very specialised vehicle with a set lifetime of 2 years (extensible if necessary by shareholders' approval). We used to invest in the Ecofin Water and Power Opportunities Trust so have known the managers for some time and are also now invested in the Ecofin Global Utilities and Infrastructure Trust which holds the liquid assets of the original trust. EF Realisation was, by far, the strongest performer in our portfolio for the past 6 months, with returns in excess of 88%. There are two main drivers for this performance. The first one is the large position in LoneStar Resources, a small US listed resources company specialised in the acquisition, development and production of unconventional oil and natural gas properties. The company announced a strong increase in their production numbers which helped its share price dramatically. The second driver of performance was the expectation that, as one got closer to the 2-year lifetime of the trust, the board would have to make an offer to shareholders to realise their investments. As it happened, in early September, a proposal was put forward by the Board to close the trust as expected and give the option to shareholders to realise their assets at more than 20% premium to the trading price. The "catch", however, was that the realisation wouldn't be done entirely in cash but by receiving in specie shares in LoneStar. This caused an issue to us because owning an illiquid, US-listed stock we haven't researched ourselves would certainly add an unreasonable amount of risk to our portfolio. We thus decided to take our profits before the vote and found a buyer willing to purchase our shares at an attractive price (since the upside is obvious for an investor better able to research US companies). This example shows how one can find attractive opportunities when one is prepared to look beyond the obvious areas many investors focus on.

Looking at the main detractors in the Fund, our Mining and Resources names had a difficult period. While we have a strong conviction in the managers of the funds we have in that field, they didn't manage to shield themselves completely from the poor performance of their asset class as a whole. Looking at individual companies in the sector, their strong balance sheets and ability to generate free cashflows are attractive. There is also a strong sense that capital discipline is prevalent now in the boards of most of the largest miners, which makes them much more investable than in the run-up to the last downturn when cash was spent as if there was no tomorrow. This capital discipline also implies that supply should be limited in the years ahead because new investment projects are few and far between. Despite these strong fundamentals, the asset class suffered in the second half of the period as trade tensions between the US and some of its largest counterparties escalated. The strong US Dollar was also a hindrance for the sector.

Allocation Changes

We made a number of changes to the portfolio over the period. These can be classified under the four main categories below:

- Profit-taking: as part of our investment process, we constantly monitor our holdings and try to be disciplined about taking profits when performance is working in our favour. This process is more of an art than a science, but we use a number of indicators such as our macro-economic view, conversations with managers, sentiment surveys or flow data in order to assess when a theme, a style or a manager is getting close to the top of the cycle. Given that we still haven't found a magic formula that would tell us the exact exit or entry points, we tend to exit and enter positions gradually - unless of course the investment rationale has changed completely. We also do not see profit-taking as a black and white process and haven't got any issue with adding back to a position after having trimmed it. In our mind, this is part of an active management of the portfolio and we think value can be generated by using opportunities that the market throws at us.

  Over the reporting period, we thus reduced our allocation to the following asset classes:

- **Japanese equities:** Japan is a notoriously difficult market to read. While it presents ample opportunities for stock picking given the depth and diversity of companies listed in the country, those continue to suffer from the failed attempts by politicians and the central bank to create sustainable inflation. As a very open economy, the market is also vulnerable to trade wars and is in large part driven by foreign investors' sentiment and flows. As such, we don't have a huge degree of conviction in the region, hence why our allocation was small at the start of the period. Having benefitted from strong performance from both the Atlantis Japan Growth Trust and the Baillie Gifford Japanese Fund, we have kept taking profits in these positions over the months until the point when they were too small in the portfolio and were closed completely.
- **Alternative Energy**: this has been a sector in high demand from investors recently for good reason given its attractive and sustainable growth prospects. This attraction reflected itself in the price of the Impax Environmental Markets Trust however with its discount practically disappearing in the second quarter. For valuation reasons, we thus decided to exit our position.
- **UK Growth**: we have been fortunate enough to have been invested in the Polar Capital UK Value Opportunities since its inception in 2017. Since then, the managers have performed extremely well, outperforming the market by close to 12% in the space of a year to Q2 2018. While our conviction in the managers remains high, we reduced our allocation and took some profits as part of our prudent management of the Fund.
- **Private equity**: this is an area that we have mentioned several times in previous commentaries and have been gradually reducing in the portfolio. While private equity as an asset class remains small in the scale of global financial markets (an estimated 3.4% of the total according to Prequin), it is seeing an increased interest from investors thanks to attractive long-term returns and a continued decline in the number of publicly listed companies (the number of global publicly listed companies has dropped by 41% over the past 20 years according to Prequin again). As such, there is talk of a wall of money waiting to be invested in private equity which drives valuations higher to, possibly, unsustainable levels. In this context, our managers are able to take advantage of these high valuations to sell some of their assets. They are very experienced and have built their current portfolios over years, which means that they are able to realise strong returns. We still have a strong conviction in the asset class and our managers, hence why this represents the second largest asset class in the portfolio after International equities, but continue to gradually take profits. Over the reporting period, this was expressed by reducing our positions in the ICG Enterprise Trust and the Pantheon International Trust. On the other hand, it is worth mentioning that we added to our position in the Woodford Patient Capital Trust. This portfolio is composed of early stage companies, many in the UK, which differs from the larger and more developed companies our other private equity managers focus on. The valuation on this trust remained very attractive so we took the opportunity to build our position up.
- **Property**: we reduced our allocation to the TR Property Trust as its discount turned into a premium in the second quarter.

- <u>Addition on weakness</u>: the natural corollary of trimming positions on the way up is to be prepared to deal with positions that don't perform as expected. If, after having reviewed our investment case, we still have conviction in our views, we should be prepared to back them up and add on weakness. If the market, for whatever reason, is offering us opportunities to add to a position at an even more attractive price than when we initiated the position, we would be foolish to pass on the offer. This isn't an easy thing to do however. As fund managers, we spend our time questioning not only our fundamental views on an asset class or a particular fund, but also questioning what is going through other investors' minds. We will never be able to know everything that is going on, so we need to tread with caution. Therefore, we tend to add cautiously on weakness when we still think that we should hold on to an underperforming investment. It is great if we pick the bottom but, more often than not, this will involve several iterations when we keep adding at lower and lower prices.

  Over the reporting period, we thus added to the following asset classes:

  - **Utilities and Infrastructure**: the asset class was hit badly earlier in the year due to a combination of increase in bond yields and, in the UK, concerns about nationalisation plans from a potential future Corbyn government. We think that the sector remains attractive, offering not only attractive yields but, more importantly for this portfolio, sustainable growth prospects. We thus added to our positions in the Ecofin Global Utilities and Infrastructure Trust, as well as in the Miton Global Infrastructure Income Fund.
  - **Asian equities:** the region was hit badly by concerns over the escalation of the trade war between the US and China but also, more fundamentally, by a slowdown in the Chinese economy. Finally, the general weakness in emerging markets dragged the region down. We believe that those concerns are overblown and still see Asia as a significant driver of global growth going forward. We continue to stay away from the large technology names that have stolen the headlines recently however, and gain exposure through small and mid-cap managers (Aberdeen Asian Smaller Companies Trust and Fidelity Asian Value Trust).
  - **International equities:** more than a view on the asset class, we have used an attractive discount to add to the Caledonia Investment Trust in the second quarter. Also, it is our view that we should slowly increase our allocation to value investors while taking profits on more growth-oriented ones that have done well for us in the past few years. We quoted the relative performance of value versus growth styles in the UK previously in this report but, on a global basis, the relative underperformance of value companies to the growth ones is even more staggering at -38% since the end of 2006. In itself, there is nothing to stop this underperformance from becoming even more extreme. At this advanced stage in the cycle, however, the argument for investors to rebalance their portfolios out of the expensive growth names into the cheap value ones is strong: if the cycle continues, this should be part of the normal rotation into ideas presenting more upside while, if it comes to an end, value stocks would offer greater downside protection. We thus added to our position in the Schroder Global Recovery Fund.
  - **UK Smaller companies:** it is with a similar thinking that we added to our position in the Aberforth Smaller Companies Trust whose managers are looking for value opportunities in the small and mid-cap section of the UK equity market.

- Risk management: a third category of changes can be seen as a risk management exercise. Delivering strong performance is at least as much about not losing money as it is about generating returns. As such, managing our risk is paramount to the way we run the Fund. Profit-taking, mentioned above, is one form of risk management. Other ones include cutting losses and raising cash in periods of uncertainty.
  - **Mining and Resources:** This is what we did with our allocation to the BlackRock Gold and General Fund for example. In "normal" periods of uncertainty or risk aversion, gold is usually an asset class of choice thanks to its capital preservation properties. It also offers great diversification characteristics. This was - and still is - our reasoning for owning it in the portfolio. Recently, however, gold suffered because of the strength in the US Dollar. As the asset is priced in US Dollars, and as the Dollar goes up, less of it is needed to buy a given quantity of gold. We took this factor into consideration and thus reduced our allocation to the fund.
  - **Emerging Markets equities:** we explained above that we added to our exposure to Asian equities during the period. Part of this trade was financed by reducing our allocation to emerging markets equities as a way to focus our allocation to the region we are the most optimistic about. We think however that the recent concerns about the asset class are overblown by the "noise" surrounding trade wars and country specific issues such as Turkey and Argentina. We have thus kept some exposure to the broad emerging markets despite this reduction.
  - **Cash:** all the above changes left us with higher levels of cash at the end of the period than at the start. This gives us some dry powder to allocate to future opportunities.

- Funds switch: finally, we added a new position in the portfolio during the period. The Odyssean Investment Trust was launched in April and is managed by a manager we used to invest with in the past. We believe he brings a unique approach to investing in UK Smaller Companies by focusing on the pricing anomalies and engagement opportunities that can be found in this part of the market. In order to finance this acquisition, we sold our position in the Strategic Equity Capital Trust, as well as in the Downing UK Micro Cap Growth Fund, both of which being invested in a similar part of the market.

The asset allocations as at the period end were as follows:

Sector	Asset allocation as at 31 August 2018 (%)	Asset allocation as at 28 February 2018 (%)
Absolute Return	9.0	8.9
Asia	6.1	5.6
Emerging Markets	1.1	2.0
Europe	2.1	2.0
International	25.1	22.3
Japan	-	2.1
Mining and Resources	9.9	11.1
Private Equity	15.5	16.6
Property	1.2	2.0
Specialist - Alternative Energy	-	1.9
Specialist - Biotechnology	1.1	0.9
Specialist - Technology	1.3	1.5
Specialist - Utilities	5.4	3.2
UK Growth	4.6	6.1
UK Income	2.9	2.5
UK Mid-Cap	1.1	3.0
UK Smaller Companies	8.4	6.6
Cash and Other	5.2	1.7
Total	**100.0**	**100.0**

The full list of holdings at the period end is shown in the Portfolio Statement on pages 11 to 13.

Outlook

It is hard to see a clear path for the global economy over the next few months. While economic expansion continues, the path of growth is slowing and there is greater disparity between regions. For example, compare the US where the central bank is now firmly in a normalisation process of its interest rate policy to prevent its economy from overheating, with China, at the other extreme, which is considering new stimulus measures in order to stop its economy from slowing down. Europe and Japan are somewhere between these two, while the UK has the additional task of dealing with Brexit. Emerging markets are generally on a decent footing, but their future path of growth will be mainly governed by what is happening in the rest of the world. Add to the mix increasing political tensions, protectionism and populism and it makes for a very blurry picture, especially at a time when many are questioning how much longer this cycle has to run, 10 years on from the Great Financial Crisis.

We are not macro-economists however and our role is to manage our funds to deliver an attractive rate of return to our clients. As multi-asset investors, we have many tools at our disposal and we continue to find attractive opportunities. The Fund currently offers a mix of defensive strategies and cash, steady performers, exciting growth as well as attractively valued assets. Although we try, we cannot predict what is going to happen to financial markets in the coming months, but we believe that the TB Wise Multi-Asset Growth Fund offers a path to continued attractive returns.

General Update

I would like to conclude with an update on our assets and the team. Firstly, our assets under management have come down slightly during the period. We started in March with £55m and finished in August with £51m, despite a performance of 3.5% (B share class) during that time. While the Fund is gaining increased recognition and we are getting more and more enquiries and regular inflows, our largest investor decided to switch some of their investment from the TB Wise Multi-Asset Growth Fund (MAG) into the TB Wise Multi-Asset Income Fund due to the relative recent outperformance of the former versus the latter. In a way, this is in line with the "take-profit/add on weakness" approach that we discussed earlier for our own portfolio. This switch alone represented a 14% drop in MAG's assets under management, but we are pleased that the client retains its confidence in our team and process. This drop in assets doesn't affect in any way how we manage the Fund.

Finally, our team went through a period of change since our last annual report with both our analyst, Manasa, and our team assistant, Debbie, deciding to leave. We wish them all the best for their future endeavours. Meanwhile, this marks some new beginnings for us as we recruited two outstanding new members for our team. Philip Matthews joined us in September from Schroder as a Fund Manager. He will work alongside Tony and myself on both of our funds and his experience will greatly complement the range of skills we already have. Last but not least, Joanna Scavuzzo-Blake also joined us in September as an Office Manager. She is already contributing substantially to our overall process and tasks, freeing up our time to focus on managing the funds. We are delighted to have them both on board.

As always, thank you very much for your support. Do not hesitate to get in touch with us directly, should you like to discuss anything in greater detail.

Vincent Ropers
Fund Manager
Wise Funds Limited
Chipping Norton, United Kingdom
24 October 2018

TB WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT

As at 31 August 2018

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Absolute Return (9.0%; 28.02.18 - 8.9%)		
8,675	Fulcrum Diversified Core Absolute Return	902,189	1.8
874,026	Janus Henderson UK Absolute Return	1,454,379	2.8
559,176	SVS Church House Tenax Absolute Return Strategies	895,241	1.8
12,073	Vontobel 24 Absolute Return Credit	1,341,192	2.6
		4,593,001	**9.0**
	Asia (6.1%; 28.02.18 - 5.6%)		
234,000	Aberdeen Asian Smaller Companies	2,480,400	4.9
146,343	Fidelity Asian Values	601,470	1.2
		3,081,870	**6.1**
	Emerging Markets (1.1%; 28.02.18 - 2.0%)		
83,000	Templeton Emerging Markets	585,150	1.1
		585,150	**1.1**
	Europe (2.1%; 28.02.18 - 2.0%)		
95,000	Henderson Eurotrust	1,073,500	2.1
		1,073,500	**2.1**
	International (25.1%; 28.02.18 - 22.3%)		
351,651	British Empire Trust	2,669,031	5.2
165,876	Caledonia Investments	4,710,878	9.2
413,248	LF Ruffer Equity & General	1,989,873	3.9
110,688	Hansa Trust	1,162,224	2.3
89,029	Hansa Trust 'A'	872,484	1.7
1,937,633	Schroder Global Recovery	1,434,623	2.8
		12,839,113	**25.1**
	Mining and Resources (9.9%; 28.02.18 - 11.1%)		
1,997,500	Baker Steel Resources	878,900	1.7
199,552	BlackRock Gold and General	1,569,874	3.1
724,817	BlackRock World Mining	2,591,221	5.1
		5,039,995	**9.9**

TB WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT (CONTINUED)

As at 31 August 2018

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Private Equity (15.5%; 28.02.18 - 16.6%)		
132,537	HG Capital	2,571,218	5.0
360,251	ICG Enterprise Trust	3,155,799	6.2
36,500	Pantheon International	759,200	1.5
1,800,000	Woodford Patient Capital Trust	1,454,400	2.8
		7,940,617	**15.5**
	Property (1.2%; 28.02.18 - 2.0%)		
140,229	TR Property Investment Trust	592,467	1.2
		592,467	**1.2**
	Specialist - Biotechnology (1.1%; 28.02.18 - 0.9%)		
85,000	International Biotechnology	578,000	1.1
		578,000	**1.1**
	Specialist - Technology (1.3%; 28.02.18 - 1.5%)		
48,000	Herald Investment Trust	645,600	1.3
		645,600	**1.3**
	Specialist - Utilities (5.4%; 28.02.18 - 3.2%)		
629,500	Ecofin Global Utilities and Infrastructure	799,465	1.6
1,037,201	Ecofin Realisation	684,553	1.3
1,235,451	LF Miton Global Infrastructure	1,254,106	2.5
		2,738,124	**5.4**
	UK Growth (4.6%; 28.02.18 - 6.1%)		
890,669	Man GLG Undervalued Assets	1,466,041	2.9
73,374	Polar Capital UK Value Opportuntities	889,290	1.7
		2,355,331	**4.6**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	UK Income (2.9%; 28.02.18 - 2.5%)		
374,202	JOHCM UK Equity Income	1,457,517	2.9
		1,457,517	2.9
	UK Mid-Cap (1.1%; 28.02.18 - 3.0%)		
107,000	Schroder UK Mid Cap	577,800	1.1
		577,800	1.1
	UK Smaller Companies (8.4%; 28.02.18 - 6.6%)		
103,000	Aberforth Smaller Companies	1,388,440	2.7
1,400,000	Odyssean Investment Trust	1,428,280	2.8
121,891	TB Amati UK Smaller Companies	1,468,491	2.9
		4,285,211	8.4
	Portfolio of investments	**48,383,296**	**94.8**
	Net other assets	**2,663,976**	**5.2**
	Total net assets	**51,047,272**	**100.0**

'Japan' sector disinvested since the beginning of the period (28 February 2018: 2.1%).

'Specialist – Alternative Energy' sector disinvested since the beginning of the period (28 February 2018: 1.9%).

Asset Class	Asset class allocation as at 31 August 2018 (%)	Asset class allocation as at 28 February 2018 (%)
Investment Trusts	63.1	63.5
Collective Investment Schemes	31.7	34.8
Cash and Other	5.2	1.7
Total	**100.0**	**100.0**

All holdings in collective investment schemes are accumulation units/shares traded on regulated markets.

All other holdings are in investment trusts and are listed on recognised stock exchanges.

TB WISE MULTI-ASSET GROWTH, SUMMARY OF FUND PERFORMANCE

B Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	320.40	287.53	209.57	227.11
Return before operating charges*	14.04	35.69	80.29	(15.36)
Operating charges	(1.48)	(2.82)	(2.33)	(2.18)
Return after operating charges*	12.56	32.87	77.96	(17.54)
Distributions	(1.17)	(3.18)	(2.35)	(1.84)
Retained distributions on accumulation shares	1.17	3.18	2.35	1.84
Closing net asset value per share	332.96	320.40	287.53	209.57
* after direct transaction costs of:	0.12	0.42	0.27	0.23
Performance				
Return after charges	3.92%	11.43%	37.20%	(7.72)%
Other information				
Closing net asset value	£18,192,855	£17,883,386	£48,309,175	£36,260,816
Closing number of shares	5,464,053	5,581,603	16,801,299	17,302,358
Operating charges (p.a.)	1.18%	1.20%	1.15%	1.28%
Direct transaction costs (p.a.)	0.07%	0.14%	0.11%	0.10%
Prices				
Highest published share price	337.38	335.55	290.11	235.19
Lowest published share price	314.32	287.37	210.77	202.80

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

A Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	292.85	264.49	194.02	211.45
Return before operating charges*	12.81	32.84	74.03	(14.24)
Operating charges	(2.34)	(4.48)	(3.56)	(3.19)
Return after operating charges*	10.47	28.36	70.47	(17.43)
Distributions	(0.06)	(1.22)	(0.70)	(0.81)
Retained distributions on accumulation shares	0.06	1.22	0.70	0.81
Closing net asset value per share	303.32	292.85	264.49	194.02
* after direct transaction costs of:	0.11	0.39	0.25	0.22
Performance				
Return after charges	3.58%	10.72%	36.32%	(8.24)%
Other information				
Closing net asset value	£398,585	£526,725	£188,785	£254,957
Closing number of shares	131,409	179,863	71,378	131,408
Operating charges (p.a.)	1.83%	1.85%	1.80%	1.93%
Direct transaction costs (p.a.)	0.07%	0.14%	0.11%	0.10%
Prices				
Highest published share price	307.47	306.96	266.89	218.64
Lowest published share price	287.17	264.22	195.13	187.78

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB WISE MULTI-ASSET GROWTH, SUMMARY OF FUND PERFORMANCE (CONTINUED)

W Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	9 Dec 2016[1] to 28 Feb 2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	321.48	287.76	266.45
Return before operating charges*	14.08	35.78	21.76
Operating charges	(1.07)	(2.06)	(0.45)
Return after operating charges*	13.01	33.72	21.31
Distributions	(1.58)	(3.96)	(0.06)
Retained distributions on accumulation shares	1.58	3.96	0.06
Closing net asset value per share	334.49	321.48	287.76
* after direct transaction costs of:	0.12	0.43	0.07
Performance			
Return after charges	4.05%	11.72%	8.00%
Other information			
Closing net asset value	£32,455,832	£36,728,699	£15,827
Closing number of shares	9,703,056	11,425,039	5,500
Operating charges (p.a.)	0.93%	0.95%	0.90%
Direct transaction costs (p.a.)	0.07%	0.14%	0.11%
Prices			
Highest published share price	338.88	336.57	290.31
Lowest published share price	315.43	287.67	266.45

[1] *The W Shares were launched on 9 December 2016.*

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB WISE MULTI-ASSET GROWTH, STATEMENT OF TOTAL RETURN

For the six-month period ended 31 August 2018

		31.08.18	31.08.17
	£	£	£
Income			
Net capital gains		1,995,191	4,153,815
Revenue	446,585		619,793
Expenses	(204,053)		(202,159)
Interest payable and similar charges	-		(11)
Net revenue before taxation	242,532		417,623
Taxation	(479)		(94)
Net revenue after taxation		242,053	417,529
Total return before distributions		**2,237,244**	**4,571,344**
Distributions		(242,054)	(417,505)
Change in net assets attributable to shareholders from investment activities		**1,995,190**	**4,153,839**

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six-month period ended 31 August 2018

		31.08.18	31.08.17
	£	£	£
Opening net assets attributable to shareholders		**55,138,810**	**48,513,787**
Movements due to sales and repurchases of shares:			
Amounts receivable on issue of shares	12,761,560		51,307,696
Amounts payable on cancellation of shares	(19,096,990)		(50,228,653)
		(6,335,430)	1,079,043
Dilution levy		31,264	-
Change in net assets attributable to shareholders from investment activities		1,995,190	4,153,839
Retained distributions on accumulation shares		217,438	438,781
Closing net assets attributable to shareholders		**51,047,272**	**54,185,450**

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

TB WISE MULTI-ASSET GROWTH, BALANCE SHEET

As at 31 August 2018

	31.08.18	28.02.18
	£	£
Assets:		
Fixed assets:		
Investments	48,383,296	54,180,080
Current assets:		
Debtors	252,294	75,111
Cash and bank balances	2,581,438	1,712,866
Total assets	**51,217,028**	**55,968,057**
Liabilities:		
Creditors:		
Other creditors	169,756	829,247
Total liabilities	**169,756**	**829,247**
Net assets attributable to shareholders	**51,047,272**	**55,138,810**

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2018.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

TB WISE MULTI-ASSET GROWTH, DISTRIBUTION TABLE

For the six-month period ended 31 August 2018

Interim Distribution (31 August 2018)

Group 1 - Shares purchased on or prior to 28 February 2018

Group 2 - Shares purchased after 28 February 2018

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid/Accumulated 31.10.18 (pence)	Paid/Accumulated 31.10.17 (pence)
B Accumulation				
Group 1	1.1657	-	**1.1657**	**2.3255**
Group 2	0.5450	0.6207	**1.1657**	**2.3255**
A Accumulation				
Group 1	0.0631	-	**0.0631**	**1.2246**
Group 2	-	0.0631	**0.0631**	**1.2246**
W Accumulation				
Group 1	1.5836	-	**1.5836**	**2.6989**
Group 2	1.0167	0.5669	**1.5836**	**2.6989**

[1] Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

TB WISE MULTI-ASSET INCOME, AUTHORISED STATUS

The Fund is a sub-fund of TB Wise Investment Funds with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

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 Prices Index (CPI)). Investors should note that their capital is at risk and that there is no guarantee that a positive return will be achieved over any time period.

The Fund will have exposure to multiple asset classes. The Fund will invest in a diversified portfolio which may include collective investment schemes, equities including investment trusts, bonds, Government securities, money market instruments, deposits and cash.

The Fund may also use derivatives for the purpose of efficient portfolio management from time to time.

There will be no restriction on allocations between asset classes or geographic regions.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the Annual Management Charge, but also includes the costs for other services paid in respect of Depositary, custody, FCA and audit fees. As the Fund may also invest in other funds, the weighted average costs of the underlying funds are also taken into account. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 34 to 39.

Please note that the maximum level of management fees which may be charged to any collective investment scheme in which the Fund invests is 6%.

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 4 because it invests in a variety of asset classes, but with a bias towards shares.

RISK PROFILE

The value of investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives and where there is more than one objective there may be periods where not all objectives are being met.

The Fund invests in global shares, with some regions being regarded as more risky. The movements of exchange rates may lead to further changes in the value of investments and the income from them.

Whilst the intention of using derivatives is to reduce risk, this outcome is not guaranteed and derivatives involve additional risks which could lead to losses.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

TB WISE MULTI-ASSET INCOME, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 August 2018 (%)			
	6 months	1 year	3 years	5 years
TB Wise Multi-Asset Income – A Shares	1.66	(0.69)	38.66	57.49
TB Wise Multi-Asset Income – B Shares	1.98	(0.04)	41.30	62.41
TB Wise Multi-Asset Income – W Shares*	2.12	0.21	N/A	N/A
IA Flexible Investment Sector	3.10	4.62	32.88	44.77
UK Consumer Price Index (CPI)	0.86	1.93	5.48	7.19
Cboe UK All Companies Index	5.23	4.28	34.40	44.26

Performance based on income shares. Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

** The W Shares were launched on 9 December 2016.*

The Fund

Share classes

The Fund has three classes of shares, A, B & W. The A shares are a legacy class with higher charges. There are very few residual holders. The B shares are the standard class. The numbers quoted in this report refer to B shares. The W shares are an institutional share class, available at present only for investments over £100m.

Aims

TB Wise Multi-Asset Income (shortened to TB Wise MAI for the rest of the report) was launched in October 2005. From the start, we adopted a remit which allows us to invest in the widest possible range of assets, in whatever proportions allow us to maximise the available opportunities. For this reason, the Fund continues to reside in the IA Flexible Investment sector.

The Fund's three aims are currently the same as they were when we launched it. These are:-

1. To provide an attractive level of income. The word 'attractive' is too imprecise to be acceptable to regulators, so our official benchmark is to produce a higher income than the Cboe All-Companies index, which is a proxy for the UK stock market. To achieve this target, we need to achieve around 3.5% per annum dividend yield at present. However, we have always had a higher rate of return in mind. In 2005, a good building society account would have paid around 4.5% after tax, and we wanted to be able to match that level of yield, so that an income investor contemplating a switch from a building society account into the Fund would not have to take a cut in income. We also wanted to offer retired people a level of income that would be sufficient to live on without having to eat into their capital.

As at 31st August 2018, the Fund's historic yield was **5.4%**.

2. To increase income in line with inflation or better. This target is necessary to preserve the purchasing power of the income. We have hit this target over the last thirteen years.
3. To increase capital in line with inflation. We have failed to hit this target because of the large capital drawdown which happened during the global Financial Crisis of 2007-9. We have easily hit the target since 2009, but have failed as yet to recoup the full extent of the prior losses.

The team

TB Wise MAI is managed by a company called Wise Funds, which is one of the three trading companies within the Oak Investment Partnership (the others being Evenlode Investments and Wise Investment). Our team currently consists of three fund managers, myself (Tony Yarrow), Vincent Ropers and Philip Matthews, our office manager Jo Scavuzzo-Blake, and our business development manager John Newton. Jo and Philip are recent additions to our team. Jo moved over to us from a responsible position in another company within the Partnership. Philip is well known to many from his fund management roles at Schroders, and before that Jupiter, and has been a good friend of ours for many years. These two appointments have made our team much stronger, and our succession planning is now almost complete.

Fund size

As at 31st August 2018, the fund size was £116,710,432.

Performance

Over the six months of this report, covering 1st March to 31st August 2018, TB Wise MAI made a total return of 1.98%. Over this time, we underperformed both the Cboe UK All-Companies Index, up 5.23%, and the average fund in the IA Flexible Investment sector, up 3.10%. However, the Fund did outperform the UK Consumer Price Index and over the long term, the Fund's performance continues to beat all three of these benchmarks by a substantial margin.

The rest of this report will look in detail at the reasons for the Fund's indifferent recent performance, which dates back to the end of May 2017.

The value style

As managers, we adopt the 'value' style of investment. This involves establishing an 'investable universe' of what we consider to be high-grade assets. For a fund which aims to pay a high income over a long period, the definition of a 'high-grade asset' is one which is capable of sustaining significant payments to holders over a long period, ideally increasing them as time goes on.

However, we do not invest in all of the assets in our universe all the time. Long experience has led us to the conclusion that the financial markets are not efficient, whatever people may tell you. The theory goes that all available news is in the market, so everyone knows everything that is relevant to them at all times. This may be true, but what appears to happen is that investors habitually allow themselves to be excessively influenced by certain items of news, while completely ignoring others. Fashions develop, which lead to certain assets being over-valued, and others undervalued. This division of assets into 'overvalued' and 'undervalued' is of course a subjective assessment on our part, because at any time, the market price of any asset is the 'right' price. However, we have found that over time we can make excess returns by avoiding assets which we consider overvalued, and investing only in assets which we consider give us a 'margin of safety' because market fashions allow us to buy them for less than what we believe they are worth. The value style directs us to buy, sell and rebuy the same assets as their market prices fluctuate.

This rotational style is harder to operate than would appear. For one thing, assets are only cheap when most experts believe they are not worth investing in, and investing at those prices involves believing that our analysis of the situation is more accurate than that of most others. Also, markets are full of 'value traps' – assets which appear to be cheap, but aren't, often because of serious operational problems or excessive debt.

Though the style does not change, the returns it gives aren't linear. We tend to experience periods of extreme outperformance, followed by prolonged barren spells, such as the one we are currently in.

Economic backdrop

Recently, the world economy has been growing steadily at an aggregate level, though some countries, such as the US, have been growing strongly, while others, notably Turkey, Argentina and Venezuela, have not. A growing economy is always seen as positive for financial markets, but in fact the correlation between economic growth and rising markets is much lower than imagined. Additionally, a number of political, economic and market events have been unhelpful for the Fund.

Tightening monetary policy

After the Great Financial Crisis of 2007-9, the world's central banks attempted to return the financial system to health through policies known as QE and ZIRP. ZIRP, or the Zero Interest-Rate Policy, involved cutting interest rates to zero, and occasionally below zero. The result was to bail out heavily-indebted companies, individuals and governments, while making it pointless for savers to leave cash on deposit, thus forcing them to invest in the financial markets, pushing certain asset prices up. QE was a policy of buying government bonds in huge quantity, which raised prices in those markets and made it easy for governments to borrow cheaply.

Both these policies are starting to be reversed. Interest rates are now rising in the US and the UK, making investors more nervous of holding 'risk assets'. Unfashionable assets, the ones the Fund holds, are always considered 'risky', so the increased anxiety in the markets has been unhelpful for the Fund.

Growth and momentum investing

A view often expressed is that as we are in an era of low economic growth, it makes sense to invest in the shares of companies which can grow faster than the economies they operate in, an example being the US technology sector. The performance of growth shares has been stellar for a number of years now. The trend is well established. Index-tracking funds have to buy ever more growth shares as they represent an ever-increasing proportion of the indices they track, and momentum investors, who like to buy what is going up, are happy to join the party. We are now in the type of market least favourable to value investors, where expensive shares grow ever more expensive, and cheap ones ever cheaper. The most extreme example of this type of market in our experience was 1999, which was a year of serious underperformance for our style. After 1999, value outperformed the overall market for seven consecutive years, and we hope that our investors' patience will be rewarded this time, too.

Political headwinds

Three political developments in particular have made life difficult for investors in TB Wise MAI this year. These are:

<u>Trade wars</u>

Whatever your view of the 44th president, or his policies, there is no doubt that the trade war he has unleashed on China has had a depressing effect on shares across Asia, and in the mining sector, both of which the Fund owns.

<u>Brexit</u>

Our imminent withdrawal from the European Union has had two adverse consequences so far. Sterling, which started falling before the vote, continued to fall afterwards and has remained low, raising costs for all the UK's importers, including the whole of the retail sector. Second, there is a sense of high uncertainty which has caused spending and investment decisions to be deferred across the economy. The UK stock market has been weaker than most others, and the poor returns are compounded for overseas investors by currency losses. As a result, overseas investors' exposure to UK assets is at a historically low level.

As value investors, we are drawn to cheap markets, and the UK is now one of the cheapest, with some assets outstandingly cheap. We may possibly be now at the point of maximum Brexit uncertainty, and if a workable deal emerges from the negotiations one might expect a substantial rally in sterling and some UK assets. Any known outcome, however grim, would be an improvement on the current position of complete uncertainty. However, at the time of writing, we remain in a period of deep and deepening gloom.

A Corbyn-led Labour Government

A Labour government is a matter of concern to financial markets if only because the UK has not had a left-wing government in living memory. Labour's top team has no experience in government, and its policies appear well-meaning but very poorly thought-out.

Of particular concern for investors in TB Wise MAI is the commitment to re-nationalise the utility companies, accompanied by rhetoric in the media about fat-cat bosses, billions of gallons of water lost through leakage, etc. We continue to own Pennon and NG, whose share prices have undoubtedly been overshadowed by the prospect of a Labour administration.

With these background headwinds in mind, it is time to take a closer look at the Fund.

Recent history

TB Wise MAI experienced a period of unusually strong performance between February 2016 and the end of May 2017, during which the accumulation price rose by around 50%. A re-rating of that magnitude was bound to raise a number of our holdings beyond our estimation of their fair value, and forced us to make changes. The market of mid-2017 lacked choice in genuine value ideas. We researched new sectors, including telecoms and utilities, and made new investments in BT, Vodafone, National Grid and Pennon. All of these stocks have fallen in price since we invested. We also added to some of our existing holdings, which continued to offer value.

Today's market is very different to that of mid-2017. Now, we see a lot of value in the TB Wise MAI portfolio, to the point where we struggle to understand why the market values some of our holdings as harshly as it does.

Investment trust discounts

The value in the portfolio is reflected in the discounts in some of our investment trust holdings. Four trusts, comprising 14.5% of the value of the Fund, are at significant discounts, as follows:- Aberdeen Asian Income, 10.8%, Ecofin Global Utilities and Infrastructure, 13.7%, Middlefield Canadian Income, 13.4%, Blackrock World Mining, 13.7%. (source: Factset). The discount means that investors value the assets in the trust in aggregate at a price well below their individual market prices, which are already low. Three of these trusts have traded above their net asset values in the past, and all are well-established and well-managed, and they all pay dividends in excess of 4.0% of the share price. We have already commented on Asia and mining, which have been affected by the US/China trade war. The Canadian stock market, and the Middlefield trust that invests in it, have been held back by the, as yet, unresolved trade dispute between the US and Canada.

Utilities

You might wonder why anyone would continue investing in Pennon, a water company, when a Labour government is going to renationalise it. Well, it isn't quite that simple, in our view. Pennon is a combination of South-West Water and Bournemouth Water, and it has a rapidly-growing waste management company, Viridor. Despite Labour rhetoric, Pennon is well-managed. Like all water companies, Pennon is set performance targets by Ofwat, fined if it fails to meet them, and rewarded if it does. Pennon consistently beats its targets, exceeding 30 out of 32 in the most recent period. In the hot summer of 2018, the company imposed no usage restrictions, for the 22nd consecutive year.

Pennon has just made its proposals to Ofwat for the 2020-5 charging period. Their proposals are supported by 88% of the company's users, as well as by the consumer group Waterfuture. The proposals include an average bill in 2024-5 which is less than 1% higher than in 2020-1, investment of £1bn to enhance services and protect the environment, and the issuance of £20m of the company's shares to its customers. If Labour decides to re-nationalise Pennon, it will have to deal with significant local resistance. Also, it isn't possible to re-nationalise Viridor, which wasn't a national company in the first place. A government would first have to force Pennon to demerge Viridor. Then, it would have to pay shareholders the market rate for Pennon, otherwise no one would agree to sell, and once it was known that the government was effectively a forced buyer, the share price would go up.

The whole thing is a minefield. A Labour Government – disunited, inexperienced, and with perhaps only a slim majority, would be busy enough with Brexit, and in the end might stick to easier targets such as re-nationalising the railways, as their franchises expire, and reviving the NHS.

Property

As at the period end, 12.8% of TB Wise MAI was in the property asset class. This has now risen to around 14%. The property exposure is all in commercial property, all at present in the UK, and all held through direct investments in companies and investment trusts, and none through unit trusts, which we believe are inappropriate for such an illiquid asset class.

We look for agile managements, deep sector expertise and, where we can, we buy assets at big discounts to the net values of the property assets. Three of the Fund's holdings, Palace Capital, U&I and British Land are all priced at discounts of 30% or more to their net asset values, which we believe gives us something of a valuation cushion.

Construction

Investors dislike listed construction companies, which are seen as highly cyclical, badly managed, and over-indebted, with long-term contracts undertaken on fixed, wafer-thin margins, which regularly become loss-making. TB Wise MAI holds four UK construction companies, worth a total of 8.1% of the Fund.

The demise of Carillion earlier this year revealed false accounting, in addition to all the negatives mentioned above, and confirmed all the shortcomings of construction as a sector to invest in. However, Carillion is a positive for the remaining construction companies in at least two ways. Firstly, its failure has removed a large competitor, which often bid for work at uncompetitive rates in order to keep cash coming in. It has also allowed the remaining companies to refuse work on the old basis of low fixed prices, which they have all separately told us they are doing. The survivors now have more work at better margins.

Of the companies in which we invest, **Henry Boot** goes from strength to strength, with by far the largest property development book the company has ever had, and elevated levels of activity in Hallam Land, which sells permissioned plots to house builders. **Telford Homes** sells relatively cheap houses in unfashionable parts of London, has an enviable record of project delivery, and several years' worth of orders in hand. **Galliford Try** experienced major delays on the Aberdeen ring road, exacerbated by the bankruptcy of Carillion, one of its two joint-venture partners. However, the project is nearly complete, there is the prospect of significant compensation, there are no other legacy contracts of that nature, and the housebuilding division, Linden Homes, and the urban regeneration company are both trading strongly.

Financials

The 'financials' sector is a broad church, including banks, wealth managers, fund managers, stock brokers, life and general insurers. It has been a rich vein of value ideas this year, and TB Wise MAI's weighting to the sector has grown further after the period-end, from 17.5% to around 19%.

Legal & General is the Fund's biggest holding, at 5.1%, and has increased further to 5.6% since the period end. L&G is the UK's largest asset manager, and the world's 15th largest, with nearly £1 trillion in assets under management. Despite charging extremely low fees, around 0.08% per annum on average, it makes a profit of 50% on its revenues from asset management. The international investment division has been growing at a compound rate of 22% per annum since 2014.

Legal & General is the UK and US market leader in the pension de-risking market, where the insurance company takes over the liabilities of a company's final-salary pension scheme. This market is growing because, as interest rates rise, the transaction costs are becoming more affordable for companies wishing to lay off their pension liabilities. The first half of the year was quiet for this division, with less than £1bn of new deals, but the second half will be much busier, with possibly as much as £20bn, of which the £4.4bn buyout of the British Airways pension scheme, the UK's largest ever transaction of this type, has already been announced. L&G also has a market-leading position in workplace pensions, achieved by charging extremely low fees. In the early stages, this division was unprofitable, but it broke even earlier this year. New money will flow in faster, as the contributions increase as a percentage of salaries (from 2% in the 2017-8 tax year to 8% in the 2019-20 tax year).

The reduction in life expectancy improvement means that L&G has been over-providing for liabilities, and will enable a release of capital during the second half of this year, of the order of £400m.

To us, L&G has all the characteristics of a growth stock – except the rating. The shares trade on a price-earnings ratio below ten times, and the dividend yield is 6.0%. For a global company, with a number of market-leading positions, this would appear to be anomalous.

The Fund owns two specialist insurers, Chesnara and Randall & Quilter. **Chesnara** started out by buying closed life insurance companies – ones that no longer write new business, of which perhaps the best known is Save & Prosper. This is an exercise in paying the right price, followed by efficient administration and client service. As time has gone on, Chesnara has begun to invest overseas (Sweden and the Netherlands) and has begun to acquire companies which write new business, reducing the need to acquire new ones as the existing ones run off. The company would benefit from higher interest rates and is already benefitting from weaker sterling. Chesnara has a stable management team, deeply committed to the dividend, which has grown every year. Despite this, the shares, which have de-rated sharply over the last couple of months, trade around the level they reached in early 2014. The dividend yield is 5.7%.

Randall & Quilter is a general insurer with two niches. One buys closed books of general insurance, and the other acts as agent between insurance brokers and reinsurers. The latter company is a major beneficiary from Brexit. Randall & Quilter's Maltese company has licences to deal in all 27 EU countries, as well as in the UK. EU companies who may not be able to trade in the UK after Brexit, and UK companies who may not be able to trade in the EU, are beating a path to their door. Unlike many of TB Wise MAI's companies, R&Q's share price has traded strongly, up 64% so far in 2018. However, there is no need for us to take our profits in the shares, as the company's profits are rising at least as fast as the share price.

Consumer-facing/retailers (12.7% of the portfolio)

All the companies in this sector face a tsunami of challenges, including the rising National Living Wage, the apprenticeship levy, weak sterling, high and rising business rates, difficult weather, and most of all, the rapidly accelerating online shopping revolution, which we underestimated. This sector has caused the most damage to TB Wise MAI's share price over the last year. In addition to the above, some of our companies have been hit by one-off factors, from which we believe they will recover.

On the announcement of its merger with Asda, shares in **Sainsbury** rose by around 20%, and we sold them. The merger has to pass intense regulatory scrutiny, many powerful forces oppose it, and we will not know for at least another year whether it is going ahead. Today, the shares trade around 1% higher than where we sold them.

Shares in **Photo-me** slumped in early June following a profits warning relating to their photo-booths operation in Japan. The Japanese government expected all citizens to sign up to its new ID card scheme, but the card was linked to people's bank accounts, which caused suspicion, and the scheme was not made compulsory. Photo-me had invested in extra booths in anticipation of demand which failed to materialise. However, management moved quickly to address the situation. New booths are being sourced from China at two-thirds of the original cost. Profits have rebounded quickly - the company told us recently that their profits in Japan are already higher than a year ago. Meanwhile, the laundry business is a growth driver. Free-standing laundries are sited in supermarket car parks. Supermarkets, desperate to retain/increase footfall, are lining up to sign deals. The laundries, especially popular in France, are hugely cash-generative and repay their capital cost quickly. Photo-me has net cash of £26m, and at its current share price pays a 6.8% dividend, which the company has told us it intends to increase. It is hard to see what would make Amazon wish to compete in any of Photo-me's markets.

Marston's owns high-end out-of-town pub-restaurants, neighbourhood taverns, and a rapidly growing brewing business. The company is affected by all the same pressures as other retailers, apart from internet shopping. The casual dining sector has become over-served, and there has been heavy discounting and a number of failures. Marston's out-of-town locations have insulated them from the worst of the cost pressures, and meanwhile the 'wet' pubs have had a tremendous summer with the hot weather and the World Cup. The brewing business goes from strength to strength. Marston's balance sheet contains an unusual amount of assets for a company of its size, at £2.3bn, and an unusual amount of debt, at £1.4bn. The debt may be the reason why the shares are trading at their current distressed levels below £1.00. The net asset value per share is around £1.40. Marston's interest cover (the amount of times interest payments are covered by profits) is the highest in their sector. At current prices, the dividend yield is 7.5%.

While it may be true that as consumers we increasingly prefer experiences to things, we do not believe that retail is dead. We have already seen parts of retail become commoditised (Amazon, Sports Direct etc.), though there are issues over the way in which the companies treat their staff, and increasing congestion on the roads. We are already beginning to see what tomorrow's successful retailer will look like. It is a company that is good at service, responsive to the needs of its clients and offers an intelligent fusion of online and physical delivery. Next appears to us to have the formula about right, while Halfords is moving in the right direction.

The asset allocations as at the period end are as follows:

Sector	Asset allocation as at 31 August 2018 (%)	Asset allocation as at 28 February 2018 (%)
Asia	3.1	3.1
Fixed Income	-	1.2
International	1.6	0.9
North America	4.1	4.0
Private Equity	7.4	6.7
Property	12.8	14.3
Small-Cap	2.6	5.6
Specialist - Aircraft Leasing	-	1.9
Specialist - Clean Energy	1.9	0.8
Specialist - Construction	8.1	6.5
Specialist - Financials	17.5	11.9
Specialist - Infrastructure	3.6	-
Specialist - Resources	6.2	6.4
Specialist - Telecommunications	4.3	4.3
Specialist - Utilities	11.3	9.7
UK Consumer-Facing	12.7	15.2
Cash and other	2.8	7.5
Total	**100.0**	**100.0**

The full list of holdings is shown in the Portfolio Statement on pages 30 to 33.

Summary

It is not possible to give an in-depth comment on all our portfolio holdings without making the manager's report excessively long. However, we publish a full list of holdings on our website, and are always happy to reply to queries on any aspect of the Fund, ideally by email.

The last sixteen months or so has been an uncomfortable period for the Fund, during which the prices of many of the assets we own have come under pressure. As value-seeking investors, we now invest in some of the most unloved sectors in a very unloved UK stock market. To date, we have not been rewarded for doing so. We underestimated the pressure on retailers, and have been punished for it, and we may also have underestimated the threat from Mr Corbyn's Labour party to the utility sector.

It is often said that we are in the late stages of a bull market in shares, but it would be ludicrous to suggest that there is a bull market in any of the assets the Fund holds, with the possible exception of Randall & Quilter.

With good, cheap-looking assets, and a dividend yield well above 5.0% per annum, we remain cautiously optimistic about TB Wise MAI's prospects for the year ahead.

Tony Yarrow
Fund Manager
Wise Funds Limited
Chipping Norton, United Kingdom
24 October 2018

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Asia (3.1%; 28.02.18 - 3.1%)		
1,760,000	Aberdeen Asian Income	3,590,400	3.1
		3,590,400	**3.1**
	International (1.6%; 28.02.18 - 0.9%)		
168,000	Murray International	1,901,760	1.6
		1,901,760	**1.6**
	North America (4.1%; 28.02.18 - 4.0%)		
4,539,350	Middlefield Canadian Income	4,720,924	4.1
		4,720,924	**4.1**
	Private Equity (7.4%; 28.02.18 - 6.7%)		
309,856	F&C Private Equity	1,047,313	0.9
150,000	NB Private Equity Partners	1,702,500	1.5
645,263	Princess Private Equity	5,892,285	5.0
		8,642,098	**7.4**
	Property (12.8%; 28.02.18 - 14.3%)		
525,000	British Land	3,335,850	2.9
3,917,414	Ediston Property	4,309,155	3.7
2,251,482	Impact Healthcare REIT	2,296,512	2.0
720,548	Palace Capital	2,276,932	1.9
1,160,000	U+I Group	2,656,400	2.3
		14,874,849	**12.8**
	Small-Cap (2.6%; 28.02.18 - 5.6%)		
472,163	Braemar Seascope	1,156,799	1.0
650,000	Tarsus	1,917,500	1.6
		3,074,299	**2.6**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Specialist - Clean Energy (1.9%; 28.02.18 - 0.8%)		
2,120,000	John Laing Environmental	2,226,000	1.9
		2,226,000	**1.9**
	Specialist - Construction (8.1%; 28.02.18 - 6.5%)		
1,083,436	Boot (Henry)	2,925,277	2.5
249,344	Galliford Try	2,418,637	2.1
256,000	Kier Group	2,428,160	2.1
412,000	Telford Homes	1,683,020	1.4
		9,455,094	**8.1**
	Specialist - Financials (17.5%; 28.02.18 - 11.9%)		
470,000	Ashmore Group	1,670,380	1.4
610,000	Aviva	2,958,500	2.5
627,948	Chesnara	2,373,643	2.0
2,330,000	Legal & General	5,922,860	5.1
4,000,000	Lloyds Banking Group	2,371,600	2.0
1,275,000	Morses Club	1,785,000	1.5
550,000	Numis Corporation	2,307,250	2.0
721,940	Randall & Quilter	1,176,762	1.0
		20,565,995	**17.5**
	Specialist - Infrastructure (3.6%; 28.02.18 - 0.0%)		
1,900,000	HICL Infrastructure	2,979,200	2.5
800,000	IPP	1,248,000	1.1
		4,227,200	**3.6**
	Specialist - Resources (6.2%; 28.02.18 - 6.4%)		
1,074,500	BlackRock World Mining	3,841,338	3.3
92,000	Rio Tinto	3,366,280	2.9
		7,207,618	**6.2**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Specialist - Telecommunications (4.3%; 28.02.18 - 4.3%)		
1,450,000	BT Group	3,150,850	2.7
1,120,000	Vodafone	1,842,400	1.6
		4,993,250	**4.3**
	Specialist - Utilities (11.3%; 28.02.18 - 9.7%)		
1,600,000	Centrica	2,292,800	2.0
3,707,278	Ecofin Global Utilities and Infrastructure	4,708,243	4.0
375,000	National Grid	3,037,500	2.6
415,000	Pennon	3,189,690	2.7
		13,228,233	**11.3**
	UK Consumer-Facing (12.7%; 28.02.18 - 15.2%)		
876,000	Halfords	2,876,784	2.5
2,600,000	Marstons	2,408,900	2.1
1,250,000	McColl's Retail Group	1,750,000	1.5
2,520,948	Moss Bros	1,119,301	1.0
2,200,277	Photo-Me International	2,728,344	2.3
1,565,000	Safestyle UK	626,000	0.5
1,960,000	Shoe Zone	3,234,000	2.8
		14,743,329	**12.7**
	Portfolio of investments	**113,451,049**	**97.2**
	Net other assets	**3,259,383**	**2.8**
	Total net assets	**116,710,432**	**100.0**

'Fixed Income' sector disinvested since the beginning of the period (28 February 2018: 1.2%).

'Specialist – Aircraft Leasing' sector disinvested since the beginning of the period (28 February 2018: 1.9%).

Asset Class	Asset class allocation as at 31 August 2018 (%)	Asset class allocation as at 28 February 2018 (%)
Investment Trusts	37.6	34.9
Collective Investment Schemes	-	1.2
Equities	59.6	56.4
Cash and Other	2.8	7.5
Total	**100.0**	**100.0**

All holdings in investment trusts, equities and preference shares are listed on recognised stock exchanges.

TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE

B Income Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	125.12	125.62	99.54	108.94
Return before operating charges*	2.96	7.53	33.17	(2.88)
Operating charges	(0.56)	(1.17)	(1.04)	(1.03)
Return after operating charges*	2.40	6.36	32.13	(3.91)
Distributions	(4.06)	(6.86)	(6.05)	(5.49)
Closing net asset value per share	123.46	125.12	125.62	99.54
* after direct transaction costs of:	0.17	0.43	0.42	0.40
Performance				
Return after charges	1.92%	5.06%	32.28%	(3.59)%
Other information				
Closing net asset value	£34,007,057	£30,026,261	£46,819,205	£31,429,486
Closing number of shares	27,544,552	23,998,256	37,270,068	31,574,077
Operating charges (p.a.)	0.88%	0.87%	0.93%	0.99%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%	0.38%
Prices				
Highest published share price	131.92	137.11	127.43	114.46
Lowest published share price	120.38	124.97	98.43	95.32

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

B Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	240.95	229.67	172.50	179.34
Return before operating charges*	5.64	13.47	59.02	(5.11)
Operating charges	(1.10)	(2.19)	(1.85)	(1.73)
Return after operating charges*	4.54	11.28	57.17	(6.84)
Distributions	(7.89)	(12.75)	(10.70)	(9.22)
Retained distributions on accumulation shares	7.89	12.75	10.70	9.22
Closing net asset value per share	245.49	240.95	229.67	172.50
* after direct transaction costs of:	0.32	0.80	0.75	0.67
Performance				
Return after charges	1.88%	4.91%	33.14%	(3.81)%
Other information				
Closing net asset value	£39,617,772	£39,807,196	£28,830,183	£17,619,039
Closing number of shares	16,138,364	16,521,264	12,552,963	10,213,771
Operating charges (p.a.)	0.88%	0.87%	0.93%	0.99%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%	0.38%
Prices				
Highest published share price	254.03	256.06	231.38	188.42
Lowest published share price	231.80	231.26	174.25	163.86

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TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)

A Income Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	115.91	117.13	93.41	102.81
Return before operating charges*	2.76	7.03	31.04	(2.70)
Operating charges	(0.91)	(1.88)	(1.65)	(1.52)
Return after operating charges*	1.85	5.15	29.39	(4.22)
Distributions	(3.76)	(6.37)	(5.67)	(5.18)
Closing net asset value per share	114.00	115.91	117.13	93.41
* after direct transaction costs of:	0.15	0.40	0.39	0.38
Performance				
Return after charges	1.60%	4.40%	31.46%	(4.10)%
Other information				
Closing net asset value	£711,648	£688,032	£536,766	£419,068
Closing number of shares	624,266	593,591	458,282	448,614
Operating charges (p.a.)	1.53%	1.52%	1.58%	1.64%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%	0.38%
Prices				
Highest published share price	122.04	127.64	118.83	107.88
Lowest published share price	111.47	115.81	92.19	89.47

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TB WISE MULTI-ASSET INCOME, SUMMARY OF FUND PERFORMANCE (CONTINUED)

A Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	1 Mar 2016 to 28 Feb 2017 (pence per share)	1 Mar 2015 to 29 Feb 2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	222.57	213.53	161.42	168.78
Return before operating charges*	5.21	12.55	55.02	(4.80)
Operating charges	(1.76)	(3.51)	(2.91)	(2.56)
Return after operating charges*	3.45	9.04	52.11	(7.36)
Distributions	(7.27)	(11.86)	(10.01)	(8.71)
Retained distributions on accumulation shares	7.27	11.86	10.01	8.71
Closing net asset value per share	226.02	222.57	213.53	161.42
* after direct transaction costs of:	0.30	0.74	0.69	0.63
Performance				
Return after charges	1.55%	4.23%	32.28%	(4.36)%
Other information				
Closing net asset value	£1,188,122	£1,370,391	£1,133,761	£1,171,625
Closing number of shares	525,675	615,719	530,957	725,831
Operating charges (p.a.)	1.53%	1.52%	1.58%	1.64%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%	0.38%
Prices				
Highest published share price	234.31	236.75	215.15	177.06
Lowest published share price	214.03	214.98	162.73	153.37

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

W Income Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	9 Dec 2016[1] to 28 Feb 2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	125.62	125.82	118.93
Return before operating charges*	2.99	7.50	7.82
Operating charges	(0.41)	(0.84)	(0.19)
Return after operating charges*	2.58	6.66	7.63
Distributions	(4.08)	(6.86)	(0.74)
Closing net asset value per share	124.12	125.62	125.82
* after direct transaction costs of:	0.17	0.43	0.10
Performance			
Return after charges	2.05%	5.29%	6.42%
Other information			
Closing net asset value	£32,277,956	£27,830,486	£2,646
Closing number of shares	26,006,267	22,154,178	2,103
Operating charges (p.a.)	0.63%	0.62%	0.68%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%
Prices			
Highest published share price	132.53	137.37	127.50
Lowest published share price	120.88	125.44	118.35

[1] *W Shares launched 9 December 2016.*

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

W Accumulation Shares	1 Mar 2018 to 31 Aug 2018 (pence per share)	1 Mar 2017 to 28 Feb 2018 (pence per share)	9 Dec 2016[1] to 28 Feb 2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	241.72	229.79	215.95
Return before operating charges*	5.66	13.51	14.18
Operating charges	(0.79)	(1.58)	(0.34)
Return after operating charges*	4.87	11.93	13.84
Distributions	(7.92)	(12.74)	(1.34)
Retained distributions on accumulation shares	7.92	12.74	1.34
Closing net asset value per share	246.59	241.72	229.79
* after direct transaction costs of:	0.33	0.80	0.18
Performance			
Return after charges	2.01%	5.19%	6.41%
Other information			
Closing net asset value	£8,907,877	£7,351,943	£8,592
Closing number of shares	3,612,380	3,041,488	3,739
Operating charges (p.a.)	0.63%	0.62%	0.68%
Direct transaction costs (p.a.)	0.26%	0.32%	0.37%
Prices			
Highest published share price	254.99	256.80	231.51
Lowest published share price	232.58	231.40	214.90

[1] *W Shares launched 9 December 2016.*

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB WISE MULTI-ASSET INCOME, STATEMENT OF TOTAL RETURN

For the six-month period ended 31 August 2018

		31.08.18		31.08.17
	£	£	£	£
Income				
Net capital (losses)/gains		(1,168,310)		3,767,520
Revenue	3,690,877		2,908,647	
Expenses	(461,607)		(384,027)	
Interest payable and similar charges	(8)		(21)	
Net revenue before taxation	3,229,262		2,524,599	
Taxation	-		(4,852)	
Net revenue after taxation		3,229,262		2,519,747
Total return before distributions		**2,060,952**		**6,287,267**
Distributions		(3,638,788)		(2,869,197)
Change in net assets attributable to shareholders from investment activities		**(1,577,836)**		**3,418,070**

Note: All of the Company's and sub-fund's results are derived from continuing operations.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six-month period ended 31 August 2018

		31.08.18		31.08.17
	£	£	£	£
Opening net assets attributable to shareholders		**107,074,309**		**77,331,153**
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares	26,341,708		80,104,011	
Amounts payable on cancellation of shares	(16,733,473)		(60,959,337)	
		9,608,235		19,144,674
Change in net assets attributable to shareholders from investment activities		(1,577,836)		3,418,070
Retained distributions on accumulation shares		1,605,724		1,279,500
Closing net assets attributable to shareholders		**116,710,432**		**101,173,397**

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

TB WISE MULTI-ASSET INCOME, BALANCE SHEET
As at 31 August 2018

	31.08.18	28.02.18
	£	£
Assets:		
Fixed assets:		
Investments	113,451,049	98,991,694
Current assets:		
Debtors	1,245,038	716,714
Cash and bank balances	3,817,332	9,078,867
Total assets	**118,513,419**	**108,787,275**
Liabilities:		
Creditors:		
Distribution payable on income shares	1,069,150	515,669
Other creditors	733,837	1,197,297
Total liabilities	**1,802,987**	**1,712,966**
Net assets attributable to shareholders	**116,710,432**	**107,074,309**

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2018.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

TB WISE MULTI-ASSET INCOME, DISTRIBUTION TABLE

For the six-month period ended 31 August 2018

Interim Distribution (31 May 2018)

Group 1 - Shares purchased on or prior to 28 February 2018

Group 2 - Shares purchased after 28 February 2018

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid /Accumulated 31.07.18 (pence)	Paid /Accumulated 31.07.17 (pence)
B Income				
Group 1	2.0931	-	2.0931	2.3094
Group 2	1.2848	0.8083	2.0931	2.3094
A Income				
Group 1	1.9368	-	1.9368	2.1476
Group 2	1.2549	0.6819	1.9368	2.1476
W Income				
Group 1	2.1018	-	2.1018	2.3036
Group 2	0.9090	1.1928	2.1018	2.3036
B Accumulation				
Group 1	4.0293	-	4.0293	4.2166
Group 2	2.3533	1.6760	4.0293	4.2166
A Accumulation				
Group 1	3.7179	-	3.7179	3.9163
Group 2	3.3506	0.3673	3.7179	3.9163
W Accumulation				
Group 1	4.0444	-	4.0444	4.2089
Group 2	2.8588	1.1856	4.0444	4.2089

[1] Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

TB WISE MULTI-ASSET INCOME, DISTRIBUTION TABLE (CONTINUED)

For the six-month period ended 31 August 2018

Interim Distribution (31 August 2018)

Group 1 - Shares purchased on or prior to 31 May 2018

Group 2 - Shares purchased after 31 May 2018

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid /Accumulated 31.10.18 (pence)	Paid /Accumulated 31.10.17 (pence)
B Income				
Group 1	1.9705	-	1.9705	1.8275
Group 2	0.8688	1.1017	1.9705	1.8275
A Income				
Group 1	1.8209	-	1.8209	1.6999
Group 2	0.7176	1.1033	1.8209	1.6999
W Income				
Group 1	1.9803	-	1.9803	1.8316
Group 2	0.9037	1.0766	1.9803	1.8316
B Accumulation				
Group 1	3.8566	-	3.8566	3.3983
Group 2	2.1646	1.6920	3.8566	3.3983
A Accumulation				
Group 1	3.5537	-	3.5537	3.1521
Group 2	0.5050	3.0487	3.5537	3.1521
W Accumulation				
Group 1	3.8727	-	3.8727	3.4035
Group 2	1.8970	1.9757	3.8727	3.4035

[1] *Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.*

The Company

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Authorised Corporate Director

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Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

Mrs H C Stevens
Mr R J Taylor
Mr G M Padbury
Mr M Hughes (Non-Executive)

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Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.