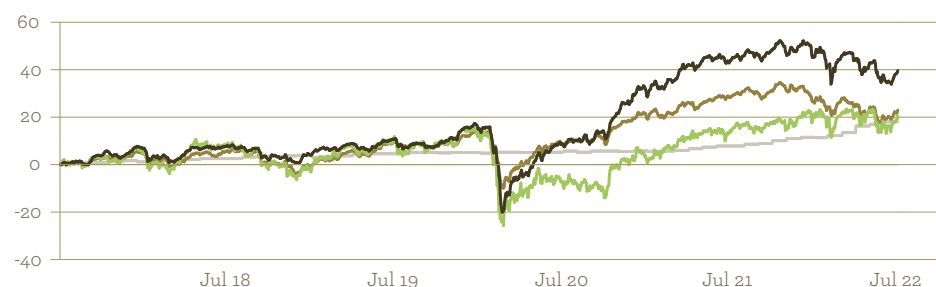


# TB WISE MULTI-ASSET GROWTH

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide capital growth over Rolling Periods of 5 years in excess of the Cboe UK All Companies Index and in line with or in excess of the Consumer Price Index, in each case after charges.

## 5 YEAR PERFORMANCE (%)



## Cumulative Performance

	1m	3m	6m	1yr	3yr	5yr
Fund <sup>1</sup>	2.5	-3.5	-4.1	-2.9	25.9	39.7
Cboe UK All Companies	4.4	-0.8	0.6	6.1	9.3	20.7
CPI		1.5	6.0	9.4	12.9	18.0
IA Flexible Investment	3.2	-2.0	-2.8	-4.2	11.6	23.0
Quartile	3	4	3	2	1	1

## Discrete Annual Performance

12 months to	31.07.2022	31.07.2021	31.07.2020	31.07.2019	31.07.2018
Fund <sup>1</sup>	-2.9	33.3	-2.8	2.9	7.8
Cboe UK All Companies	6.1	26.4	-18.5	1.1	9.1
CPI	9.4	2.0	1.1	2.0	2.5
IA Flexible Investment	-4.2	19.5	-2.5	4.4	5.6

## Rolling 5 Year Performance

5 years to	31.07.2022	31.07.2021	31.07.2020	31.07.2019	31.07.2018
Fund <sup>1</sup>	39.7	81.3	46.6	51.7	61.4
Cboe UK All Companies	20.7	30.8	7.7	39.3	46.0
CPI	18.0	10.6	9.1	8.0	7.6
IA Flexible Investment	23.0	45.3	29.2	41.8	41.3

All performance data used on this factsheet is total return, bid-to-bid, net of UK dividend tax credit, and sourced from Financial Express.

The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

1. TB Wise Multi-Asset Growth B Acc.

Both the Cboe UK All Companies and CPI are target benchmarks. The IA Flexible Investment Sector has been chosen as an additional comparator benchmark. To find out more, please see the full prospectus.

As the factsheets are produced prior to the publication of the latest monthly CPI figures, the performance calculations assume the published CPI for the most recent month is the same as the previous month.

**Past performance is not a guide to the future and outperforming target benchmarks is not guaranteed.**

## PORTFOLIO MANAGERS

Wise Funds adopt a team approach. For full bios see [www.wise-funds.co.uk/about-us/our-people](http://www.wise-funds.co.uk/about-us/our-people).



### VINCENT ROPERS

Vincent started his investment career in 2004 before he joined the Wise Funds team in April 2017 as a co-portfolio manager.



### PHILIP MATTHEWS

Philip started his investment career in 1999 before he joined the Wise Funds team in September 2018 as a co-portfolio manager.

## FUND ATTRIBUTES

- 🔗 Aims to provide long term capital growth (over 5 year rolling periods) ahead of the Cboe UK All Companies Index and inflation.
- 🔗 Specialised focus on investment trusts across asset classes.
- 🔗 Adopts a value bias investment approach.
- 🔗 Focus on high-quality funds and investment trusts investing in out-of-favour areas.
- 🔗 Preference for fund managers with a disciplined, easy-to-understand investment process.

## INVESTOR PROFILE

- 🔗 Seek capital growth over a long timeframe.
- 🔗 Accept the risks associated with the volatile nature of an adventurous multi-asset investment.
- 🔗 Plan to hold their investment for the long term, 5 years or more.

## RATINGS





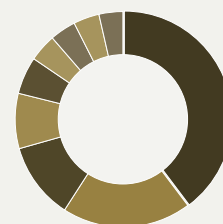
PORTFOLIO

Top 20 Holdings (%)

AVI Global Trust	4.8
Caledonia Investments	4.2
Oakley Capital Investments	4.1
AVI Japan Opportunity Trust	3.9
Fidelity Asian Values	3.7
Pantheon International	3.6
Odyssean Investment Trust	3.4
CF Ruffer Equity & General	3.4
TwentyFour Income Fund Ltd.	3.4
Schroder Global Recovery	3.2
LF Lightman European Fund	3.1
Ecofn Global Utilities and Infra. Trust	3.1
International Biotechnology Trust	3.0
Aberforth Smaller Companies Trust	2.9
JOHCM UK Equity Income	2.9
Blackrock World Mining	2.8
Jupiter Gold & Silver	2.6
Man GLG Undervalued Assets	2.5
Polar Capital Global Financials Trust	2.4
The European Smaller Companies Trust	2.4
<b>Total</b>	<b>65.4</b>

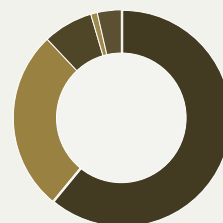
Geographical Allocation (%)

Global	39.7
UK	19.4
Europe	11.5
Emerging Markets	8.3
Asia Pacific ex Japan	5.6
North America	4.1
Europe ex UK	3.9
Japan	3.9
Cash & Income	3.6



Asset Allocation (%)

Equities	61.0
Alternatives	27.0
Fixed Interest	7.5
Property	1.0
Cash & Income	3.6



CONTRIBUTIONS TO PERFORMANCE

Top 5 Contributors

Monthly Contribution (%)

Oakley Capital Investments	0.44
Caledonia Investments	0.38
AVI Global Trust	0.29
AVI Japan Opportunity Trust	0.25
Ecofn Global Utilities and Infra. Trust	0.24

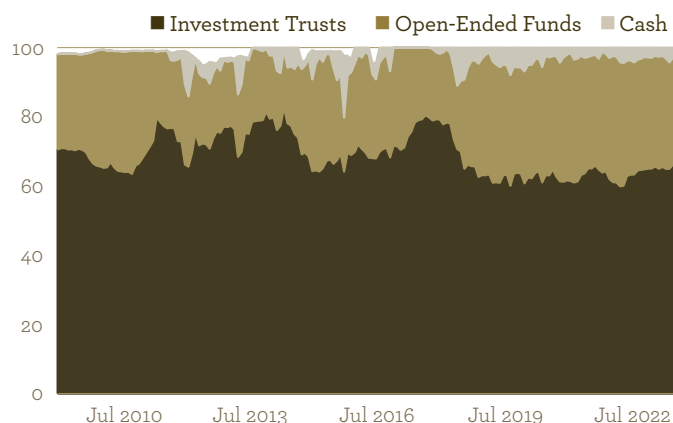
Top 5 Detractors

MI Somerset EM Discovery Fund	-0.01
Baker Steel Resources Trust	-0.02
LF Ruffer Equity & General Fund	-0.02
LF Lightman European Fund	-0.09
Fidelity China Special Situations	-0.12

The contributions are the holdings that either contributed or detracted on performance over the month, showing the top 5 (where relevant) of each category.

All Data is sourced from Wise Funds and Factset.

INVESTMENT TYPE ALLOCATION (%)



All Data is sourced from Wise Funds and Factset.

Geographical data is based on underlying asset revenues.



## MONTHLY COMMENTARY

In many respects, July saw a continuation of the macro-economic themes that have driven financial markets since the start of the year. Inflation and the cost-of-living crisis stayed firmly at the top of investors' concerns and showed no signs of abating. On both sides of the Atlantic, inflation surprised yet again on the upside, at 9.1% in the US and 9.4% in the UK. Even in the Eurozone where inflation is usually tamer than in its Anglo-Saxon counterparts, the year-on-year change is flirting with 9% with energy costs in the region more affected by the war in Ukraine than anywhere else. Like in previous months, inflationary pressures led to central banks to slam hard on the brake pedal, with another 0.75% hike in the US, 0.25% in the UK and a surprise 0.50% increase in the EU (the first one in 11 years!).

What is changing, however, is the market perception of growth. The IMF (International Monetary Fund) downgraded its growth forecasts materially for 2022 in July, citing a "gloomy and more uncertain" global backdrop, with concerns about the ongoing war in Ukraine, the Chinese zero-Covid policy and signs of weakness from consumer spending. The deteriorating growth outlook weighed heavily on sentiment with surveys of consumers, businesses and investors all showing a material drop in expectations. Paradoxically, this negativity was the launch platform for a strong rebound in financial markets, led by the US (+9.2% in US Dollar terms) and, in particular, by the technology sector (the Nasdaq index of leading US technology names was up 12.4% in July).

After 6 gruelling months for markets, investors were in the summer mood to buy the bad news. Historically, some of the best returns are made on a contrarian basis, when the news is bad, sentiment is bleak and investors capitulate. The first two of those conditions are undeniably met at present. A lot of bad news is known and priced in already. Inflation risks are understood and poor GDP growth should force central banks to slow or halt the hiking cycle. From a sentiment standpoint, as mentioned, surveys are negative but we would note that earnings downgrades have been minimal so far, suggesting there could be room for further disappointment in the upcoming earnings reports. Finally, despite reporting feeling gloomy about returns from here, capital flows data don't yet suggest we have seen a capitulation from investors. There have definitely been some heavy selling and reduction of risk but aggregate analysis of positioning indicates that many investors have stayed put so far and maintain high allocations to the riskiest assets.

The strong rebound in asset prices, across equities, commodities and bonds, observed in July might very well mark the end of the difficult period experienced since the start of the year. Bad news and downbeat sentiment are usually strong indicators that we are getting close to the bottom. We remain prudent, however, and would like to see a proper capitulation with investors cashing out instead of only thinking of doing so, before calling the bottom with confidence. Meanwhile, our approach continues to prudently add to oversold positions and quality cheap assets, while maintaining diversification because volatility is here to stay.

In July, the TB Wise Multi-Asset Growth fund was up 2.5%, behind both the CBOE UK All Companies Index (+4.4%) and the IA Flexible Investment sector (+3.2%). While our Fund didn't benefit from the strong performance of large defensive UK equities which rebounded last month and helped the CBOE UK All Companies Index (those still seem too expensive to us), the improved risk appetite generally supported investment trusts' discounts tightening. As an illustration, Caledonia Investments' discount moved from 30% at the start of the month to 22% at the end. Our strongest contributor was Oakley Capital Investments, in the private equity sector. We have argued for a while that the discounts on display in the listed private equity sector offer a very substantial buffer for future potential Net Asset Values downgrades. Last month, Oakley not only proved that fact right, but also disproved any concerns over its portfolio's ability to continue growing. Whilst reporting 11% NAV growth in the second quarter (+17% year-to-date), the company also reported three realisations at strong premiums to carrying value showing that its holdings are delivering operationally, are conservatively valued and in high demand.

On the negative side, Fidelity China Special Situations and Lightman European detracted marginally.

As mentioned above, we think it is too early to confidently call the market bottom but we remain keen to take advantage of the attractive opportunities recent volatility has thrown at us. As such, we had a relatively active month adding to recent underperformers such as Fidelity China Special Situations, Mobius Investment Trust, Blackrock Frontiers, Pantheon International and Herald Investment Trust. The additions to Asia and emerging markets were partly financed by exiting Aberdeen Asia Focus and trimming Fidelity Asian Values. In the UK, we switched some of our exposure from Polar UK Value Opportunities into Fidelity Special Values, two funds with some overlap but the latter trading at 7% discount. In order to maintain diversification and as the market focus shifts from inflation to growth, we also added to Jupiter Gold & Silver which could benefit from central banks' inability to increase rates much further, while miners' valuations remain attractive.

Finally, we added a new position in VPC Specialty Lending Investments, a £225m trust lending capital predominantly to non-bank lenders. This strategy is part of a much large \$7bn firm specialised in such lending and its appeal is that all the loans it provides are senior and fully asset-backed, with VPC having a full claim on cash-flow generating assets in case of defaults (of which they have only had 3 since 2007 and in each case have recovered all of their capital). The loans are structured in such a way that VPC are in the driving seat, dictating terms and lending money in stages only when objectives are delivered, limiting the risk and the duration of the debt. We were impressed by the level of due diligence and ongoing monitoring performed on the collaterals used against the loans. Each loan has a floating rate, offering a particular appeal in an inflationary environment. The trust trades on a wide 27% discount and currently offers a covered yield of more than 10%. While not without risk, we think the upside more than outweighs the downside risk with this trust.



## SHARE CLASS DETAILS

	B Acc (Clean)	W Acc (Institutional)
Sedol Codes	3427253	BD386X6
ISIN Codes	GB0034272533	GB00BD386X65
Minimum Lump Sum	£1,000	£100 million
Initial Charge	0%	0%
IFA Legacy Trail Commission	Nil	Nil
Ongoing Charges Figure <sup>1,2</sup>	1.15%	0.90%

1. The Ongoing Charges Figure is based on the expenses incurred by the fund for the period ended 31 August 2021. The figure may vary year to year.

2. Includes Investment Management Fee.

## KEY DETAILS

Target Benchmarks <sup>1</sup>	Cboe UK All Companies, UK CPI
Comparator Benchmark <sup>1</sup>	IA Flexible Investment Sector
Launch date	1 April 2004
Fund value	£85.0 million
Holdings	41
Valuation time	12pm

1. To find out more, please see the full prospectus.

## HOW TO INVEST

TB Wise Multi-Asset Growth is available as an OEIC and is also suitable to include in stocks and shares ISAs. You can buy shares in the fund by visiting [www.tbailey.co.uk/wise](http://www.tbailey.co.uk/wise); by telephoning the TB Wise Investor Dealing Line on 0115 988 8258 (open business days between 9am and 5pm); or through various third parties platforms. Please contact us if you can not find the fund on your chosen platform.

## IMPORTANT INFORMATION

Full details of the TB Wise Funds, including risk warnings, are published in the TB Wise Funds Prospectus, the TB Wise Supplementary Information Document (SID) and the TB Wise Key Investor Information Documents (KIIDs) which are available on request and at [www.wise-funds.co.uk](http://www.wise-funds.co.uk). The TB Wise Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Capital appreciation in the early years will be adversely affected by the impact of initial charges and you should therefore regard your investment as medium-to-long term. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Wise Funds Limited is authorised and regulated by the Financial Conduct Authority, No. 768269. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority, No. 190293.

## CONTACT US



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Business Development Manager

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