WS WISE FUNDS
(formerly TB WISE FUNDS)

INTERIM REPORT &
FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 31 August 2023

CONTENTS

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 23, 'Investment Review' as provided by the Investment Manager, on pages 7 to 13 and 25 to 32 and 'Directory' on page 49.

CHANGE OF AUTHORISED CORPORATE DIRECTOR NAME AND CHANGE OF COMPANY NAME

On 1 October 2023, the name of the Authorised Corporate Director changed from T. Bailey Fund Services Limited ('TBFS') to Waystone Fund Services (UK) Limited ('WFSL'). Also on this date, the name of the Company changed from TB Wise Funds to WS Wise Funds.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

The Authorised Corporate Director (the 'ACD') of WS Wise Funds (the 'Company') is Waystone Fund Services (UK) Limited. Wise Funds Limited is the Investment Manager (the 'Investment Manager') of the Company.

Wise Funds Limited and Waystone Fund Services (UK) Limited are authorised and regulated by the Financial Conduct Authority (the 'FCA'). 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: https://www.waystone.com/our-funds/waystone-fund-services-uk-limited.

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

The most recent price of shares in issue can be found at https://www.waystone.com/our-funds/waystone-fund-services-uk-limited, or by phone using the contact details set out in the prospectus.

OTHER INFORMATION

Full details of WS Wise 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 https://www.waystone.com/our-funds/waystone-fund-services-uk-limited.

The Key Investor Information documents, Supplementary Information document and Value Assessment are also available at https://www.waystone.com/our-funds/waystone-fund-services-uk-limited.

CHANGE OF AUDITORS

Since the previous year end, the ACD has undergone a review of the engagement of the Company's Auditors. Following this review, the ACD has taken the decision to end the audit engagement with Deloitte LLP and to appoint Cooper Parry Group Limited as the Auditors of the Company. The ACD has taken this decision as it believes that this is in best interests of the Company's shareholders.

AUTHORISED STATUS

WS Wise Funds (the 'Company') is an open-ended investment company (an 'OEIC') with variable capital, as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook, incorporated in England and Wales under registration number IC 283. The effective date of the authorisation order made by the FCA was 4 February 2004. The Company has an unlimited duration.

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 agreement of the Depositary and the approval of the FCA. On the introduction of any new sub-fund, or share class, a revised prospectus will be prepared and issued.

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 the 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 balance sheet date, there were two sub-funds; WS Wise Multi-Asset Growth and WS Wise Multi-Asset Income.*

The base currency of the Company is Pounds Sterling.

The assets of the sub-funds have been invested in accordance with the investment objectives and investment policy of the sub-funds. Investment of the assets must comply with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

Subject to the above, the liabilities, expenses, costs and charges of the Company will be allocated between classes in accordance with the terms of shares of those classes.

The Company is a UK UCITS.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

*On 1 October 2023 TB Wise Multi-Asset Growth changed its name to WS Wise Multi-Asset Growth and TB Wise Multi-Asset Income changed its name to WS Wise Multi-Asset Income.

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 ("ACD") of WS Wise Funds ("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 amended in June 2017; 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 and 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.

DIRECTORS' 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 25 October 2023.

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.

Gavin Padbury
Head of Waystone Fund Services (UK) Limited
Waystone Fund Services (UK) Limited
Nottingham, United Kingdom
25 October 2023

Mark Smith
Director of Fund Administration
Waystone Fund Services (UK) Limited
Nottingham, United Kingdom
25 October 2023

WS WISE MULTI-ASSET GROWTH, AUTHORISED STATUS

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

INVESTMENT OBJECTIVE AND POLICY

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.

The Fund may have direct or indirect exposure to multiple asset classes including equities, fixed interest securities (government or corporate bonds), and indirect exposure to alternative asset classes, such as infrastructure, clean energy, commodities, property, and private equity.

Indirect exposure will be obtained through investments in closed-ended collective investment funds (such as investment trusts and REITs) and open-ended collective investment schemes (such as unit trusts, OEICs and ETFs) which may include those managed by the ACD and its associates (together 'collective investment vehicles').

The Fund may also invest directly in money market instruments, deposits, cash and near cash.

The Fund's portfolio will be diversified by reference to various factors such as industry, geography or asset class, although there is no restriction on allocations between different factors.

The Investment Manager may also, where it considers appropriate, manage the portfolio on a more concentrated basis by holding fewer than 30 holdings. This could be, for example, where the Investment Manager decides to increase its backing of certain managers, thus reducing the tail of holdings, or during adverse market conditions where the Investment Manager may consider it in the best interests of Shareholders to allocate a greater proportion of the portfolio to cash.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

The Fund is actively managed. The Investment Manager aims to construct a portfolio of "best-in-class" collective investment vehicles and companies in asset classes that it expects to benefit from favourable market conditions, and at valuations which the Investment Manager considers are attractive at the point of purchase.

This approach is research-intensive and involves consideration of many factors in relation to both the wider economic environment and individual holdings. By focusing both on direct and indirect investments, research on each element of the portfolio benefits the other.

The Investment Manager is purposely using a broad investment universe as it offers the best opportunity in seeking to achieve the Fund's objectives in an everchanging world.

WS WISE MULTI-ASSET GROWTH, 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 Comparative Tables on pages 17 to 18.

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%.

RISK PROFILE

A limited number of investments may be held which has the potential to increase the volatility of performance.

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.

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 one to seven. 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 five because it invests in a variety of asset classes, but with a bias towards shares.

WS WISE MULTI-ASSET GROWTH, FUND BENCHMARKS

The Fund is managed to outperform the Cboe UK All Companies Index (the 'Index') over rolling periods of 5 years. Given the objectives, the Index has been chosen as a target benchmark as equities have historically been the fastest growing asset class over longer periods of time. The Fund is marketed solely into the UK and investors are predominantly UK based so a broad-based UK equity index has been chosen. Whilst the Index is comprised of UK listed companies, a large proportion of their revenues comes from outside of the UK, making it a good proxy for UK investors looking for international exposure. Please note the Fund is not constrained by or managed to the Index.

The Cboe UK All Companies Index is a Target Benchmark of the Fund.

The Fund is managed to outperform the Consumer Prices Index ('CPI') over rolling periods of 5 years. The Fund aims to achieve a return for investors in real terms in line with the risk profile of the Fund. The CPI is a measure of UK inflation, and so is considered an appropriate measure of what constitutes a return in real terms for these purposes.

The Consumer Prices Index is a Target Benchmark of the Fund.

Shareholders may wish to compare the Fund's performance against other funds within the Investment Association's (IA) Flexible Investment Sector as that will give investors an indication of how the Fund is performing compared with others investing in a similar but not identical investment universe. The IA Flexible Investment Sector is considered to be an appropriate comparator because the Fund adopts a flexible asset allocation.

The IA Flexible Investment Sector is a Comparator Benchmark of the Fund.

CHANGE OF FUND NAME

On 1 October 2023, the name of the Fund changed from TB Wise Multi-Asset Growth to WS Wise Multi-Asset Growth.

WS WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 August 2023 (%)			
	6 months	1 year	3 years	5 years
WS Wise Multi-Asset Growth – B Shares	(4.69)	0.81	27.79	31.48
WS Wise Multi-Asset Growth – W Shares[1]	(4.58)	1.05	28.74	33.12
Cboe UK All Companies Index*	(3.56)	5.47	36.45	18.36
UK Consumer Price Index*	2.35	6.34	20.53	22.91
IA Flexible Investment Sector**	(0.44)	(0.02)	12.14	16.76

	Rolling 5 year returns for the periods ended 31 August 2023 (%)				
	2023	2022	2021	2020	2019
WS Wise Multi-Asset Growth – B Shares	31.48	38.19	81.06	55.55	47.07
WS Wise Multi-Asset Growth – W Shares[1]	33.12	39.93	N/A	N/A	N/A
Cboe UK All Companies Index*	18.36	17.03	31.44	16.57	31.10
UK Consumer Price Index*	22.91	18.59	11.10	8.28	8.18
IA Flexible Investment Sector**	16.76	22.19	46.34	38.35	36.70

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

** Target Benchmark. ** Comparator Benchmark.*

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.

Market Background

The 6-month period in review saw a high level of uncertainty about the future path of economic growth and inflation, leading to sharp shifts in interest rates expectations in a tug-of-war game with a regularly changing upper hand. The debate in global financial markets has not so much focussed on differing economic outlooks, but rather on different expectations of how central banks will react to economic data. Without a doubt, during the period, central bankers indeed moved to data-dependency modes, admitting that they failed to forecast how sticky inflationary pressures will be. With little clear direction on whether inflation is close to peaking and, if so, whether it will come back down sharply or stay elevated, and on how resilient the economy will be, financial markets were driven by the monthly cycle of economic data releases and central banks meetings. The market's myopic focus on short-term data runs counter to our investment process focused as it is on taking a medium to long-term perspective.

To put things in context, bank rates moved from 4.75% to 5.50% in the US (3 rate hikes), from 4% to 5.25% in the UK (4 rate hikes including one of 0.50% in June), and from 2.50% to 3.75% in the Eurozone (4 rate hikes including one of 0.50% in March). The hiking cycle since the beginning of 2022 has not only been relentless with rate increases most months, but also of an unprecedented magnitude since the 1970s. This is a new era for many investors as well as policy makers, having lived with near 0% interest rates since the Great Financial Crisis (GFC) of 2007-09 and having not had to face significant levels of inflation in the past 40 years. It explains why investors are struggling so much to adjust their expectations. Another factor is also, of course, how notoriously difficult it is to predict inflation levels since its sources are not always well understood or known (is inflation imported or are domestic factors at play?) and the tools to fight it are imprecise. Across all developed regions, inflation proved stickier than anticipated, despite generally exhibiting signs of peaking. The main concern for central bankers is not so much headline inflation which is largely driven by external factors such as energy and food prices over which interest rates have little impact. Instead, it is the core inflation (inflation stripped out of those volatile energy and food prices) which they tend to focus on and it has proved much more resilient to rate hikes so far than ideal, particularly due to strong wage growth. In the UK, the most extreme case of sticky inflation over the period with core inflation continuing to rise, wage growth reached an annual record of 7.8% for the three-month to June, illustrating the difficult task for the Bank of England in the face of a strong jobs market where the balance of power remains tilted towards employees. Increasingly, the only reasonable path out of the inflation problem looks like a recession engineered by central banks, which is not an appealing prospect for investors, but would still be a better one than a scenario where inflation becomes so embedded that it becomes a structural issue like in the 1970s.

Looking at changes in interest rates expectations during the period is one of the best means to understand the tug-of-war at play and the volatility experienced by financial markets. In the US, in March, investors started with expectations of end-of-2023 bank rates of ~5.50% before dropping to 4% later that month after the collapse of several regional banks (more on that later) and spending the next 5 months grinding their way back up to 5.50%. That picture was very similar in the Eurozone, which fluctuated between 4% and 3% and back. The UK, however, in a different place due to its stickier inflation problem, saw expectations start at ~4.75%, drop to 4%, reach a high of 6.25% before settling down ~5.50%. These moves are extremely wild for what are some of the most liquid and followed instruments in financial markets. They are also the most critical ones since all assets are valued using those so-called risk-free rates.

In other developments of significance during the period, more uncertainty was injected in the system in the spring when two (initially and a couple more later) US regional banks collapsed, bringing back memories of the GFC. Those collapses did not prove systemic, however, and were caused by factors specific to those institutions, namely high concentration of their client types, large average deposit sizes and poor risk management. While idiosyncratic in their nature, those collapses were still an illustration of the impact tightening financial conditions (i.e. higher interest rates) have -and will have- on the economy: interest rates cannot rise by so much so quickly without any breakage. While it is near impossible to predict where the next cracks will appear, one can be confident that there will be more.

Finally, China also found itself in a difficult position, having been on its own trajectory since the beginning of the Covid pandemic in 2020. After re-opening its economy in Q4 2022, its recovery proved much more tepid than expected, hurt by low consumption, rising youth unemployment, and persisting issues in the property development sector which represents ~25% of its economy. As such, at the end of the period, it reported its worst declines in both exports and imports for the past three years and was fighting deflation, in sharp contrast with the situation in developed markets.

Given the uncertainty described above and the ever-changing conditions and expectations, one could have expected equities to perform worse than they did. However, other than the UK and China, performance elsewhere was robust. The most notable performer were US equities which benefitted from a strong show, yet again, from -mainly- large growth companies, boosted by great enthusiasm about Artificial Intelligence (AI). Over the period, global growth companies outperformed global value ones by more than 10%, with investors seemingly keen to jump on the positive AI story, irrespective of already high valuations in the technology sector and the high risks that abound. Bonds were neutral overall despite some volatility due to interest rates expectations changes. When it comes to commodities, the ones closely linked to Chinese demand (industrial metals) suffered over the period, but gold played its safety role and oil rebounded strongly on the back of strong global demand and a cut in production from the Organisation of the Petroleum Exporting Countries (OPEC).

Performance

After a strong last quarter in 2022 and good start of 2023, the 6-month review period began at a relative high and performance to the end of August was poor at -4.7%, behind both the Cboe UK All Companies Index (-3.6%), UK Consumer Price Index (2.4%) and the IA Flexible Investment sector (-0.4%). This put our Fund in the bottom quartile (bottom 25%) of funds in our peer group. However, over one year, the Fund remains ahead of its peers, and it is top quartile over 3-5-10 years and since inception in 2004. Unfortunately, short periods of underperformance are relatively common, a result of our focus on medium to long-term returns which implies looking through short-term volatility. As an illustration, going back to the inception of this Fund in April 2004, our Fund outperformed the UK equity market "only" 54% of months based on 6-month total returns (i.e. based on monthly 6-month rolling returns) or 1-year total returns. Our hit rate increases to 69%, however, looking at 3-year total returns (i.e. the Fund outperformed the UK market over 3 years on 69% of months) and 5-year total returns. Finally, on a 10-year returns basis, our Fund outperformed the UK market in 81% of months. The point of this analysis is to demonstrate that duration of holding periods matters and that, the longer one holds our Fund, the greater the chances of outperforming our benchmark.

That said, even with our objectives focused on the medium-term (which we define as 5 years), it is disappointing to report some underperformance over the period, particularly since we have correctly erred on the side of caution in anticipation of rising volatility since February. Before discussing individual contributors and detractors, a large driver of our negative performance this period was discount widening of the investment trusts we hold in the Fund. We talked in detail over the years about how performance in investment trusts tends to be amplified because excitement/fear about the underlying assets they invest in translates into tighter/wider discounts, thus compounding the rise/fall of those assets. During the period, fears of higher interest rates for longer in the UK led to increased recessionary concerns which hurt domestically oriented UK equities. While our Fund's direct UK exposure is only ~16%, all of our investment trusts (66% of the portfolio) are listed there. Moreover, the trusts and assets we tend to favour are not in the largest companies, because we find many more pricing opportunities away from mainstream names. Over the period, the UK medium-sized companies index underperformed its large companies counterpart by 1.4%, due of its greater exposure to domestic companies. Many of our investment trusts form part of that index and, as is often the case in panic-driven weaknesses, were sold indiscriminately as part of that basket of names, thus driving discounts wider. Looking at the entire universe of investment trusts in the UK, discounts widened by ~2.6% between the end of February and the end of August 2023. This headline figure hides some greater moves which, although of limited impact to our Fund, are still worth highlighting, such as Property investment trusts discounts widening by ~8% and Infrastructure ones widening by ~13%. The more interest rates sensitive the strategy, the more impacted they were, but the impact was widespread, creating a headwind for our approach. Our focus on investment trusts and small/medium sized companies has historically been a strong contributor to our good long-term performance but there are periods of time (usually short) when it proves detrimental.

The long-term benefits of our approach traditionally outweigh the short-term volatility though, so we continue to believe our strategy will deliver on its objectives.

On a holdings specific basis, without much surprise given the backdrop described above, our worst performers were found in UK smaller companies (**Odyssean**, **Aberforth Smaller Companies**) and interest rates sensitive infrastructure names (**Ecofin Global Utilities and Infrastructure** –whose discount widened more than 10%, **Premier Miton Global Infrastructure Income**). Financials and Commodities, two sectors largely held by our more value-oriented managers thanks to strong balance sheets, good cashflow generation and attractive valuations, were also detractors to our performance, either directly (**Polar Capital Global Financials Trust**, **Baker Steel Resources Trust**) or indirectly (**Lightman European**, **Fidelity Special Values**).

On the positive front, our Defensive names held their own and helped protect capital (**Jupiter Gold & Silver**, **Pacific G10 Macro Rates**, **Fulcrum Diversified Core Absolute Return**), highlighting the appeal of tactical trading strategies in these volatile times. Despite weakness in China dragging the whole region down, **Fidelity Asian Values** performed well, a testament of how uncorrelated to broader market developments stock-picking strategies can be. Finally, our private equity names also helped, continuing to report Net Asset Values (NAV) that defy the gloomy valuations that have plagued the sector for months. As an added bonus, some very positive developments were announced at **Pantheon International**, our largest holding in that space and one of the largest in the Fund overall. We have talked for some time about how anomalously wide the discounts in the listed private equity sector have been, and this has been the key reason for increasing our positions. While in a "normal" environment, investors would spot those valuations anomalies, buy the shares, and help bring the discount back to at least an average level, if the anomaly persists, one would like to see support from the board of the trust. This support would typically take the form of share buybacks where the company buys its own shares back. This is not only a strong signal to the market that the people closest to the trust believe it is trading too cheaply but is also value accretive because a reduction in the number of outstanding shares increases the ownership stake for remaining shareholders. A share buyback might not always be appropriate, however, for example if a trust is small already (it further reduces the size of the trust), if it hasn't sufficient liquidity to buy the shares, or if the managers can find better investment opportunities elsewhere. None of those is an issue for Pantheon International which has a market capitalization of ~£1.5bn, has net cash available and, with a discount of 46% offers an upside potential hard to find elsewhere in the private market. As such, the board had already bought ~£20m shares back in the past year but, in its annual results at the beginning of August, its chairman made as supportive an announcement as possible by committing up to £200m to buybacks this financial year and, as importantly, dedicating a proportion of the Company's net cash flow to share buybacks thereafter. This means that buybacks are now an explicit part of the investment strategy, as opposed to an after-thought, sending a strong message that, as long as the discount remains as wide as it currently is, the company will be supporting its share price by buying and cancelling shares. This helped send the price of the trust to its highest level in a year and has turned Pantheon into an example of what strong corporate governance should look like. This was an announcement we can only hope to see replicated by other boards across the sector.

Allocation Changes

This interim period was characterised by cautiousness in our asset allocation and a reluctance to chase ever higher valuations in the face of an uncertain macro-economic environment, likely to end up in an engineered recession. As such, cash was our first line of defence early in the period, as a means to take a pause for breath after very strong market performance in Q4 2022 and beginning of 2023. Extreme gyrations in the market's assessment of future interest rates and increasing divergence between equities and bonds markets, led us to gradually increase cash to reach a high close to 7% in April. The mini-banking crisis of March illustrated the benefits of an approach we have favoured for years: when something does not seem right, it is always best to err on the side of caution and one should not be afraid of managing cash actively. This does not mean that we predicted the crisis itself but, like in the summer 2022 ahead of the UK "mini-budget" chaos, when strong dispersion and a degree of complacence appear in financial markets, little protection is provided against the unexpected and stretched valuations correct much quicker than average or cheap ones. Raising cash is also a means to take a step back for a short period of time, reassess conditions **and stay on the** front foot with dry powder ready to be deployed when opportunities inevitably present themselves. As it became apparent that the banking crisis was not going to be systemic, we gradually deployed some of our cash into our Defensive assets (**Pacific G10 Macro Rates**, **Fulcrum Diversified Core Absolute Return**), maintaining our wariness about investors' future interest rates expectations, but giving ourselves the ability to generate performance in both up and down markets thanks to those very targeted and risk-controlled trading strategies.

We also increased our exposure to gold (**Jupiter Gold & Silver**) as a hedge against a stickier inflation scenario and/or a recession. We also increased our allocation to two sectors which present attractive characteristics through their underlying assets and defensiveness thanks to their cheap valuations: listed private equity and healthcare. The former, which we mentioned in the previous section, is an area that has suffered from sharp discounts widening since the post-Covid recovery in 2021. The sector moved from trading at par (i.e. price the same as the NAV) in Q3 2021 to an average 40% discount by March 2023. Many investors felt concerned about valuations in the private sector, casting doubts about methodologies and waiting for the lag between private and public valuations to be filled after public markets repriced lower. While the lag argument certainly had our sympathy and was in our expectations too, each NAV report from the listed private equity managers consistently showed that growth in their underlying holdings remained generally robust and that, for many of them, Covid was a blip they had more than fully recovered from. Following our names closely, these comments applied to all of them, so we were thus keen to take advantage of stretched under-valuations in the sector. Being heavily weighted towards Pantheon International, Oakley Capital and Caledonia Investments (2/3 in private equity) already, we added a new position in the **ICG Enterprise Trust**, a manager focusing on resilient growth stories in private markets which we already owned in the past, at ~45% discount.

Healthcare and biotechnology is an area we have added to since the start of 2022, attracted by the structural tailwinds of supportive demographics (ageing population in increasing need for care) and a boom in innovation leading to a plethora of new drugs coming to the market (illustrated beautifully by the speed at which Covid vaccines were developed in 2020). The sector suffered a hangover after strong performance in Covid times, to a point where valuations are now as attractive as they have ever been. Moreover, a spate of older drugs reaching the end of their patent protection at large pharmaceutical companies should lead to an explosion in acquisitions of smaller biotechnology companies as the only way for larger players to inject growth in their businesses. All those characteristics make the sector very appealing at present. As such, we increased our allocation to **Worldwide Healthcare**, as well as added a new position in **RTW Biotech Opportunities**. This trust is unique in the space by bridging the gap between private and public markets, investing in companies from their earliest private stages (even founding some of them) and nurturing them all the way to fully fledged listed companies. This full lifecycle approach is extremely compelling and brings a complementary angle to our other biotechnology holdings. The sector and this particular approach can be volatile but, with the sector historically cheap and the trust itself trading at 30% discount to NAV, the margin of safety is attractive.

Other than those large changes, as always, we were active in rotating the portfolio between winners and losers, this strategy being an integral part of our value discipline. As such, we took some profits in some of our more successful equity strategies principally in Asia (**Fidelity Asian Values**), Japan (**AVI Japan Opportunities**) and Europe (**European Smaller Companies**, **Henderson EuroTrust**). Those were recycled into underperforming areas such as Property (**TR Property**), Infrastructure (**Ecofin Global Utilities & Infrastructure**, **Premier Miton Global Infrastructure Income**) and Emerging Markets (**KLS Corinium EM**, **Fidelity China Special Situations**). Uncertain environments like the one we are currently in necessitate nimbleness. Active management allows to lock profits in as and when they occur and constantly recycle those into better valued opportunities.

WS WISE MULTI-ASSET GROWTH, INVESTMENT REVIEW (CONTINUED)

The asset allocation as at the period end is shown below:

Sector	Asset allocation as at 31 August 2023 (%)	Asset allocation as at 28 February 2023 (%)
Absolute Return	2.1	1.2
Asia	3.6	4.6
Emerging Markets	10.3	9.1
Europe	9.4	10.4
Fixed Income	5.0	4.9
International	16.3	14.8
Japan	2.9	4.0
Mining and Resources	6.8	7.0
Private Equity	10.0	8.2
Property	2.1	1.8
Specialist – Biotechnology	2.9	2.8
Specialist - Financials	2.1	2.5
Specialist – Technology	1.0	1.0
Specialist – Utilities	4.5	3.6
Specialist - Healthcare	4.1	2.5
UK Growth	2.3	2.3
UK Income	2.5	2.6
UK Smaller Companies	6.8	8.2
UK Value	3.9	3.9
Cash and Other	1.4	4.6
Total	**100.0**	**100.0**

The full list of holdings at the period end is shown in the Portfolio Statement on pages 14 to 16.

Outlook

As we enter September when central banks will decide whether they have raised rates enough or whether more pain should be inflicted in order to rein inflation in, the economic environment remains febrile. It seems likely that, for the time being, data dependency will remain the order of the day, meaning that financial markets will continue to evolve at the whim of monthly data releases. For us, this means staying alert, maintaining a degree of cautiousness and focusing on opportunities that provide the greatest upside potential per unit of risk. After months of having stayed on the sidelines, we start to note other investors capitulating and throwing themselves back into the expensive large technology companies that, on the whole, continue to pull markets higher. We believe that those offer very little room for error and we prefer to avoid them altogether or find cheaper alternative ways to get exposure to those themes, like in the private markets for example.

Despite short-term disappointments, we remain confident in our strategy that has broadly remained unchanged for the past nearly 20 years and has produced strong results. As difficult as the current environment is, we believe in the quality of our managers, know that investment trusts will reward our patience by turning a double negative (negative NAVs and negative prices) into a double positive, and are excited by some of the opportunities that have been surfacing recently.

Finally, as a silver lining in what was, otherwise, a challenging period, we are pleased to announce that the WS Wise Multi-Asset Growth Fund was named Fund Manager of the Year 2023 by Investment Week in the Flexible Investment category. This award honours fund managers who have demonstrated consistently strong performance for the previous 3 years, using a combination of quantitative and qualitative metrics. It is a proud achievement for our team to have won this coveted award, particularly given the 3 years considered covered some of the most challenging and rapidly shifting market conditions since the Great Financial Crisis. The WS Wise Multi-Asset Growth Fund was the only fund in the IA Flexible Investment sector to deliver top quartile performance in each of 2020, 2021 and 2022 demonstrating our genuine multi-asset and flexible strategy. We will continue to use the same investment approach as we have since we launched the Fund in 2004 and will strive to live up to this award for the many years to come.

I would like to thank, personally and on behalf of the Wise Funds team, all our investors for their ongoing support, particularly in the current challenging times for financial markets. The Fund started the interim period with £88m under management and finished with £83m, mostly due to poor performance and some outflows.

Please feel free to contact us if you would like a meeting or have any questions.

Vincent Ropers
Fund Manager
Wise Funds Limited
Chipping Norton, United Kingdom
25 October 2023

WS WISE MULTI-ASSET GROWTH, PORTFOLIO STATEMENT

As at 31 August 2023

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Absolute Return (2.1%; 28.02.2023 - 1.2%)		
14,975	TM Fulcrum Diversified Core Absolute Return*	1,776,632	2.1
		1,776,632	**2.1**
	Asia (3.6%; 28.02.2023 - 4.6%)		
292,566	Fidelity Asian Values	1,503,789	1.8
703,738	Fidelity China Special Situations	1,474,331	1.8
		2,978,120	**3.6**
	Emerging Markets (10.3%; 28.02.2023 - 9.1%)		
1,274,500	BlackRock Frontiers	1,809,790	2.2
19,955	KLS Corinium Emerging Markets*	1,601,819	1.9
1,903,464	Mobius	2,569,676	3.1
1,730,160	Templeton Emerging Markets	2,536,415	3.1
		8,517,700	**10.3**
	Europe (9.4%; 28.02.2023 - 10.4%)		
802,508	Europe Smaller Companies Trust	1,231,850	1.5
633,430	Henderson Eurotrust	874,133	1.1
1,838,324	LF Lightman European*	2,665,570	3.2
3,081,185	TwentyFour Income	3,010,318	3.6
		7,781,871	**9.4**
	Fixed Income (5.0%; 28.02.2023 - 4.9%)		
24,923	TwentyFour Strategic Income*	3,017,408	3.6
1,653,000	VPC Speciality Lending Investments	1,157,100	1.4
		4,174,508	**5.0**
	International (16.3%; 28.02.2023 - 14.8%)		
2,127,255	AVI Global Trust	4,190,692	5.0
85,134	Caledonia Investments	2,813,679	3.4
494,747	LF Ruffer Equity & General*	3,034,286	3.7
127,441	Pacific G10 Macro*	1,357,375	1.6
2,069,474	Schroder Global Recovery*	2,115,002	2.6
		13,511,034	**16.3**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Japan (2.9%; 28.02.2023 - 4.0%)		
2,093,077	AVI Japan Opportunity	2,407,039	2.9
		2,407,039	**2.9**
	Mining and Resources (6.8%; 28.02.2023 - 7.0%)		
2,143,576	Baker Steel Resources Trust	715,954	0.9
358,788	BlackRock World Mining Trust	2,109,673	2.5
168,490	Jupiter Gold & Silver*	2,822,473	3.4
		5,648,100	**6.8**
	Private Equity (10.0%; 28.02.2023 - 8.2%)		
711,000	Oakley Capital	3,185,280	3.8
1,278,877	Pantheon International	3,561,673	4.3
141,900	ICG Enterprise Trust	1,529,682	1.9
		8,276,635	**10.0**
	Property (2.1%; 28.02.2023 - 1.8%)		
625,808	TR Property Investment Trust	1,780,424	2.1
		1,780,424	**2.1**
	Specialist - Biotechnology (2.9%; 28.02.2023 - 2.8%)		
371,391	International Biotechnology	2,391,758	2.9
		2,391,758	**2.9**
	Specialist - Financials (2.1%; 28.02.2023 - 2.5%)		
1,255,950	Polar Capital Global Financials	1,730,699	2.1
		1,730,699	**2.1**
	Specialist - Technology (1.0%; 28.02.2023 - 1.0%)		
45,537	Herald Investment Trust	805,094	1.0
		805,094	**1.0**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Specialist - Utilities (4.5%; 28.02.2023 - 3.6%)		
934,416	Ecofin Global Utilities and Infrastructure	1,597,851	1.9
1,706,787	Premier Miton Global Infrastructure Income*	2,147,139	2.6
		3,744,990	**4.5**
	Specialist - Healthcare (4.1%; 28.02.2023 - 2.5%)		
821,850	Worldwide Healthcare Trust	2,539,517	3.1
880,000	RTW Biotech Opportunities	861,723	1.0
		3,401,240	**4.1**
	UK Growth (2.3%; 28.02.2023 - 2.3%)		
1,053,120	Man GLG UK Undervalued Assets*	1,949,325	2.3
		1,949,325	**2.3**
	UK Income (2.5%; 28.02.2023 - 2.6%)		
492,516	JOHCM UK Equity Income*	2,099,596	2.5
		2,099,596	**2.5**
	UK Smaller Companies (6.8%; 28.02.2023 - 8.2%)		
226,984	Aberforth Smaller Companies	2,778,284	3.4
1,755,085	Odyssean Investment Trust	2,018,348	2.4
74,445	WS Amati UK Listed Smaller Companies*	817,529	1.0
		5,614,161	**6.8**
	UK Value (3.9%; 28.02.2023 - 3.9%)		
1,201,817	Fidelity Special Values	3,208,851	3.9
		3,208,851	**3.9**
	Portfolio of investments	**81,797,777**	**98.6**
	Net other assets	**1,189,691**	**1.4**
	Total net assets	**82,987,468**	**100.0**

**Holdings in collective investment schemes are traded on regulated markets. All other holdings are Investment trusts listed on recognised stock exchanges.*

WS WISE MULTI-ASSET GROWTH, COMPARATIVE TABLE

B Accumulation Shares	1 Mar 2023 to 31 Aug 2023 (pence per share)	1 Mar 2022 to 28 Feb 2023 (pence per share)	1 Mar 2021 to 28 Feb 2022 (pence per share)	1 Mar 2020 to 28 Feb 2021 (pence per share)
Change in net assets per share				
Opening net asset value per share	459.28	441.90	407.84	323.20
Return before operating charges*	(22.74)	21.23	38.06	87.74
Operating charges	(1.99)	(3.85)	(4.00)	(3.10)
Return after operating charges*	(24.73)	17.38	34.06	84.64
Distributions	(3.79)	(7.49)	(3.21)	(3.19)
Retained distributions on accumulation shares	3.79	7.49	3.21	3.19
Closing net asset value per share	434.55	459.28	441.90	407.84
* after direct transaction costs of:	0.17	0.47	0.42	0.24
Performance				
Return after charges	(5.38)%	3.93%	8.35%	26.19%
Other information				
Closing net asset value	£52,781,404	£53,972,657	£47,595,880	£30,721,969
Closing number of shares	12,146,135	11,751,679	10,770,824	7,532,799
Operating charges (p.a.)	1.94%	1.90%	1.15%	1.20%
Direct transaction costs (p.a.)	0.08%	0.11%	0.09%	0.07%
Prices				
Highest published share price	464.79	472.04	474.11	420.90
Lowest published share price	430.13	401.94	410.35	248.87

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.

WS WISE MULTI-ASSET GROWTH, COMPARATIVE TABLE (CONTINUED)

W Accumulation Shares	1 Mar 2023 to 31 Aug 2023 (pence per share)	1 Mar 2022 to 28 Feb 2023 (pence per share)	1 Mar 2021 to 28 Feb 2022 (pence per share)	1 Mar 2020 to 28 Feb 2021 (pence per share)
Change in net assets per share				
Opening net asset value per share	466.62	447.84	412.29	325.91
Return before operating charges*	(23.16)	21.58	38.45	88.64
Operating charges	(1.46)	(2.80)	(2.90)	(2.26)
Return after operating charges*	(24.62)	18.78	35.55	86.38
Distributions	(4.35)	(8.71)	(4.39)	(4.08)
Retained distributions on accumulation shares	4.35	8.71	4.39	4.08
Closing net asset value per share	442.00	466.62	447.84	412.29
* after direct transaction costs of:	0.18	0.48	0.42	0.24
Performance				
Return after charges	(5.28)%	4.19%	8.62%	26.50%
Other information				
Closing net asset value	£30,206,064	£34,230,881	£35,208,288	£33,998,623
Closing number of shares	6,833,907	7,335,989	7,861,855	8,246,304
Operating charges (p.a.)	1.69%	1.65%	0.90%	0.95%
Direct transaction costs (p.a.)	0.08%	0.11%	0.09%	0.07%
Prices				
Highest published share price	472.24	479.50	480.14	425.46
Lowest published share price	437.35	407.98	414.85	250.99

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.

WS WISE MULTI-ASSET GROWTH, STATEMENT OF TOTAL RETURN
For the six-month period ended 31 August 2023

		31.08.23		31.08.22
	£	£	£	£
Income				
Net capital losses		(5,508,487)		(2,418,552)
Revenue	1,117,483		924,110	
Expenses	(346,306)		(332,391)	
Net revenue before taxation	771,177		591,719	
Taxation	(155)		-	
Net revenue after taxation		771,022		591,719
Total loss before distributions		**(4,737,465)**		**(1,826,833)**
Distributions		(771,008)		(591,719)
Change in net assets attributable to shareholders from investment activities		**(5,508,473)**		**(2,418,552)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the six-month period ended 31 August 2023

		31.08.23		31.08.22
	£	£	£	£
Opening net assets attributable to shareholders		**88,347,334**		**82,945,392**
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares	8,503,984		10,421,534	
Amounts payable on cancellation of shares	(9,113,504)		(6,121,266)	
		(609,520)		4,300,268
Change in net assets attributable to shareholders from investment activities		(5,508,473)		(2,418,552)
Retained distributions on accumulation shares		758,127		605,783
Closing net assets attributable to shareholders		**82,987,468**		**85,432,891**

WS WISE MULTI-ASSET GROWTH, BALANCE SHEET
As at 31 August 2023

	31.08.23 £	28.02.23 £
Assets:		
Fixed assets:		
Investments	81,797,777	84,271,215
Current assets:		
Debtors	154,065	1,982,126
Cash and bank balances	1,395,928	2,617,146
Total assets	**83,347,770**	**88,870,487**
Liabilities:		
Creditors:		
Other creditors	360,302	523,153
Total liabilities	**360,302**	**523,153**
Net assets attributable to shareholders	**82,987,468**	**88,347,334**

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 2023.

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 and amended in June 2017.

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.

WS WISE MULTI-ASSET GROWTH, DISTRIBUTION TABLE

For the six-month period ended 31 August 2023

Interim Distribution (31 August 2023)

Group 1 - Shares purchased on or prior to 28 February 2023
Group 2 - Shares purchased after 28 February 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid/Accumulated 31.10.23 (pence)	Paid/Accumulated 31.10.22 (pence)
B Accumulation				
Group 1	3.7933	-	**3.7933**	**2.8521**
Group 2	2.0752	1.7181	**3.7933**	**2.8521**
A Accumulation				
Group 1	N/A	N/A	**N/A**	**1.2559**
Group 2	N/A	N/A	**N/A**	**1.2559**
W Accumulation				
Group 1	4.3515	-	**4.3515**	**3.4514**
Group 2	1.9757	2.3758	**4.3515**	**3.4514**

[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.

WS WISE MULTI-ASSET INCOME, AUTHORISED STATUS

WS Wise Multi-Asset Income (the 'Fund') is a sub-fund of WS Wise Funds with investment powers equivalent to those of a UK UCITS as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is to provide an annual income in excess of 3% and to provide income and capital growth at least in line with the Consumer Price Index, over rolling periods of 5 years in each case after deduction of charges.

The Fund may have direct or indirect exposure to multiple asset classes. At any one time, between 40 – 85% of the Fund will be directly or indirectly exposed to equities. The balance of the Fund will be exposed, in any combination to one or more of: alternative asset classes, such as infrastructure, clean energy, commodities, property and private equity; fixed interest securities (government or corporate bonds (which may include high-yield bonds)); money market instruments; deposits; cash and near cash. Exposure to alternative asset classes will always be indirect.

Indirect exposure will be obtained through investments in closed-ended collective investment funds (such as investment trusts and REITs) and open-ended collective investment schemes (such as unit trusts, OEICs and ETFs), which may include those managed by the ACD and its associates (together 'collective investment vehicles').

The Fund's portfolio will be diversified by reference to various factors such as industry, geography or asset class, although there is no restriction on allocations between different factors. The Investment Manager may also, where it considers appropriate, manage the portfolio on a more concentrated basis by holding fewer than 30 holdings. This could be, for example, where the Investment Manager decides to increase its backing of certain managers, thus reducing the tail of holdings, or during adverse market conditions where the Investment Manager may consider it in the best interests of shareholders to allocate a greater proportion of the portfolio to cash.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management"). It is intended that the use of derivatives will be limited.

The Fund is actively managed. The Investment Manager aims to construct a portfolio of "best-in-class" collective investment vehicles and companies that demonstrate a commitment and ability to deliver consistent income, in asset classes that it expects to benefit from favourable market conditions, and at valuations which the Investment Manager considers are attractive at the point of purchase. This approach is research-intensive and involves consideration of many factors in relation to both the wider economic environment and individual holdings. By focusing both on direct and indirect investments, research on each element of the portfolio benefits the other. The Investment Manager is purposely using a broad investment universe as it offers the best opportunity in seeking to achieve the Fund's objectives in an everchanging world.

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 cost 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 Comparative Tables on pages 36 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%.

WS WISE MULTI-ASSET INCOME, RISK PROFILE

A limited number of investments may be held which has the potential to increase the volatility of performance.

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 (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.

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 one to seven. 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 six because it invests in a variety of asset classes, but with a bias towards shares.

FUND BENCHMARKS

The Fund aims to provide income and capital growth for investors in real terms in line with the risk profile of the Fund. The Consumer Price Index is a measure of UK inflation, and so is considered an appropriate measure of what constitutes a return in real terms for these purposes.

The Consumer Price Index is a Target Benchmark of the Fund.

Shareholders may wish to compare the Fund's performance against the Investment Association's ('IA') 40 – 85% Sector as that will give investors an indication of how the Fund is performing compared with others investing in a similar but not identical investment universe. The IA Mixed Investment 40 – 85% Sector is considered to be an appropriate comparator because the Fund meets the threshold requirements, and it reflects the asset allocation of the Fund.

The IA Mixed Investment 40-85% sector is a Comparator Benchmark of the Fund.

CHANGE OF FUND NAME

On 1 October 2023, the name of the Fund changed from TB Wise Multi-Asset Income to WS Wise Multi-Asset Income.

WS WISE MULTI-ASSET INCOME, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 31 August 2023 (%)			
	6 months	1 year	3 years	5 years
WS Wise Multi-Asset Income – B Income Shares	(5.01)	(3.36)	40.31	14.34
WS Wise Multi-Asset Income – W Income Shares[1]	(4.93)	(3.18)	41.22	15.62
UK Consumer Price Index*	2.35	6.34	20.53	22.91
IA Mixed Investment 40-85% Sector**	(0.24)	0.35	10.45	14.85

	Rolling 5 year returns for the periods ended 31 August 2023 (%)				
	2023	2022	2021	2020	2019
WS Wise Multi-Asset Income – B Income Shares	14.34	18.28	39.94	15.15	31.66
WS Wise Multi-Asset Income – W Income Shares[1]	15.62	19.66	N/A	N/A	N/A
UK Consumer Price Index*	22.91	18.59	11.10	8.28	8.18
IA Mixed Investment 40-85% Sector**	14.85	19.96	41.99	35.71	36.30

Performance based on income share classes.

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

**Target Benchmark ** Comparator Benchmark.*

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.

Market Background

The six-month period under review started against a backdrop of the early optimism at the start of the year around the outlook for inflation and growth being challenged. Entering the year, market hopes had grown that 2023 might turn out to produce a 'goldilocks' year for economic growth. In this environment growth and inflation are neither too hot nor too cold, allowing central bankers to ease monetary tightening (interest rate rises) without the economy having already fallen into recession in order to do so. By the end of January, however, this narrative had already started to break down as growth in the US economy, in particular, was proving stronger than expected despite the rapid succession of interest rate rises already announced by the Federal Reserve. Whilst there is always a lag between an interest rate rise and the point at which the impact of that monetary tightening is felt in the economy, the last six-month period provided central bankers with limited firm evidence either that domestically generated inflation in the economy was falling at a sufficient pace or that the engines of economic growth were cooling down fast enough. As a result, markets have had to reassess both the point at which they expect interest rates to peak as well as the length of time interest rates are likely to remain at elevated levels. Not all economies have been running at the same speed, however, with inflation proving stickier in the UK whereas the US has been more successful in seeing its efforts to tame inflation rewarded over the period. Despite the volatility of monthly sets of economic data and the danger of placing too much emphasis on a single month's information, markets have been keenly watching any news and reacting skittishly to anything that supports or dents hopes that inflation might be being brought back under control.

The US Federal reserve has been the most aggressive central bank to increase interest rates this cycle and entered the period with interest rates already at 4.75%. At the start of the period the economic data gave mixed messages as to whether measures to curb inflation were biting. Whilst headline inflation had peaked in June 2022 at 9.1% and had fallen to 6.0% by February this year, core inflation (which strips out more volatile energy and food inflation) remained persistently high at 5.5%, well above the 2% level that US federal Reserve target when setting interest rates. Whilst Q1 economic growth came in weaker than expected, with clear signs of weakness in business confidence and the manufacturing sector, an unexpected increase in core inflation in March extinguished any hopes that the pace of monetary tightening could be eased. Buoyant consumer spending, helped by drawing down excess savings built up over Covid, and jobs growth increasing at nearly double the rate expected in June failed to provide the evidence needed that the domestic drivers of inflation were abating. Towards the end of the period, however, there was broader support to the counterargument that tightening rates further might risk tipping the economy into recession and that a pause was warranted in order to let the lagged impact of previous policy action work its way through the system. In August, US business activity surveys indicated that there had been a sharp recent decline in activity and that the global economy was teetering on the edge of stagnation. Whereas previous weakness had been concentrated in manufacturing, it became clear that weakness had started to spread to services sector of the economy too. Over the six-month period the Federal Reserve has increased interest rates a further 0.75% to 5.5%, the level where markets now expect interest rates to peak and remain through to the end of 2023. Notwithstanding the ebbs and flows in the market's views around the strength of the economy during the period, this was broadly the same level expected at the start of the period. This masks significant volatility over the period, however, as during March investors digested the collapse of two regional US banks and the hurried merger of Credit Suisse with UBS in Europe, as the fastest tightening of monetary policy in decades exposed fractures in the global banking system. Markets were quick to question the extent to which the issues that caused these banks to fail were due to specific mismanagement or were more systemic in nature and could lead to financial contagion, as experienced during the Global Financial Crisis of 2008. The initial response was to lean towards the latter view and saw investors conclude that risks to economic growth from a dysfunctional banking system would only be accentuated by further rate tightening. As the period unfolded, however, markets became more sanguine that these issues were in fact more bank specific and unlikely to lead to wider contagion. Silicon Valley Bank, the first of the two US banks to fail, was in many ways unique. Its deposit base was not made up of thousands of government-guaranteed retail deposits of less than $250k, rather it was highly concentrated into a small number of technology related companies, who themselves were experiencing funding strain and were able to withdraw their money overnight. The bank had then invested those deposits into long-dated, but theoretically 'low-risk' government bonds. Their value in the market had fallen to reflect the relative unattractiveness of the yield they had been issued at purchase as interest rates had risen. None of this would have mattered had the bank been able to hold these investments to maturity at which point it is highly likely they would have been repaid in full by the US government, however, large theoretical losses on the bank's balance-sheet when applying tradeable market prices to these holdings caused the deposit base to panic that their cash was no longer safe and demand repayment. In order to do so, the bank was forced to sell these assets and thereby crystallise a loss which turned a liquidity crisis into a capital crisis. This set of circumstances is relatively unique to the regional US banking sector, which has enjoyed a relatively lighter-touch regulatory framework over the last decade, so there is limited read-across to larger US and European banks where there has been a significant overhaul of the global banking regulation since 2008, with significant improvements in the amount of capital banks are required to hold as well as their leverage and their liquidity. In some ways it was more concerning, therefore, that Credit Suisse, a bank that has suffered from a series of recent scandals, but which had good liquidity, a more stable deposit base and plenty of capital and support from the Swiss central bank over the course of a weekend was forced into an emergency merger with its national rival. Furthermore, the way the Credit Suisse merger was enacted caused some turmoil in a particular part of the bond market that emerged immediately post the financial crisis. A specific type of bank debt, called Additional Tier 1 bonds (or AT1), was designed to convert into equity in the event the bank looked as if it was no longer viable, or its capital position fell below a pre-determined level. The convention has always been that bond investors sit in a senior position in the hierarchy to equity investors, so losses would only be felt by bondholders once equity investors have already been wiped out. This was not the case at Credit Suisse with equity holders retaining some value whilst bond holders of these AT1 bonds lost everything. Although both the Bank of England and the European Central Bank were quick to state they disagreed with the Swiss regulatory approach, this caused specific weakness in this part of the bond market over the period.

Despite this volatility at the start of the period, investors became more relaxed during the course of the subsequent five months that central banks would not need to deviate from their prior course of interest rate hikes and that rates were likely to peak at the same level where expectations started at the end of February. Where expectations in the US have changed, is around the length of time interest rates are likely to remain at elevated levels. Previously, investors expected interest rates to start coming down in 2024. Whilst the market still expects interest rates to fall in 2024, expectations are now for them to end 2024 c.0.5% higher than previously hoped.

Inflation has fallen at different rates in different countries, with the US leading the way, the Eurozone following behind and the UK standing out as suffering from more persistent inflation. The broad picture for interest rates in the Eurozone was similar to the US. Despite intra-period volatility, investor expectations of where they now see interest rates ending the year have changed little since February, albeit with rates having had to rise faster than in the US as the European Central Bank plays catch up against the Federal Reserve, which has already tightened more aggressively. Interest rates have risen 1.25% over the period and investors now expect the latest 0.25% rate rise in September to be the last.

The UK, however, has seen a significant reassessment by investors as to how much further tightening was necessary to curb inflation over the last six months. Whereas at the start of the period investors hoped interest rates would only have to rise a further 0.75% from 4%, stronger inflation data in May and June, led to a significant reassessment from the Bank of England both of the economic outlook and consequently the direction of future interest rates. In May, core inflation (which excludes more volatile elements) rose from 6.2% to 6.8% (versus expectations of a fall to 6.0%). This represented its highest level since 1992 and lead to a sharp repricing of government debt in bond markets. The services sector of the economy has continued to perform stronger than expected and wage growth has continued to surprise positively, both of which forced the Bank of England to admit their forecast of a shallow but protracted recession was well wide of the mark. At the worst moment in the period, investors forecast rates would have to rise above 6% by December this year, higher than was expected in the aftermath of the "mini-budget" in September 2022. Whilst these fears have receded somewhat, investors now expect one further interest rate rise this year to 5.5% and for interest rates to end next year 0.75% higher than they thought they would six months ago.

Whilst the broad outlook for economic growth has been more positive than feared, there has been one notable pocket of weakness during the period. China's economy has failed to rebound as strongly as hoped following the relaxation of Covid restrictions, with trade exports and weakness in the property sector mainly to blame. Lending rates were cut for the first time in a year as authorities attempted to reignite economic growth although so far stimulus measures have not been sufficiently large to convince investors that growth will rebound quickly.

Given the backdrop above of heightened volatility and the expectation that interest rates are likely to stay restrictively high for longer, it is perhaps surprising that equity market performance was as strong as it has been in the first half of the year. With the exception of the UK and China, global equity markets have delivered positive performance over the period. The US market was notably strong, driven by a concentrated number of large technology companies fuelled by enthusiasm around Artificial Intelligence (AI). The dispersion in performance between global growth companies and value companies was marked and a wide gulf has re-opened in valuations between these two segments of global equity markets. Global bond markets were neutral over the period, with high income yields offsetting moderate capital losses. UK bond markets, however, were negative reflecting the expectation that interest rates would need to move materially higher to curb inflation. The performance of commodity markets diverged, with those commodities most exposed to demand from China, such as copper and iron ore, seeing prices fall whereas energy prices (oil & gas) rose, reflecting stronger than expected economic growth and a cut in supply from the Organisation of the Petroleum Exporting Countries (OPEC).

Performance

Given the market backdrop outlined above, our focus on income generation and the value bias of our process, the Fund's performance was weak over the period. Over the six months of this report, to 31st August 2023, WS Wise Multi-Asset Income made a total return of -5.0% (B Income Shares). Over this time, we underperformed the Consumer Price Index (CPI), which measures inflation and as explained above rose strongly by 2.4%. We underperformed our comparator benchmark, the IA Mixed Investment 40-85% Sector, which fell 0.2%. Over 5 years as per our objective, on a total return basis, the Fund has risen 14.3% compared to a rise of 22.9% for CPI, although this remains broadly in line with the comparator benchmark, which has risen 14.9% over the same time period. The distribution per share for the six-month period rose strongly over the period at 3.56p compared to 3.24p for the same period last year. This represents strong growth in the distribution year on year of over 10% and we expect the full year distribution to grow strongly in excess of CPI.

It is disappointing to report on a negative period of performance for the Fund. Having rebounded strongly after the Covid pandemic, the headwind we have faced as interest rates normalise from abnormally low levels has proved particularly challenging, in spite of our initial caution around low yields and our disciplined focus on valuation. Before discussing individual contributors and detractors, a large driver of our negative performance this period was discount widening of the investment trusts we hold in the Fund. We have talked in detail over the years about how performance in investment trusts tends to be amplified because the excitement/fear about the underlying assets they invest in can also translate into tighter/wider discounts, thus compounding the rise/fall of those assets. Over time we expect these discount anomalies to normalise and to be a source of incremental returns for investors, however, over the course of the last six months many of the trusts in which we invest have seen those discounts widen. During the period, fears of higher interest rates for longer in the UK led to increased recessionary concerns which hurt domestically oriented UK equities. Whilst these concerns impacted our UK equity funds and domestic financial holdings directly, all of our investment trusts (74% of the portfolio) are listed there. Moreover, the trusts and assets we tend to favour are not in the largest companies, because we find many more pricing opportunities away from their larger peers. Over the period, the UK medium-sized companies index underperformed its large companies counterpart by 1.4%, due of its greater exposure to domestic companies. Many of our investment trusts form part of that index and, as is often the case in periods of market weakness, were sold indiscriminately as part of that basket of names, leading to discounts being driven wider. Looking at the entire universe of investment trusts in the UK, discounts widened by ~2.6% between the end of February and the end of August 2023. This headline figure hides some greater moves, such as Property investment trusts discounts which widened by ~8% and Infrastructure trusts, which widened by ~13%. The more interest rates sensitive the strategy, the more impacted they were, but the impact was widespread, creating a headwind for our approach.

At a holding specific level, our exposure to financials whether via our direct equity holdings or through our holding in Polar Capital Global Financials caused the largest negative impact for the Fund. Fears that the benefit to revenues from higher rates could be offset by higher impairments as borrowers struggle to cope saw valuations fall across the sector. Despite the issues around the collapse of the US regional banks appearing to be contained to that area as discussed above, the sector was marked down more broadly and has not yet fully rebounded from its fall in March. **Polar Capital Global Financials, Legal & General, Paragon** and **Vanquis Banking Group** all fell during the period. News flow out of these companies did not necessarily reflect the weakness in share prices. Paragon, as an example, a lender to professional UK buy-to-let landlords, announced a strong trading performance with robust new business flows and resilient portfolio credit performance despite volatility in financial markets and higher interest rates, yet saw its shares fall 10% over the six-month period. Encouragingly corporate buyers have been willing to look through short-term economic uncertainty and take advantage of the long-term value on offer in many areas. Over the period, **Numis**, a broker to mid and smaller sized UK companies, which has been operating in cyclically weak investment banking and trading markets for the last eighteen months, received a bid approach from Deutsche Bank at a 70% premium.

We saw general weakness in many of our equity fund holdings, particularly those with a focus on the UK or Asian markets or where the manager adopts a value rather than growth approach to their investment. Our UK funds **Aberforth Smaller Companies, Fidelity Special Values, Man GLG Income** and **Temple Bar** all fell over the period, with performance compounded by discount widening. International value-focussed managers, **Schroder Global Equity Income** and **Middlefield Canadian**, were similarly weak. Slowing Chinese growth proved a headwind for many of our funds with Asian exposure even if direct exposure to China is limited. **Aberdeen Asian Income, Murray International** fell over the period as did both our commodity funds, **Blackrock World Mining & Blackrock Energy & Resources**. The performance of the latter was particularly frustrating as its discount widened by 8%. There were pockets of positive performance with **Blackrock Frontiers** and **CC Japan Income & Growth** providing welcome diversification against the broader backdrop of equity weakness. Given our focus on income generation and valuation, we had limited exposure to the technology, growth theme that dominated equity market performance.

As interest rates have risen in the UK, sectors that reference government bond yields when considering valuation have also come under pressure. With persistently strong wage growth data and core inflation remaining high, real bond yields rose. Real yields are the return investors expect after stripping out the negative impact of expected inflation. This proved a difficult backdrop for both our property and infrastructure names which suffer when bond yields rise. Over the longer term, this negative headwind should be offset if the cause of higher yields (namely inflation) is captured either in higher inflation-linked regulatory revenues in the case of infrastructure or via higher property rents. However, when yields rise over and above the change in inflation expectations, this means investors have increased the underlying return they demand from those assets. This explains the discount widening in the property and infrastructure sectors but leaves both sectors now offering very attractive yields with an element of inflation protection. Despite their defensive and predictable revenue streams, the government backed nature of much of their revenue and its protection against inflation, our infrastructure holdings were the worst performing holdings. **HICL Infrastructure, Pantheon Infrastructure, Ecofin Global Utilities and Infrastructure** and **GCP Infrastructure** all fell more than 10% over the period. Whilst the property sector shares many of the valuation attributes to infrastructure in that investors consider the yield premium they can derive from these assets compared to government and corporate bonds, they differ in that inflation linkage of revenues is less direct and comes over time in the form of rent reviews. Furthermore, revenues are more cyclical and less underpinned by government contracts. It was notable, therefore that whilst the broader sector was weak, the performance of our property holdings was very dispersed with some of our best and worst performing holdings over the period in this sector. **Abrdn Property Income, Urban Logistics, Impact Healthcare REIT** and **TR Property** underperformed despite being exposed to strong rental growth in the end markets to which they are most exposed, such as industrial property and care homes. Once very significant discounts to net asset value are factored in, the implied yields on the underlying assets now look highly attractive whilst there appears to be limited stress from overly stretched indebted balance-sheets. Whilst discounts to net asset value can imply private market valuations are out of date and it is only a matter of time until they catch up with where public markets have already got to, they also can reflect the fact public markets have become overly pessimistic and do not reflect the underlying value of those businesses. Two holdings within the portfolio accepted this to be the case and came under pressure to sell assets in the market in order to prove up their asset values. Both **Palace Capital** and **Ediston Property**, two of our larger property holdings, undertook such strategic reviews and progress in soliciting bids for assets close to net asset value saw their shares respond strongly over the period.

Similarly wide discounts existed in the Private Equity sector and another strong performer during the period was **CT Private Equity**. Whilst underlying asset performance has been resilient, performance has mainly been driven by discount narrowing. Investor focus has shifted from concerns over valuation and leverage to recognising the quality of the underlying companies and accepting discounts were overly pessimistic. This view was helped by the decision of a large competitor fund committing to a significant ongoing repurchase of shares rather than reinvestment into new holdings given the compelling investment logic of such a shift in asset allocation.

Finally, our fixed interest exposure (with the exception of **GCP Infrastructure** mentioned above) reasserted its more defensive attributes. **Twenty Four Income** delivered strong positive performance, although this was tempered by the fund moving from a small premium to a discount and some broader market weakness emanating from the Credit Suisse AT1 issue above. **Starwood Real Estate Finance** has made its first distribution of capital since its decision to cease new lending and return the proceeds to investors at asset value as their underlying loans are repaid and the **Vanquis Banking Group** bond matured at par as expected.

Allocation changes

Given the attractive yields available in more defensive asset classes over the course of the last six months, coupled with an expectation either that we are getting closer to the point at which interest rates are peaking or that those defensive characteristics will become more attractive should growth weaken from here, we have initiated two new holdings in the core infrastructure sector, **HICL** and **International Public Partnerships**. For much of the last decade these trusts have traded at significant premiums to net asset value on account of the relative attractiveness of their yields when compared to government bonds. These have now moved to discounts of over 20% and the implied yields on these once again look very attractive. Similarly, we have added to our holding in **Ecofin Global Utilities and Infrastructure**, a fund which invests in equities of utility and infrastructure companies.

In a similar vein, we added exposure to fixed income as yields of government and corporate bonds and asset backed securities (eg mortgages) look increasingly attractive given the movement in base rates globally. We increased our holding in the **Twenty Four Income Fund**, a fund which invests in less liquid, higher yielding UK and European asset backed securities, as well as topping up our holding in the **Twenty Four Strategic Income Fund**, an unconstrained fund that seeks value from across the global bond markets.

Within our property holdings, we exited our holding in **Palace Capital**, taking advantage of strong share price performance in response to the updated strategy and a company share buyback, as we were disappointed by the management remuneration scheme accompanying the proposal to realise the asset value of the company. Given attractive discounts to asset value elsewhere, better liquidity and more favourable subsector exposure, we switched our holding into **TR Property** and **Urban Logistics**.

We have reduced risk within the portfolio by further selling down our direct equity holdings. **Chesnara, Henry Boot, Numis** and **Vanquis Banking Group** were all sold. Proceeds were partially reinvested into equity funds with attractive underlying valuations that traded at wide discounts, such as **Fidelity Special Values, International Biotechnology** and **Polar Capital Global Financials**. We also initiated a new holding within the private equity sector**, ICG Enterprise Trust**, a defensively run portfolio that traded on a historically wide discount. This position was partially funded from **CT Private Equity** which has seen very strong relative performance.

The asset allocation as at the period end is shown below:

Sector	Asset allocation as at 31 August 2023 (%)	Asset allocation as at 28 February 2023 (%)
Asia	3.7	3.7
Defensive	2.6	0.9
Emerging Markets	1.1	1.3
Fixed Income	14.9	15.7
International	6.2	6.6
Japan	1.0	1.8
North America	3.1	3.3
Private Equity	5.7	4.8
Property	15.8	16.5
Specialist-Biotechnology	2.0	1.6
Specialist-Construction	-	0.8
Specialist-Financials	11.9	15.1
Specialist-Resources	7.9	8.5
Specialist-Utilities	8.7	3.1
UK Equity	9.5	9.4
UK Value	3.1	2.4
Cash and other	2.8	4.5
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 33 to 35.

Outlook

The US, Eurozone and UK have undergone the steepest interest rate tightening cycle since the 1980s and the next six months will be critical to determine whether sufficient policy action has already been taken to tame persistently high levels of inflation. Investors increasingly believe that the headwind of ever-higher global interest rates is abating yet it remains to be seen whether historic policy action has already been effective in cooling the economy or whether rates will have to stay at elevated levels for longer. Inflation is a backward looking metric and there are some encouraging signs in manufacturing and services survey data as well as within the labour market that inflationary pressures are set to cool. The traditional lag between interest rates rising and inflation coming down has been disrupted this cycle by high levels of consumer savings built up over the Covid period which has allowed consumer demand to stay stronger than economists had expected. This buffer, however, is now nearly exhausted so a more normal relationship between higher rates and economic growth should re-establish itself. Given so much uncertainty, however, there is a risk of policy error and trying to engineer the perfect type of economic slowdown is extremely difficult given the timing lag between taking the medicine and seeing its effect. There is a risk, therefore, that raising interest rates now would be like taking a second painkiller too quickly, thinking the first one had done nothing to alleviate the pain of a hangover. The consensus is currently that economies are likely to slow but not too aggressively, commonly referred to as a 'soft' as opposed to a 'hard' landing.

Given the movement in bond yields over the period, yields for this asset class look increasingly attractive and provide some protection even if inflation proves persistent. Should the economy slow more than expected they should reassert their more defensive characteristics and act once again as a source of returns uncorrelated to equities, a relationship that has broken down since the start of 2022. The abnormally wide discounts across the investment trust sector provide investors with a further cushion of protection but there are notable opportunities in private equity, infrastructure, and property. The latter two are more sensitive to movement in bond markets whereas private equity will take equity market movements as a reference. Equity markets once again exhibit extreme levels of valuation dispersion between the most expensive 20% of global companies and the cheapest. Not only do the lowest priced 20% look historically cheap when compared to the most expensive 20% on a relative basis, they also offer value in absolute terms compared to their long run average. This represents a solid foundation upon which to construct the equity allocation of the portfolio.

I would like to thank, personally and on behalf of the Wise Funds team, all our investors for their ongoing support, particularly in the current challenging times for financial markets. The Fund started the interim period with £86m under management and finished with £79m, mostly due to negative performance and some outflows.

Please feel free to contact us if you would like a meeting or have any questions.

Philip Matthews
Fund Manager
Wise Funds Limited
Chipping Norton, United Kingdom
25 October 2023

WS WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT

As at 31 August 2023

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Asia		
	(3.7%; 28.02.2023 - 3.7%)		
1,459,314	abrdn Asian Income	2,896,738	3.7
		2,896,738	**3.7**
	Defensive		
	(2.6%; 28.02.2023 - 0.9%)		
22,025	Fulcrum Income Fund*	2,064,702	2.6
		2,064,702	**2.6**
	Emerging Markets		
	(1.1%; 28.02.2023 - 1.3%)		
615,000	BlackRock Frontiers	873,300	1.1
		873,300	**1.1**
	Fixed Income		
	(14.9%; 28.02.2023 - 15.7%)		
1,786,861	GCP Infrastructure	1,340,146	1.7
1,758,697	Starwood European Real Estate	1,537,101	1.9
4,424,085	TwentyFour Income	4,322,331	5.4
52,744	TwentyFour Strategic Income*	4,649,389	5.9
		11,848,967	**14.9**
	International		
	(6.2%; 28.02.2023 - 6.6%)		
333,640	Murray International	819,086	1.0
3,922,597	Schroder Global Equity Income*	4,087,346	5.2
		4,906,432	**6.2**
	Japan		
	(1.0%; 28.02.2023 - 1.8%)		
466,228	CC Japan Income & Growth	773,939	1.0
		773,939	**1.0**

WS WISE MULTI-ASSET INCOME, PORTFOLIO STATEMENT (CONTINUED)
As at 31 August 2023

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	North America (3.1%; 28.02.2023 - 3.3%)		
2,383,486	Middlefield Canadian	2,454,991	3.1
		2,454,991	**3.1**
	Private Equity (5.7%; 28.02.2023 - 4.8%)		
645,065	CT Private Equity Trust	3,264,029	4.1
116,555	ICG Enterprise Trust	1,256,463	1.6
		4,520,492	**5.7**
	Property (15.8%; 28.02.2023 - 16.5%)		
5,883,956	abrdn Property Income	2,759,575	3.5
6,251,117	Ediston Property Investment	4,338,275	5.5
1,387,620	Empiric Student Property	1,208,617	1.5
827,360	Impact Healthcare REIT	752,898	0.9
542,741	TR Property Investment Trust	1,544,098	1.9
1,716,795	Urban Logistics REIT	2,015,517	2.5
		12,618,980	**15.8**
	Specialist - Biotechnology (2.0%; 28.02.2023 - 1.6%)		
240,520	International Biotechnology	1,548,949	2.0
		1,548,949	**2.0**
	Specialist - Financials (11.9%; 28.02.2023 - 15.1%)		
1,605,006	Legal & General Group	3,508,543	4.4
554,156	Paragon	2,917,631	3.7
2,175,934	Polar Capital Global Financials	2,998,437	3.8
		9,424,611	**11.9**

Holding or nominal value of positions		Bid market value £	Percentage of total net assets %
	Specialist - Resources (7.9%; 28.02.2023 - 8.5%)		
2,791,920	BlackRock Energy and Resources Income	3,182,789	4.0
520,357	BlackRock World Mining Trust	3,059,699	3.9
		6,242,488	**7.9**
	Specialist - Utilities (8.7%; 28.02.2023 - 3.1%)		
1,432,331	Ecofin Global Utilities and Infrastructure	2,449,286	3.1
1,877,726	HICL Infrastructure	2,512,397	3.2
748,230	International Public Partnerships	984,671	1.2
1,246,822	Pantheon Infrastructure	925,142	1.2
		6,871,496	**8.7**
	UK Equity (9.5%; 28.02.2023 - 9.4%)		
349,488	Aberforth Smaller Companies	4,277,733	5.4
1,165,505	Man GLG Income*	1,377,627	1.7
849,195	Temple Bar Investment Trust	1,931,919	2.4
		7,587,279	**9.5**
	UK Value (3.1%; 28.02.2023 - 2.4%)		
927,735	Fidelity Special Values	2,477,053	3.1
		2,477,053	**3.1**
	Portfolio of investments	**77,110,417**	**97.2**
	Net other assets	**2,209,773**	**2.8**
	Total net assets	**79,320,190**	**100.0**

**Holdings in collective investment schemes are traded on regulated markets. All other holdings are listed on recognised stock exchanges.*

'Specialist – Construction' sector disinvested since the beginning of the period. (28 February 2023: 0.08%)

WS WISE MULTI-ASSET INCOME, COMPARATIVE TABLE

B Income Shares	**1 Mar 2023 to 31 Aug 2023** (pence per share)	**1 Mar 2022 to 28 Feb 2023** (pence per share)	**1 Mar 2021 to 28 Feb 2022** (pence per share)	**1 Mar 2020 to 28 Feb 2021** (pence per share)
Change in net assets per share				
Opening net asset value per share	120.91	123.57	111.30	108.03
Return before operating charges*	(4.80)	4.26	19.00	7.90
Operating charges	(0.52)	(1.09)	(1.10)	(0.86)
Return after operating charges*	(5.32)	3.17	17.90	7.04
Distributions	(3.56)	(5.83)	(5.63)	(3.77)
Closing net asset value per share	112.03	120.91	123.57	111.30
* after direct transaction costs of:	0.10	0.13	0.15	0.18
Performance				
Return after charges	(4.40)%	2.57%	16.08%	6.52%
Other information				
Closing net asset value	£23,827,070	£25,775,495	£23,742,743	£23,411,433
Closing number of shares	21,269,118	21,318,609	19,214,092	21,033,999
Operating charges (p.a.)	1.83%	1.75%	0.96%	0.92%
Direct transaction costs (p.a.)	0.17%	0.10%	0.12%	0.19%
Prices				
Highest published share price	109.90	130.86	131.78	113.77
Lowest published share price	122.91	107.28	113.25	71.24

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.

WS WISE MULTI-ASSET INCOME, COMPARATIVE TABLE (CONTINUED)

B Accumulation Shares	1 Mar 2023 to 31 Aug 2023 (pence per share)	1 Mar 2022 to 28 Feb 2023 (pence per share)	1 Mar 2021 to 28 Feb 2022 (pence per share)	1 Mar 2020 to 28 Feb 2021 (pence per share)
Change in net assets per share				
Opening net asset value per share	295.91	288.33	248.14	231.29
Return before operating charges*	(11.94)	10.19	42.71	18.73
Operating charges	(1.29)	(2.61)	(2.52)	(1.88)
Return after operating charges*	(13.23)	7.58	40.19	16.85
Distributions	(8.82)	(13.90)	(9.95)	(8.23)
Retained distributions on accumulation shares	8.82	13.90	9.95	8.23
Closing net asset value per share	282.68	295.91	288.33	248.14
* after direct transaction costs of:	0.24	0.30	0.35	0.38
Performance				
Return after charges	(4.47)%	2.63%	16.20%	7.29%
Other information				
Closing net asset value	£21,261,513	£23,963,649	£21,270,467	£21,632,462
Closing number of shares	7,521,478	8,098,154	7,377,225	8,717,925
Operating charges (p.a.)	1.83%	1.75%	0.96%	0.92%
Direct transaction costs (p.a.)	0.17%	0.10%	0.12%	0.19%
Prices				
Highest published share price	300.80	306.61	305.14	253.20
Lowest published share price	274.31	257.73	252.51	152.54

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WS WISE MULTI-ASSET INCOME, COMPARATIVE TABLE (CONTINUED)

W Income Shares	1 Mar 2023 to 31 Aug 2023 (pence per share)	1 Mar 2022 to 28 Feb 2023 (pence per share)	1 Mar 2021 to 28 Feb 2022 (pence per share)	1 Mar 2020 to 28 Feb 2021 (pence per share)
Change in net assets per share				
Opening net asset value per share	122.83	125.29	112.62	109.02
Return before operating charges*	(4.91)	4.26	19.18	8.02
Operating charges	(0.38)	(0.80)	(0.81)	(0.63)
Return after operating charges*	(5.29)	3.46	18.37	7.39
Distributions	(3.61)	(5.92)	(5.70)	(3.79)
Closing net asset value per share	113.93	122.83	125.29	112.62
* after direct transaction costs of:	0.10	0.13	0.15	0.18
Performance				
Return after charges	(4.31)%	2.76%	16.31%	6.78%
Other information				
Closing net asset value	£24,557,498	£25,357,487	£29,017,789	£29,765,360
Closing number of shares	21,555,824	20,644,219	23,160,038	26,428,783
Operating charges (p.a.)	1.58%	1.50%	0.71%	0.67%
Direct transaction costs (p.a.)	0.17%	0.10%	0.12%	0.19%
Prices				
Highest published share price	124.87	132.73	133.58	115.08
Lowest published share price	111.73	108.91	114.59	71.90

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.

WS WISE MULTI-ASSET INCOME, COMPARATIVE TABLE (CONTINUED)

W Accumulation Shares	1 Mar 2023 to 31 Aug 2023 (pence per share)	1 Mar 2022 to 28 Feb 2023 (pence per share)	1 Mar 2021 to 28 Feb 2022 (pence per share)	1 Mar 2020 to 28 Feb 2021 (pence per share)
Change in net assets per share				
Opening net asset value per share	300.24	291.92	250.71	233.13
Return before operating charges*	(12.20)	10.23	43.05	18.97
Operating charges	(0.94)	(1.91)	(1.84)	(1.39)
Return after operating charges*	(13.14)	8.32	41.21	17.58
Distributions	(8.95)	(14.09)	(12.95)	(8.31)
Retained distributions on accumulation shares	8.95	14.09	12.95	8.31
Closing net asset value per share	287.10	300.24	291.92	250.71
* after direct transaction costs of:	0.24	0.31	0.35	0.39
Performance				
Return after charges	(4.38)%	2.85%	16.44%	7.54%
Other information				
Closing net asset value	£9,674,109	£10,523,679	£10,650,804	£9,126,575
Closing number of shares	3,369,599	3,505,133	3,648,580	3,640,291
Operating charges (p.a.)	1.58%	1.50%	0.71%	0.67%
Direct transaction costs (p.a.)	0.17%	0.10%	0.12%	0.19%
Prices				
Highest published share price	305.21	310.51	308.87	255.83
Lowest published share price	278.51	261.30	255.13	153.78

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.

WS WISE MULTI-ASSET INCOME, STATEMENT OF TOTAL RETURN
For the six-month period ended 31 August 2023

		31.08.23		31.08.22
	£	£	£	£
Income				
Net capital losses		(6,126,365)		(1,264,473)
Revenue	2,701,975		2,345,603	
Expenses	(322,524)		(345,274)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	2,379,451		2,000,328	
Taxation	-		-	
Net revenue after taxation		2,379,451		2,000,328
Total (loss)/return before distributions		**(3,746,914)**		**735,855**
Distributions		(2,513,511)		(2,220,318)
Change in net assets attributable to shareholders from investment activities		**(6,260,425)**		**(1,484,463)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the six-month period ended 31 August 2023

		31.08.23		31.08.22
	£	£	£	£
Opening net assets attributable to shareholders		**85,704,974**		**84,851,538**
Movements due to sales and repurchases of shares:				
Amounts receivable on issue of shares	8,475,140		9,962,850	
Amounts payable on cancellation of shares	(9,597,140)		(10,630,337)	
		(1,122,000)		(667,487)
Change in net assets attributable to shareholders from investment activities		(6,260,425)		(1,484,463)
Retained distributions on accumulation shares		997,641		868,803
Closing net assets attributable to shareholders		**79,320,190**		**83,568,391**

WS WISE MULTI-ASSET INCOME, BALANCE SHEET
As at 31 August 2023

	31.08.23	28.02.23
	£	£
Assets:		
Fixed assets:		
Investments	77,110,417	81,807,488
Current assets:		
Debtors	750,156	571,136
Cash and bank balances	2,380,807	4,060,020
Total assets	**80,241,380**	**86,438,644**
Creditors:		
Distribution payable on income shares	257,882	499,667
Other creditors	663,308	234,003
Total liabilities	**921,190**	**733,670**
Net assets attributable to shareholders	**79,320,190**	**85,704,974**

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 2023.

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 and amended in June 2017.

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.

WS WISE MULTI-ASSET INCOME, DISTRIBUTION TABLES
For the six-month period ended 31 August 2023

Interim Distribution (31 March 2023)
Group 1 - Shares purchased on or prior to 28 February 2023
Group 2 - Shares purchased after 28 February 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid /Accumulated 31.05.23 (pence)	Paid /Accumulated 31.05.22 (pence)
B Income				
Group 1	0.5569	-	**0.5569**	**0.4604**
Group 2	0.2668	0.2901	**0.5569**	**0.4604**
A Income				
Group 1	N/A	N/A	**N/A**	**0.4249**
Group 2	N/A	N/A	**N/A**	**0.4249**
W Income				
Group 1	0.5658	-	**0.5658**	**0.4669**
Group 2	0.3243	0.2415	**0.5658**	**0.4669**
B Accumulation				
Group 1	1.3630	-	**1.3630**	**1.0750**
Group 2	0.7957	0.5673	**1.3630**	**1.0750**
A Accumulation				
Group 1	1.2219	-	**1.2219**	**0.9902**
Group 2	0.6886	0.5333	**1.2219**	**0.9902**
W Accumulation				
Group 1	1.3832	-	**1.3832**	**1.0883**
Group 2	0.5452	0.8380	**1.3832**	**1.0883**

[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.

WS WISE MULTI-ASSET INCOME, DISTRIBUTION TABLES (CONTINUED)

For the six-month period ended 31 August 2023

Interim Distribution (30 April 2023)

Group 1 - Shares purchased on or prior to 31 March 2023
Group 2 - Shares purchased after 31 March 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid /Accumulated 30.06.23 (pence)	Paid /Accumulated 30.06.22 (pence)
B Income				
Group 1	1.0237	-	**1.0237**	**0.9509**
Group 2	0.6898	0.3339	**1.0237**	**0.9509**
A Income				
Group 1	N/A	N/A	**N/A**	**0.8557**
Group 2	N/A	N/A	**N/A**	**0.8557**
W Income				
Group 1	1.0403	-	**1.0403**	**0.9643**
Group 2	0.9014	0.1389	**1.0403**	**0.9643**
B Accumulation				
Group 1	2.5176	-	**2.5176**	**2.2281**
Group 2	1.8669	0.6507	**2.5176**	**2.2281**
A Accumulation				
Group 1	2.2555	-	**2.2555**	**2.0027**
Group 2	1.8498	0.4057	**2.2555**	**2.0027**
W Accumulation				
Group 1	2.5551	-	**2.5551**	**2.2566**
Group 2	1.7730	0.7821	**2.5551**	**2.2566**

[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.

Interim Distribution (31 May 2023)
Group 1 - Shares purchased on or prior to 30 April 2023
Group 2 - Shares purchased after 30 April 2023

Shares	Net revenue (pence)	Equalisation[1] (pence)	Paid/ Accumulated 31.07.23 (pence)	Paid/ Accumulated 31.07.22 (pence)
B Income				
Group 1	0.3043	-	**0.3043**	**0.3493**
Group 2	0.0743	0.2300	**0.3043**	**0.3493**
A Income				
Group 1	N/A	N/A	**N/A**	**0.3186**
Group 2	N/A	N/A	**N/A**	**0.3186**
W Income				
Group 1	0.3093	-	**0.3093**	**0.3569**
Group 2	0.1116	0.1977	**0.3093**	**0.3569**
B Accumulation				
Group 1	0.7547	-	**0.7547**	**0.8205**
Group 2	0.0582	0.6965	**0.7547**	**0.8205**
A Accumulation				
Group 1	N/A	N/A	**N/A**	**0.7544**
Group 2	N/A	N/A	**N/A**	**0.7544**
W Accumulation				
Group 1	0.7659	-	**0.7659**	**0.8339**
Group 2	0.3720	0.3939	**0.7659**	**0.8339**

[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.

WS WISE MULTI-ASSET INCOME, DISTRIBUTION TABLES (CONTINUED)

For the six-month period ended 31 August 2023

Interim Distribution (30 June 2023)

Group 1 - Shares purchased on or prior to 31 May 2023

Group 2 - Shares purchased after 31 May 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid/ Accumulated 31.08.23 (pence)	Paid/ Accumulated 31.08.22 (pence)
B Income				
Group 1	0.3651	-	**0.3651**	**0.3469**
Group 2	0.2057	0.1594	**0.3651**	**0.3469**
A Income				
Group 1	N/A	N/A	**N/A**	**0.3017**
Group 2	N/A	N/A	**N/A**	**0.3017**
W Income				
Group 1	0.3712	-	**0.3712**	**0.3520**
Group 2	0.2600	0.1112	**0.3712**	**0.3520**
B Accumulation				
Group 1	0.9087	-	**0.9087**	**0.8218**
Group 2	0.3878	0.5209	**0.9087**	**0.8218**
A Accumulation				
Group 1	N/A	N/A	**N/A**	**0.7126**
Group 2	N/A	N/A	**N/A**	**0.7126**
W Accumulation				
Group 1	0.9224	-	**0.9224**	**0.8316**
Group 2	0.6736	0.2488	**0.9224**	**0.8316**

[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.

WS WISE MULTI-ASSET INCOME, DISTRIBUTION TABLES (CONTINUED)

For the six-month period ended 31 August 2023

Interim Distribution (31 July 2023)

Group 1 - Shares purchased on or prior to 30 June 2023
Group 2 - Shares purchased after 30 June 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid/ Accumulated 30.09.23 (pence)	Paid/ Accumulated 30.09.22 (pence)
B Income				
Group 1	0.7091	-	**0.7091**	**0.5724**
Group 2	0.4025	0.3066	**0.7091**	**0.5724**
A Income				
Group 1	N/A	N/A	**N/A**	**0.5294**
Group 2	N/A	N/A	**N/A**	**0.5294**
W Income				
Group 1	0.7200	-	**0.7200**	**0.5806**
Group 2	0.5687	0.1513	**0.7200**	**0.5806**
B Accumulation				
Group 1	1.7680	-	**1.7680**	**1.3587**
Group 2	0.7781	0.9899	**1.7680**	**1.3587**
A Accumulation				
Group 1	N/A	N/A	**N/A**	**1.2550**
Group 2	N/A	N/A	**N/A**	**1.2550**
W Accumulation				
Group 1	1.7989	-	**1.7989**	**1.3760**
Group 2	0.3526	1.4463	**1.7989**	**1.3760**

[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.

Interim Distribution (31 August 2023)
Group 1 - Shares purchased on or prior to 31 July 2023
Group 2 - Shares purchased after 31 July 2023

Shares	Revenue (pence)	Equalisation[1] (pence)	Paid/ Accumulated 31.10.23 (pence)	Paid/ Accumulated 31.10.22 (pence)
B Income				
Group 1	0.5987	-	**0.5987**	**0.5640**
Group 2	0.3178	0.2809	**0.5987**	**0.5640**
A Income				
Group 1	N/A	N/A	**N/A**	**N/A**
Group 2	N/A	N/A	**N/A**	**N/A**
W Income				
Group 1	0.6055	-	**0.6055**	**0.5751**
Group 2	0.3204	0.2851	**0.6055**	**0.5751**
B Accumulation				
Group 1	1.5097	-	**1.5097**	**1.3431**
Group 2	0.7958	0.7139	**1.5097**	**1.3431**
A Accumulation				
Group 1	N/A	N/A	**N/A**	**1.2179**
Group 2	N/A	N/A	**N/A**	**1.2179**
W Accumulation				
Group 1	1.5293	-	**1.5293**	**1.3645**
Group 2	0.8562	0.6731	**1.5293**	**1.3645**

[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.

DIRECTORY

The Company

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Authorised Corporate Director (ACD)

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NG1 6FJ

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Website:	www.waystone.com/our-funds/waystone-fund-services-uk-limited

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

Mr G M J Padbury
Mr M Hand
Mr M Smith
Mrs R E Wheeler (Non-executive)
Mr A Kerneis (Independent non-Executive)
Mrs G E Mitchell (Independent non-Executive)
Miss J L Kirk (Resigned 1 March 2023)
Mrs R E Elliott (Resigned 1 March 2023)

Investment Manager

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

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