

# TB Wise Income

MONTHLY EDITION, June 2014

All data as at 30 May 2014

IMA sector	Flexible
Launch date	3 Oct 2005
Fund value	£43.9m
Holdings	45
Historic Yield	4.8%
Valuation time	12pm
Fund Manager	Tony Yarrow

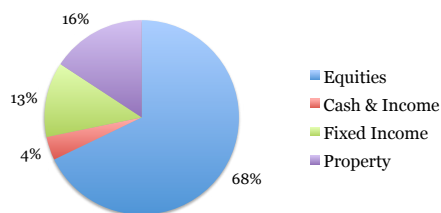
## PRICES

A Income	105.86p
B Income	111.58p
A Accumulation	165.35p
B Accumulation	174.92p

## TOP 10 HOLDINGS

Standard Life Property Inc	7.1%
F & C UK REIT	6.6%
Princess Private Equity	4.7%
Ecofin Water & Power	4.0%
HSBC	3.8%
Newton Asian Income	3.6%
JO Hambro UK Equity Inc	3.4%
Middlefield Canadian Inc	3.2%
Threadneedle Global Eq Inc	3.0%
Glaxosmithkline	2.9%
<b>Top 10 Total</b>	<b>42.4%</b>

## ASSET ALLOCATION



## SECTOR ALLOCATION

UK Equity Income - Shares	31.6%
Property	15.2%
UK Corporate Bonds	8.1%
Specialist - Utilities	6.4%
UK Equity Income - Unit Trusts	6.1%
Asia	5.5%
Private Equity	4.7%
Specialist - Resources	4.1%
International	4.0%
North America	3.2%
Fixed Interest	2.4%
Emerging Market Debt	2.0%
Other	1.8%
Europe	1.2%
Cash & Income	3.9%

During May, markets returned to their overall upwards direction of the last five years. Income-yielding assets were in demand once more, with further rises in prices and declines in yields. In this environment T.B. Wise Income had a strong month, rising 2.35% (B Acc shares, 30th April to 30th May). There is understandable concern in the investment community that the re-rating of income-yielding assets, which is a direct result of the policies of Quantitative Easing (Q.E.) and ultra-low interest rates, is now a mature trend, which could end badly. We share these concerns. However, it's worth remembering that the policy is designed to help borrowers, and that the biggest borrowers are governments. They are the ones who benefit most from low interest rates, and so they are likely to work with central banks to keep the by now familiar policy framework in place for as long as possible. Interest rates are unlikely to rise significantly until there is no viable alternative, in what may turn out to be a number of years' time. Meanwhile, there is less value on offer than there was. We need to respond to this situation with discipline, and maintain a portfolio where there is as much diversity, quality, liquidity and value as possible. We continue to see value in some markets, sectors, individual shares and funds. Some themes which continue to be of interest are the possibility that the pound sterling won't continue to rise, unloved mega-cap shares, and the recovering U.K. consumer.

U.K. commercial property appears to be in mid-cycle. Property cycles tend to start in London, and move outwards to the regions. The current cycle is no exception, but with the difference that a huge value differential had appeared between property in the capital and in the regions. Investor interest in the regions began to return around a year ago, and prices are now rising fast. The lack of new development in the last few years is likely to support valuations over the next couple of years. Conclusion – the commercial property party isn't over yet, especially if you happen to be the owner, as Wise Income is, of good quality warehouse space in the Thames Valley or the Midlands.

T.B. Wise Income is continuing to receive steady inflows, and grew in size by around 10% during the month. The fund is currently the top-performing fund out of 130 funds in the I.M.A. Flexible sector over a year, and second in the sector over three and five years (source: Investment Week, June 9th). Wise Income has been nominated for the Investment Week Fund of the Year award in its sector for the fourth consecutive year.

**Tony Yarrow, Investment Manager**

## FIVE YEAR PERFORMANCE



Past performance is not a reliable indicator of future performance

## CUMULATIVE PERFORMANCE<sup>+</sup>

	3 mths	6 mths	1 yr	3 yrs	5 yrs	Since launch*
TB Wise Income B Inc	+3.7%	+8.2%	+18.4%	+41.3%	+117.8%	+74.9%
IMA Flexible	+1.1%	+2.1%	+3.8%	+16.7%	+59.3%	+51.8%

\*Launch - October 2005

## DISCRETE ANNUAL PERFORMANCE<sup>+</sup>

	YTD	2013	2012	2011	2010	2009
TB Wise Income B Inc	+6.7%	+25.6%	+18.9%	-5.4%	+13.9%	+29.2%
IMA Flexible	+1.5%	+14.0%	+10.1%	-8.6%	+14.8%	+23.2%



Tony, a Cambridge graduate, founded Wise Investment in 1992 to provide investment advice and fund management to private clients. He started managing funds in 1988 and ran the successful Wise Investment Clients' Fund from inception in 1992 until the fund was subsumed by TB Wise Investment at its launch in 2004. Tony currently manages TB Wise Investment and TB Wise Income.

<sup>+</sup>All performance data used on this factsheet is total return, bid-to-bid, net of UK withholding tax, and sourced from Financial Express. The fund's main unit was changed to B shares on 1 December 2012 to comply with RDR regulation.

## B SHARES

SEDOL Codes

B Acc Shares BoLJ1M4

B Inc Shares BoLJoI6

Minimum Lump Sum

£1,000

Initial Charge

0%

Investment Management Fee

0.75% taken from capital

Ongoing Charges Figure\*

(includes Investment Management Fee)

1.43% taken from capital

Regular Savings Option Available?

Yes - minimum £50 per month

## A SHARES (LEGACY CLASS)

SEDOL Codes

A Acc Shares BoLHXD3

A Inc Shares BoLHRT7

Minimum Lump Sum

£1,000

IFA Legacy Trail Commission

0.65% p.a.

Investment Management Fee

0.75% p.a.

Ongoing Charges Figure\*

(includes IFA commission and investment management fee)

2.08% p.a. taken from capital

Regular Savings Option Available?

Yes - minimum £50 per month

\*The Ongoing Charges Figure is based on the expenses incurred by the fund for the 12 months ended 28th February 2013. The figure may vary year to year.

## CONTACT US

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Authorised Corporate  
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## WISE INCOME: FUND ATTRIBUTES

- 'One-stop shop' for investors looking for an attractive level of income from a wide variety of assets
- Aims to provide a starting income comparable to a good building society account and income and capital growth over time
- Quarterly dividend distribution
- Portfolio of 30-40 funds, investment trusts, shares and fixed income securities
- Focus on high-quality assets in out-of-favour areas.
- Low portfolio turnover

## HOW TO INVEST

Wise Income is available as an OEIC and is also suitable to include in stocks and shares ISAs. You can buy shares in the fund by visiting [www.tbaily.co.uk/wise](http://www.tbaily.co.uk/wise); by telephoning the TB Wise Investor Dealing Line on 0115 988 8258 (open business days between 9am and 5pm); or through various third parties including Cofunds, Skandia, Axa Winterthur, Axa Elevate and Standard Life.



## RISK WARNINGS

Full details of the TB Wise Funds, including risk warnings, are published in the TB Wise Funds Prospectus, the TB Wise Supplementary Information Document (SID) and the TB Wise Key Investor Information Documents (KIIDs) which are available on request and at [www.wiseinvestment.co.uk](http://www.wiseinvestment.co.uk). The TB Wise Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Capital appreciation in the early years will be adversely affected by the impact of initial charges and you should therefore regard your investment as medium-to-long term. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Wise Investments Limited is authorised and regulated by the Financial Conduct Authority, No. 230553. T. Bailey Fund Managers Limited is authorised and regulated by the Financial Conduct Authority, No. 190293

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