

TM STONEHAGE FLEMING INTERNATIONAL FUND

OUR FOUR FUNDAMENTAL QUALITY
PILLARS - IDENTIFYING
GLOBAL BEST-IN-CLASS BUSINESSES



INVESTMENT OBJECTIVE

To achieve long-term growth in capital and income in a focused portfolio of high quality listed businesses from around the world.

INVESTMENT PHILOSOPHY

We invest in best in class businesses for their quality, strategic competitive edge and value.

FUND COMMENTARY

World equity markets experienced in March the worst monthly performance for a year and a half (considering the MSCI ACTR index). Along with this, the US Dollar experienced its largest monthly depreciation in over two years. This follows predominantly from the various announcements of further US import tariffs and, as a result, rising investor fears of its potential effects on US economic growth and inflation. Against this, the approval of an ambitious German defence budget following their election, and the perception that more NATO member countries will follow suit, lead to positive views on the potential stimulatory effects on the wider European economy and the Euro currency.

These have led to a general risk-off stance on US equities in favour of European ones, with profit taking on US technology related names becoming a source of funding. Along with this, because of their large index weightings, the cutting of US passive exposures is also putting pressure on many of these stocks. US exceptionalism as an investor theme is being called into question.

The Fund outperformed over the month, dropping less than the comparative index. Stock reactions in the portfolio have been largely driven by macro factors, rather than on business-specific ones. The best performing stocks in attribution terms were United Health, Copart and AJ Gallagher. These Health Care and Insurance related stocks have been more defensive during the market weakness. Against this, the worst performing stocks in attribution terms were Amazon, Alphabet and LVMH, explained by the earlier comments around technology and the US economy.

We have rebalanced the Fund during the month - largely trimming some of the technology related exposures and selling Edwards Lifesciences. Edwards' growth is being impeded by continuing capacity constraints in the US hospital system and competition capturing market share. We have not yet reached our target exposure in the new holding.

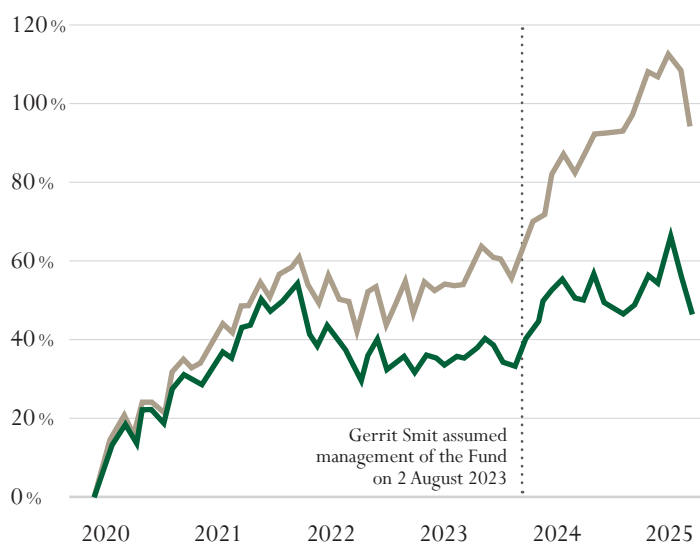
Data sourced from Bloomberg

Opinions expressed represent the view of SFIM at the time of preparation. They are subject to change and should not be interpreted as investment advice.

INVESTMENT STRATEGY

- Invest for sustainable growth
- Fundamental research driven
- Particular focus on quality of management, balance sheet strength, return on invested capital, free cash flow, ability to grow dividends each year
- Bottom-up approach to identify exceptional businesses
- Global orientation, with emerging market exposure
- High conviction concentrated portfolio
- Predominantly larger capitalisation businesses, also consider exceptional medium-sized ones
- Buy to hold and disciplined selling
- No benchmark orientation, no active trading, no leverage, no hedging

FIVE YEAR PERFORMANCE



■ TM Stonehage Fleming International Fund ■ MSCI ACWI NR GBP

CUMULATIVE PERFORMANCE %

| | 1m | YTD | 1yr | 3yr | 5yr |
|---|------|------|------|------|------|
| TM Stonehage Fleming International Fund | -5.9 | -5.9 | -5.4 | 2.5 | 47.7 |
| Annualised | - | - | - | 0.8 | 8.1 |
| MSCI ACWI NR GBP | -6.3 | -4.3 | 4.9 | 24.4 | 94.7 |
| Annualised | - | - | - | 7.5 | 14.3 |

CALENDAR YEAR PERFORMANCE %

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|------|------|-------|------|------|
| TM Stonehage Fleming International Fund | 7.7 | 9.0 | -13.1 | 16.1 | 11.8 |
| MSCI ACWI NR GBP | 19.8 | 15.1 | -8.7 | 19.6 | 13.0 |

TM STONEHAGE FLEMING INTERNATIONAL FUND

TOP TEN HOLDINGS (% OF FUND)

| | |
|------------------|-------------|
| Amazon | 6.6 |
| EssilorLuxottica | 5.8 |
| Microsoft | 5.2 |
| Alphabet | 5.0 |
| Netflix | 4.7 |
| Verisk Analytics | 4.2 |
| Copart | 4.1 |
| Mastercard | 4.1 |
| Linde | 3.8 |
| Visa | 3.8 |
| TOTAL | 47.1 |

SECTOR BREAKDOWN (% OF FUND)

| | |
|---------------|--------------|
| Technology | 20.2 |
| Financials | 15.1 |
| Health Care | 15.0 |
| Industrials | 14.3 |
| Discretionary | 12.9 |
| Communication | 9.6 |
| Staples | 5.5 |
| Materials | 3.8 |
| Cash | 3.4 |
| TOTAL | 100.0 |



GERRIT SMIT
LEAD PORTFOLIO MANAGER



CAROLYN BELL
DEPUTY PORTFOLIO MANAGER

REGIONAL BREAKDOWN BY LISTING (% OF FUND)

| | |
|---------------|--------------|
| United States | 79.1 |
| Europe | 15.6 |
| Asia Pacific | 1.9 |
| Cash | 3.4 |
| TOTAL | 100.0 |

ESTIMATED REGIONAL REVENUES⁷ (% OF FUND)

| | |
|------------------|--------------|
| North America | 50.9 |
| Emerging Markets | 23.9 |
| Europe | 19.7 |
| Japan | 1.8 |
| Other | 3.7 |
| TOTAL | 100.0 |

PORTFOLIO CHARACTERISTICS

| | |
|---|-------|
| Average Market Cap (Billions GBP) | 366.2 |
| Number of Holdings | 26 |
| Operating Margin | 31.7% |
| Return on Invested Capital | 20.6% |
| Net Debt/EBITDA ¹ | 0.5 |
| Expected 3 Year Revenue Growth (p.a.) [*] | 9.7% |
| Expected 3 Year EPS ² Growth (p.a.) [*] | 12.5% |
| Expected 3 Year DPS ³ Growth (p.a.) [*] | 9.3% |
| Dividend Yield (Gross) ^{4,5} | 1.0% |
| Price/Earnings Ratio ⁵ | 28.5 |
| Free Cash Flow Yield ⁵ | 3.3% |
| PEG Ratio ⁶ | 2.9 |

SECTOR BREAKDOWN

Source: Northern Trust Global Services SE (UK branch); Stonehage Fleming Investment Management Limited.

PORTFOLIO CHARACTERISTICS

^{*} Such forecasts are not a reliable indicator of future performance.

¹ Earnings Before Interest, Taxes, Depreciation and Amortisation. ² Earnings Per Share. ³ Dividend Per Share. ⁴ Of underlying holdings, and stated gross of withholding taxes and costs. ⁵ Estimated 12 months forward. ⁶ Weighted portfolio Trailing P/E Ratio and EPS projections applied.

Source: Stonehage Fleming Investment Management Limited, Bloomberg.

ESTIMATED REGIONAL REVENUES

⁷ Source: Based on where underlying companies in the TM Stonehage Fleming International Fund derive their revenue.

Source: Bloomberg; Stonehage Fleming Investment Management Limited; Northern Trust Global Services SE (UK branch). Due to rounding, values may not add up to 100%.

OUTCOME OF FAIR VALUE ASSESSMENTS (2024)

- The fund meets the needs of the target market.
- The intended distribution strategy remains appropriate.
- Historically, the fund did not deliver value for money. In response, as of the 2nd August 2023, Stonehage Fleming Investment Management Limited changed the personnel managing the fund and the approach to investment selection. The fund will follow the strategy pursued by the Stonehage Fleming Global best ideas fund (GBI), and own the same quality growth business as this fund. The historic performance of GBI, together with more information on the manager, can be found at www.stonehagefleming.com/GBI

INVESTOR PROFILE

The fund is appropriate for all investor types, including those with only a basic knowledge of funds. It is compatible with investors who do not need a capital guarantee (investors must be prepared to accept fluctuations in the value of capital, including the ability to bear 100% capital loss) and are seeking capital growth. Due to the volatility of markets, investors should be willing to accept price fluctuations in exchange for the opportunity of potentially higher returns. This is a long term investment and investors should have an investment time horizon of at least 5 years. The recommended holding period does not provide any guarantee that the objective will be achieved. This product is eligible for all distribution channels (e.g. investment advice, portfolio management, non-advised sales and pure execution services).

The fund is unlikely to be appropriate for those who:

- Are looking for full capital protection or full repayment of the amount invested, and those who want a guaranteed return
- Have no risk tolerance
- Who are unwilling to accept price fluctuations (volatility) in the value of the fund
- Do not intend to invest for the long term

RISK PROFILE

The following risks are material:

- The price of units/shares and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no assurance that the investment objective of the Fund will actually be achieved.
- Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events.
- Where derivative investments in the Fund may include a counterparty, there is a risk that the counterparty will not fulfil their obligation.
- The Fund may use derivatives to reduce costs, overall risk and/or generate additional capital or income. This is known as Efficient Portfolio Management (EPM). When used for EPM purposes, there should not be an increase in the overall risk level of the Fund.
- More political, economic or structural challenges face emerging markets or less developed countries than developed countries which may increase volatility and uncertainty.
- Where investments in the Fund are in currencies other than your own, changes in exchange rates may affect the value of your investments.
- Significant exposure to a particular industrial sector or geographical region puts the Fund at risk of a localised event making a significant impact on the value of the Fund.

All the risks currently identified as being applicable to the Fund are set out in the 'Risk' section of the Prospectus.

FUND INFORMATION

| | |
|----------------------|---------------------|
| Total Net Assets | £280.9m |
| Comparative Index | MSCI ACWI NR GBP |
| Fund Type | UCITS |
| Fund Domicile | United Kingdom |
| Base Currency | GBP |
| Currencies Available | GBP |
| Inception Date | 6 July 1994 |
| Range of Holdings | 20-30 stocks |
| Income Paid | £0.028364 |
| Type of Payment | Dividend |
| Ex Dividend | 16 May 2023 |
| Payment Date | 14 July 2023 |
| Pricing | Daily, by 12pm (UK) |
| Dealing | Daily, by 12pm (UK) |

FUND CHARACTERISTICS

| | |
|---------------------------|-------|
| Active Share ¹ | 87.7% |
| Ex Post Tracking Error | 5.7% |
| 12 Month Turnover | 20.9% |
| Beta | 0.87 |

GBP B (DISTRIBUTING) SHARE CLASS DETAILS

| | |
|---|--------------|
| Price | £5.23 |
| ISIN | GB0032211095 |
| Synthetic Risk & Reward Indicator (SRRI) rating | 5 |
| Annual Management Fee | 0.60% |
| Total Ongoing Charge (OCF ²) | 0.63% |
| Min Initial Investment (GBP) | £50,000 |
| Registered for Sale | UK |

¹ Active Share measures how much the portfolio holdings differ from the benchmark index (MSCI World) ie. a portfolio that is identical to the benchmark would have 0% active share. ² The OCF is the Annual Management Fee plus additional fund expenses as a percentage of the assets of the fund. This gives an indication of annual expenses. This figure may vary over time. It excludes portfolio transaction costs.

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IMPORTANT INFORMATION

This is a marketing communication issued by Stonehage Fleming Investment Management Limited (SFIM). SFIM is the investment manager of the Fund, authorised and regulated in the UK by the Financial Conduct Authority (FRN. 194382). The distribution or possession of this document in jurisdictions outside the United Kingdom may be restricted by law or other regulatory requirements. For details of the Funds investment policy, please see the Investment Objective and Policy section of the Fund Prospectus Document.

All investments risk the loss of capital. No guarantee or representation is made that the Fund will achieve its investment objective. The value of investments may go down as well as up. For products designed to return income, the distributions can also go down or up and you may not receive back the full value of your initial investment. Derivatives may be used for efficient portfolio management. The Fund invests in assets which are denominated in other currencies; hence changes in the relevant exchange rate will affect the value of the investment. Past performance is not a guide to future returns. If the information is not displayed in your base currency, then the return may increase or decrease due to currency fluctuations.

Whilst every effort is made to ensure that the information provided to clients is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations that may be subject to change in the future. The information in this document does not constitute legal, tax, or a personal recommendation. You must not, therefore, rely on the content of this document when making any investment decisions.

United Kingdom (UK): The Fund is recognised by the Financial Conduct Authority (FCA) for promotion to retail and professional investors in the UK.

The Authorised Fund Manager is Thesis Unit Trust Management Limited, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. Authorised and regulated by the Financial Conduct Authority.

Before you invest you should read the Key Investor Information Document (KIID) and the Prospectus which contain detailed information. The latest version of the Prospectus and the Key Investor Information Document are available in English, free of charge, upon request by writing to Thesis Unit Trust Management Limited at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP; or by phoning 01483 783 900 between 9am and 5pm Monday to Friday; or on the website at www.tutman.co.uk/literature/

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CONTACT FOR DEALING OR APPLICATION FORM

ACD: Thesis Unit Trust Management Limited t: 0333 300 0375

Investment Manager: Stonehage Fleming Investment Management Limited e: enquiries@stonehagefleming.com www.stonehagefleming.com/gbi