

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

The global stock market continued its fundamentally based solid performance during October. This was supported by another strong US earnings season for the third quarter. Two thirds of the S&P 500 constituents have already reported their results. On an Index basis, their revenue grew by +8% and earnings by +11% (in Dollar terms). Respectively, this is +2% and +5% better than consensus expectations. Along with this strong performance, following the Federal Reserve cut of 0.25% in September, the US 10-year treasury yield continued drifting lower over the month, which further supported risk assets.

The US technology hyper-scalers all reported excellent results, and in particular from their respective cloud operations. They are participating very profitably in the AI boom through these business units. Considering the enormous scale of further bookings announced over recent weeks, it seems that the AI theme is continuing to accelerate. Investor enthusiasm on this front has led to unprofitable technology franchises currently outperforming profitable ones materially and the best performance is concentrated in just a few stocks.

The best contributing stocks to Fund performance over October were Alphabet, EssilorLuxottica and Amazon, all following strong result announcements. Alphabet benefitted from a strong performance in its search business with advertising revenue accelerating at +13%, along with its cloud business growing at +34%. The stock further benefitted from Anthropic also allocating them large AI infrastructure contracts, following the earlier OpenAI contract. EssilorLuxottica benefitted from a best ever quarterly revenue increase of +12%, supported by exceptional revenue contributions from their Ray-Ban Meta smart glasses. Amazon benefitted from their cloud revenue accelerating from +17% to +20%, with their non-AWS operating margin continuing to expand.

The largest detractors from performance were AJ Gallagher, Verisk Analytics and Linde. The softer US casualty insurance market affected investor sentiment on the former two businesses, while Linde declared a disappointing +3% revenue growth despite the weak Dollar and a flat operating margin.

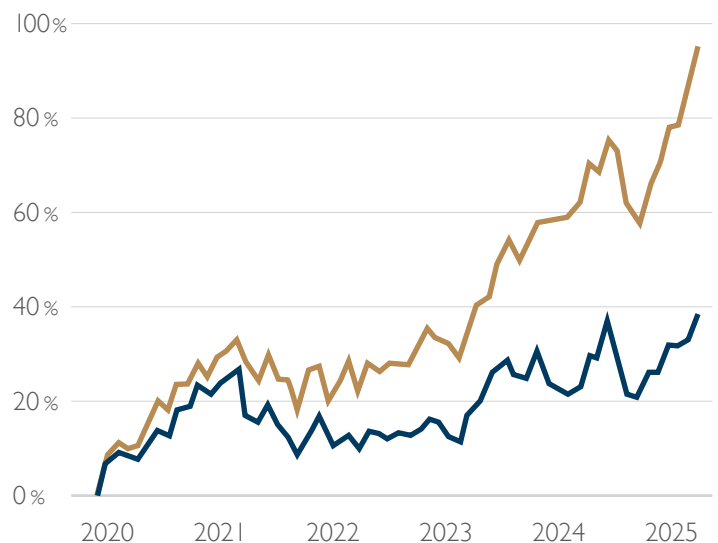
Data sourced from Bloomberg

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	4.2	6.8	12.0	23.9	38.8
Annualised	-	-	-	7.4	6.8
MSCI ACWI NR GBP	4.8	15.4	20.1	57.2	94.9
Annualised	-	-	-	16.3	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

TOP TEN HOLDINGS (% OF FUND)

Alphabet	8.4
EssilorLuxottica	6.4
GE Aerospace	6.1
Microsoft	5.9
Amazon	5.4
Amphenol	5.3
ASML	5.2
Netflix	4.6
Mastercard	4.1
Cadence Design Systems	4.1
TOTAL	55.4

SECTOR BREAKDOWN (% OF FUND)

Technology	26.7
Industrials	15.7
Financials	13.9
Communication	13.0
Health Care	11.9
Discretionary	10.3
Staples	3.5
Materials	3.4
Cash	1.5
TOTAL	100.0



GERRIT SMIT
LEAD PORTFOLIO MANAGER



CAROLYN BELL
DEPUTY PORTFOLIO MANAGER

REGIONAL BREAKDOWN BY LISTING (% OF FUND)

United States	80.1
Europe	17.3
Asia Pacific	1.1
Cash	1.5
TOTAL	100.0

ESTIMATED REGIONAL REVENUES⁷ (% OF FUND)

North America	48.2
Emerging Markets	26.4
Europe	19.4
Developed Asia Pacific Inc. Japan	6.0
TOTAL	100.0

PORTFOLIO CHARACTERISTICS

Weighted Average Market Cap (Billions GBP)	692.1
Number of Holdings	26
Operating Margin	32.9%
Return on Invested Capital	20.9%
Net Debt/EBITDA ¹	0.7
Expected 3 Year Revenue Growth (p.a.)*	11.1%
Expected 3 Year EPS ² Growth (p.a.)*	14.6%
Expected 3 Year DPS ³ Growth (p.a.)*	10.8%
Dividend Yield (Gross) ^{4,5}	0.8%
Price/Earnings Ratio ⁵	30.7
Free Cash Flow Yield ⁵	2.9%
PEG Ratio ⁶	2.8

SECTOR BREAKDOWN

Source: NorthernTrust 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	£280.8m
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	85.6%
Ex Post Tracking Error	6.3%
12 Month Turnover	20.6%
Beta	0.83

GBP B (DISTRIBUTING) SHARE CLASS DETAILS

Price	£5.93
ISIN	GB0032211095
Synthetic Risk & Reward Indicator (SRRI)	5
Annual Management Fee	0.60%
Total Ongoing Charge (OCF ²)	0.69%
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.

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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