

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

As is often the case, September delivered a weak stock market performance. Apart from the normal seasonality, the Federal Reserve's firm message that they plan another hike this year, that rates will be kept high for long and that they remain committed to a 2% inflation target level collectively contributed to push US rates to new 16-year record levels. This negatively affects risk appetite and increases stock market volatility.

The US economy remains resilient, with continued strong employment. Given their strong balance sheets, our businesses are well sheltered against higher interest rates from a cost perspective. With the higher interest rates, investors rely even more on solid operational and earnings performance. Whilst we project +13.9% p.a. earnings¹ growth for the portfolio over the next three years, we are scrutinising the immediate outlook carefully.

We have completed two introductions to the portfolio. Linde is the world's largest global industrial gas business following a re-merger of Praxair with Linde AG a few years ago. This consolidation follows a mega-industry swapping of strategic assets a decade ago in favour of the end consumer and shareholders alike. Linde is also capitalising on the Biden Bipartisan Infrastructure Law and Inflation Reduction Act by installing subsidised capacity in green energy.

Arthur J Gallagher has a strong cash generation business model, in essence earning an annuity broking commission on casualty insurance coverage in the mid-category corporate market. It does not take any underwriting risk itself. Climate change and cyber security issues ensure continuing good organic growth.

We have furthermore introduced MasterCard to the portfolio as both a quality business and as partial counter against potential volatility in our Visa shares with the planned unlocking of the 20% holding by sponsor banks.

The best contributors to performance in September have been UnitedHealth, AJ Gallagher and Colgate-Palmolive, with Zoetis, Visa and LVMH the largest detractors.

¹Calculated using weighted average internal forward three-year earnings projections.

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.

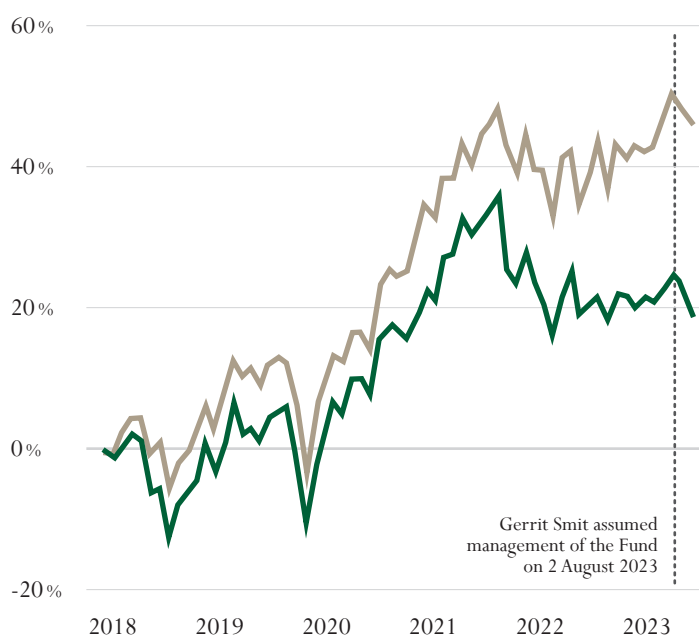
RISK DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. The return may increase or decrease due to currency fluctuations. Performance figures are net of fees and charges. The Fund may hold a relatively small number of stocks as compared to many other funds. This may make the Fund's performance more volatile than would be the case if it had a more diversified investment portfolio. For a full list of risks applicable to this fund, please refer to the Prospectus.

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

STANDARDISED PERFORMANCE %

| | 1m | YTD | 1yr | 3yr | 5yr |
|---|------|-----|------|------|------|
| TM Stonehage Fleming International Fund | -2.8 | 1.9 | 1.3 | 10.6 | 19.7 |
| Annualised | - | - | - | 3.4 | 3.7 |
| MSCI ACWI NR GBP | -0.5 | 9.1 | 10.2 | 29.2 | 46.1 |
| Annualised | - | - | - | 8.9 | 7.9 |

CALENDAR YEAR PERFORMANCE %

| | YTD | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----|-------|------|------|------|-------|
| TM Stonehage Fleming International Fund | 1.9 | -13.1 | 16.1 | 11.8 | 21.2 | -11.1 |
| MSCI ACWI NR GBP | 9.1 | -8.7 | 19.6 | 13.0 | 21.7 | -3.9 |

TM STONEHAGE FLEMING INTERNATIONAL FUND

TOP TEN HOLDINGS (% OF FUND)

| | |
|------------------|-------------|
| Alphabet | 7.5 |
| Microsoft | 6.7 |
| Cadence | 5.1 |
| Accenture | 4.8 |
| Visa | 4.7 |
| Zoetis | 4.3 |
| EssilorLuxottica | 4.0 |
| S&P Global | 3.9 |
| Verisk Analytics | 3.9 |
| L'Oreal | 3.7 |
| TOTAL | 48.7 |

SECTOR BREAKDOWN (% OF FUND)

| | |
|---------------|--------------|
| Technology | 25.6 |
| Health Care | 22.1 |
| Discretionary | 12.9 |
| Financials | 12.8 |
| Staples | 10.3 |
| Communication | 7.5 |
| Industrials | 3.9 |
| Materials | 3.6 |
| Cash | 1.2 |
| TOTAL | 100.0 |

PORTFOLIO MANAGER



GERRIT SMIT

Gerrit Smit is Head of the Equity Management team. He has overall responsibility for its Portfolio Management and Equity Research functions. The team invests for sustainable growth with a particular focus on quality of management, balance sheet strength, cash flow generation and the ability to grow dividends each year.

REGIONAL BREAKDOWN (% OF FUND)

| | |
|--------------------|--------------|
| United States | 76.3 |
| Continental Europe | 19.4 |
| Asia Pacific | 3.1 |
| Cash | 1.2 |
| TOTAL | 100.0 |

ESTIMATED REGIONAL REVENUES⁸ (% OF FUND)

| | |
|--------------------|--------------|
| North America | 48.9 |
| Emerging Markets | 22.6 |
| Continental Europe | 21.7 |
| Japan | 2.7 |
| Other | 4.0 |
| TOTAL | 100.0 |

PORTFOLIO CHARACTERISTICS

| | |
|---|-------|
| Average Market Cap (Billions GBP) | 283.7 |
| Number of Holdings | 29 |
| Operating Margin | 30.2% |
| Return on Invested Capital | 19.4% |
| Net Debt/EBITDA ¹ | 0.7 |
| Expected 3 Year Revenue Growth (p.a.)* | 8.9% |
| Expected 3 Year EPS ² Growth (p.a.)* | 13.8% |
| Expected 3 Year DPS ³ Growth (p.a.)* | 7.6% |
| Dividend Yield (Gross) ^{4,5} | 1.1% |
| Price/Earnings Ratio ⁵ | 26.3 |
| Free Cash Flow Yield ⁵ | 3.8% |
| PEG Ratio ^{6,7} | 2.5 |

SECTOR BREAKDOWN

Source: Northern Trust International Fund Administration Services (Ireland) Ltd. and 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 Price / Earnings to Growth Ratio. ⁷ Weighted portfolio Trailing P/E Ratio and EPS projections applied.

Source: Stonehage Fleming Investment Management Limited, Bloomberg.

ESTIMATED REGIONAL REVENUES

⁸ 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%.

TM STONEHAGE FLEMING INTERNATIONAL FUND

OUTCOME OF FAIR VALUE ASSESSMENTS (2023)

- 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

FUND INFORMATION

| | |
|----------------------|---------------------|
| Total Net Assets | £349.9m |
| 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 | 86.5% |
| Ex Post Tracking Error | 5.1% |
| 12 Month Turnover | 69.9% |
| Beta | 0.86 |

GBP B (DISTRIBUTING) SHARE CLASS DETAILS

| | |
|---|--------------|
| Price | £4.84 |
| ISIN | GB0032211095 |
| Synthetic Risk & Reward Indicator (SRRI) rating | 5 |
| Annual Management Fee | 0.60% |
| Total Ongoing Charge (OCF ²) | 0.66% |
| 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) i.e. 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. All investments risk the loss of capital. No guarantee or representation is made that the funds will achieve their 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 have not been used but are allowed if appropriate for efficient asset management. 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. 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. 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. The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority. 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. These documents 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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