

TM STONEHAGE FLEMING  
**OPPORTUNITIES FUND**

PREVIOUSLY KNOWN AS TM CAVENDISH OPPORTUNITIES FUND



**ACTIVELY  
MANAGED**



**STOCK PICKING  
APPROACH**



**LONG-TERM  
INVESTMENT HORIZONS**



**NAVIGATING TO INVESTMENTS  
WITH CLEAR STRATEGIES**



**GROWTH  
MINDSET**

## INVESTMENT OBJECTIVE

The fund aims to achieve long-term capital growth.

## INVESTMENT POLICY

The Fund aims to invest in equities falling mainly under the following categories: smaller companies which offer long-term growth; companies which offer recovery prospects; and companies in sectors which are perceived to be unduly depressed. There is no geographical restriction but in practice the fund will be mainly invested in the UK.

## PORTFOLIO PERFORMANCE



## STANDARDISED FUND PERFORMANCE (%)

Performance	3m	6m	YTD	1yr	3yrs	5yrs
TM SF Opportunities B Inc	9.8	-1.3	-17.3	-8.4	-10.2	11.1
Numis Smaller Companies Ex Inv Comps Index	7.9	-8.3	-19.9	-7.1	-10.9	12.3
Peer Group Percentile	2	22	43	42	70	68

## DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 August	2020	2019	2018	2017	2016
TM SF Opportunities B Inc	-8.4	-6.3	4.6	21.3	2.0
Numis Smaller Companies Ex Inv Comps Index	-7.1	-7.2	3.5	21.6	3.6
Peer Group Percentile	42	73	74	11	92

## CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2019	2018	2017	2016	2015
TM SF Opportunities B Inc	-17.3	24.7	-15.6	13.9	13.5	10.5
Numis Smaller Companies Ex Inv Comps Index	-19.9	25.2	-15.3	19.5	11.1	10.6

Source: Morningstar, % growth, total return, GBP, single price, UK net income reinvested with no initial charges.

## PERFORMANCE 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. For a full list of risks applicable to this fund, please refer to the Prospectus. If the information is not displayed in your base currency, then the return may increase or decrease due to currency fluctuations. Source for all performance is Stonehage Fleming Investment Management Limited as at 31 August 2020. Total return (with dividends reinvested) is net of fees.

## KEY FACTS

Launch Date	15 February 1988
IA Sector	UK All Companies
Fund Size	£91.0m
Dealing Frequency	Daily

## FEES

Initial Charge	Up to 5.00%
Ongoing Charges	0.67%
Annual Management Charge	0.60%

## MINIMUM INVESTMENT

Lump Sum	£50,000
Additional	£5,000
Regular Savings	N/A

## PORTFOLIO MANAGER



### PAUL MUMFORD

Paul Mumford has extensive investment experience. Having worked initially as an Analyst for Norris Oakley Brothers and later as a smaller companies expert at R Nivison, he moved to fund management in 1988 when he joined Glenfriars. He then joined Cavendish Asset Management at the group's formation in 1994. The acquisition of Cavendish Asset Management was made by Stonehage Fleming in July 2020. Paul is the co-manager of the TM Stonehage Fleming Aim Fund and the TM Stonehage Fleming Opportunities Fund.

## PORTFOLIO MANAGER



### NICK BURCHETT

Nick Burchett began his career in 1983 at Strauss Turnbull and subsequently joined W.I. Carr in 1990 which later became Investec Wealth & Investment after a number of mergers and acquisitions. During this period Nick dealt extensively with Paul Mumford on the analysis of UK equities, markets and execution factors. This partnership made a compelling proposition and after 27 years at Investec he joined Cavendish Asset Management in November 2017 to jointly manage the funds. The acquisition of Cavendish Asset Management was made by Stonehage Fleming in July 2020. Nick is the co-manager of the TM Stonehage Fleming Aim Fund and the TM Stonehage Fleming Opportunities Fund.

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**RISK ANALYSIS**

Alpha	1.26	Ex-Post Risk calculations are based on 3 years' worth of monthly data points. Source: Morningstar, relative statistics calculated over 3 years using the Numis Smaller Companies Ex Inv Comps Index, total return as at 31/08/2020.
Beta	1.11	
R-Squared	0.92	
Standard Deviation	24.40	
Sharpe Ratio	-0.04	

**ENQUIRIES AND DEALING**

0333 300 0355

(press 1 for Enquiries, press 2 for Dealing)

**DEALING:**

Tutman LLP, PO Box 3733,

Royal Wootton Bassett, Swindon, SN4 4BG

**SEDOL CODES:**

Class B Share 3221110

**ISIN CODES:**

Class B Share GB0032211103

**LIPPER IDS:**

Class B Share 60009019

**SECTOR ALLOCATION (%)**

Energy	21.1
Information Technology	18.0
Industrials	16.2
Consumer Discretionary	11.4
Health Care	8.9
Consumer Staples	5.5
Materials	5.3
Communication Services	5.1
Real Estate	4.8
Financials	2.6

**TOP TEN HOLDINGS (%)**

RockRose Energy Plc	6.6
Serica Energy Plc	3.9
Eckoh Plc	3.7
Clipper Logistics Plc	3.7
Lok'nStore Group Plc	3.4
Eagle Eye Solutions Group Plc	3.2
Bango Plc	3.1
Anexo Group Plc	2.7
Medica Group Plc	2.6
TT Electronics Plc	2.5

Source: Tutman LLP and Stonehage Fleming Investment Management Limited as at 31 August 2020. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

**PORTFOLIO COMMENTARY**

In August, the TM Stonehage Fleming Opportunities Fund returned 4.5%, whilst the Numis Smaller Companies Ex-Investment Companies Index returned 5.5%.

The month saw a strong rise in smaller company shares and the fund underperformed due to its high level of liquidity, as we were awaiting proceeds from the cash takeover of RockRose, and the proportion invested in large companies, with the FTSE 100 index being little changed over the period.

We see considerable value in large company shares which are either recovery situations or are in out-of-favour sectors of the stock market. In this respect, we started a new holdings in Aviva and J Sainsbury and added to ITV and BP. We also started a new holding in St Modwen Property, which has an attractive portfolio of industrial/logistic properties and housing developments plus substantial land holding management. It is a share which we had held in the past and sold at a significantly higher level. In the smaller company area we continued to build up a holding in Totally, the outsourcing company for the NHS. To finance the purchases, we sold our holding in Direct Line, which had a large rise on its results. We also

reduced our holding in RockRose and accepted the cash takeover on the rest of our large holding.

Stock market activity was relatively low in what is traditionally a quiet month, with the absence of investors being away on overseas holidays. Many companies produced positive trading statements and had used the last few months to gain efficiencies and become innovative in their operations. The general theme has been better than expected trading during the COVID-19 lockdown followed by a pick-up in business as government restrictions eased. In many cases, such as non-COVID-19 NHS procedures, orders were deferred rather than lost.

The TM Stonehage Fleming Opportunities Fund is exposed to an area of the market where greatest opportunities exist. We have seen a large number of companies held in the portfolio creating exciting new projects or building on existing business. Several larger companies remain unloved and offer attractive longer term recovery prospects. COVID-19 and BREXIT could still present challenges, but we feel that the portfolio is well positioned moving forward.

**IMPORTANT INFORMATION**

Derivatives have not been used but are allowed if appropriate for efficient asset management. The Fund only invests in UK assets but is allowed to hold shares on overseas exchanges. This would occur in the event of a company delisting from the London stock market and would not be expected to be material. Hence, there would be limited foreign exchange risk.

The fund can invest in AIM shares, which can carry a higher risk of failure and be less liquid than shares listed on other exchanges. These may experience greater price movements and wider spreads (difference between the buying and selling prices) which could affect the value of the fund.

Stonehage Fleming Investment Management Limited, which is authorised Financial Conduct Authority (reference number 194382), is the appointed investment manager of the TM Stonehage Fleming Investments Funds. This fund is a UCITS sub-fund of the TM Stonehage Fleming Investments Funds. The TM Stonehage Fleming Investments Funds is an Open Ended Investment Company (OEIC) incorporated under the OEIC Regulations. The company is incorporated in England & Wales with registered number IC000195. It is a UCITS scheme as defined in COLL and is an umbrella company, for the purposes of the OEIC Regulations. It is authorised and regulated in the UK by the Financial Conduct Authority (reference number 407782).

The Authorised Corporate Director ("ACD") is TUTMAN LLP, a limited liability partnership incorporated in England with registered number OC369415. The ACD is authorised and regulated by the Financial Conduct Authority (reference number 612721). Head Office and Registered Office of the ACD is the Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. This document constitutes a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 and has been approved and issued by Stonehage Fleming Investment Management Limited. For details of the Funds investment policy, please see the Investment Objective and Policy section of the Fund Prospectus Document.

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.stonehagefleming.com/investments/funds](http://www.stonehagefleming.com/investments/funds).

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