

TM STONEHAGE FLEMING OPPORTUNITIES FUND



ACTIVELY
MANAGED



STOCK PICKING
APPROACH



LONG-TERM
INVESTMENT HORIZONS



NAVIGATING TO INVESTMENTS
WITH CLEAR STRATEGIES



GROWTH
MINDSET

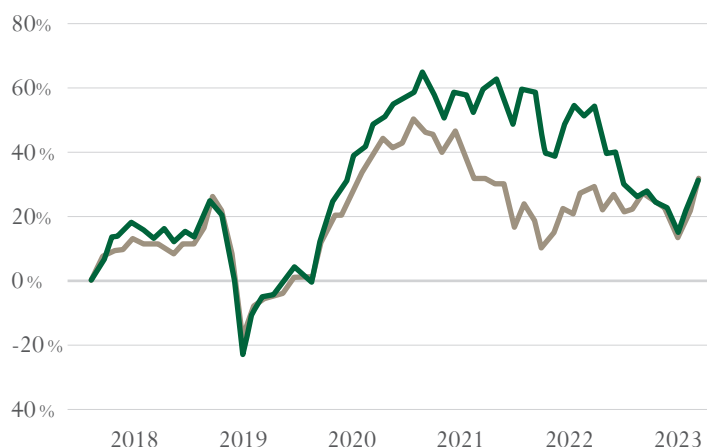
INVESTMENT OBJECTIVE

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



30.52% TM SF Opp Fund B Inc 32.12% Numis Smaller Companies Ex Inv Comps Index

PORTFOLIO COMMENTARY

UK smaller companies and particularly those listed on AIM performed poorly in 2023 which was a year dominated by rising interest rates on the back of high inflation. The year closed on more positive news with inflation falling to 3.9% in November which compared to 4.6% in the previous month and the peak of 11.1% in October 2022. Interest rates were pegged at 5.25% and might remain at that level in the early months of 2024 with the promise of a possible reduction later in the year. In his November Autumn Statement, the Chancellor of the Exchequer announced some taxation cuts and set the scene for the likelihood of further reductions. A similar situation exists in the United States where the Fed interest rates are held steady at 5.5% and the November inflation figure was 3.1%. 2024 is likely to be the biggest election year in history when 40 countries and more than half the world population going to the polls. It seems likely that with a General Election in the UK and Presidential one in the US will be accompanied by moves to stimulate the respective economies. This may well be the reason behind a more positive tone in places for stock markets in December. However, the continuing Russia/Ukraine conflict and escalation of the Israel/Gaza situation provides some continued uncertainty.

Shares of smaller companies in the oil and gas sector have remained depressed. Oil and gas prices remained relatively stable in December which experienced relatively mild weather conditions. Higher production figures were seen from the US which offset modest cuts from OPEC members. A short-term influence on prices could be the effects of attack on merchant shipping in the Red Sea causing some freight to avoid the Suez Canal. It also remains to be seen if any cold spell will extend through the early weeks of 2024. On balance we would look for oil and natural gas prices to remain around present levels. Under such circumstances companies in the sector should achieve reasonable profits to enable capital to be invested in drilling programmes. We have a good exposure to companies operating in the North Sea and see prospects of an attractive rerating for those shares. Even though there might be industry uncertainty if there is a change in government, it seems unlikely that the Labour party would want to encourage or rely upon only foreign energy imports. We feel that our holdings in the sector offer sound longer term prospects and should provide attractive returns for the fund. On the political front, a General Election is unlikely until the Autumn by which time tax incentives might be introduced with also the possibility of lower interest rates. We have little concern on the outcome for economic growth as this seems a likely campaign for all political parties. During the month, for technical reasons, we made further reductions in our MS International holding and added to several others. Looking ahead into the New Year we think that sentiment should eventually return to smaller companies, many of which are quoted at exceedingly attractive levels. Takeover activity might also increase and we feel that, our stock picking approach leaves us well placed to take advantage of any opportunities that might arise.

FUND INFORMATION

KEY FACTS

Launch Date	15 February 1988
IA Sector	UK All Companies
Fund Size	£85.7m
Dealing Frequency	Daily

MINIMUM INVESTMENT

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

FEES

Initial Charge	Up to 5.00%
Ongoing Charges Figure (OCF)*	0.67%
Annual Management Charge	0.60%

* The OCF is the management fee plus additional fund expenses (excluding transaction costs) as a percentage of the assets of the fund. This gives an indication of annual expenses which may vary over time.

STANDARDISED FUND PERFORMANCE (%)

Performance	3m	6m	YTD	1yr	3yrs	5yrs
TM Stonehage Fleming Opportunities Fund B Inc	6.5	3.6	-15.2	-15.2	5.3	30.5
Numis Smaller Companies Ex Inv Comps Index	8.3	8.6	10.1	10.1	10.3	32.1

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 December	2023	2022	2021	2020	2019
TM Stonehage Fleming Opportunities Fund B Inc	-15.2	-2.6	27.5	-0.6	24.7
Numis Smaller Companies Ex Inv Comps Index	10.1	-17.9	21.9	-4.3	25.2

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming Opportunities Fund B Inc	-15.2	-15.2	-2.6	27.5	-0.6	24.7
Numis Smaller Companies Ex Inv Comps Index	10.1	10.1	-17.9	21.9	-4.3	25.2

Source: Morningstar as at 31/12/2023, % 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. All investments risk the loss of capital. Investors may not get back the original amount invested. Income from investments may vary and is not guaranteed. Performance figures are net of fees and charges. For a full list of risks applicable to this fund, please refer to the Prospectus.

The fund holds a broad range of AIM listed companies and some of these carry a higher risk of failure and may be less liquid than shares listed on other exchanges. These shares may be also harder to sell quickly because of this lower liquidity. AIM listed companies may also experience greater price volatility which could also affect the value of the fund.

Source for all performance is Stonehage Fleming Investment Management Limited as at 31 December 2023. Total return (with dividends reinvested) is net of fees.

TM STONEHAGE FLEMING OPPORTUNITIES FUND

ENQUIRIES

ENQUIRIES AND DEALING

0333 300 0375

(press 1 for Enquiries, press 2 for Dealing)

DEALING:

Thesis Unit Trust Management Limited, 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 (%)

Industrials	24.7
Energy	17.0
Information Technology	14.8
Communication Services	8.5
Real Estate	8.4
Consumer Discretionary	7.7
Health Care	5.4
Financials	5.3
Materials	3.5
Consumer Staples	2.3
Cash	2.3

TOP TEN HOLDINGS (%)

MS International Plc	9.4
Lok nStore Group Pln	5.6
Serica Energy Plc	5.2
Bango Plc	4.5
M&C Saatchi Plc	3.6
Senior Plc	3.6
Bisichi Plc	2.8
Costain Group	2.8
Elementis Plc	2.7
Hunting Ord	2.5

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management Limited as at 31 December 2023. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

OUTCOME OF FAIR VALUE ASSESSMENTS (2023)

Our assessment confirms:

- The fund meets the needs of the target market.
- The intended distribution strategy remains appropriate.
- The fund provides fair value to customers.

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

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. 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. 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.

FUND MANAGERS



PAUL MUMFORD

Paul Mumford began his career in 1963 working initially as an Analyst for Norris Oakley Brothers and later as a smaller companies expert at R Nivison. Paul moved to fund management in 1988 when he joined Glenfriars. Paul then joined Cavendish Asset Management at the group's formation in 1994 and funds were launched. The group was subsequently acquired 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.



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. Nick dealt extensively with portfolios of UK equities, markets and execution strategies. After 27 years at Investec he joined Cavendish Asset Management in November 2017 to jointly manage this fund. The acquisition of Cavendish Asset Management was subsequently 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.

AWARDS



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 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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