

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

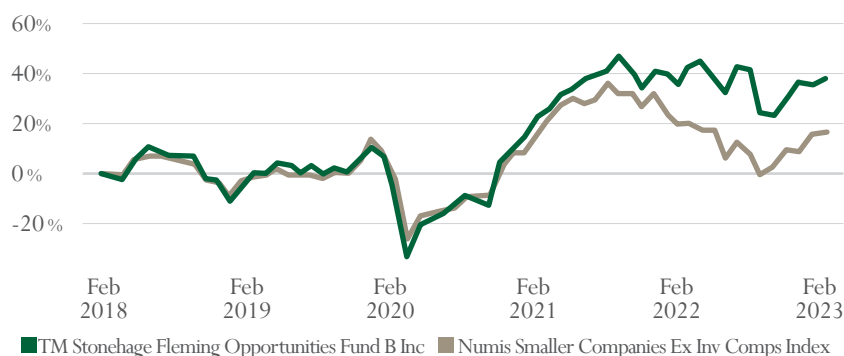
INVESTMENT OBJECTIVE

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 Stonehage Fleming Opportunities Fund B Inc	4.0	-3.2	0.1	1.2	47.4	37.4
Numis Smaller Companies Ex Inv Comps Index	6.3	8.6	7.3	-2.1	17.8	16.1

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 28 February	2023	2022	2021	2020	2019
TM Stonehage Fleming Opportunities Fund B Inc	1.2	10.3	32.0	-7.5	0.7
Numis Smaller Companies Ex Inv Comps Index	-2.1	3.5	16.2	0.8	-2.2

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming Opportunities Fund B Inc	0.1	-2.6	27.5	-0.6	24.7	-15.6
Numis Smaller Companies Ex Inv Comps Index	7.3	-17.9	21.9	-4.3	25.2	-15.3

Source: Morningstar as at 28/02/23, % 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 28 February 2023. Total return (with dividends reinvested) is net of fees.

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

KEY FACTS

Launch Date	15 February 1988
IA Sector	UK All Companies
Fund Size	£108.2m
Dealing Frequency	Daily

FEES

Initial Charge	Up to 5.00%
Ongoing Charges Figure (OCF) ²	0.66%
Annual Management Charge	0.60%

² 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.

MINIMUM INVESTMENT

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

FUND MANAGER



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.

FUND 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. 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



TM STONEHAGE FLEMING OPPORTUNITIES FUND

PREVIOUSLY KNOWN AS TM CAVENDISH 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 (%)

Energy	21.0
Industrials	19.6
Information Technology	16.0
Communication Services	9.8
Health Care	7.3
Real Estate	7.2
Consumer Discretionary	6.8
Financials	4.1
Materials	3.5
Consumer Staples	2.6
Cash	2.2

TOP TEN HOLDINGS (%)

MS International Plc	6.2
Serica Energy Plc	5.6
Bango Plc	4.6
Lok'nStore Group Plc	4.5
Bisichi Plc	4.3
M&C Saatchi Plc	4.0
Senior Plc	3.3
ZOO Digital Plc	3.1
STV Group	2.7
Kistos Plc	2.7

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 28 February 2023.
Third parties whose data may be included in this document do not accept any liability for errors or omissions.

PORTFOLIO COMMENTARY

The FTSE 100 Index reached a record high in February but share prices at the smaller end of the London Stock market drifted lower and gave up part of the previous month gains leaving the Numis Smaller companies (ex-investment companies) Index down by 1.98%. During this time, the TM Stonehage Fleming Opportunities Fund slightly outperformed with a smaller fall of 1.80%. Once again there was unseasonably mild weather conditions but energy prices held up well with some stability in the oil and gas sector.

As anticipated the Bank of England raised the UK base rate by half a percentage point to 3.5% and the comment at the Monetary Policy Committee meeting suggested that the rate had hit its peak in the cycle. The latest GDP data from the Office for National Statistics revealed that the UK economy had not contracted in Q4 of 2022 thereby avoiding a technical recession. However, a recession albeit a shallower one than previously forecast was expected to emerge later in the year. A positive factor has been the falling energy input costs but rising wages would still have a negative effect on inflation.

In order to take advantage of stock market levels we a number of our holdings and disposed of our remaining small interest in Podpoint after its results. The company is one of the largest installers of electric vehicle charging points. It produced results which were in line with a recent trading statement where expectations were downgraded due to the effects of lower production and sales of electric vehicles. These still make up a small proportion of the automobile market but their sales are expected to increase substantially if green emission targets are achieved. In order to grab a large share of new installations Podpoint has been making significant investment which has led to them burning through their cash balances. Profitability, looks to be at least two years away and we felt that the funds could be used to better advantage elsewhere. For reinvestment we added to a couple of holdings which we felt offered better medium term prospects.

Milder weather conditions through February and energy prices have stabilised at a lower level weather. The 35% windfall tax has made the North Sea less attractive to energy

companies but the recent licensing round has still seen plenty of interest. However, a number of major oil companies have reduced their drilling activity in the North Sea to concentrate on other geographical areas with more favourable tax rates. The situation with smaller companies is that they are more nimble and able to offset some of the taxation liability against drilling costs. With healthy cash flows they are able to acquire existing production assets at favourable prices from those companies wishing to reduce their North Sea exposure. In this respect we feel that we are well placed to benefit from our holdings in the sector. In the medium term we would anticipate the OPEC might use their influence to keep oil prices at a reasonable level and this also supports our faith in this sector of the market.

We have now passed the one year anniversary of Russian invasion of the Ukraine and there seems to be little progress in reaching a peaceful solution to the conflict. The economic consequences has been a rise in inflation and creation of a background where recessionary conditions emerge. Some of the headwinds have subdued but higher energy and food prices to historic levels have increased the cost of living, leading to substantial wage demands and in some instances public strike action in parts of the public sector. Companies have faced higher raw material costs and in the majority of cases smaller companies have been able to pass these on by increasing prices. Component supply shortages, fluctuating transportation costs and destocking can create short term problems but these are not insurmountable. At present there seems to be a more stable background to the UK economy with Sterling strength reflecting the more prudent policy implemented by the current fiscal policy. A major boost to global economy would be the effect of China moving out of a Covid lockdown to recover to levels seen previously. Smaller companies and particularly those listed on AIM have remained somewhat friendless but this has created opportunities for active management and there should be others for us to take advantage of price movements as we move towards the end of the financial year. There is also potential from the larger company recovery situations held in the portfolio.

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.

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.fundlistings.com.

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