

# TM STONEHAGE FLEMING OPPORTUNITIES FUND



ACTIVELY  
MANAGED



STOCK PICKING  
APPROACH



LONG-TERM  
INVESTMENT HORIZONS



NAVIGATING TO INVESTMENTS  
WITH CLEAR STRATEGIES



GROWTH  
MINDSET

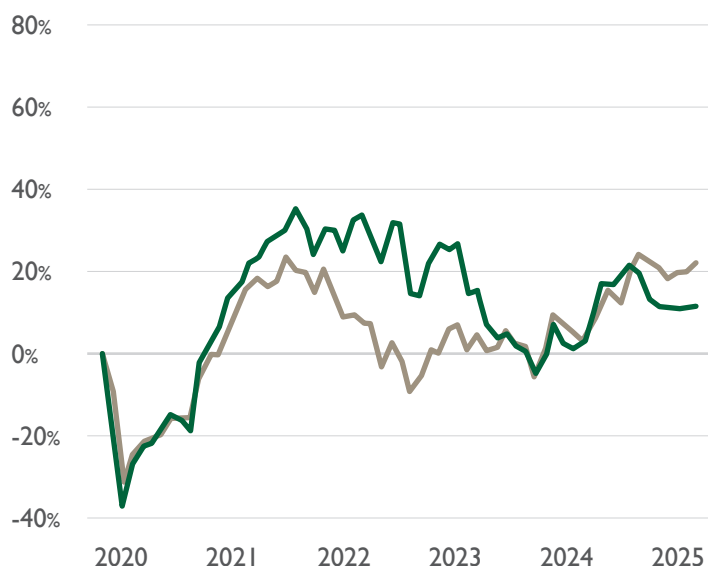
## INVESTMENT OBJECTIVE

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



**11.67%** TM SF Opp Fund B Inc

**21.68%** Deutsche Numis Smaller Companies Ex Inv Comps Index

## CUMULATIVE FUND PERFORMANCE (%)

Performance	3m	6m	YTD	1yr	3yrs	5yrs
TM Stonehage Fleming Opportunities Fund B Inc	-0.1	-8.2	0.4	8.2	-14.6	11.7
Deutsche Numis Smaller Companies Ex Inv Comps Index	3.1	-2.1	1.5	13.4	6.7	21.7

## CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2024	2023	2022	2021	2020
TM Stonehage Fleming Opportunities Fund B Inc	0.4	2.8	-15.2	-2.6	27.5	-0.6
Deutsche Numis Smaller Companies Ex Inv Comps Index	1.5	9.5	10.1	-17.9	21.9	-4.3

Source: Morningstar as at 31/01/2025, % growth, total return, GBP, single price, UK net income reinvested with no initial charges.

## FUND INFORMATION

Launch date	1 February 1988
IA sector	UK All Companies
Fund size	£82.5m
Dealing frequency	Daily
Lump Sum	£50,000
Additional	£5,000
Regular Savings	N/A
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.

## PORTFOLIO COMMENTARY

UK public sector borrowings increased by £17.8 billion in December 2024 which was £3.2 billion more than forecast by the Office of Budget Responsibility (OBR) and the third highest December figure since monthly records began in January 1993. As a result, the UK 10-year gilt yield increased to 4.9% in the middle of January but fell back to under 4.5% by the end of the month. Better news was that, despite the effects of the tax increases in the October Budget, inflation in December fell from 2.6% to 2.5%. Bank Rate in January was pegged at 4.75% by the Bank of England Monetary Policy Committee but, inflation permitting, and following cuts by the ECB, Sweden, Canada and South Africa, there could be an interest rate reduction in February. Interest rates in the United States were also unchanged much to the annoyance of President Trump who threatened to introduce trade tariffs on imports from Canada, and Mexico and imposed a 10% tariff on China. He is also likely to impose tariffs on the European Union and has not ruled out the UK. The net effect would be to stifle global trade and increase inflation. However, the UK seems better placed than other countries and might do well in a more competitive environment. The Israel/Gaza conflict is beginning to unravel with further hostage/prisoner exchanges to hopefully build on hopefully a stable ceasefire which will also help towards a better sentiment in the region. Much of the bad news is discounted in the present level of share prices which could lead to an increased level of takeover activity with companies seeking synergies to offset some of the more difficult trading conditions. Equally UK companies with manufacturing bases in the United States would benefit from the less competitive environment when or if the Trump tariffs begin to bite.

We started a new holding in Renew Holdings which undertakes work for the regulated, non-discretionary spend areas of the market including, rail, infrastructure, energy and environmental industries. It produced a disappointing trading statement where, due to a delay in the start-up of the new CP7 rail programme, current year forecasts would not be achieved. This work has not gone away and with other infrastructure programs such as AMP-8 (water) the company will be able to reassign internal resources and has given us the opportunity to build a holding in a company with strong management and attractive long-term prospects. We added to our holding in Fevertree and were rewarded when they announced at the end of January a strategic distribution agreement for soft drinks with Molson Coors in the US. We also added to shares in a number of other holdings including JD Sports Fashion (retail), Lion Trust (investment management) and Microlise (transport management systems). To raise funds, we have reduced our holding in Direct Line (insurance) which is subject to an agreed takeover bid and disposed of Gateley (legal services) plus the remainder of Quiz (fashion retail). The stated objective of the Labour Government is still to stimulate growth and hopefully over time there will be measures to achieve this. Smaller company shares have underperformed and represent outstanding value at current levels. Despite the current headwinds we look to the future with confidence and feel that the portfolio is well positioned to provide above average growth potential.

# 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	28.7
Energy	16.6
Information Technology	13.2
Consumer Discretionary	8.6
Financials	6.1
Communication Services	6.0
Health Care	6.0
Materials	5.4
Consumer Staples	5.0
Real Estate	2.3
Cash	2.1

## TOP TEN HOLDINGS (%)

MS International Plc	7.7
Costain Group	4.1
Elementis Plc	3.3
Avon Technologies Plc	3.2
Serica Energy Plc	3.1
Senior Plc	2.9
Hunting Ord	2.6
Supreme Plc	2.5
Bango Plc	2.4
Bisichi Plc	2.4

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management Limited as at 31 January 2025. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

## PORTFOLIO MANAGEMENT



**FUND MANAGER**  
NICK BURCHETT



**FUND MANAGER**  
PAUL MUMFORD

## OUTCOME OF FAIR VALUE ASSESSMENTS (2024)

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.

## AWARDS



## RISK PROFILE

Class B, Class C, Class L, Class Y

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.

- 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.
- The businesses and companies are subject to higher risk of failure and so the risk of insolvency is also higher for these type of shares. This could mean that you lose all or significantly large part of the investment is shares of companies which are insolvent.

All the risks currently identified as being applicable to the Fund are set out in the 'Risk' section of the Prospectus.

## TM STONEHAGE FLEMING OPPORTUNITIES FUND

### 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, 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 Fund's 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 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 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.

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/](http://www.tutman.co.uk/literature/)

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