

TM STONEHAGE FLEMING OPPORTUNITIES FUND



ACTIVELY
MANAGED



STOCK PICKING
APPROACH



LONG-TERM
INVESTMENT HORIZONS



NAVIGATING TO INVESTMENTS
WITH CLEAR STRATEGIES



GROWTH
MINDSET

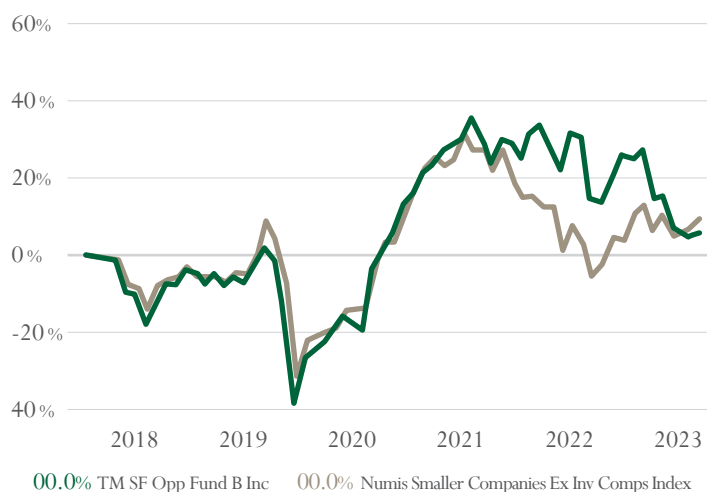
INVESTMENT OBJECTIVE

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



PORTFOLIO COMMENTARY

During the month, the TM Stonehage Fleming Opportunities Fund shares showed a positive performance of 1.36% which compared to the Numis Smaller Companies (ex-Investment Companies) Total Return Index positive return of 4.24%.

It was a relief to see a further fall in inflation to 7.9% but it remains well above the Government target of 2.0%. To achieve this, the Bank of England raised interest rates by a further 0.25% to 5.25% and indicated that rates might stay at a high level for some time to come. There is always the concern that the UK economy could be driven into a major recession to achieve this objective. Interest rates in the US were also nudged higher even though inflation has fallen to 3%. With the UK election in the not too distant future we would not be surprised to see the Government raise the inflation target to a more realistic level which would allow interest rates to stabilise or eventually move lower.

Investors continued to take a cautious view on small companies and particularly those listed on AIM. Often share prices had sharp falls on the back of disappointing trading statements and sometimes based upon a specific issue and this can present us with the chance to add to holdings in companies which we believe offer attractive longer term growth prospects. In this regard, we added to Anexo (legal services), Totally (NHS outsourcing) and Zoo Digital (dubbing services for major Hollywood studios). There were no major sales but we made small reduction to our holding in Barclays (banking).

During the month the UK Government offered pay increases of between 5% and 7% to public sector workers including teachers, doctors, police officers, prison officers, armed forces, and civil servants. This stemmed off many strikes but rail workers and junior doctors are still in dispute. With inflation falling it is hoped that wage demands are under control. We have found that the majority of the companies we see have achieved reasonable settlements which, in most cases, can be absorbed or passed on by way of higher pricing. Of more concern might be the sharp rises in interest rates but many companies are looking to reduce borrowing whilst those with large cash balances are reaping the benefits. A stable pound and energy prices falling from spikes are seen as positive factors when looking at corporate profitability. It is worrying that the Russia/Ukraine conflict is not looking to be resolved but the opening of the Chinese economy is a positive factor for world trade. As previously mentioned an election in the not too distant future the UK Government could well take measures to stimulate the UK economy which would be favourable to the stock market. The majority of companies in which we are invested seem cautiously optimistic on profit forecasts being maintained or exceeded moving ahead.

From a technical point of view, over the last year, the UK market has been facing several headwinds including the effects of rising inflation, higher energy costs, a fluctuating currency, changes in Prime Ministers, political scandals, and rising interest rates. Many of these factors are under control but investors have been driven away from smaller companies which are seen to be more risky than shares in larger companies. It has forced some smaller company funds facing redemptions to sell their more marketable holdings. With buyers holding back the result has been an under-performance in this area of the stock market. However, as has been seen in the past confidence can recover when least expected and can lead to a sharp upward correction in share prices. In our opinion, the fund is well placed of this and we are optimistic on the medium term outlook.

FUND INFORMATION

KEY FACTS

Launch Date	15 February 1988
IA Sector	UK Smaller Companies
Fund Size	£88.0m
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	-8.7	-15.8	-17.0	-20.2	29.4	5.6
Numis Smaller Companies Ex Inv Comps Index	0.9	-0.3	5.7	2.7	33.5	8.3

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 July	2023	2022	2021	2020	2019
TM Stonehage Fleming Opportunities Fund B Inc	-20.2	2.5	58.2	-14.7	-4.2
Numis Smaller Companies Ex Inv Comps Index	2.7	-13.0	49.4	-13.6	-6.1

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming Opportunities Fund B Inc	-17.0	-2.6	27.5	-0.6	24.7	-15.6
Numis Smaller Companies Ex Inv Comps Index	5.7	-17.9	21.9	-4.3	25.2	-15.3

Source: Morningstar as at 31/07/2023, % 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 invests in 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.

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	21.4
Energy	19.4
Information Technology	15.8
Communication Services	8.9
Real Estate	7.5
Health Care	7.0
Consumer Discretionary	6.9
Financials	6.1
Materials	3.5
Consumer Staples	2.5
Cash	1.0

TOP TEN HOLDINGS (%)

MS International Plc	8.1
Serica Energy Plc	5.9
Lok nStore Group Plc	4.8
Bango Plc	4.4
Bisichi Plc	3.6
Senior Plc	3.5
M&C Saatchi Plc	3.3
EnQuest Plc	2.7
Elementis Plc	2.5
Inspeks Group Plc	2.4

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 31 July 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 Glenfriers. 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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