

# 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

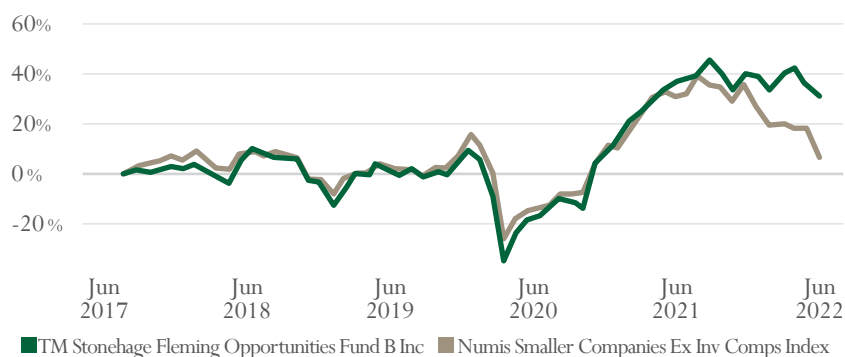
## INVESTMENT OBJECTIVE

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 | -7.5  | -6.0  | -6.0  | -4.0  | 31.1 | 31.7 |
| Numis Smaller Companies Ex Inv Comps Index    | -11.7 | -20.2 | -20.2 | -17.2 | 5.4  | 7.4  |

## DISCRETE 12 MONTH PERFORMANCE (%)

| 12 months to 30 June                          | 2022  | 2021 | 2020  | 2019 | 2018 |
|---|-------|------|-------|------|------|
| TM Stonehage Fleming Opportunities Fund B Inc | -4.0  | 62.8 | -16.1 | -7.9 | 9.1  |
| Numis Smaller Companies Ex Inv Comps Index    | -17.2 | 49.8 | -15.0 | -5.4 | 7.6  |

## CALENDAR YEAR PERFORMANCE (%)

| Performance                                   | YTD   | 2021 | 2020 | 2019 | 2018  | 2017 |
|---|-------|------|------|------|-------|------|
| TM Stonehage Fleming Opportunities Fund B Inc | -6.0  | 27.5 | -0.7 | 24.7 | -15.6 | 13.9 |
| Numis Smaller Companies Ex Inv Comps Index    | -20.2 | 21.9 | -4.3 | 25.2 | -15.4 | 19.5 |

Source: Morningstar as at 30/06/22, % 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 30 June 2022. 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         | £109.9m          |
| Dealing Frequency | Daily            |

## FEES

|   |             |
|---|-------------|
| Initial Charge                            | Up to 5.00% |
| Ongoing Charges Figure (OCF) <sup>2</sup> | 0.68%       |
| Annual Management Charge                  | 0.60%       |

<sup>2</sup> 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 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 Glenfries. 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.



### 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.

## AWARDS



# TM STONEHAGE FLEMING OPPORTUNITIES FUND

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## ENQUIRIES

|   |              |
|---|--------------|
| <b>ENQUIRIES AND DEALING</b>  |              |
| 0333 300 0375   |              |
| (press 1 for Enquiries, press 2 for Dealing)  |              |
| <b>DEALING:</b>   |              |
| Thesis Unit Trust Management Limited, PO Box 3733,<br>Royal Wootton Bassett, Swindon, SN4 4BG |              |
| <b>SEDOL CODES:</b>   |              |
| Class B Share   | 3221110      |
| <b>ISIN CODES:</b>  |              |
| Class B Share   | GB0032211103 |
| <b>LIPPER IDS:</b>  |              |
| Class B Share   | 60009019     |

## SECTOR ALLOCATION (%)

|                        |      |
|------------------------|------|
| Energy                 | 25.2 |
| Industrials            | 17.3 |
| Information Technology | 13.2 |
| Health Care            | 8.8  |
| Consumer Discretionary | 8.1  |
| Real Estate            | 7.5  |
| Communication Services | 7.3  |
| Financials             | 6.4  |
| Materials              | 2.7  |
| Consumer Staples       | 2.4  |
| Cash                   | 1.1  |

## TOP TEN HOLDINGS (%)

|                      |     |
|----------------------|-----|
| Serica Energy Plc    | 6.8 |
| Bisichi Plc          | 4.8 |
| Lok'nStore Group Plc | 4.6 |
| M&C Saatchi Plc      | 3.4 |
| Kistos Plc           | 3.3 |
| MS International Plc | 3.2 |
| Bango Plc            | 3.0 |
| EnQuest Plc          | 3.0 |
| Totally Plc          | 2.8 |
| Senior Plc           | 2.7 |

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 30 June 2022.  
Third parties whose data may be included in this document do not accept any liability for errors or omissions.

## PORTFOLIO COMMENTARY

The London stock market had a sharp decline in the month, where investors and smaller companies were particularly badly affected, with the Numis Smaller Companies (ex-investment companies) Index declining by 10.0%. The TM Stonehage Fleming Opportunities Fund outperformed by a reasonable margin and its value fell by 4.4%.

We reduced a number of holdings and sold our entire interest in EMIS which received an agreed takeover bid. It was therefore possible to recycle the proceeds into several shares which had suffered above average falls. These included Supreme (consumer products including vaping liquids and nutritional foods), Made-Tech (software products for government departments and other businesses), RWS (translation services) and Beximco (pharmaceutical products). All of these offer strong medium-term prospects and are at attractive levels.

The outperformance in the period was helped by a better performance from our holdings in the oil and gas sector where energy prices were strong on the back of supply restraints and the continuing conflict in Ukraine. The sector has shrugged off the likely effects of the proposed windfall tax to be levied by the Government, and cash flows prior to its introduction will not be penalised. There are also attractive tax incentives where capital expenditure can be offset against the charge and this should increase drilling activity. Our interests are largely in gas producing fields where there is seen to be considerable potential.

## 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.

In the case of Serica, our largest holding, there is already a £60 million drilling programme in place and we believe there are plans for this to be increased. The Government acknowledge the fact that the United Kingdom does not want to rely on imported energy and have encouraged the authorities to become more sympathetic to the approval of field development plans.

The two main concerns are the sharp rises in interest rates and inflation. Interest rates are still at a low level where companies do not have concerns but double digit inflation can be a more worrying feature. The rail strike that occurred in the month demonstrates the problems of high wage demands. We have also found in specialist area such as IT there is a shortage of labour which can create problems for some companies unless pay packages are inflated to attract. Fortunately, the majority of companies in which the fund is invested are able to mitigate many inflationary cost pressures by raising prices and, at present, this has been possible due to the wide understanding of the global economic situation. Nevertheless, the fact remains that food ingredients, raw materials and energy costs are likely to remain at high levels while the Russian invasion of the Ukraine continues. Our interests in healthcare, software and the wide spread of other interests gives us confidence. Current market conditions favour our stock picking approach as share price movements can be irrational and it is a good opportunity to position the portfolio to take advantage of a recovery in stock markets. We therefore remain positive of the outlook for the next few years.

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](http://www.fundlistings.com).

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