

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

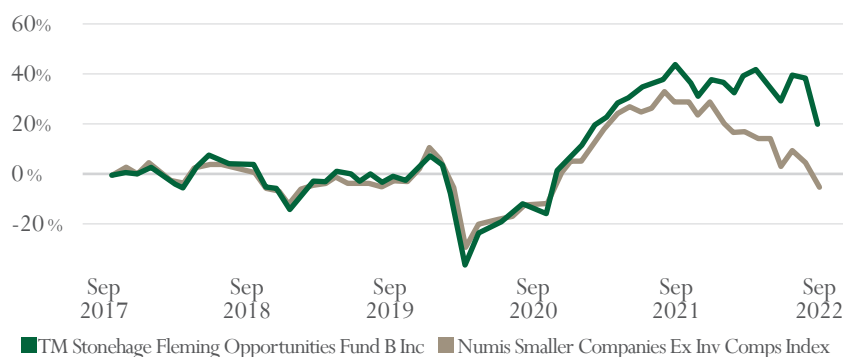
INVESTMENT OBJECTIVE

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	-6.2	-13.3	-11.8	-15.4	21.3	20.2
Numis Smaller Companies Ex Inv Comps Index	-6.4	-17.3	-25.3	-25.1	-1.2	-3.9

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 30 September	2022	2021	2020	2019	2018
TM Stonehage Fleming Opportunities Fund B Inc	-15.4	61.6	-11.3	-4.7	4.0
Numis Smaller Companies Ex Inv Comps Index	-25.1	45.9	-9.6	-4.1	1.4

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2021	2020	2019	2018	2017
TM Stonehage Fleming Opportunities Fund B Inc	-11.8	27.5	-0.7	24.7	-15.6	13.9
Numis Smaller Companies Ex Inv Comps Index	-25.3	21.9	-4.3	25.2	-15.4	19.5

Source: Morningstar as at 30/09/22, % 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 September 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	£100.6m
Dealing Frequency	Daily

FEES

Initial Charge	Up to 5.00%
Ongoing Charges Figure (OCF) ²	0.68%
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.



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	29.2
Industrials	16.6
Information Technology	14.4
Health Care	7.8
Consumer Discretionary	7.3
Communication Services	7.0
Real Estate	6.9
Financials	5.4
Materials	2.4
Consumer Staples	2.0
Cash	1.0

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

TOP TEN HOLDINGS (%)

Serica Energy Plc	8.5
Bisichi Plc	4.9
Kistos Plc	4.1
Lok'nStore Group Plc	4.1
Bango Plc	3.9
MS International Plc	3.8
EnQuest Plc	3.7
M&C Saatchi Plc	3.2
Parkmead Group Plc	3.1
Senior Plc	2.9

PORTFOLIO COMMENTARY

The London Stock market moved sharply lower in the month and the TM Stonehage Fleming Opportunities Fund under-performed the benchmark with its value declining by 12.51% against a fall of 7.97% in the Numis Smaller companies (ex-investment companies) Index. Smaller companies and mid-cap stocks saw an overreaction in many areas and especially our sector exposure to energy giving up some of their recent gains.

Markets reacted badly to the fiscal measures announced by the new Chancellor of the Exchequer during the period. The initial worrying effect was the reaction on Sterling which had a sharp decline against the US Dollar. Gilt yields increased sharply as the cost of borrowing was predicted to rise. The Bank of England also had to intervene by buying gilts and mortgage rates reacted with increases.

We have however taken advantage of weakness in the stock market by adding to a number of shares which have had a disproportionate fall. These included Advanced Medical Solutions the specialist wound care product company which has a fast growing US business where a new product has received marketing approval and Anexo the specialist legal business which produced strong results and awaits news of an early settlement against Volkswagen and its case of fraudulent emissions data. Another similar case was recently successful in reaching an early settlement against a claim. We added to Synthomer on the basis of recovery after suffering from a slowdown and de-stocking of its material used in protective latex gloves following strong sales during Covid. The share price has over-reacted and director purchases

demonstrated confidence in future prospects. Our purchases were backed by the reduction of a couple of our larger holdings where prices had held up well.

We have highlighted previously the merits of shares in the oil and gas sector and two of our largest holdings Kistos and Serica produced interim results in the month. Having not been able to agree merger terms these two companies produced impressive individual results. They are principally both North Sea gas producers which benefitted from higher energy prices and lower than average production costs. With strong cash flows and healthy balance sheets they are each looking to make acquisitions and, at the same time, increase drilling activity to mitigate any "windfall" tax.

Moving into the winter, energy costs remain a concern but oil and gas prices seemed to have stabilised at a slightly lower level. Wage inflation creates a further headwind for companies but we have found that an increase in prices or re-negotiated contracts has become an accepted way of passing on higher costs. In the meantime, the stock market seems to have over-reacted. This is particularly true at the smaller end of the spectrum where in some cases a lower liquidity level have led to many anomalies occurring via some sharp moves for no sound reason. It has been seen on many occasions in the past that stock markets can recover when least expected and often before an economic recovery is seen. We feel that the current portfolio contains a large number of undervalued holdings and is well placed to taken advantage of the market recovery when it occurs.

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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