

TM STONEHAGE FLEMING UK BALANCED INCOME FUND

PREVIOUSLY KNOWN AS TM CAVENDISH UK BALANCED INCOME FUND



**ACTIVELY
MANAGED**



**SUSTAINABLE
INCOME FOCUS**



**MULTI-
ASSET**



**LONG-TERM
OPPORTUNITIES**



**POUND STERLING
PORTFOLIO**

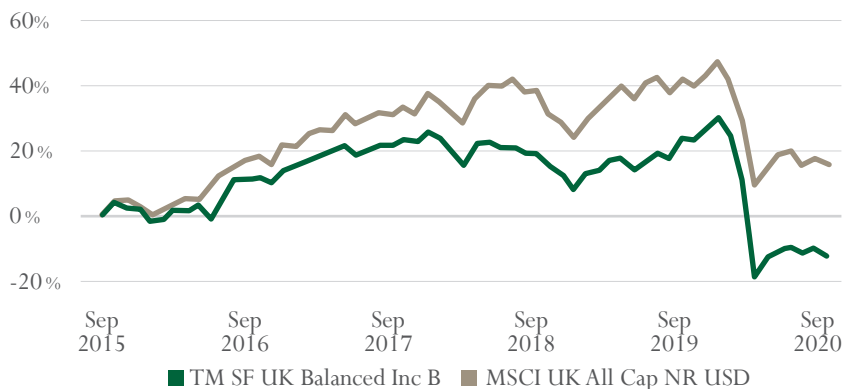
INVESTMENT OBJECTIVE

The objective of the UK Balanced Income Fund is to provide income and growth.

INVESTMENT POLICY

The Fund will be a diversified portfolio invested predominantly in UK equities typically from the FTSE 350 and in a range of fixed interest stocks such as government and public securities, debentures and corporate bonds. The Fund will not be restricted in the choice of fixed interest stocks in terms of duration or rating. If considered appropriate the Fund may also invest in other markets as specified in the Prospectus and in other assets including other transferable securities, cash and near cash, deposits and money market instruments. Derivative instruments may be used to manage exposure to risk, reduce cost, or for the generation of income.

PORTFOLIO PERFORMANCE



STANDARDISED FUND PERFORMANCE (%)

| Performance | 3m | 6m | YTD | 1yr | 3yrs | 5yrs |
|------------------------|------|-----|-------|-------|-------|-------|
| TM SF UK Bal Inc B | -2.7 | 7.9 | -32.4 | -28.6 | -27.6 | -12.0 |
| MSCI UK All Cap NR USD | -3.5 | 5.6 | -21.1 | -18.2 | -11.6 | 15.8 |

DISCRETE 12 MONTH PERFORMANCE (%)

| 12 months to 30 September | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------------------|-------|------|------|------|------|
| TM SF UK Bal Inc B | -28.6 | 3.2 | -1.8 | 9.6 | 11.0 |
| MSCI UK All Cap NR USD | -18.2 | 2.0 | 5.9 | 11.9 | 17.2 |

CALENDAR YEAR PERFORMANCE (%)

| Performance | YTD | 2019 | 2018 | 2017 | 2016 | 2015 |
|------------------------|-------|------|-------|------|------|------|
| TM SF UK Bal Inc B | -32.4 | 20.3 | -13.9 | 10.4 | 11.5 | 5.1 |
| MSCI UK All Cap NR USD | -21.1 | 18.3 | -9.8 | 13.1 | 17.3 | 0.1 |

Source: Morningstar, % 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 2020. Total return (with dividends) is net of fees.

KEY FACTS

| | |
|-------------------------------|-------------|
| Launch Date | 17 May 2010 |
| Net Income Yield ¹ | 4.20% |
| Fund Size | £17.7m |
| Dealing Frequency | Daily |

¹Net figure based on dividends paid over the past 12 months.

FEES

| | |
|--------------------------|-------------|
| Initial Charge | Up to 5.00% |
| Ongoing Charges | 0.61% |
| Annual Management Charge | 0.50% |

MINIMUM INVESTMENT

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

PORTFOLIO MANAGER



PETER MCLEAN

Peter is a Director for Stonehage Fleming Investment Management with responsibility for the day-to-day management of the UK Balanced Income, Global Balanced and Global Growth Portfolio funds.

Peter joined the Group in 2010 and became a member of the Investment Committee in 2016, focusing on multi-asset portfolio management. He is a CFA Charterholder.

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RISK ANALYSIS

| | | |
|--------------------|--------|--|
| Alpha | -23.47 | Ex-Post Risk calculations are based on 3 years' worth of monthly data points. Source: Morningstar, relative statistics calculated over 3 years using the MSCI UK All Cap NR USD Index, total return as at 30/09/2020. |
| Beta | 1.08 | |
| R-Squared | 0.69 | |
| Standard Deviation | 19.42 | |
| Sharpe Ratio | -0.51 | |

ENQUIRIES AND DEALING

0333 300 0355

(press 1 for Enquiries, press 2 for Dealing)

DEALING:

Tutman LLP, PO Box 3733,

Royal Wootton Bassett, Swindon, SN4 4BG

SEDOL CODES:

Class B Share B52JT57

ISIN CODES:

Class B Share GB00B52JT570

LIPPER IDS:

Class B Share 68067399

SECTOR ALLOCATION (%)

| | |
|-------------------------|------|
| Financials | 24.4 |
| Consumer Staples | 14.5 |
| Materials | 9.8 |
| Consumer Discretionary | 7.7 |
| Health Care | 6.7 |
| Industrials | 6.4 |
| Utilities | 5.9 |
| Energy | 4.0 |
| Communications Services | 2.4 |

TOP TEN HOLDINGS (%)

| | |
|--|-----|
| Reckitt Benckiser Group Plc | 3.7 |
| Hastings Group Holdings Plc | 3.6 |
| BlueBay Global High Yield Bond Fund Q (Dist) GBP | 3.6 |
| Electricite de France 6% Perp Call 29/01/2026 | 3.6 |
| AstraZeneca Plc | 3.4 |
| GlaxoSmithKline Plc | 3.3 |
| Unilever Plc | 3.3 |
| Direct Line Insurance Plc | 3.1 |
| BAE Systems Plc | 3.0 |
| iShares Core FTSE 100 UCITS ETF LN (Dist) GBP | 3.0 |

Source: Tutman LLP and Stonehage Fleming Investment Management Limited as at 30 September 2020. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

PORTFOLIO COMMENTARY

The TM Stonehage Fleming UK Balanced Income fund returned -2.3% in September, whilst the MSCI UK All Cap NR USD Index returned -1.7%.

September was a difficult month for global equities, as rising coronavirus cases and reimposed restrictions gave investors reason to take stock. Brexit uncertainty continued to hamper UK equities, with the region continuing to trail behind.

Consumer Staples was the top sector contributor in the portfolio, with particularly notable performances from British American Tobacco and Unilever. Halfords' momentum remained strong and the stock surged on the company raising its interim profit guidance, owing to considerable demand for its cycling products. Plus500 also significantly outperformed and continued

to benefit from increased trading activity. Passive exposure to large cap UK stocks was added to the portfolio during the month, improving the portfolio's yield expectations.

Energy remained the top sector detractor, with oil struggling to recover in the face of demand and supply concerns. EasyJet also underperformed in the face of stricter restrictions across Europe. Industrials have also struggled with the impact of COVID-19, and the Babcock position was exited during the month. The Premier Oil corporate bond was sold during the month, reducing allocation to sub-investment grade bond names.

IMPORTANT INFORMATION

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.

Stonehage Fleming Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority (reference number 194382), is the appointed investment manager of the TM Stonehage Fleming Investments Funds. This fund is a UCITS sub-fund of the TM Stonehage Fleming Investments Funds. The TM Stonehage Fleming Investments Funds is an Open Ended Investment Company (OEIC) incorporated under the OEIC Regulations. The company is incorporated in England & Wales with registered number IC000195. It is a UCITS scheme as defined in COLL and is an umbrella company, for the purposes of the OEIC Regulations. It is authorised and regulated in the UK by the Financial Conduct Authority (reference number 407782).

The Authorised Corporate Director ("ACD") is TUTMAN LLP, a limited liability partnership incorporated in England with registered number OC369415. The ACD is authorised and regulated by the Financial Conduct Authority (reference

number 612721). Head Office and Registered Office of the ACD is the Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. This document constitutes a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 and has been approved and issued by Stonehage Fleming Investment Management Limited. For details of the Funds investment policy, please see the Investment Objective and Policy section of the Fund Prospectus Document.

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.stonehagefleming.com/investments/funds.

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