

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**

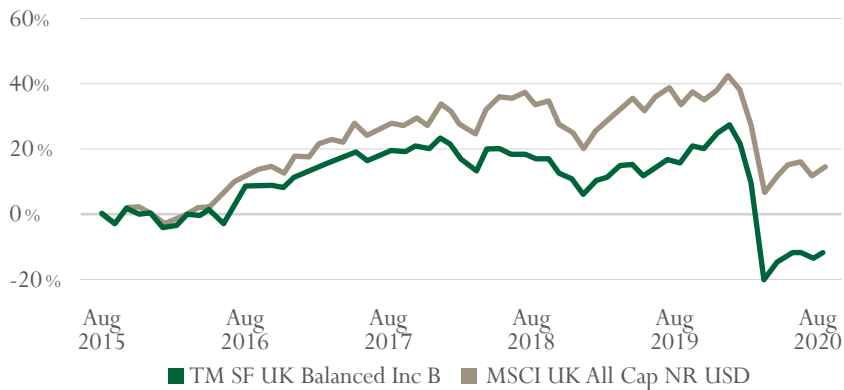
INVESTMENT OBJECTIVE

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	0.4	-19.5	-30.9	-23.7	-26.0	-11.6
MSCI UK All Cap NR USD	-0.6	-8.9	-19.8	-14.3	-10.6	14.5

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 August	2020	2019	2018	2017	2016
TM SF UK Bal Inc B	-23.7	-1.2	-1.9	9.9	8.7
MSCI UK All Cap NR USD	-14.3	-0.2	4.5	14.5	11.8

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2019	2018	2017	2016	2015
TM SF UK Bal Inc B	-30.9	20.3	-13.9	10.4	11.5	5.1
MSCI UK All Cap NR USD	-19.8	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 31 August 2020. Total return (with dividends) is net of fees.

KEY FACTS

Launch Date	17 May 2010
Net Income Yield ¹	4.10%
Fund Size	£18.3m
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	-4.58	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 31/08/2020.
Beta	1.21	
R-Squared	0.85	
Standard Deviation	19.40	
Sharpe Ratio	-0.44	

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	30.8
Consumer Discretionary	11.8
Consumer Staples	10.3
Industrials	10.2
Materials	9.9
Utilities	6.8
Energy	5.8
Health Care	5.8
Communications Services	4.8

Source: Tutman LLP and Stonehage Fleming Investment Management Limited as at 31 August 2020. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

TOP TEN HOLDINGS (%)

Electricite de France 6% Perp Call 29/01/2026	3.6
Hastings Group Holdings Plc	3.5
AstraZeneca Plc	3.3
Direct Line Insurance PL	3.3
BAE Systems Plc	3.1
Aviva Plc	2.8
Liverpool Victoria 6.5% VAR 22/05/2043 Call 22/05/2023	2.7
GlaxoSmithKline Plc	2.6
J Sainsbury Plc	2.6
British American Tobacco Plc	2.5

PORTFOLIO COMMENTARY

The TM Stonehage Fleming UK Balanced Income Fund returned 1.8% in August, whilst the MSCI UK All Cap NR USD Index returned 2.2%.

August was a good month for global equities. However, the UK continued to lag other regions, hampered by Brexit concerns and a lower allocation to more growth-orientated sectors such as Technology. The equity income sector saw sizeable outflows in August, as the dividend outlook continued to be unclear.

Financials exposure was the biggest sector contributor in the portfolio, with Hastings surging due to agreeing a £1.66bn takeover by its major shareholder South African Rand Merchant Investment Holdings, and Finnish insurer, Sampo. Plus500 also had notable performance, and continued to benefit from market volatility and increased trading activity. The position in Lloyds Banking Group was

exited during the month, and the proceeds were reallocated to positions with better dividend visibility.

The month saw a recovery for some of the names with higher exposure to the impact of Covid-19 that struggled in the prior month, such as easyJet. After a good July, Halfords continued to rise, remaining buoyed by higher demand from increased popularity in cycling and staycations.

Energy was the largest sector detractor as Oil & Gas names struggled in the face of an unfavourable oil demand outlook. The challenging outlook and its impact on income uncertainty were drivers in exiting the position in Petrofac. The Healthcare exposure, which consists of Pharmaceuticals in particular, was also a detractor whilst the vaccine-related momentum eased during the month.

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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