

TM Stonehage Fleming Investments Funds

Annual Report & Accounts
for the year ended 15th November 2022



THEISIS UNIT TRUST MANAGEMENT LIMITED

Authorised and regulated by the Financial Conduct Authority

TM Stonehage Fleming Investments Funds

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* These collectively comprise the Authorised Corporate Director's Report.

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TM Stonehage Fleming Investments Funds

Management and Professional Service Providers' Details

Authorised Corporate Director:

Thesis Unit Trust Management Limited
Exchange Building
St John's Street
Chichester
West Sussex PO19 1UP
Tel: 01243 531 234

*Authorised and regulated by
the Financial Conduct Authority*

Investment Manager:

Stonehage Fleming Investment Management Limited
15 Suffolk Street
London SW1Y 4HG

*Authorised and regulated by
the Financial Conduct Authority*

Administrator, Registrar and Fund Accountant:

Northern Trust Global Services SE, UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

Dealing Office:

Northern Trust Global Services SE, UK branch
PO Box 3733
Royal Wootton Bassett
Swindon SN4 4BG
Tel: 0333 300 0375
Fax: 020 7982 3924

*Authorised and regulated by
the Financial Conduct Authority*

Depositary:

NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ

*Authorised and regulated by
the Financial Conduct Authority*

Auditor:

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Directors of the ACD:

S. R. Mugford - Finance Director
D. W. Tyerman - Chief Executive Officer
S. E. Noone - Client Service Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
W. D. Prew - Independent Non-Executive Director (resigned
on 29th April 2022)
G. Stewart - Independent Non-Executive Director (appointed
on 29th April 2022)
C. J. Willson - Independent Non-Executive Director
N. C. Palios - Non-Executive Chair

D. W. Tyerman and S. R. Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Authorised Corporate Director.

D. K. Mytnik, V. R. Smith and N. C. Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the TM Stonehage Fleming Investments Funds (the "Company"). They and C. J. Willson and G. Stewart are not engaged in other business activities that are of significance to the Company.

TM Stonehage Fleming Investments Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 15th November 2022

Thesis Unit Trust Management Limited, (the “ACD”) is pleased to present the ACD's Annual Report & Accounts for the TM Stonehage Fleming Investments Funds (the “Company”) for the year ended 15th November 2022.

Investment Objectives and Policies

The sub-funds of the Company, their respective names, investment objectives and policies, are as follows:

TM Stonehage Fleming AIM Fund

The objective of the sub-fund is to achieve long-term (5-year rolling period) capital growth, net of fees.

The sub-fund focuses (90% - 100%) on equities listed on the UK Alternative Investment Market (AIM). This will be achieved by investing in a diversified portfolio of shares spread across any sector of AIM. The sub-fund can also accommodate investments in shares that have been subsequently transferred from the AIM market to a full listing. However, these investments would only form a small part of the portfolio and generally would not be greater than 10% of the total sub-fund assets.

The sub-fund may also hold collective investments schemes, Real Estate Investment Trusts and cash for the purposes of meeting future redemptions and sub-fund liabilities. Investment in other collective investment schemes may include those managed or operated by the ACD or its associate.

The sub-fund will be actively managed, which means the Investment Manager decides which investments to buy and sell and when.

TM Stonehage Fleming International Fund

The objective of the sub-fund is to achieve long-term (5-year rolling period) capital growth, net of fees.

The sub-fund will invest in equities of companies listed on stock exchanges anywhere in the world. Typically, the minimum allocation will be 70%, however, in the event of a market crash/unforeseen event or circumstance this allocation could fall as low as 50%.

There will be no restrictions on the countries, regions or industrial sectors in which invested. Equally, there will be no presumption or expectation that the sub-fund will maintain asset allocation across all countries, regions or industrial sectors on an ongoing basis. The sub-fund will be free to invest globally, but there may be a bias towards one or more countries, regions or industrial sectors depending on the Investment Manager's views on growth seen in a particular geographical region and will depend on market conditions and worldwide events.

At the Investment Manager's discretion, the sub-fund may also invest in the following types of assets located anywhere in the world:

- a.) other transferable securities (such as government and public securities, other debt instruments and exchange traded funds);
- b.) cash and near cash;
- c.) deposits;
- d.) a maximum of 5% in other regulated collective investment schemes (including those managed or operated by the ACD or its associates); and
- e.) money market instruments.

Derivative instruments may be used for efficient portfolio management purposes only. The use of such derivatives is expected to be limited.

The sub-fund will be actively managed, which means the Investment Manager decides which investments to buy and sell and when.

TM Stonehage Fleming Opportunities Fund

The objective of the sub-fund is to achieve long-term (5-year rolling period) capital growth, net of fees.

The sub-fund focuses (80% - 100%) on UK listed equities that are in the following categories: smaller companies offering long-term growth potential; companies who could, for example, have suffered a short term setback, but still offer recovery and/or future growth prospects; and companies in sectors which are perceived to be unduly depressed. As a guide, we define smaller companies as below £500m market capitalisation but we use our discretion when we make comparisons to a peer group of companies in similar sector classifications. The sub-fund may also hold warrants acquired by the sub-fund through corporate actions.

TM Stonehage Fleming Investments Funds

Report of the Authorised Corporate Director (“ACD”) *for the year ended 15th November 2022 (continued)*

Investment Objectives and Policies *(continued)*

TM Stonehage Fleming Opportunities Fund *(continued)*

The sub-fund is likely to only hold UK listed investments, however, the sub-fund may still hold overseas equities if for example it was originally UK listed and subsequently delisted to another foreign but regulated exchange (these investments would only form a small part of the portfolio and generally would not be greater than 10% of the total sub-fund assets).

The sub-fund may also hold up to 20% cash for the purposes of meeting future redemptions and sub-fund liabilities.

The sub-fund will be actively managed, which means the Investment Manager decides which investments to buy and sell and when.

TM Stonehage Fleming UK Balanced Income Fund

The objective of the sub-fund is to provide income and growth.

The sub-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 sub-fund will not be restricted in the choice of fixed interest stocks in terms of duration or rating. If considered appropriate, the sub-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.

Performance Comparator

TM Stonehage Fleming AIM Fund

The sub-fund uses the Numis Alternative Markets Index benchmark for performance comparison purposes only and the benchmark is not a target benchmark and the sub-fund is not constrained by it.

The Index has been selected as a benchmark for performance because the constituents are representative of the areas in which the sub-fund itself is likely to invest, and it is therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Stonehage Fleming International Fund

The sub-fund uses the MSCI All Country World Net Total Return Index benchmark for performance comparison purposes only and the benchmark is not a target benchmark and the sub-fund is not constrained by it.

The Index has been selected as a benchmark for performance because the constituents are representative of the areas in which the sub-fund itself is likely to invest, and it is therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Stonehage Fleming Opportunities Fund

The sub-fund uses the Numis Smaller Companies Index ex-Investment Companies Total Return Index benchmark for performance comparison purposes only and the benchmark is not a target benchmark and the sub-fund is not constrained by it.

The Index has been selected as a benchmark for performance because the constituents are representative of the areas in which the sub-fund itself is likely to invest, and it is therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Stonehage Fleming Investments Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 15th November 2022 (continued)

Performance Comparator *(continued)*

TM Stonehage Fleming UK Balanced Income Fund

Whilst the sub-fund was typically invested in FTSE 350 securities, it was also managed to achieve a yield in excess of the yield of the MSCI UK All Cap Net Total Return Index. On this basis, the sub-fund used the MSCI UK All Cap Net Total Return Index benchmark for performance comparison purposes only and the benchmark was not a target benchmark and the sub-fund was not constrained by it.

The Index had been selected as a benchmark for performance because the constituents were representative of the areas in which the sub-fund itself was likely to invest, and it was therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserved the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders would be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Important Information

The financial statements of the Company’s sub-funds continue to be prepared on a going concern basis, except for TM Stonehage Fleming UK Balanced Income Fund which have been prepared on a break-up basis as disclosed in note 2a.

From time to time, major macroeconomic events occur and cause significant short-term volatility to capital markets. Russia’s military action is an example of such an event. We are monitoring the situation very closely and will continue to manage our funds in line with their respective objectives.

Thesis Unit Trust Management Limited
Authorised Corporate Director
24th February 2023

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022

Investment Report – TM Stonehage Fleming AIM Fund

Economic Background and Performance

Over the year, the TM Stonehage Fleming AIM Fund B shares showed a negative performance of 22.33% which was much better than the reference benchmark, the Numis Alternative Companies (incl. investment companies) Index which showed a larger negative return of 31.52%.

Stand out performance came from a larger weighting in the energy sector with stock selection returning a positive contribution to the performance. Serica Energy (gas production) contributed 1.55% to performance after a total return of 69%. IGas Energy (UK onshore energy) also had a total return of 66% but only contributed 0.42% to portfolio performance. Positive contributions from Zoo Digital Group (dubbing services) added 1.15% after a total return of 38%, Crestchic (loadbank manufacturer and previously known as Northbridge Industrial Services) contributed 0.83% with a total return of 75%.

Negative drags came from Independent Oil & Gas (North Sea energy) with minus 1.62%, Autins (automotive insulation) with minus 1.36%, Inspec Group (optical frame manufacturer) with minus 1.25% and Made Tech Group (IT services) with minus 1.18%.

The Energy sector was the only sector in the sub-fund and the underlying benchmark that produced positive returns in the year. However, stock selection in financials from FRP Advisory Group (corporate advisory services) returned a positive total return of 6.53% against a negative return in the benchmark of 29%.

At the beginning of the year, which included the Christmas season, investors followed a trend of switching out of smaller companies into larger ones. Normally, the trend would reverse as news flow in the reporting season would have a positive effect. On this occasion however, Russia's invasion of Ukraine at the end of February caused a sharp decline in Global stock markets. Smaller companies and particularly AIM stocks were particularly badly affected and many highly rated shares experienced sharp falls. By comparison shares in larger companies held up relatively well.

Virtually, all countries have experienced a sharp rise in inflation on the back of rising energy prices. The Russia/Ukraine conflict created the situation where heavy sanctions were imposed by western countries on Russia. A number of European countries have some dependence on Russian exports of oil and gas but a partial embargo was imposed causing a significant hike in energy prices. Commodity prices also moved higher and global shortages in micro-chips has affected some companies including technology companies.

In the UK, the changes in the Tory party leadership and amazing “u turns” in the two rapid late summer budgets has been the main points of interest. From moving from a major tax cutting programme to one of higher taxation is unprecedented as was the collapse followed by the partial recovery of Sterling and Gilts. The main lesson to learn is that currency and debt markets will not accept over investment without the country having to compensate by way of materially higher interest rates. The hope is that the UK economy is in a more stable position from where growth will be seen. Within the economy, the rise in inflation is putting pressure on consumers with energy bills, food costs and petrol prices for example all increasing. At least the situation regarding COVID-19 has improved with an effective vaccine roll out program and is no longer deemed the threat that it was once. Also the housing market is holding reasonably steady but has seen some recent softening in prices and unemployment remains at a low point. From a corporate view, many companies have been able to pass on inflationary costs such as in raw material, energy costs and transportation but wage inflation is a factor likely to cause more concern. The rise in interest rates by the Bank of England would be welcome with those companies holding cash deposits.

At times of uncertainty, investors become wary of smaller companies and over the year shares in this area has greatly underperformed the general market. In some respects, this is understandable but smaller companies can be adaptable and the importance of a stock picking approach is important. The value of the TM Stonehage Fleming AIM Fund was not immune to caution and lower prices but has performed well against the benchmark with a good spread of investments and allocation to the energy sector having contributed to this.

Major Purchases and Sales in the year

Notable purchases in the 12 month period were our participation in the IPO of CT Automotive Group (interior auto assembly) and the secondary placing of Autins (automotive insulation). Secondary market purchases were made in SigmaRoc (aggregates) and Supreme (consumable products). A number of the sub-fund holdings were approached and taken over and these included Blue Prism plc (software), Clinigen Group (pharmaceutical services), EMIS Group (healthcare services) and Attraqt Group (advertising technology). Other sales included a disposal of Eco Animal Health (livestock and pet pharma) and a reduction of other holdings which had outperformed. A number of smaller purchase and sales were carried out during the year.

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming AIM Fund *(continued)*

Market Outlook

It might be argued that in some places shares prices for smaller companies had become overvalued. This is particularly true of a large proportion of companies which listed on AIM in the last year and where we had a limited exposure. In some ways, the correction which has been seen in the stock market can be seen as healthy. It also creates anomalies where often share prices fell back disproportionately in relation to underlying prospects. Although having to contend with inflationary headwinds, we have found that the majority of companies we have contacted are optimistic about prospects.

There are certain areas of the stock market where above average potential exist. An area of undervaluation for a number of years is the oil and gas sector. Despite the negative effect of the 35% windfall tax, the sector is still attractive and it might be argued the opportunities exist for companies to make acquisitions at more attractive asset valuations as some become keener to exit the area. The rise in energy prices has been spectacular and profitability of companies in that area will increase significantly. We have concentrated on companies which operate in the North Sea with the emphasis on gas production. Our holdings are also in companies which are generally environmentally friendly with a lower level of emissions.

In the healthcare market, the NHS is still struggling to reduce waiting lists and we hold a number of companies concerned with outsourcing which can help to solve the problem. There is also a good exposure to IT/software where attractive returns can be made. Otherwise, the sub-fund has a diverse portfolio of shares in companies which offer strong long term prospect. Having fallen back, the stock market offers good prospects for our stock picking approach and we feel confident of the future outlook.

Source for performance figures: Morningstar / Bloomberg

Stonehage Fleming Investment Management Limited
Investment Manager
4th January 2023

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming International Fund

Economic Background and Performance

During the 12 months period to 15th November 2022, the TM Stonehage Fleming International Fund B class saw a fall of -11.03%, net of fees. This compares to a benchmark fall of -5.78% for the MSCI AC World Index net total return in sterling terms. Performance figures sourced from Morningstar.

The year under review has been a very difficult year for investors to navigate as macro themes played a much more dominant role in market action. Global inflation levels and government bond yields have dictated the direction of travel this year for equities and other financial assets. Added to this, geo-political events such as the Russian invasion of Ukraine, the souring of US China relations and the continued zero-COVID-19 policy in China have all added extra layers of complexity to the investment outlook.

The Russia-Ukraine war started in February and led to supply constraints for some agricultural and metal commodities. In addition, natural gas and oil prices were elevated as markets worried about the availability of energy resources this winter in Europe. The alleged sabotage of the Nordstream pipelines added to this angst and caused much volatility in energy prices this year. The sub-fund has used periods of price softness throughout the summer to increase its Energy exposure to neutral versus the MSCI ACWI Index.

The rise in energy prices has had a knock-on effect to published CPI data especially in the US, Europe and the UK, all of which have recorded multi decade high inflation rates at double-digit levels. This has caused these central banks to embark on an aggressive monetary policy tightening path.

The US Federal Reserve (Fed) has implemented seven rate hikes this year and whilst the most recent rise was a smaller 50 bps, continued hawkish commentary suggests that the end of the rate hike cycle is not yet in view. The rising rate environment has caused long duration assets to de-rate and quality growth companies have struggled to match the Index performance over the year under review as their relatively expensive valuations could no longer be justified as bond yields rose. The sub-fund has seen this impact some stocks such as Lonza Group and Sika in Switzerland, ASML in Europe, the med-tech names in the US and certain consumer names such as Estee Lauder Cos and Pool. The sub-fund remains in close contact with these companies and retains long-term conviction in these names. However, these quality growth names held in the sub-fund have had a material adverse effect on sub-fund performance.

The first and second quarter earnings reporting seasons ultimately proved to be quite positive, especially for those corporates with strong pricing power who could offset the rise in input costs. The third quarter results season was more problematic. Some of the mega-cap stocks in the US disappointed in terms of revenue growth with a forex headwind caused by the strong US Dollar cited as a key factor. Whilst the sub-fund now has a slightly underweight positioning towards the US IT sector having reduced the average position size, it does hold shares in Alphabet, Microsoft and Amazon.com, all of whom disappointed on guidance.

As the summer progressed, it became clear that the Fed's key goal was to rein in inflation and inflation expectations even at the risk of causing a recession in the US economy. In order to provide a counter balance to this risk, the sub-fund added several new stocks which have proved to be recession resilient in the past. The sub-fund bought McDonald's, the US fast food chain; Automatic Data Processing, the US payroll provider; Waste Management, the US waste disposal company and Deere, the tractor manufacturer. All these names had contributed positively to sub-fund performance by the sub-fund year end date. These purchases were funded through cash and the sales of existing positions in Verizon Communications and Adobe where conviction had waned.

The sub-fund's China-related stocks have experienced a rollercoaster ride this year with a bias to the downside. The longer than anticipated continuation of the zero-COVID-19 policy led to numerous lockdowns in key Chinese cities throughout the year. The economic impact on the country has been severe whilst a property market collapse has exacerbated the problems. The National Congress Party meeting held in October culminating in the re-election of President Xi unnerved investors and resulted in a severe sell-off in HK and domestic stock markets. The market fall was reversed a few weeks later as rumours abounded that the zero-COVID-19 policy was going to be loosened. This has come to fruition, although there are many road bumps ahead of a complete re-opening. The positive performance from stocks on this newsflow highlights how oversold the markets had become. The sub-fund used the strong rally to reduce the overall weighting towards China by top-slicing ANTA Sports Products and AIA Group whilst completely exiting Sunny Optical Technology. The holding in LG Household & Health Care also rallied on this reopening theme, but its cosmetics sales have struggled this year against stiff competition so the holding was sold on the bounce.

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming International Fund (continued)

Economic Background and Performance (continued)

The Indian stock market has performed very strongly over the review year. Part of this outperformance may have come from increased inflows from global investors repositioning from the China markets, but the country has done well in its own right. Profits were booked in the ITC holding as the target price was achieved with partial proceeds added to the holdings in both banks.

Outlook

The end of the interest rate upcycle may be in sight as recent headline inflation levels have started to recede from their 40 years highs. However, the Fed in the US seems to be committed to ensuring inflation normalises despite the increasing risk of a recession next year. There is much debate over the length and depth of a likely recession environment in developed countries. Earnings forecasts appear to be still too optimistic for a recessionary backdrop. This may mean that equity markets need to adjust downwards in the new year. The sub-fund will maintain a defensive portfolio allocation whilst this process is underway.

Stonehage Fleming Investment Management Limited
Investment Manager
4th January 2023

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming Opportunities Fund

Economic Background and Performance

Over the year, the TM Stonehage Fleming Opportunities Fund B shares showed a negative performance of 8.27% which still was much better than the reference benchmark, the Numis Smaller Companies (ex-Investment Companies) Total Return Index which showed a larger negative return of 17.76%.

Stand out performance came from a larger weighting in the energy sector which returned a positive return of 51% against the sector of plus 10%. Serica Energy (gas production) contributed 3.6% to performance after a total return of 69%. Bisichi Mining (coal) contributed 2.67% after a total return of 189%. Negative drags on the performance with declines contributing to 2.29% from Inspeks Group (optical frame manufacturer), 1.41% from Xpediator (freight forwarding) and McColl's Retail Group (convenience stores) which also contributed to minus 1.41% having collapsed into administration in the year.

One weak sector to highlight was a larger weighting of healthcare stocks which generally all underperformed along with the sector. Investments included Inspeks Group and Beximco Pharmaceuticals (generic pharmaceutical production) and was offset by the investment of Clinigen Group (pharmaceutical services) which was taken over at a premium during the year.

At the beginning of the year, which included the Christmas season, investors followed a trend of switching out of smaller companies into larger ones. Normally, the trend would reverse as news flow in the reporting season would have a positive effect. On this occasion however, Russia's invasion of Ukraine at the end of February caused a sharp decline in Global stock markets. Smaller companies and particularly AIM stocks were particularly badly affected and many highly rated shares experienced sharp falls. By comparison shares in larger companies held up relatively well.

Virtually, all countries have experienced a sharp rise in inflation on the back of rising energy prices. The Russia/Ukraine conflict created the situation where heavy sanctions were imposed by western countries on Russia. A number of European countries have some dependence on Russian exports of oil and gas but a partial embargo was imposed causing a significant hike in energy prices. Commodity prices also moved higher and global shortages in micro-chips has affected some companies including technology companies.

In the UK, the changes in the Tory party leadership and amazing "u turns" in the two rapid late summer budgets has been the main points of interest. From moving from a major tax cutting programme to one of higher taxation is unprecedented as was the collapse followed by the partial recovery of Sterling and Gilts. The main lesson to learn is that currency and debt markets will not accept over investment without the country having to compensate by way of materially higher interest rates. The hope is that the UK economy is in a more stable position from where growth will be seen. Within the economy, the rise in inflation is putting pressure on consumers with energy bills, food costs and petrol prices for example all increasing. At least the situation regarding COVID-19 has improved with an effective vaccine roll out program and is no longer deemed the threat that it was once. Also the housing market is holding reasonably steady but has seen some recent softening in prices and unemployment remains at a low point. From a corporate view, many companies have been able to pass on inflationary costs such as in raw material, energy costs and transportation but wage inflation is a factor likely to cause more concern. The rise in interest rates by the Bank of England would be welcome with those companies holding cash deposits.

At times of uncertainty, investors become wary of smaller companies and over the year shares in this area has greatly underperformed the general market. In some respects, this is understandable but smaller companies can be adaptable and the importance of a stock picking approach is important. The value of the TM Stonehage Fleming Opportunities Fund has held up well due to our interest in the energy sector and performance of larger company shares held in the portfolio.

Major Purchases and Sales in the year

Notable purchases in the 12 month period were Medica Group (outsourced NHS services), Hargreaves Lansdown (financial services) and Supreme (consumable products). Notable sales included the takeover of holdings in Clinigen Group (pharmaceutical services), EMIS Group (healthcare services) and Capricorn Energy (oil & gas production). Other sales included Lloyds Banking Group and BP. A number of smaller purchase and sales were carried out during the year.

Market Outlook

It might be argued that in some places shares prices for smaller companies had become overvalued. This is particularly true of a large proportion of companies which listed on AIM in the last year and where we had a limited exposure. In some ways, the correction which has been seen in the stock market can be seen as healthy. It also creates anomalies where often share prices fell back disproportionately in relation to underlying prospects. Although having to contend with inflationary headwinds, we have found that the majority of companies we have contacted are optimistic about prospects.

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming Opportunities Fund (continued)

Market Outlook (continued)

There are certain areas of the stock market where above average potential exist. An area of undervaluation for a number of years is the oil and gas sector. Despite the negative effect of the 35% windfall tax, the sector is still attractive and it might be argued the opportunities exist for companies to make acquisitions at more attractive asset valuations as some become keener to exit the area. The rise in energy prices has been spectacular and profitability of companies in that area will increase significantly. We have concentrated on companies which operate in the North Sea with the emphasis on gas production. Our holdings are also in companies which are generally environmentally friendly with a lower level of emissions.

In the healthcare market, the NHS is still struggling to reduce waiting lists and we hold a number of companies concerned with outsourcing which can help to solve the problem. There is also a good exposure to IT/software where attractive returns can be made. Otherwise, the sub-fund has a diverse portfolio of shares in companies which offer strong long term prospect. The holdings in larger company recovery situations is also an area of good recovery. Having fallen back, the stock market offers good prospects for our stock picking approach and we feel confident of the future outlook.

Source for performance figures: Morningstar / Bloomberg

Stonehage Fleming Investment Management Limited
Investment Manager
4th January 2023

TM Stonehage Fleming Investments Funds

Report of the Investment Manager

for the year ended 15th November 2022 (continued)

Investment Report – TM Stonehage Fleming UK Balanced Income Fund

There is no investment manager's report, as the sub-fund did not hold any investments as it ceased investment activity on 20th April 2021.

For the reasons stated in Note 2a, the financial statements of the TM Stonehage Fleming UK Balanced Income Fund have been prepared on a break-up basis as this sub-fund is not a going concern.

TM Stonehage Fleming Investments Funds

Constitution

TM Stonehage Fleming Investments Funds (the "Company") is an open-ended investment company with variable capital, incorporated under the Open-Ended Investment Companies ("OEIC") Regulations. It is a UCITS scheme as defined in the Financial Conduct Authority's Collective Investment Schemes sourcebook ("COLL") and is an umbrella company, for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000195, and its registered office is at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. The Company was authorised by an order made by the FCA on 24th September 2002, and the Company's operation is governed by the Regulations, the Company's Instrument and this Prospectus.

The Company issues shares in relation to the following sub-funds:

- TM Stonehage Fleming AIM Fund
- TM Stonehage Fleming International Fund
- TM Stonehage Fleming Opportunities Fund
- TM Stonehage Fleming UK Balanced Income Fund*

* This sub-fund is no longer available for investment.

The property attributable to each sub-fund is managed as if such sub-fund belonged to the UCITS Schemes category specified in COLL, subject always to each sub-fund's investment objective and policy. The sub-funds are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any sub-funds and shall not be available for any such purpose.

Shareholders are not liable for the debts of the Company.

The Company's base currency is Pounds Sterling. Its minimum permitted capital is £100 and its maximum permitted capital is £100,000,000,000.

Sub-fund Cross-Holdings

No sub-fund held shares in any other sub-fund within the Company during the current or prior year.

Regulatory Disclosure

This document has been issued by Thesis Unit Trust Management Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within this Company should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

TM Stonehage Fleming Investments Funds

Remuneration Disclosures *(unaudited)*

The provisions of the UCITS V Directive took effect on 18th March 2016. That legislation requires Thesis Unit Trust Management Limited (the “Authorised Fund Manager”), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the rules of the Scheme nor impair compliance with the Authorised Fund Manager’s duty to act in the best interest of the Scheme.

The Authorised Fund Manager is part of a larger group within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The performance of individuals working on the business of the Authorised Fund Manager is assessed primarily by reference to non-financial criteria, especially the effectiveness of their oversight monitoring of delegates appointed to perform investment advisory or fund administration services for the Scheme.

Within the group, some staff are employed directly by the Authorised Fund Manager and others are employed by a service company, Thesis Services Limited. The costs of staff employed by Thesis Services Limited are allocated between entities within the group based on the estimate of time devoted to each.

The table below shows the total remuneration paid by the Authorised Fund Manager and the service company to all the staff working on its business for the financial year ended 30th April 2022.

	Senior Management	Risk Takers	Control	Other	Total
Number of Staff	6	12	5.43	24.67	48.1
Fixed remuneration	£831,205	£904,106	£263,745	£923,170	£2,922,226
Variable remuneration	£207,073	£78,873	£11,999	£49,204	£347,149

Management have carried out a review of the general principles within the remuneration policy and the implementation of the remuneration policy during the year and following this review, no changes have been considered necessary.

Certification of Annual Report & Accounts by Directors

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”), the Collective Investment Schemes sourcebook (“COLL Rules”), we hereby certify this Annual Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

24th February 2023

TM Stonehage Fleming Investments Funds

Responsibilities of the Authorised Corporate Director (“ACD”)

The Open-Ended Investment Companies Regulations 2001 (the "OEIC Regulations") and the Collective Investment Schemes sourcebook (“COLL Rules”) published by the FCA requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net revenue and net capital (losses)/gains on the property of the Company for the year.

In preparing the financial statements, the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now known as The Investment Association) in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

Important Information

For the reasons stated in the ACD’s Report and note 2a of the statement of accounting policies, distribution policies and risk management policies, the financial statements of the TM Stonehage Fleming UK Balanced Income Fund have been prepared on a break-up basis as this sub-fund only is not a going concern.

Thesis Unit Trust Management Limited
Authorised Corporate Director
West Sussex
24th February 2023

TM Stonehage Fleming Investments Funds

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of TM Stonehage Fleming Investments Funds (the "Company") for the Year Ended 15th November 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"), as amended, the Financial Services and Markets Act 2000, as amended, (together the "Regulations"), the Company's Instrument of Incorporation and Prospectus (together the "Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Edinburgh
24th February 2023

TM Stonehage Fleming Investments Funds

Independent Auditor's Report to the Shareholders of the TM Stonehage Fleming Investments Funds

Opinion

We have audited the financial statements of TM Stonehage Fleming Investments Funds (the "Company") comprising each of its sub-funds for the year ended 15th November 2022 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 15th November 2022 and of the net revenue and the net capital gains/losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Statements of TM Stonehage Fleming UK Balanced Income Fund Prepared on a break-up basis.

We draw attention to note 2a to the financial statements which explains that the Authorised Corporate Director ("ACD") intends to liquidate the TM Stonehage Fleming UK Balanced Income Fund and, therefore, do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements of this sub-fund only, have been prepared on a break-up basis as described in note 2a. The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the TM Stonehage Fleming UK Balanced Income Fund have been prepared on a break-up basis as disclosed in Note 2(a).

In auditing the financial statements of remaining sub-funds, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the remaining sub-funds' ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the remaining sub-funds' ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

TM Stonehage Fleming Investments Funds

Independent Auditor's Report to the Shareholders of the TM Stonehage Fleming Investments Funds *(continued)*

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the statement of Responsibilities of the Authorised Corporate Director set out on page 17, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to wind up or terminate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

TM Stonehage Fleming Investments Funds

Independent Auditor's Report to the Shareholders of the TM Stonehage Fleming Investments Funds *(continued)*

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of material special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's Shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
24th February 2023

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Investments Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 15th November 2022

1. Statement of Compliance

The financial statements have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The financial statements have been prepared on a going concern basis.

The principal accounting policies which have been applied consistently are set out below.

The financial statements of the TM Stonehage Fleming AIM, the TM Stonehage Fleming International and the TM Stonehage Fleming Opportunities Funds have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements of TM Stonehage Fleming UK Balanced Income Fund have been prepared on a break-up basis following receipt of the FCA's approval to terminate the sub-fund on 15 March 2021. The sub-fund currently holds certain investment classified as Level 3 and the sub-fund can only terminate when custody of these investments is no longer held. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs with respect to the termination of the sub-fund will be borne by the Investment Manager.

b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency rounded to the nearest £'000 or as stated otherwise.

c) Valuation of Investments

Quoted investments are valued at bid-market value as at 12 noon on the last working day of the accounting year, net of any accrued interest, if applicable, which is included in the balance sheet as accrued revenue. As a result of market movements between 12 midday and close of business, the ACD has chosen to disclose the following sub-fund at close of business bid-market values: TM Stonehage Fleming International Fund. Where values cannot be readily determined, the securities are valued at the ACD's best assessment of their fair value. Purchases and sales are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver, an asset or liability arises.

Collective investment schemes operated by the ACD are valued at their cancellation price for dual priced funds and their single price for single priced funds. Other Collective Investment Schemes are valued at their bid price for dual priced funds and their single price for single priced funds.

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior year's unrealised gains and losses for investments which were realised in the accounting year. Realised gains and losses represent the difference between an instrument's initial carrying amount and disposal amount.

d) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling as at close of business on the last working day of the accounting year.

e) Revenue

Revenue from quoted equity and non-equity shares is recognised when the security is quoted ex-dividend as a gross amount of any withholding taxes but excludes any other taxes such as attributable tax credits. Bank interest and other revenue are recognised on an accruals basis.

Distributions from collective investment schemes are recognised in the property when the security is quoted ex-dividend. Management fee rebates from underlying collective investment schemes are accounted for on an accruals basis. Management fee rebates, where applicable, are included in revenue or net capital gains dependent upon the original treatment of management fees in the underlying collective investment scheme.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Investments Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 15th November 2022 (continued)

2. Summary of Significant Accounting Policies (continued)

e) Revenue (continued)

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Special dividends are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognised as dividend revenue of the Company. Any tax treatment would follow the accounting treatment of the principal amount.

Income distributions from UK Real Estate Investment Trusts ("UK REITs") is split into two parts, a Property Income Distribution ("PID") made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to corporation tax as Schedule A revenue, while the non-PID element is treated as franked revenue.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield basis amortises any discount or premium on the purchase of a debt security over its remaining life.

Revenue from offshore funds is recognised when it is reported. Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

f) Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis.

g) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

3. Distribution Policies

a) Basis of Distribution

When appropriate, the Company will allocate any surplus net revenue as a dividend distribution. Distributions of income of the Company are made on or before the annual income allocation date and on or before the interim income allocation date, where applicable, in each year. The income available for distribution is determined in accordance with COLL. It comprises all revenue received or receivable for the account of the Company in respect of the accounting year concerned, after deducting net charges and expenses paid or payable out of such revenue.

For distribution purposes, all the expenses for the Company are charged to the income account of the relevant sub-fund.

b) Distribution from Collective Investment Schemes

The first distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for shares. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

c) Equalisation

Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed.

d) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Company in accordance with COLL.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Investments Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 15th November 2022 (continued)

4. Risk Management Policies

Market price risk

Market risk is the risk that the fair value or future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or underlying investment prices. The Company can be exposed to market risk by virtue of its investment into equities and other financial instruments. The Company may also from time to time utilise derivatives for efficient portfolio management. These instruments may be volatile, involve certain special risks and can expose investors to a risk of loss. When used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged, although this basis of risk will be monitored and any material breakdown in correlation can generally be corrected by delta hedging the position or liquidation.

Market price risk is managed through active portfolio management.

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the Company's portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Investment Manager seeks to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

The Company invests in fixed and floating rate securities. The revenue of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed rate securities may be affected by interest rate movements or the expectation of such movements in the future. The Company is not invested in fixed interest rate securities as at 15th November 2022. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The Company invests in collective investment schemes which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

In general, if interest rates rise, the income potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

Due to the nature of the investments held, the risk to the Company is insignificant and is therefore not actively managed.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. The main liability of the Company is the redemption of any shares that investors wish to sell.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Company's maximum exposure to credit risk (not taking account of the value of any collateral or other securities held) in the event that counterparties fail to perform their obligations as of 15th November 2022 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the balance sheet.

Exposure

Exposure to market risk is calculated using the "commitment approach" methodology. In relation to Position Risk (issuer concentration), this approach involves converting derivative positions into the equivalent positions of the underlying assets. The commitment approach is a simplistic way of identifying the level of exposure that a Company has through derivatives to the underlying equities, bonds, commodities, currencies etc. However, it does have its limitations and therefore is only used as long as the use of derivatives by the Company is "non-sophisticated".

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Investments Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 15th November 2022 (continued)

4. Risk Management Policies (continued)

Objectives, policies and processes for managing risks

The risks identified above are subject to management and monitoring through the ACD's Risk Management Programme. The principal objectives of the programme are:

- To ensure that all risks are identified and monitored, and that preventive or mitigating actions are implemented
- To assess, review and challenge current and emerging risks
- To minimise the risk of loss to investors
- To administer the Company in a manner which complies with COLL and the SORP

The ACD has built a Funds Oversight Programme which comprises a range of rolling independent checks including the specific use of derivatives. The results of the programme are reported to the Investment Committee with escalation through to the Operating Committee and the ACD Board. Results of the Funds Oversight Programme are made available to the Depositary as part of their audit programme on the ACD and are also collated into a pack for review and analysis by the Investment Committee on a monthly basis.

There have not been any changes from the prior year.

Methods used to measure risks

Market price risk

The following checks are also performed as part of the Funds Oversight Programme on a daily basis as follows: limit breaches or positions approaching limits; leverage; eligibility; global exposure; counterparty exposure; collateral cover; OTC pricing check; fair value pricing.

Liquidity risk

Liquidity risk is controlled through monitoring the liquidity of all instruments used in the context of the investment objectives and liquidity requirements of the Company. Cash positions are monitored and reported to ensure the Company has sufficient capacity to meet obligations arising from investment in financial derivative positions.

Procedures are in place to review the Company's weightings to ensure liquidity requirements will be met in the event of extreme market movements to meet the obligation at expiry/ maturity. The process involves at least daily assessment of any impending cash liability to ensure sufficient cash can be raised to cover such liability when it falls due.

The Company's liquidity is also monitored through a daily check, which assesses the Company's ability to liquidate the portfolio within 7 working days through to settlement. Any portfolio that has less than 80% liquidity is marked as a higher risk, and details are reported to the Fund Risk committee, and are then monitored for significant changes either to the Company's makeup, and/or shares being traded in the Company. These liquidity levels are stress tested on assumptions of reduced market liquidity and increased investor trading. The full process for this check is documented and is available upon request.

Credit risk

In order to manage credit risk, the ACD undertakes a cash management check on the Company, testing for any negative balances and balances in excess of £1m at the sub-fund level. Any balances highlighted are discussed with the Investment Managers to ensure that the Company does not take on any unnecessary counterparty risk with the relevant bank and that the strategy is being adhered to.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Portfolio Statement

as at 15th November 2022

Holdings	Market value £	Percentage of total net assets %
Aerospace & Defence 1.21% (0.79%)		
4,238,956 Velocity Composites	1,186,908	1.21
Automobiles & Parts 2.40% (1.40%)		
10,400,000 Autins	728,000	0.74
1,360,544 CT Automotive Group	1,632,653	1.66
	2,360,653	2.40
Beverages 1.10% (1.15%)		
1,547,497 Artisanal Spirits	1,083,248	1.10
Chemicals 0.02% (0.68%)		
187,500 Norman Hay ¹	18,750	0.02
Construction & Materials 5.81% (4.60%)		
286,250 Billington Holdings	572,500	0.58
2,800,000 Breedon Group	1,596,000	1.62
1,284,867 Michelmersh Brick Holdings	1,027,894	1.05
2,875,000 SigmaRoc	1,437,500	1.46
2,836,833 Van Elle Holdings	1,077,996	1.10
	5,711,890	5.81
Electronic & Electrical Equipment 2.71% (2.87%)		
38,535,010 Immotion Group	886,305	0.90
640,000 Volex	1,782,400	1.81
	2,668,705	2.71
Food Producers 1.36% (1.71%)		
4,675,090 Venture Life Group	1,332,401	1.36
General Industrials 3.16% (1.23%)		
1,068,489 Franchise Brands	1,730,952	1.76
410,000 Hargreaves Services	1,377,600	1.40
	3,108,552	3.16
General Retailers 0.86% (1.95%)		
6,262,022 Quiz	848,504	0.86

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Health Care Equipment & Services 12.22% (12.73%)		
676,345 Advanced Medical Solutions Group	1,927,583	1.96
3,017,454 EKF Diagnostics Holdings	1,276,383	1.30
3,155,000 Induction Healthcare Group	1,104,250	1.12
954,500 Inspiration Healthcare	773,145	0.79
784,032 Kooth	1,034,922	1.05
58,092,321 Surgical Innovations Group	871,385	0.89
12,608,750 Totally	3,782,625	3.84
385,000 Tristel	1,251,250	1.27
	12,021,543	12.22
Household Goods & Home Construction 0.00% (0.00%)		
440,000 Mar City ¹	440	–
Industrial Engineering 5.62% (4.41%)		
175,000 Avingtrans	700,000	0.71
956,084 MS International	3,040,347	3.09
652,236 Northbridge Industrial Services	1,787,127	1.82
	5,527,474	5.62
Industrial Transportation 1.03% (1.89%)		
4,395,751 Xpediator	1,011,023	1.03
Media 5.01% (4.00%)		
397,064 Dianomi	496,330	0.50
1,773,066 M&C Saatchi	2,372,362	2.41
71,729 Next Fifteen Communications Group	796,192	0.81
2,815,000 The Mission Group	1,266,750	1.29
	4,931,634	5.01
Oil & Gas Producers 8.69% (6.10%)		
1,857,146 Circle Oil ^{3,4}	–	–
12,400,000 Independent Oil & Gas	1,463,200	1.49
345,000 Longboat Energy	72,450	0.07
4,571,647 Parkmead Group	2,752,132	2.80
1,392,500 Serica Energy	4,261,050	4.33
	8,548,832	8.69
Oil, Gas and Coal 3.01% (1.96%)		
769,225 Kistos	2,961,516	3.01

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Personal Care, Drug and Grocery Stores 1.69% (1.16%)		
1,570,000 Supreme	1,664,200	1.69
Personal Goods 0.87% (1.37%)		
1,289,038 Inspecc Group	850,765	0.87
Pharmaceuticals & Biotechnology 3.42% (7.79%)		
300,000 Animalcare Group	690,000	0.70
3,753,200 Beximco Pharmaceuticals	2,251,920	2.29
310,349 Verici Dx	37,242	0.04
15,314,941 Yourgene Health	382,873	0.39
	3,362,035	3.42
Real Estate Investment & Services 2.71% (2.47%)		
289,620 Lok'nStore Group	2,664,504	2.71
Software & Computer Services 22.09% (22.49%)		
1,083,630 Access Intelligence	996,940	1.01
1,056,897 ActiveOps	750,397	0.76
1,074,722 Bango	1,998,983	2.03
357,000 Eagle Eye Solutions Group	2,034,900	2.07
4,227,061 Eckoh	1,521,742	1.55
913,543 Essensys Group	447,636	0.46
2,300,000 IDOX	1,393,800	1.42
1,179,242 iomart Group	1,450,468	1.47
3,250,000 Made Tech Group	877,500	0.89
754,301 Microlise Group	1,206,881	1.23
3,689,557 Netcall	3,062,332	3.11
1,702,000 Oxford Metrics	1,480,740	1.51
731,275 Pennant International Group	248,633	0.25
2,435,489 Zoo Digital Group	4,262,106	4.33
	21,733,058	22.09
Support Services 11.38% (13.74%)		
4,318,585 Altitude	863,717	0.88
1,264,400 Anexo Group	1,416,128	1.44
568,500 Gateley Holdings	989,190	1.00
1,516,989 Johnson Service Group	1,556,431	1.58
1,211,000 RBG Holdings	944,580	0.96
256,842 Renew Holdings	1,592,420	1.62
360,972 Restore	1,335,597	1.36
420,287 RWS Holdings	1,376,860	1.40

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Support Services (continued)		
1,069,187 Synectics	1,122,646	1.14
	11,197,569	11.38
Technology Hardware & Equipment 1.43% (1.87%)		
2,916,776 IQE	1,408,803	1.43
Travel & Leisure 0.00% (0.00%)		
3,373,418 All Leisure ^{2,3}	–	–
469,327 Patisserie Holdings ²	47	–
	47	–
Net investments 97.80% (98.36%)	96,203,054	97.80
Net other assets	2,161,476	2.20
Total net assets	98,364,530	100.00

Note: Comparative figures shown in brackets relate to 15th November 2021.

All holdings are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹ In liquidation.

² Suspended security.

³ Unquoted security.

⁴ Delisted security.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Sub-Fund Information

The Comparative Tables on pages 31 to 33 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Sub-Fund Information *(continued)*

Comparative Tables

Class B Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	492.52	331.90	317.99
Return before operating charges*	(109.35)	164.53	16.63
Operating charges	(2.96)	(3.13)	(2.17)
Return after operating charges*	(112.31)	161.40	14.46
Distributions on income shares	(3.28)	(0.78)	(0.55)
Closing net asset value per share	376.93	492.52	331.90
*After direct transaction costs of ¹ :	0.08	(0.12)	(0.42)
Performance			
Return after charges	(22.80)%	48.63%	4.55%
Other Information			
Closing net asset value (£'000)	58,969	83,771	41,112
Closing number of shares	15,644,367	17,008,825	12,386,908
Operating charges ²	0.67%	0.67%	0.69%
Direct transaction costs	0.02%	(0.03)%	(0.13)%
Prices			
Highest share price	504.20	517.90	364.50
Lowest share price	366.30	343.00	199.70

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class L Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	492.84	332.09	318.13
Return before operating charges*	(109.48)	164.62	16.68
Operating charges	(2.43)	(2.54)	(1.79)
Return after operating charges*	(111.91)	162.08	14.89
Distributions on income shares	(3.81)	(1.33)	(0.93)
Closing net asset value per share	377.12	492.84	332.09
 *After direct transaction costs of ¹ :	 0.08	 (0.12)	 (0.42)
Performance			
Return after charges	(22.71)%	48.81%	4.68%
Other Information			
Closing net asset value (£'000)	31,466	41,123	28,948
Closing number of shares	8,343,917	8,343,917	8,716,985
Operating charges ²	0.55%	0.55%	0.57%
Direct transaction costs	0.02%	(0.03)%	(0.13)%
Prices			
Highest share price	504.60	518.80	364.70
Lowest share price	367.00	343.20	199.80

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class Y Accumulation Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	505.41	339.67	324.56
Return before operating charges*	(112.29)	168.34	16.94
Operating charges	(2.49)	(2.60)	(1.83)
Return after operating charges*	(114.78)	165.74	15.11
Distributions	(3.91)	(1.36)	(0.95)
Retained distributions on accumulation shares	3.91	1.36	0.95
Closing net asset value per share	390.63	505.41	339.67
*After direct transaction costs of ¹ :	0.08	(0.12)	(0.43)
Performance			
Return after charges	(22.71)%	48.79%	4.66%
Other Information			
Closing net asset value (£'000)	7,930	10,227	7,960
Closing number of shares	2,029,950	2,023,478	2,343,320
Operating charges ²	0.55%	0.55%	0.57%
Direct transaction costs	0.02%	(0.03)%	(0.13)%
Prices			
Highest share price	517.40	530.60	372.00
Lowest share price	376.30	351.00	203.90

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Sub-Fund Information *(continued)*

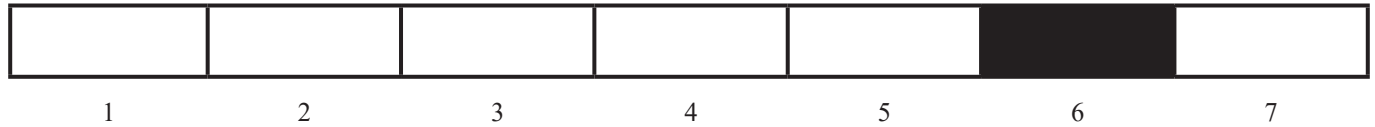
Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Statement of Total Return

for the year ended 15th November 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(30,860)		38,668
Revenue	7	1,660		1,008	
Expenses	8	(719)		(745)	
Net revenue before taxation		941		263	
Taxation	9	(22)		–	
Net revenue after taxation for the year			919		263
Total return before distributions			(29,941)		38,931
Distributions	10		(919)		(263)
Change in net assets attributable to shareholders from investment activities			(30,860)		38,668

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15th November 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			135,121		78,020
Amounts receivable on issue of shares		20,374		63,403	
Amounts payable on cancellation of shares		(26,349)		(45,058)	
			(5,975)		18,345
Dilution levy			–		61
Change in net assets attributable to shareholders from investment activities			(30,860)		38,668
Retained distribution on accumulation shares	10		79		27
Closing net assets attributable to shareholders			98,365		135,121

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Balance Sheet

as at 15th November 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		96,203	132,903
Current assets:			
Debtors	11	425	2,417
Cash and bank balances		2,747	1,021
		99,375	136,341
Total assets			
Liabilities			
Creditors:			
Distribution payable	10	(830)	(243)
Other creditors	12	(180)	(977)
		(1,010)	(1,220)
Total liabilities			
		98,365	135,121
Net assets attributable to shareholders			

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 2 to 4 which can be found on pages 22 to 25.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(30,851)	38,677
Currency gains	–	2
Transaction charges	(9)	(11)
Net capital (losses)/gains	<u>(30,860)</u>	<u>38,668</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 30.

Analysis of direct transaction costs for the year ended 15th November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	14,298	8	–	14,306	0.06	–
	<u>14,298</u>	<u>8</u>	<u>–</u>	<u>14,306</u>		
Sales						
Equities	22,106	(13)	–	22,093	0.06	–
	<u>22,106</u>	<u>(13)</u>	<u>–</u>	<u>22,093</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.00%			

Analysis of direct transaction costs for the year ended 15th November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	36,739	17	–	36,756	0.05	–
	<u>36,739</u>	<u>17</u>	<u>–</u>	<u>36,756</u>		
Sales						
Equities	22,555	(12)	–	22,543	0.05	–
	<u>22,555</u>	<u>(12)</u>	<u>–</u>	<u>22,543</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.00%			

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 4.49% (15th November 2021: 3.27%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2022	2021
	£'000	£'000
Bank interest	7	–
Franked UK dividends	1,505	942
Overseas dividends	148	45
Unfranked PID revenue	–	21
	1,660	1,008
	1,660	1,008

8. Expenses

	2022	2021
	£'000	£'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	648	670
	648	670
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	36	36
Safe custody charges	6	5
	42	41
Other expenses:		
Audit fees ¹	9	8
Calastone fees	12	15
Euroclear fees	4	3
Legal fees	1	4
Printing fees	3	4
	29	34
Total expenses	719	745

¹ Total audit fees of £7,300 (15th November 2021: £7,300), exclusive of VAT.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	22	–
Total current taxation	22	–
Deferred tax charge	–	–
Total taxation	22	–
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	941	263
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	188	53
Effects of:		
Excess management expenses not utilised	142	145
Franked UK dividends	(301)	(189)
Non-taxable overseas dividends	(29)	(9)
Overseas withholding tax	22	–
Total tax charge (note 9a)	22	–
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £1,004,967 (15th November 2021: £862,591) arising as a result of having unutilised management expenses of £5,024,821 (15th November 2021: £4,312,925) and non-trade loan relationship deficit of £14 (15th November 2021: £28). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprise:

	2022 £'000	2021 £'000
Final distribution	830	243
Final accumulation	79	27
	909	270
Add: Revenue deducted on shares cancelled	68	36
Deduct: Revenue received on shares created	(58)	(43)
Net distribution for the year	919	263

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

11. Debtors

	2022	2021
	£'000	£'000
Accrued revenue	209	69
Amount receivable for issue of shares	216	273
Sales awaiting settlement	–	2,075
	<u>425</u>	<u>2,417</u>

12. Other creditors

	2022	2021
	£'000	£'000
Accrued expenses	85	115
Amount payable for cancellation of shares	95	757
Purchases awaiting settlement	–	105
	<u>180</u>	<u>977</u>

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in note 8. The amount payable at year end is £67,870 (15th November 2021: £97,104).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 15th November 2022 (15th November 2021: £Nil).

16. Share Classes

The sub-fund currently has three classes of shares: Class B Income Shares, Class L Income Shares, and Class Y Accumulation Shares. The distribution per share class is given in the distribution tables on page 44. All classes have the same rights on winding up.

The ACD's periodic charge rate on each share class is as follows:

Class B Income Shares	0.60%
Class L Income Shares	0.48%
Class Y Accumulation Shares	0.48%

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

16. Share Classes (continued)

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class B Income Shares	17,008,825	4,562,863	(5,927,321)	–	15,644,367
Class L Income Shares	8,343,917	–	–	–	8,343,917
Class Y Accumulation Shares	2,023,478	6,472	–	–	2,029,950

17. Financial Instruments

In pursuing its investment objective set out on page 5, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

At 15th November 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £4,810,153 (15th November 2021: £6,645,164).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

The sub-fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Interest rate risk profile of financial assets as at 15th November 2022:

	Floating Rate Financial Assets 2022 £'000	Fixed Rate Financial Assets 2022 £'000	Financial Assets Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency				
Pounds sterling	2,747	–	96,203	98,950
	2,747	–	96,203	98,950

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 15th November 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Pounds sterling	1,021	–	132,903	133,924
	1,021	–	132,903	133,924

There were no financial liabilities as at 15th November 2022 (15th November 2021: £Nil).

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £2,746,944 (15th November 2021: £1,021,246) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.
- *Derivative risk* - the sub-fund does not currently hold derivatives that could impact the value of the sub-fund. The ACD may enter into derivative transactions during the year for the purpose of Efficient Portfolio Management.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 15th November 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	96,184	–	19	96,203
Valuation technique as at 15th November 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	131,235	–	1,668	132,903

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

19. Leverage *(continued)*

The maximum permitted level calculated using commitment method, is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year or prior year.

20. Post Balance Sheet Events

The latest NAV per Class B Income Shares of 412.88p as at the close of business on 20th February 2023 had increased on average across the share classes by 9.54% compared to the NAV at the year end of 376.93p.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming AIM Fund

Distribution Tables

for the year ended 15th November 2022

Final Distribution Class B Income Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	3.2766	–	3.2766	0.7765
2	2.0024	1.2742	3.2766	0.7765

Final Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	3.8122	–	3.8122	1.3274
2	3.8122	–	3.8122	1.3274

Final Accumulation Class Y Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	3.9093	–	3.9093	1.3555
2	2.9631	0.9462	3.9093	1.3555

* There were no group 2 shares for this period.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Portfolio Statement

as at 15th November 2022

Holdings	Market value £	Percentage of total net assets %
Australia 1.45% (1.12%)		
400,000 OZ Minerals	5,977,255	1.45
Canada 2.10% (1.29%)		
136,700 Canadian Pacific Railway	8,683,075	2.10
Cayman Islands 2.24% (4.37%)		
508,000 ANTA Sports Products	4,771,126	1.16
802,000 China Resources Land	2,917,983	0.71
3,846 China Resources Mixc Lifestyle Services	14,345	–
665,000 Longfor Group Holdings	1,542,626	0.37
	9,246,080	2.24
France 6.92% (5.23%)		
395,000 AXA	9,224,816	2.23
57,850 EssilorLuxottica	8,672,851	2.10
17,300 LVMH Moet Hennessy Louis Vuitton	10,683,943	2.59
	28,581,610	6.92
Hong Kong 2.45% (2.94%)		
480,000 AIA Group	3,916,536	0.95
600,000 Techtronic Industries	6,229,386	1.50
	10,145,922	2.45
India 3.95% (4.73%)		
490,000 HDFC Bank	8,249,373	2.00
850,000 ICICI Bank	8,051,935	1.95
	16,301,308	3.95
Indonesia 1.22% (1.14%)		
23,000,000 Telkom Indonesia Persero	5,049,842	1.22
Ireland 2.74% (0.47%)		
37,500 Accenture	9,247,388	2.24
70,068 Vanguard FTSE Developed Europe ex UK UCITS ETF	2,055,795	0.50
	11,303,183	2.74
Japan 5.40% (4.45%)		
300,000 Asahi Group	7,843,962	1.90
23,800 Keyence Corp	8,647,205	2.09

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Japan (continued)		
210,000 Recruit Holdings	5,811,068	1.41
	22,302,235	5.40
Luxembourg 0.73% (0.73%)		
203,801 Aberdeen Standard - China A Share 'I' Acc USD	3,019,341	0.73
Mexico 2.15% (1.25%)		
1,334,930 Grupo Financiero Banorte S.A.B. de C.V.	8,884,716	2.15
Netherlands 2.04% (2.39%)		
16,661 ASML	8,451,208	2.04
Portugal 0.00% (0.00%)		
1,252,550 Banco Espirito Santo ^{1,2}	–	–
Republic of South Korea 2.22% (4.13%)		
29,750 NAVER	3,642,070	0.88
139,000 Samsung Electronics	5,535,990	1.34
	9,178,060	2.22
Singapore 0.00% (1.22%)		
Spain 0.00% (1.03%)		
Switzerland 3.00% (3.06%)		
11,468 Lonza Group	5,297,969	1.28
31,300 Sika	7,089,792	1.72
	12,387,761	3.00
Taiwan 0.85% (1.18%)		
270,000 Taiwan Semiconductor Manufacturing Company	3,516,045	0.85
Thailand 0.00% (1.10%)		
United States 52.83% (53.82%)		
66,470 Activision Blizzard	4,136,458	1.00
22,400 Air Products and Chemicals	5,555,471	1.35
101,385 Alphabet	8,429,677	2.04
42,700 Amazon.com	3,560,012	0.86
64,727 Apple	8,181,379	1.98
38,900 Automatic Data Processing	8,301,637	2.01

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
United States (continued)		
22,150 Costco Wholesale	9,825,517	2.38
25,500 Deere & Co	8,738,775	2.12
182,850 Devon Energy	11,340,334	2.75
79,000 Edwards Lifesciences	5,056,612	1.22
31,100 Estee Lauder Cos	5,948,346	1.44
285,500 Fifth Third Bancorp	8,760,752	2.12
100,000 JPMorgan Chase	11,200,302	2.71
52,400 L3Harris Technologies	9,777,772	2.37
29,500 Lowe's Cos	5,195,300	1.26
37,300 McDonald's	8,417,320	2.04
52,500 Microsoft	10,702,977	2.59
38,500 NIKE	3,459,227	0.84
121,000 Otis Worldwide	8,023,180	1.94
53,500 PepsiCo	7,984,892	1.93
45,180 Pioneer Natural Resources	9,982,070	2.42
10,500 Pool	3,060,937	0.74
20,500 ServiceNow	7,245,106	1.75
20,560 Thermo Fisher Scientific	9,457,392	2.29
21,500 Tractor Supply	3,914,985	0.95
22,300 UnitedHealth	9,446,882	2.29
54,500 Visa	9,642,625	2.33
55,000 Waste Management	7,278,975	1.76
44,315 Zoetis	5,590,886	1.35
	218,215,798	52.83
Net investments 92.29% (95.65%)	381,243,439	92.29
Net other assets	31,837,121	7.71
Total net assets	413,080,560	100.00

Note: Comparative figures shown in brackets relate to 15th November 2021.

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹ Unquoted security.

² Delisted security.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information

The Comparative Tables on pages 49 to 52 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information *(continued)*

Comparative Tables

Class B Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	558.92	469.56	423.99
Return before operating charges*	(54.53)	95.34	51.31
Operating charges	(3.33)	(3.31)	(2.80)
Return after operating charges*	(57.86)	92.03	48.51
Distributions on income shares	(4.23)	(2.67)	(2.94)
Closing net asset value per share	496.83	558.92	469.56
*After direct transaction costs of ¹ :	0.17	0.20	0.26
Performance			
Return after charges	(10.35)%	19.60%	11.44%
Other Information			
Closing net asset value (£'000)	18,178	22,759	54,994
Closing number of shares	3,658,881	4,071,937	11,711,790
Operating charges ²	0.66%	0.66%	0.66%
Direct transaction costs	0.03%	0.04%	0.06%
Prices			
Highest share price	565.70	560.30	475.00
Lowest share price	452.50	465.90	349.50

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class C Accumulation Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	604.17	504.82	452.66
Return before operating charges*	(58.86)	102.93	55.19
Operating charges	(3.62)	(3.58)	(3.03)
Return after operating charges*	(62.48)	99.35	52.16
Distributions	(4.56)	(2.95)	(3.15)
Retained distributions on accumulation shares	4.56	2.95	3.15
Closing net asset value per share	541.69	604.17	504.82
*After direct transaction costs of ¹ :	0.18	0.22	0.28
Performance			
Return after charges	(10.34)%	19.68%	11.52%
Other Information			
Closing net asset value (£'000)	51,175	82,249	74,651
Closing number of shares	9,447,147	13,613,503	14,787,605
Operating charges ²	0.66%	0.66%	0.66%
Direct transaction costs	0.03%	0.04%	0.06%
Prices			
Highest share price	611.40	604.40	509.00
Lowest share price	490.50	500.80	373.10

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class L Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	559.09	469.65	424.01
Return before operating charges*	(54.57)	95.49	51.42
Operating charges	(2.72)	(2.72)	(2.32)
Return after operating charges*	(57.29)	92.77	49.10
Distributions on income shares	(4.84)	(3.33)	(3.46)
Closing net asset value per share	496.96	559.09	469.65
 *After direct transaction costs of ¹ :	 0.17	 0.20	 0.26
Performance			
Return after charges	(10.25)%	19.75%	11.58%
Other Information			
Closing net asset value (£'000)	149,214	169,379	175,244
Closing number of shares	30,025,472	30,295,733	37,313,951
Operating charges ²	0.54%	0.54%	0.54%
Direct transaction costs	0.03%	0.04%	0.06%
Prices			
Highest share price	565.90	560.80	475.30
Lowest share price	452.70	466.00	349.60

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class Y Accumulation Shares

For the year to	15/11/2022 <i>(pence per share)</i>	15/11/2021 <i>(pence per share)</i>	15/11/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	583.71	487.13	436.28
Return before operating charges*	(56.85)	99.42	53.24
Operating charges	(2.85)	(2.84)	(2.39)
Return after operating charges*	(59.70)	96.58	50.85
Distributions	(5.06)	(3.49)	(3.57)
Retained distributions on accumulation shares	5.06	3.49	3.57
Closing net asset value per share	524.01	583.71	487.13

*After direct transaction costs of ¹ :	0.17	0.21	0.27
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Performance

Return after charges	(10.23)%	19.83%	11.66%
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Other Information

Closing net asset value (£'000)	194,514	222,883	160,678
Closing number of shares	37,120,163	38,183,708	32,984,663
Operating charges ²	0.54%	0.54%	0.54%
Direct transaction costs	0.03%	0.04%	0.06%

Prices

Highest share price	590.70	583.90	491.20
Lowest share price	474.30	483.30	359.80

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Sub-Fund Information *(continued)*

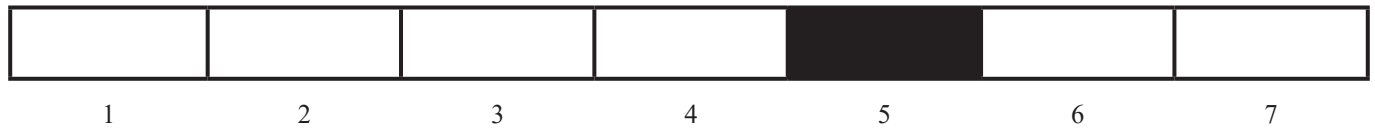
Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Statement of Total Return

for the year ended 15th November 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(54,196)		83,021
Revenue	7	7,259		6,506	
Expenses	8	(2,411)		(2,613)	
Interest payable and similar charges		(29)		(50)	
Net revenue before taxation		4,819		3,843	
Taxation	9	(810)		(871)	
Net revenue after taxation for the year			4,009		2,972
Total return before distributions			(50,187)		85,993
Distributions	10		(4,009)		(2,972)
Change in net assets attributable to shareholders from investment activities			(54,196)		83,021

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15th November 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			497,270		465,567
Amounts receivable on issue of shares		265		43,718	
Amounts payable on cancellation of shares		(32,584)		(96,789)	
			(32,319)		(53,071)
Change in net assets attributable to shareholders from investment activities			(54,196)		83,021
Retained distribution on accumulation shares	10		2,326		1,753
Closing net assets attributable to shareholders			413,081		497,270

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Balance Sheet

as at 15th November 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		381,243	475,641
Current assets:			
Debtors	11	223	5,889
Cash and bank balances		33,023	30,672
Total assets		414,489	512,202
Liabilities			
Creditors:			
Bank overdrafts		(8)	(12)
Distribution payable	10	(1,073)	(517)
Other creditors	12	(327)	(14,403)
Total liabilities		(1,408)	(14,932)
Net assets attributable to shareholders		413,081	497,270

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 2 to 4 which can be found on pages 22 to 25.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(55,190)	83,689
Derivative securities	–	(52)
Currency gains/(losses)	1,010	(600)
Transaction charges	(16)	(16)
Net capital (losses)/gains	<u>(54,196)</u>	<u>83,021</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 48.

Analysis of direct transaction costs for the year ended 15th November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	97,719	20	21	97,760	0.02	0.02
	<u>97,719</u>	<u>20</u>	<u>21</u>	<u>97,760</u>		
Sales						
Equities	137,008	(49)	(53)	136,906	0.04	0.04
	<u>137,008</u>	<u>(49)</u>	<u>(53)</u>	<u>136,906</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.02%			

Analysis of direct transaction costs for the year ended 15th November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	137,033	40	48	137,121	0.03	0.04
	<u>137,033</u>	<u>40</u>	<u>48</u>	<u>137,121</u>		
Sales						
Collective Investment Schemes	5,410	–	–	5,410	–	–
Equities	190,439	(43)	(55)	190,341	0.02	0.03
	<u>195,849</u>	<u>(43)</u>	<u>(55)</u>	<u>195,751</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.02%			

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.05% (15th November 2021: 0.05%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	72	1
Offshore CIS dividend revenue	66	158
Overseas dividends	7,121	6,347
	<u>7,259</u>	<u>6,506</u>

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	2,168	2,365
	<u>2,168</u>	<u>2,365</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	98	103
Safe custody charges	120	113
	<u>218</u>	<u>216</u>
Other expenses:		
Advisory fees	10	11
Audit fees ¹	9	8
Calastone fees	2	3
Euroclear fees	2	3
Legal fees	2	6
Printing fees	–	1
	<u>25</u>	<u>32</u>
Total expenses	<u>2,411</u>	<u>2,613</u>

¹ Total audit fees of £7,300 (15th November 2021: £7,300), exclusive of VAT.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	801	871
Prior year adjustment	9	–
Total current taxation	810	871
Deferred tax charge	–	–
Total taxation	810	871
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	4,819	3,843
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	964	768
Effects of:		
Double taxation relief	–	(3)
Excess management expenses not utilised	482	496
Excess non-trade loan relationship unutilised	(9)	10
Franked UK dividends	(13)	(32)
FX loss non-taxable	(2)	2
Non-taxable overseas dividends	(1,422)	(1,252)
Overseas withholding tax	801	871
Prior year adjustment	9	–
Tax due to timing differences	–	11
Total tax charge (note 9a)	810	871
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £8,278,548 (15th November 2021: £7,804,840) arising as a result of having unutilised management expenses of £41,262,118 (15th November 2021: £38,851,872) and non-trade loan relationship deficit of £130,623 (15th November 2021: £172,327). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprise:

	2022 £'000	2021 £'000
Interim distribution	543	638
Interim accumulation	776	961
Final distribution	1,073	517
Final accumulation	1,550	792
	3,942	2,908
Add: Revenue deducted on shares cancelled	68	92
Deduct: Revenue received on shares created	(1)	(28)
Net distribution for the year	4,009	2,972

11. Debtors

	2022 £'000	2021 £'000
Accrued revenue	68	103
Amount receivable for issue of shares	2	1
Overseas tax recoverable	153	256
Sales awaiting settlement	–	5,529
	223	5,889

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	322	379
Amount payable for cancellation of shares	5	14,024
	327	14,403

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £256,598 (15th November 2021: £314,407).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 15th November 2022 (15th November 2021: £Nil).

16. Share Classes

The sub-fund currently has four classes of shares: Class B Income Shares, Class C Accumulation Shares, Class L Income Shares and Class Y Accumulation Shares. The distribution per share class is given in the distribution tables on pages 66 and 67. All classes have the same rights on winding up.

The ACD's periodic charge rate on each share class is as follows:

Class B Income Shares	0.60%
Class C Accumulation Shares	0.60%
Class L Income Shares	0.48%
Class Y Accumulation Shares	0.48%

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class B Income Shares	4,071,937	38,877	(451,933)	–	3,658,881
Class C Accumulation Shares	13,613,503	12,435	(4,178,791)	–	9,447,147
Class L Income Shares	30,295,733	–	(270,261)	–	30,025,472
Class Y Accumulation Shares	38,183,708	–	(1,063,545)	–	37,120,163

17. Financial Instruments

In pursuing its investment objective set out on page 5, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

At 15th November 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £19,062,172 (15th November 2021: £23,782,047).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

At the year end date, majority of the net assets of the sub-fund were denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Foreign currency exposure as at 15th November 2022:

Currency	Monetary	Non	Total
	Exposures	Monetary	
	2022	Exposures	2022
	£'000	£'000	£'000
Australian dollar	21	5,977	5,998
Euro	2,192	37,033	39,225
Hong Kong dollar	5,648	19,392	25,040
Indian rupee	4,541	16,301	20,842
Indonesian rupiah	–	5,050	5,050
Japanese yen	2	22,302	22,304
Malaysian ringgit	3	–	3
Mexican peso	–	8,885	8,885
Pounds sterling	6,803	2,055	8,858
South Korean won	39	9,178	9,217
Swiss franc	153	12,388	12,541
Taiwan dollar	1,357	3,516	4,873
US dollar	11,079	239,166	250,245
	31,838	381,243	413,081

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

Foreign currency exposure as at 15th November 2021:

Currency	Monetary	Non	Total
	Exposures	Monetary Exposures	
	2021	2021	2021
	£'000	£'000	£'000
Australian dollar	20	5,591	5,611
Euro	934	43,003	43,937
Hong Kong dollar	2,001	36,321	38,322
Indian rupee	–	23,542	23,542
Indonesian rupiah	–	5,654	5,654
Japanese yen	8,069	22,124	30,193
Malaysian ringgit	2	–	2
Mexican peso	–	6,230	6,230
Pounds sterling	4,658	2,329	6,987
Singapore dollar	–	6,093	6,093
South Korean won	–	20,541	20,541
Swiss franc	197	15,206	15,403
Taiwan dollar	968	5,865	6,833
Thai baht	–	5,458	5,458
US dollar	4,780	277,684	282,464
	<u>21,629</u>	<u>475,641</u>	<u>497,270</u>

At 15th November 2022, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £4,042,220 (15th November 2021: £4,902,822).

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Interest rate risk profile of financial assets as at 15th November 2022:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial	Financial	Not Carrying	
	Assets	Assets	Interest	
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Australian dollar	21	–	5,977	5,998
Euro	2,185	–	37,033	39,218
Hong Kong dollar	5,648	–	19,392	25,040
Indian rupee	4,541	–	16,301	20,842
Indonesian rupiah	–	–	5,050	5,050
Japanese yen	2	–	22,302	22,304
Malaysian ringgit	3	–	–	3
Mexican peso	–	–	8,885	8,885
Pounds sterling	8,133	–	2,055	10,188
South Korean won	39	–	9,178	9,217
Swiss franc	15	–	12,388	12,403
Taiwan dollar	1,357	–	3,516	4,873
US dollar	11,079	–	239,166	250,245
	33,023	–	381,243	414,266

Interest rate risk profile of financial assets as at 15th November 2021:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial	Financial	Not Carrying	
	Assets	Assets	Interest	
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
Australian dollar	20	–	5,591	5,611
Euro	875	–	43,003	43,878
Hong Kong dollar	2,001	–	36,321	38,322
Indian rupee	–	–	23,542	23,542
Indonesian rupiah	–	–	5,654	5,654
Japanese yen	8,069	–	22,124	30,193
Malaysian ringgit	2	–	–	2
Mexican peso	–	–	6,230	6,230
Pounds sterling	13,945	–	2,329	16,274
Singapore dollar	–	–	6,093	6,093
South Korean won	–	–	20,541	20,541
Swiss franc	–	–	15,206	15,206
Taiwan dollar	968	–	5,865	6,833
Thai baht	–	–	5,458	5,458
US dollar	4,792	–	277,684	282,476
	30,672	–	475,641	506,313

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial liabilities as at 15th November 2022:

	Floating Rate Financial Liabilities 2022 £'000	Financial Liabilities Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency			
Swiss franc	(8)	–	(8)
	(8)	–	(8)

Interest rate risk profile of financial liabilities as at 15th November 2021.

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
US dollar	(12)	–	(12)
	(12)	–	(12)

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £33,014,372 (15th November 2021: £30,660,014) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or other respective central bank rates for other currencies.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.
- *Derivative risk* - the sub-fund does not currently hold derivatives that could impact the value of the sub-fund. The ACD may enter into derivative transactions during the year for the purpose of Efficient Portfolio Management.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 15th November 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	376,168	–	–	376,168
Collective Investment Schemes	2,056	3,019	–	5,075
	378,224	3,019	–	381,243

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

Valuation technique as at 15th November 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	469,664	–	–	469,664
Collective Investment Schemes	2,329	3,648	–	5,977
	<u>471,993</u>	<u>3,648</u>	<u>–</u>	<u>475,641</u>

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum permitted level calculated using commitment method is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year while prior year has employed some leverage.

20. Post Balance Sheet Events

The latest NAV per Class Y Accumulation Shares of 531.81p as at the close of business on 20th February 2023 had increased on average across the share classes by 1.49% compared to the NAV at the year end of 524.01p.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Distribution Tables

for the year ended 15th November 2022

Interim Distribution Class B Income Shares (in pence per share)

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	1.3093	–	1.3093	1.4611
2	0.9919	0.3174	1.3093	1.4611

Interim Accumulation Class C Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	1.3980	–	1.3980	1.6309
2	1.0130	0.3850	1.3980	1.6309

Interim Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	1.6206	–	1.6206	1.7898
2	1.6206	–	1.6206	1.7898

Interim Accumulation Class Y Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	1.6919	–	1.6919	1.8838
2	1.6919	–	1.6919	1.8838

Final Distribution Class B Income Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	2.9192	–	2.9192	1.2137
2	0.4389	2.4803	2.9192	1.2137

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming International Fund

Distribution Tables

for the year ended 15th November 2022 (continued)

Final Accumulation Class C Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	3.1651	–	3.1651	1.3176
2	0.8893	2.2758	3.1651	1.3176

Final Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	3.2172	–	3.2172	1.5436
2	3.2172	–	3.2172	1.5436

Final Accumulation Class Y Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	3.3704	–	3.3704	1.6036
2	3.3704	–	3.3704	1.6036

* There were no group 2 shares for this period.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Portfolio Statement

as at 15th November 2022

Holdings	Market value £	Percentage of total net assets %
Australia 0.00% (0.00%)		
Mining 0.00% (0.00%)		
6,238,889 International Ferro Metals ^{1,2}	–	–
Total Australia	–	–
Bangladesh 1.24% (1.63%)		
Pharmaceuticals & Biotechnology 1.24% (1.63%)		
2,130,000 Beximco Pharmaceuticals	1,278,000	1.24
Total Bangladesh	1,278,000	1.24
Ireland 1.30% (1.67%)		
Beverages 1.30% (1.67%)		
769,565 C&C Group	1,345,200	1.30
Oil & Gas Producers 0.00% (0.00%)		
11,723,701 Circle Oil ^{1,2}	–	–
Total Ireland	1,345,200	1.30
Jersey 1.34% (1.48%)		
General Retailers 1.34% (1.48%)		
10,211,815 Quiz	1,383,701	1.34
Total Jersey	1,383,701	1.34
United Kingdom 94.86% (94.53%)		
Aerospace & Defence 6.37% (4.74%)		
174,340 Avon Rubber	2,062,442	2.00
488,000 Chemring Group	1,471,320	1.43
2,507,107 Senior	3,038,614	2.94
	6,572,376	6.37
Alternative Energy 0.44% (1.69%)		
580,000 Pod Point Group	452,980	0.44
Automobiles & Parts 1.58% (0.00%)		
1,360,544 CT Automotive Group	1,632,653	1.58

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
United Kingdom (continued)		
Banks 2.42% (4.51%)		
1,000,000 Barclays	1,555,000	1.51
165,000 Standard Chartered	944,460	0.91
	2,499,460	2.42
Chemicals 3.20% (3.65%)		
1,969,730 Elementis	2,040,641	1.98
836,476 Synthomer	1,262,242	1.22
	3,302,883	3.20
Construction & Materials 3.61% (4.90%)		
4,011,479 Costain Group	1,406,023	1.36
694,197 Henry Boot	1,652,189	1.60
1,144,679 Kier Group	669,637	0.65
	3,727,849	3.61
Electronic & Electrical Equipment 1.81% (2.37%)		
1,235,844 TT Electronics	1,866,124	1.81
Food & Drug Retailers 0.00% (1.56%)		
Food Producers 0.97% (1.48%)		
3,508,803 Venture Life Group	1,000,009	0.97
General Retailers 0.00% (0.00%)		
12,013,571 Laura Ashley ¹	–	–
Health Care Equipment & Services 5.29% (4.45%)		
707,991 Advanced Medical Solutions Group	2,017,774	1.96
951,767 Medica Group	1,327,715	1.29
7,026,250 Totally	2,107,875	2.04
	5,453,364	5.29
Industrial Engineering 4.55% (2.96%)		
1,184,700 MS International	3,767,346	3.65
180,000 Porvair	928,800	0.90
	4,696,146	4.55

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
United Kingdom (continued)		
Industrial Transportation 1.10% (2.29%)		
4,928,202 Xpediator	1,133,486	1.10
Investment Banking & Brokerage Services 1.46% (0.00%)		
165,000 Hargreaves Lansdown	1,507,770	1.46
Media 7.18% (7.80%)		
2,456,574 ITV	1,933,324	1.87
2,339,399 M&C Saatchi	3,130,116	3.03
935,558 STV Group	2,348,250	2.28
	7,411,690	7.18
Mining 4.49% (1.27%)		
1,931,154 Bisichi Mining	4,634,770	4.49
Nonlife Insurance 1.46% (1.32%)		
720,000 Direct Line Insurance Group	1,500,480	1.46
Oil & Gas Producers 19.69% (18.70%)		
13,352,861 EnQuest	3,591,920	3.48
8,500,000 Independent Oil & Gas	1,003,000	0.97
869,224 Kistos	3,346,512	3.24
6,132,005 Parkmead Group	3,691,467	3.58
2,329,889 Serica Energy	7,129,460	6.91
5,713,879 Soco International	1,559,889	1.51
	20,322,248	19.69
Oil Equipment, Services & Distribution 2.47% (1.17%)		
835,000 Hunting	2,550,925	2.47
Personal Care, Drug and Grocery Stores 1.28% (0.00%)		
1,250,000 Supreme	1,325,000	1.28
Personal Goods 0.75% (2.43%)		
1,175,000 Inspecc Group	775,500	0.75
Pharmaceuticals & Biotechnology 0.00% (1.40%)		
Real Estate Investment & Services 7.48% (6.33%)		
580,000 Grainger	1,390,840	1.35
540,615 Lok'nStore Group	4,973,658	4.82

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Portfolio Statement

as at 15th November 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
United Kingdom (continued)		
Real Estate Investment & Services (continued)		
7,513,214 London & Associated Properties	1,352,379	1.31
	7,716,877	7.48
Software & Computer Services 10.70% (11.99%)		
1,953,396 Bango	3,633,316	3.52
371,601 Eagle Eye Solutions Group	2,118,126	2.05
4,030,000 Eckoh	1,450,800	1.41
3,250,000 Made Tech Group	877,500	0.85
1,695,000 Zoo Digital Group	2,966,250	2.87
	11,045,992	10.70
Support Services 4.91% (5.06%)		
1,850,000 Anexo Group	2,072,000	2.01
454,000 Gateley Holdings	789,960	0.77
400,288 RWS Holdings	1,311,344	1.27
848,009 Synectics	890,409	0.86
	5,063,713	4.91
Technology Hardware & Equipment 1.61% (1.33%)		
3,443,410 IQE	1,663,167	1.61
Travel & Leisure 0.00% (1.09%)		
Utilities 0.04% (0.04%)		
1,546,286 Dyson ¹	41,750	0.04
Total United Kingdom	97,897,212	94.86

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Portfolio Statement

as at 15th November 2022 (continued)

	Market value £	Percentage of total net assets %
Net investments 98.74% (99.31%)	101,904,113	98.74
Net other assets	1,303,269	1.26
Total net assets	103,207,382	100.00

Note: Comparative figures shown in brackets relate to 15th November 2021

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹ Unquoted security.

² Delisted security.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information

The Comparative Tables on pages 74 to 77 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information *(continued)*

Comparative Tables

Class B Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,679.41	1,171.40	1,235.55
Return before operating charges*	(134.78)	528.52	(51.05)
Operating charges	(11.05)	(10.62)	(7.48)
Return after operating charges*	(145.83)	517.90	(58.53)
Distributions on income shares	(19.65)	(9.89)	(5.62)
Closing net asset value per share	1,513.93	1,679.41	1,171.40
 *After direct transaction costs of ¹ :	 0.17	 0.08	 0.27
Performance			
Return after charges	(8.68)%	44.21%	(4.74)%
Other Information			
Closing net asset value (£'000)	22,619	35,089	25,208
Closing number of shares	1,494,050	2,089,368	2,151,938
Operating charges ²	0.67%	0.68%	0.67%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	1,787.00	1,765.00	1,380.00
Lowest share price	1,461.00	1,208.00	713.40

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class C Accumulation Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,890.95	1,311.18	1,375.69
Return before operating charges*	(152.05)	591.66	(55.93)
Operating charges	(12.44)	(11.89)	(8.58)
Return after operating charges*	(164.49)	579.77	(64.51)
Distributions	(22.20)	(11.09)	(6.16)
Retained distributions on accumulation shares	22.20	11.09	6.16
Closing net asset value per share	1,726.46	1,890.95	1,311.18
*After direct transaction costs of ¹ :	0.19	0.09	0.31
Performance			
Return after charges	(8.70)%	44.22%	(4.69)%
Other Information			
Closing net asset value (£'000)	10,456	12,199	8,965
Closing number of shares	605,652	645,101	683,706
Operating charges ²	0.67%	0.68%	0.67%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	2,013.00	1,980.00	1,536.00
Lowest share price	1,651.00	1,352.00	794.20

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class L Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,681.70	1,172.97	1,237.19
Return before operating charges*	(134.86)	529.27	(51.17)
Operating charges	(9.06)	(8.76)	(6.12)
Return after operating charges*	(143.92)	520.51	(57.29)
Distributions on income shares	(21.68)	(11.78)	(6.93)
Closing net asset value per share	1,516.10	1,681.70	1,172.97
*After direct transaction costs of ¹ :	0.17	0.08	0.27
Performance			
Return after charges	(8.56)%	44.38%	(4.63)%
Other Information			
Closing net asset value (£'000)	5,760	6,389	4,812
Closing number of shares	379,910	379,910	410,260
Operating charges ²	0.55%	0.56%	0.55%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	1,791.00	1,768.00	1,382.00
Lowest share price	1,464.00	1,210.00	714.70

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class Y Accumulation Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,791.25	1,240.49	1,299.55
Return before operating charges*	(144.23)	560.03	(52.60)
Operating charges	(9.67)	(9.27)	(6.46)
Return after operating charges*	(153.90)	550.76	(59.06)
Distributions	(23.16)	(12.48)	(7.29)
Retained distributions on accumulation shares	23.16	12.48	7.29
Closing net asset value per share	1,637.35	1,791.25	1,240.49
*After direct transaction costs of ¹ :	0.18	0.09	0.29
Performance			
Return after charges	(8.59)%	44.40%	(4.54)%
Other Information			
Closing net asset value (£'000)	64,372	70,943	54,679
Closing number of shares	3,931,497	3,960,544	4,407,907
Operating charges ²	0.55%	0.56%	0.55%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	1,907.00	1,876.00	1,452.00
Lowest share price	1,566.00	1,279.00	750.60

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Sub-Fund Information *(continued)*

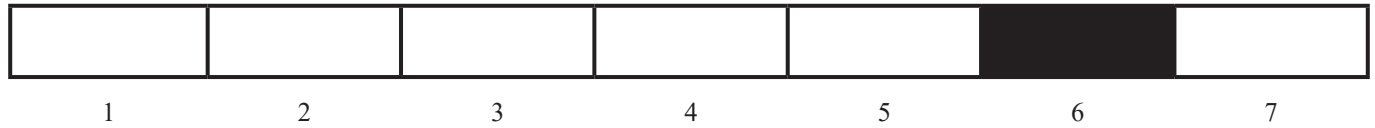
Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Statement of Total Return

for the year ended 15th November 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(11,288)		38,227
Revenue	7	2,146		1,512	
Expenses	8	(673)		(684)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		1,472		828	
Taxation	9	(12)		–	
Net revenue after taxation for the year			1,460		828
Total return before distributions			(9,828)		39,055
Distributions	10		(1,460)		(828)
Change in net assets attributable to shareholders from investment activities			(11,288)		38,227

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15th November 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			124,620		93,664
Amounts receivable on issue of shares		5,066		11,945	
Amounts payable on cancellation of shares		(16,272)		(19,870)	
			(11,206)		(7,925)
Dilution levy			36		87
Change in net assets attributable to shareholders from investment activities			(11,288)		38,227
Unclaimed distributions			–		1
Retained distribution on accumulation shares	10		1,045		566
Closing net assets attributable to shareholders			103,207		124,620

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Balance Sheet

as at 15th November 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		101,904	123,756
Current assets:			
Debtors	11	327	129
Cash and bank balances		1,372	1,290
Total assets		103,603	125,175
Liabilities			
Creditors:			
Distribution payable	10	(259)	(150)
Other creditors	12	(137)	(405)
Total liabilities		(396)	(555)
Net assets attributable to shareholders		103,207	124,620

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 2 to 4 which can be found on pages 22 to 25.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(11,277)	38,242
Currency gains	1	1
Transaction charges	(12)	(16)
Net capital (losses)/gains	(11,288)	38,227

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 73.

Analysis of direct transaction costs for the year ended 15th November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	10,494	7	29	10,530	0.07	0.28
	10,494	7	29	10,530		
Sales						
Equities	23,117	(13)	–	23,104	0.06	–
	23,117	(13)	–	23,104		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	0.02%			

Analysis of direct transaction costs for the year ended 15th November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	27,407	12	59	27,478	0.04	0.22
	27,407	12	59	27,478		
Sales						
Equities	34,692	(23)	–	34,669	0.07	–
	34,692	(23)	–	34,669		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.03%	0.05%			

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 3.26% (15th November 2021: 2.23%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	5	–
Franked UK dividends	2,082	1,496
Overseas dividends	59	16
	<u>2,146</u>	<u>1,512</u>

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	608	613
	<u>608</u>	<u>613</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	36	35
Safe custody charges	6	5
	<u>42</u>	<u>40</u>
Other expenses:		
Audit fees ¹	9	8
Calastone fees	8	11
Euroclear fees	2	3
Legal fees	1	4
Printing fees	3	5
	<u>23</u>	<u>31</u>
Total expenses	<u>673</u>	<u>684</u>

¹ Total audit fees of £7,300 (15th November 2021: £7,300), exclusive of VAT.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	12	–
Total current taxation	12	–
Deferred tax charge	–	–
Total taxation	12	–
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,472	828
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	294	165
Effects of:		
Excess management expenses not utilised	134	137
Franked UK dividends	(416)	(299)
Non-taxable overseas dividends	(12)	(3)
Overseas withholding tax	12	–
Total tax charge (note 9a)	12	–
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £2,369,582 (15th November 2021: £2,235,736) arising as a result of having unutilised management expenses of £11,847,486 (15th November 2021: £11,178,255) and non-trade loan relationship deficit of £425 (15th November 2021: £425). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprise:

	2022 £'000	2021 £'000
Interim distribution	141	101
Interim accumulation	338	231
Final distribution	259	150
Final accumulation	707	335
	1,445	817
Add: Revenue deducted on shares cancelled	28	28
Deduct: Revenue received on shares created	(13)	(17)
Net distribution for the year	1,460	828

11. Debtors

	2022 £'000	2021 £'000
Accrued revenue	228	31
Amount receivable for issue of shares	99	98
	327	129

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	86	104
Amount payable for cancellation of shares	51	158
Purchases awaiting settlement	–	143
	137	405

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £66,492 (15th November 2021: £84,738).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 15th November 2022 (15th November 2021: £Nil).

16. Share Classes

The sub-fund currently has four share classes: Class B Income Shares, Class C Accumulation Shares, Class L Income Shares and Class Y Accumulation Shares. The distribution per share class is given in the distribution tables on pages 88 and 89. All classes have the same rights on winding up.

The ACD's periodic charge rate on each share class is as follows:

Class B Income Shares	0.60%
Class C Accumulation Shares	0.60%
Class L Income Shares	0.48%
Class Y Accumulation Shares	0.48%

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class B Income Shares	2,089,368	196,758	(792,076)	–	1,494,050
Class C Accumulation Shares	645,101	96,274	(135,723)	–	605,652
Class L Income Shares	379,910	–	–	–	379,910
Class Y Accumulation Shares	3,960,544	286	(29,333)	–	3,931,497

17. Financial Instruments

In pursuing its investment objective set out on page 5, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

At 15th November 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £5,095,206 (15th November 2021: £6,187,799).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

The sub-fund does not have significant exposure to currency risk as all assets and liabilities are predominantly held in Sterling. The sub-fund converts all receipts of revenue, received in currency, into Sterling on the day of receipt.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Interest rate risk profile of financial assets as at 15th November 2022:

	Floating Rate Financial Assets 2022 £'000	Fixed Rate Financial Assets 2022 £'000	Financial Assets Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency				
Pounds sterling	1,372	–	101,904	103,276
	1,372	–	101,904	103,276

Interest rate risk profile of financial assets as at 15th November 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Pounds sterling	1,290	–	123,756	125,046
	1,290	–	123,756	125,046

There were no financial liabilities as at 15th November 2022 (15th November 2021: £Nil).

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £1,372,066 (15th November 2021: £1,290,283) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Derivative risk - the sub-fund does not currently hold derivatives that could impact the value of the sub-fund. The ACD may enter into derivative transactions during the year for the purpose of Efficient Portfolio Management and to hedge against price fluctuations and foreign currency exposure.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 15th November 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	101,862	–	42	101,904
Valuation technique as at 15th November 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	123,702	–	54	123,756

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the ACD manages the sub-fund. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum permitted level calculated using commitment method, is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year or prior year.

20. Post Balance Sheet Events

The latest NAV per Class Y Accumulation of 1,763.03p as at the close of business on 20th February 2023 had increased on average across the share classes by 7.68% compared to the NAV at the year end of 1,637.35p.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Distribution Tables

for the year ended 15th November 2022

Interim Distribution Class B Income Shares (in pence per share)

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	6.0573	–	6.0573	3.9700
2	4.0995	1.9578	6.0573	3.9700

Interim Accumulation Class C Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	6.8246	–	6.8246	4.4412
2	5.5549	1.2697	6.8246	4.4412

Interim Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	7.0785	–	7.0785	4.8247
2	7.0785	–	7.0785	4.8247

Interim Accumulation Class Y Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th May 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	7.5387	–	7.5387	5.1053
2	6.4512	1.0875	7.5387	5.1053

Final Distribution Class B Income Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	13.5927	–	13.5927	5.9224
2	6.5081	7.0846	13.5927	5.9224

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming Opportunities Fund

Distribution Tables

for the year ended 15th November 2022 (continued)

Final Accumulation Class C Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	15.3735	–	15.3735	6.6445
2	5.0540	10.3195	15.3735	6.6445

Final Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	14.6020	–	14.6020	6.9516
2	14.6020	–	14.6020	6.9516

Final Accumulation Class Y Accumulation Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th November 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	15.6196	–	15.6196	7.3741
2	15.6196	–	15.6196	7.3741

* There were no group 2 shares for this period.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Portfolio Statement

as at 15th November 2022

Holdings	Market value £	Percentage of total net assets %
EQUITIES 0.00% (0.00%)		
United Kingdom 0.00% (0.00%)		
Financial Services 0.00% (0.00%)		
133,723	The Co-Operative Bank Holdings	—
		—
Net investments 0.00% (0.00%)		—
Net other assets		—
Total net assets		—

Note: Comparative figures shown in brackets relate to 15th November 2021.

¹ Unquoted security.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Sub-Fund Information

The Comparative Tables on pages 92 and 93 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

Other Information

For the reasons stated in Note 2a, the financial statements of the TM Stonehage Fleming UK Balanced Income Fund have been prepared on a break-up basis as this sub-fund is not a going concern.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Sub-Fund Information *(continued)*

Comparative Tables

Class B Income Shares

For the year to	<i>15/11/2022</i> <i>(pence per share)</i>	<i>15/11/2021^{1,2}</i> <i>(pence per share)</i>	<i>15/11/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	–	100.03	137.13
Return before operating charges*	–	13.21	(32.91)
Operating charges	–	(0.28)	(0.73)
Return after operating charges*	–	12.93	(33.64)
Distributions on income shares	–	(0.46)	(3.46)
Last net asset value per share	–	112.50	–
Closing net asset value per share	–	–	100.03
 *After direct transaction costs of ³ :	 –	 0.02	 0.12

Performance

Return after charges	–%	12.93%	(24.53)%
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Other Information

Closing net asset value (£'000)	–	–	7,646
Closing number of shares	–	–	7,643,378
Operating charges ⁴	–%	0.62%	0.63%
Direct transaction costs	–%	0.02%	0.10%

Prices

Highest share price	–	113.00	144.90
Lowest share price	–	100.80	81.15

¹ Class B Income Shares became inactive on 20th April 2021.

² As at the year ended 15th November 2021, there were no shares in issue. Share class performance provided was as at 20th April 2021 being the last net asset value per share date before shares were reduced to zero.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Sub-Fund Information *(continued)*

Comparative Tables *(continued)*

Class L Income Shares

For the year to	15/11/2022 <i>(pence per share)</i>	15/11/2021 ^{1,2} <i>(pence per share)</i>	15/11/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	–	100.09	137.23
Return before operating charges*	–	13.15	(32.97)
Operating charges	–	(0.27)	(0.68)
Return after operating charges*	–	12.88	(33.65)
Distributions on income shares	–	(0.47)	(3.49)
Last net asset value per share	–	112.50	–
Closing net asset value per share	–	–	100.09
*After direct transaction costs of ³ :	–	0.02	0.11

Performance

Return after charges	–%	12.87%	(24.52)%
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Other Information

Closing net asset value (£'000)	–	–	10,833
Closing number of shares	–	–	10,823,069
Operating charges ⁴	–%	0.60%	0.61%
Direct transaction costs	–%	0.02%	0.10%

Prices

Highest share price	–	113.10	145.00
Lowest share price	–	100.80	81.22

¹ Class L Income Shares became inactive on 20th April 2021.

² As at the year ended 15th November 2021, there were no shares in issue. Share class performance provided was as at 20th April 2021 being the last net asset value per share date before shares were reduced to zero.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Sub-Fund Information *(continued)*

Risk and Reward Indicator (“RRI”)

As the sub-fund ceased investment activity on 20th April 2021, the RRI table is not disclosed.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Statement of Total Return

for the year ended 15th November 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(2)		2,099
Revenue	7	1		346	
Expenses	8	–		(61)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		–		285	
Taxation	9	7		(8)	
Net revenue after taxation for the year			7		277
Total return before distributions			5		2,376
Distributions	10		–		(273)
Change in net assets attributable to shareholders from investment activities			5		2,103

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15th November 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		–		18,479
Amounts receivable on issue of shares	–		406	
Amounts payable on cancellation of shares	–		(20,983)	
			–	(20,577)
Amounts payable to investors		(5)		(5)
Change in net assets attributable to shareholders from investment activities		5		2,103
Closing net assets attributable to shareholders		–		–

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Balance Sheet

as at 15th November 2022

	Notes	2022 £'000	2021 £'000
Assets			
Current assets:			
Investments		–	2
Debtors	11	2	2
Cash and bank balances		30	30
		<hr/>	<hr/>
Total assets		32	34
		<hr/>	<hr/>
Liabilities			
Creditors:			
Bank overdrafts		(17)	(15)
Other creditors	12	(15)	(19)
		<hr/>	<hr/>
Total liabilities		(32)	(34)
		<hr/>	<hr/>
Net assets attributable to shareholders		–	–
		<hr/> <hr/>	<hr/> <hr/>

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022

1. Accounting Policies

The accounting, distribution and risk management policies are provided in notes 2 to 4 which can be found on pages 22 to 25.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(5)	2,105
Currency gains/(losses)	3	(5)
Transaction charges	–	(1)
Net capital (losses)/gains	<u>(2)</u>	<u>2,099</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 91.

Analysis of direct transaction costs for the year ended 15th November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	8	–	–	8	–	–
	<u>8</u>	<u>–</u>	<u>–</u>	<u>8</u>		
Sales						
Equities	5	–	–	5	–	–
	<u>5</u>	<u>–</u>	<u>–</u>	<u>5</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		–%	–%			

Analysis of direct transaction costs for the year ended 15th November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	355	–	–	355	–	–
	<u>355</u>	<u>–</u>	<u>–</u>	<u>355</u>		
Sales						
Debt Securities	3,364	–	–	3,364	–	–
Collective Investment Schemes	1,713	–	–	1,713	–	–
Equities	15,782	(4)	–	15,778	0.03	–
	<u>20,859</u>	<u>(4)</u>	<u>–</u>	<u>20,855</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.02%	–%			

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

The sub-fund utilises derivative instruments, including warrants. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments. Therefore, purchase and sale amounts for derivative transactions are not quantified in the above analysis. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instrument.

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was Nil% (15th November 2021: Nil%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	1	1
Franked UK dividends	–	255
Interest on debt securities	–	44
Offshore CIS dividend revenue	–	13
Offshore CIS interest revenue	–	19
Overseas dividends	–	14
	1	346
	1	346

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	–	40
	–	40
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	–	4
	–	4
Other expenses:		
Audit fees ¹	–	4
Calastone fees	–	2
Euroclear fees	–	10
Printing fees	–	1
	–	17
Total expenses	–	61

¹ Total audit fees of £5,000 will be borne by Stonehage Fleming Investment Management Limited (15th November 2021: £3,000), exclusive of VAT.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	(6)	8
Prior year adjustment	(1)	–
Total current taxation	(7)	8
Deferred tax charge	–	–
Total taxation	(7)	8
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	–	285
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	–	57
Effects of:		
Franked UK dividends	–	(51)
Non-taxable overseas dividends	–	(3)
Offshore CIS dividend revenue	–	(3)
Overseas withholding tax	(6)	8
Prior year adjustment	(1)	–
Total tax charge (note 9a)	(7)	8
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	(5)	(5)
Provision at end of year	(5)	(5)

The sub-fund has not recognised a deferred tax asset of £Nil (15th November 2021: £Nil) arising as a result of having unutilised management expenses of £Nil (15th November 2021: £Nil). The unutilised management expenses will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprise:

	2022 £'000	2021 £'000
First interim distribution	–	84
	–	84
Add: Revenue deducted on shares cancelled	–	190
Deduct: Revenue received on shares created	–	(1)
Net distribution for the year	–	273

Reconciliation between net revenue and distribution

	2022 £'000	2021 £'000
Net revenue after taxation	7	277
Add: Revenue brought forward	4	–
Deduct: Revenue transferred to capital	(11)	(4)
	–	273

11. Debtors

	2022 £'000	2021 £'000
Overseas tax recoverable	2	2
	2	2

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	10	13
Amount payable to investors	5	5
Corporation tax payable	–	1
	15	19

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £Nil (15th November 2021: £Nil).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 15th November 2022 (15th November 2021: £Nil).

16. Share Classes

Prior to closure, the sub-fund had two classes of shares: Class B Income Shares and Class L Income Shares. The distribution per share class is given in the distribution tables on pages 106 and 107. All share classes closed on 20th April 2021.

The ACD's periodic charge rate on each share class is as follows:

Class B Income Shares	0.50%
Class L Income Shares	0.48%

17. Financial Instruments

In pursuing its investment objective set out on page 5, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity; and
- derivatives and other financial instruments in the form of warrants. Warrants may be used to manage exposure to risk, reduce cost, or for the generation of income.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

At 15th November 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £100 (15th November 2021: £100).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Foreign currency exposure as at 15th November 2022:

	Monetary Exposures 2022 £'000	Non Monetary Exposures 2022 £'000	Total 2022 £'000
Currency			
Euro	2	–	2
Pounds sterling	(1)	–	(1)
US dollar	(1)	–	(1)
	–	–	–

Foreign currency exposure as at 15th November 2021:

	Monetary Exposures 2022 £'000	Non Monetary Exposures 2022 £'000	Total 2022 £'000
Currency			
Pounds sterling	(1)	2	1
US dollar	(1)	–	(1)
	(2)	2	–

At 15th November 2022, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £10 (15th November 2021: £6).

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.

Interest rate risk profile of financial assets as at 15th November 2022:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial	Financial	Not Carrying	
	Assets	Assets	Interest	
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Brazilian real	7	–	–	7
Euro	1	–	–	1
Pounds sterling	12	–	–	12
US dollar	10	–	–	10
	30	–	–	30

Interest rate risk profile of financial assets as at 15th November 2021:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial	Financial	Not Carrying	
	Assets	Assets	Interest	
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
Brazilian real	6	–	–	6
Pounds sterling	15	–	2	17
US dollar	9	–	–	9
	30	–	2	32

Interest rate risk profile of financial liabilities as at 15th November 2022:

Currency	Floating Rate	Financial	Total
	Financial	Liabilities Not	
	Liabilities	Carrying	
	2022	2022	2022
	£'000	£'000	£'000
Brazilian real	(7)	–	(7)
US dollar	(10)	–	(10)
	(17)	–	(17)

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial liabilities as at 15th November 2021:

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
Brazilian real	(6)	–	(6)
US dollar	(9)	–	(9)
	(15)	–	(15)

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Short term debtors and creditors are excluded in the interest rate risk tables above.

The sub-fund's net cash holdings of £13,064 (15th November 2021: £14,317) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or other respective central bank rates for other currencies.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 24 to 25.
- *Derivative risk* - the ACD has entered into warrant contracts during the year for the purpose of Efficient Portfolio Management and to hedge against price fluctuations and foreign currency exposure.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

As at 15th November 2022, the unquoted security held by the sub-fund was written down to zero.

Valuation technique as at 15th November 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	–	–	2	2
	–	–	2	2

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Approved derivative transactions may be used for investment purposes and Efficient Portfolio Management. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Notes to the Financial Statements

for the year ended 15th November 2022 (continued)

19. Leverage *(continued)*

The maximum permitted level calculated using commitment method is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

As at year end 15th November 2022, there is no leverage since the sub-fund ceased investment activity on 20th April 2021 (15th November 2021: £Nil).

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Distribution Tables

for the year ended 15th November 2022

First Interim Distribution Class B Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th February 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	0.4639
2	–	–	–	0.4639

First Interim Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th November 2021

Group 2: Shares purchased from 16th November 2021 to 15th February 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	0.4682
2	–	–	–	0.4682

Second Interim Distribution Class B Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th February 2022

Group 2: Shares purchased from 16th February 2022 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Second Interim Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th February 2022

Group 2: Shares purchased from 16th February 2022 to 15th May 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Third Interim Distribution Class B Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th August 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

TM Stonehage Fleming Investments Funds

TM Stonehage Fleming UK Balanced Income Fund

Distribution Tables

for the year ended 15th November 2022 (continued)

Third Interim Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th May 2022

Group 2: Shares purchased from 16th May 2022 to 15th August 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Final Distribution Class B Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th August 2022

Group 2: Shares purchased from 16th August 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Final Distribution Class L Income Shares (in pence per share)*

Group 1: Shares purchased prior to 16th August 2022

Group 2: Shares purchased from 16th August 2022 to 15th November 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

* The share class became inactive on 20th April 2021. No distributions were paid due to the closure of the sub-fund on 20th April 2021.



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