

**TM STONEHAGE FLEMING  
AIM FUND**

PREVIOUSLY KNOWN AS TM CAVENDISH AIM FUND



**ACTIVELY  
MANAGED**



**STOCK PICKING  
APPROACH**



**LONG-TERM  
INVESTMENT HORIZONS**



**NAVIGATING TO INVESTMENTS  
WITH CLEAR STRATEGIES**



**GROWTH  
MINDSET**

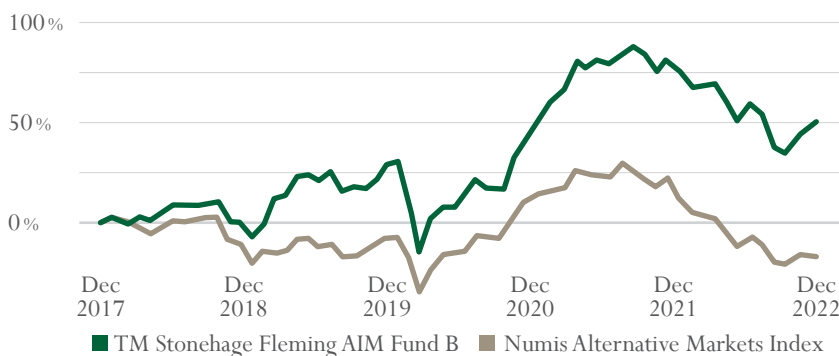
**INVESTMENT OBJECTIVE**

The fund aims to achieve long-term capital growth.

**INVESTMENT POLICY**

The Fund aims to invest mainly in equities on the UK Alternative Investment Market ('AIM'). This will be achieved by an actively managed diversified portfolio of shares spread across any sector of AIM. In addition, the Fund may on occasion invest in fully listed shares of companies with smaller market capitalisations.

**PORTFOLIO PERFORMANCE**



**STANDARDISED FUND PERFORMANCE (%)**

Performance	3m	6m	YTD	1yr	3yrs	5yrs
TM Stonehage Fleming AIM Fund B	8.1	-0.5	-16.6	-16.6	17.8	49.5
Numis Alternative Markets Index	3.7	-5.1	-31.1	-31.1	-11.5	-16.2

**DISCRETE 12 MONTH PERFORMANCE (%)**

12 months to 31 December	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-16.6	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	-31.1	7.6	19.3	14.7	-17.5

**CALENDAR YEAR PERFORMANCE (%)**

Performance	YTD	2021	2020	2019	2018	2017
TM Stonehage Fleming AIM Fund B	-16.6	27.1	11.2	36.7	-7.2	32.8
Numis Alternative Markets Index	-31.1	7.6	19.3	14.7	-17.5	27.4

Source: Morningstar as at 31/12/2022, % growth, total return, GBP, single price, UK net income reinvested with no initial charges.

**PERFORMANCE DISCLOSURE**

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. For a full list of risks applicable to this fund, please refer to the Prospectus. If the information is not displayed in your base currency, then the return may increase or decrease due to currency fluctuations. Source for all performance is Stonehage Fleming Investment Management Limited as at 31 December 2022. Total return (with dividends) is net of fees.

*The fund invests in a broad range of AIM listed companies and some of these carry a higher risk of failure and may be less liquid than shares listed on other exchanges. These shares may be also harder to sell quickly because of this lower liquidity. AIM listed companies may also experience greater price volatility which could also affect the value of the fund.*

**KEY FACTS**

Launch Date	5 October 2005
IA Sector	UK Smaller Companies
Fund Size	£109.8m
Dealing Frequency	Daily

**FEES**

Initial Charge	Up to 5.00%
Ongoing Charges Figure (OCF) <sup>2</sup>	0.66%
Annual Management Charge	0.60%

<sup>2</sup> The OCF is the management fee plus additional fund expenses (excluding transaction costs) as a percentage of the assets of the fund. This gives an indication of annual expenses which may vary over time.

**MINIMUM INVESTMENT**

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

**FUND MANAGER**



**PAUL MUMFORD**

Paul Mumford began his career in 1963 working initially as an Analyst for Norris Oakley Brothers and later as a smaller companies expert at R Nivison. Paul moved to fund management in 1988 when he joined Glenfriars. Paul then joined Cavendish Asset Management at the group's formation in 1994 and funds were launched. The group was subsequently acquired by Stonehage Fleming in July 2020. Paul is the co-manager of the TM Stonehage Fleming AIM Fund and the TM Stonehage Fleming Opportunities Fund.

**FUND MANAGER**



**NICK BURCHETT**

Nick Burchett began his career in 1983 at Strauss Turnbull and subsequently joined W.I. Carr in 1990 which later became Investec Wealth & Investment after a number of mergers and acquisitions. Nick dealt extensively with portfolios of UK equities, markets and execution strategies. After 27 years at Investec he joined Cavendish Asset Management in November 2017 to jointly manage this fund. The acquisition of Cavendish Asset Management was subsequently made by Stonehage Fleming in July 2020. Nick is the co-manager of the TM Stonehage Fleming AIM Fund and the TM Stonehage Fleming Opportunities Fund.

**AWARDS**



**TM STONEHAGE FLEMING  
AIM FUND**

PREVIOUSLY KNOWN AS TM CAVENDISH AIM FUND

**ENQUIRIES**

<b>ENQUIRIES AND DEALING</b>	
0333 300 0375	
(press 1 for Enquiries, press 2 for Dealing)	
<b>DEALING:</b>	
Thesis Unit Trust Management Limited, PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG	
<b>SEDOL CODES:</b>	
Class B Share	B0JX3Z5
<b>ISIN CODES:</b>	
Class B Share	GB00B0JX3Z52
<b>LIPPER IDS:</b>	
Class B Share	65009655

**SECTOR ALLOCATION (%)**

Information Technology	25.2
Industrials	20.4
Health Care	15.8
Energy	12.5
Consumer Discretionary	7.7
Communication Services	5.5
Materials	4.2
Consumer Staples	2.6
Real Estate	2.5
Cash	3.6

**TOP TEN HOLDINGS (%)**

MS International Plc	5.8
ZOO Digital Group Plc	3.9
Totally Plc	3.9
Serica Energy Plc	3.6
Netcall Plc	3.3
Kistos Plc	3.0
Lok n Store Group	2.5
M&C Saatchi Plc	2.4
Parkmead Group Plc	2.4
Franchise Brands Plc	1.9

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 31 December 2022. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

**PORTFOLIO COMMENTARY**

The London Stock market was slightly lower on the run up to the end of the calendar year but it was pleasing to see that the TM Stonehage Fleming AIM Fund advanced by 3.84% which compared to a fall of 1.68% in the Numis Alternative Companies (incl. investment companies) Index. There was generally a firmer tone throughout the portfolio but the stand out performer was from our holding in MS International where the share price rose significantly on the back of a large initial order for its counter-drone mobile gun.

It was notable that Sterling remained firm to reflect the more prudent measures announced in the Autumn Statement. Confidence also returned to the gilt market and yields stabilised. Even the 0.5% rise in Bank Rate to 3.5% did not unsettle the stock market. Investors seem to have factored in the possibility of a global recession but it was likely to be a shallow one.

During the month Crestchic agreed to a cash takeover bid and we sold our holding to take advantage of the rise in share price. We also sold our small interest Yourgene after a deeply discounted rights issue to raise working capital for its survival. Using the proceeds we were able to add to a number of our holdings in the fund. Of these we acquired further shares in Alliance Pharma the international producer and distributor of consumer healthcare products and Gooch & Housego a leading company in cutting edge technology in photonics. Both are recent additions to the portfolio and offer good potential returns. Other additions included Inspec, the manufacturer and global distributor of spectacle frames and lenses where the share price has suffered recently from a disappointing trading statement linked to German consumer weakness and Anexo, the legal company which is in the process of pursuing VW on behalf of owners who purchased cars on the back of misleading emissions data. It is hoped that the VW case will be settled out of court like other similar cases in the New Year. A favourable outcome could lead to another court case against Mercedes under similar circumstances. We have also taken the opportunity to add to a number of other holdings in the fund.

**IMPORTANT INFORMATION**

This is a marketing communication issued by Stonehage Fleming Investment Management Limited (SFIM). SFIM is the investment manager of the Fund.

All investments risk the loss of capital. No guarantee or representation is made that the funds will achieve their investment objective.

The value of investments may go down as well as up. For products designed to return income, the distributions can also go down or up and you may not receive back the full value of your initial investment.

Derivatives have not been used but are allowed if appropriate for efficient asset management. The Fund only invests in UK assets but is allowed to hold shares on overseas exchanges. This would occur in the event of a company delisting from the London stock market and would not be expected to be material. Hence, there would be limited foreign exchange risk.

Past performance is not a guide to future returns. If the information is not displayed in your base currency, then the return may increase or decrease due to currency fluctuations.

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For details of the Funds investment policy, please see the Investment Objective and Policy section of the Fund Prospectus Document.

The mild weather has meant that oil and gas prices have eased back further and although the North Sea windfall tax rate increased from 25% to 35% it might be less onerous than first feared. Already several companies have announced a reduction in drilling programmes in order to concentrate on geographical areas of the world which have a more attractive tax regions. Most of our holdings in the oil and gas sector are smaller companies which are in the position to acquire assets from larger companies. The windfall tax could lower the valuation of some assets and make them more attractive acquisitions as a relatively small amount of capital investment would greatly enhance the underlying value. An example of this is our holding in Serica, which doubled production through an earnings enhancing acquisition. A positive note on the softening of oil and gas prices is also the benefit on bringing down energy costs and also the underlying rate of inflation. At present the huge wage demands and strikes for higher pay is worrying and it is hoped that there will be a sensible outcome. Many of the companies which we meet are still able to pass on any higher costs and a subsequent decline in the rate of inflation would be helpful.

During 2022 there have been many headwinds facing companies. The invasion of Ukraine and sanctions against Russia have been behind the rise in energy costs, interest rates, food prices and global inflation. Raw material costs have risen and in the UK wage demands escalated on the back of inflation at 10%. Component shortages and transportation costs added to the problems as have the COVID measures taken by the Chinese government to slow its economy. Smaller companies and particularly those listed on AIM have been friendless and many of the more marketable shares have suffered as a result of selling by funds facing investor redemptions. This has created the situation which has enabled us add to holdings where considerable value exists. Looking forward, we have noted the lower energy costs and feel that inflation may have peaked. Other pressures exist but smaller companies are very adaptable and able to implement cost cutting if required. Following the upheavals in the Conservative Party, there is a more prudent economic policy in place giving a stable background, which can also be seen by the recent performance of Sterling. There could still be further stock market volatility but we feel the fund is well positioned to take advantage of improved conditions.

Whilst every effort is made to ensure that the information provided to clients is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations may be subject to change in the future.

The information in this document does not constitute legal, tax, or a personal recommendation.

The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority.

The Authorised Fund Manager is Thesis Unit Trust Management Limited, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. Authorised and regulated by the Financial Conduct Authority.

Before you invest you should read the Key Investor Information Document (KIID) and the Prospectus which contain detailed information. These documents are available in English, free of charge, upon request by writing to Thesis Unit Trust Management Limited at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP; or by phoning 01483 783 900 between 9am and 5pm Monday to Friday; or on the website at [www.fundlistings.com](http://www.fundlistings.com).

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