

**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**

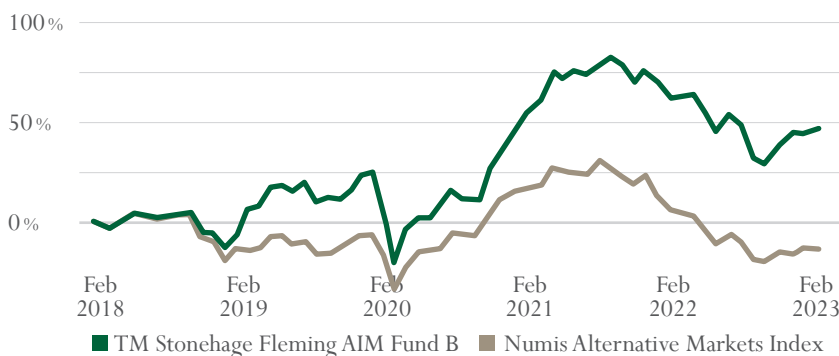
**INVESTMENT OBJECTIVE**

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	4.3	-2.1	0.4	-8.6	38.5	48.2
Numis Alternative Markets Index	1.7	-2.0	3.4	-17.3	1.6	-12.2

**DISCRETE 12 MONTH PERFORMANCE (%)**

12 months to 28 February	2023	2022	2021	2020	2019
TM Stonehage Fleming AIM Fund B	-8.6	3.3	46.5	-1.5	8.7
Numis Alternative Markets Index	-17.3	-9.7	36.0	-1.9	-12.0

**CALENDAR YEAR PERFORMANCE (%)**

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	0.4	-15.9	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	3.4	-31.1	7.6	19.3	14.7	-17.5

Source: Morningstar as at 28/02/2023, % 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 28 February 2023. 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	£107.7m
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**

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**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	26.0
Industrials	21.2
Health Care	16.0
Energy	9.8
Consumer Discretionary	7.4
Communication Services	6.9
Materials	4.5
Consumer Staples	3.5
Real Estate	2.4
Cash	2.3

**TOP TEN HOLDINGS (%)**

MS International Plc	5.0
ZOO Digital Group Plc	4.4
Totally Plc	3.3
Serica Energy Plc	3.3
Netcall Plc	3.2
M&C Saatchi Plc	3.0
Lok n Store Group	2.4
Kistos Plc	2.4
Bango Plc	2.3
Venture Life Group Plc	2.0

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 28 February 2023. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

**PORTFOLIO COMMENTARY**

The FTSE 100 Index reached a record high in February but share prices at the smaller end of the London Stock market drifted lower and gave up part of the previous month gains leaving the Numis Alternative Companies (incl. investment companies) Index down by 2.2%. During this time, the TM Stonehage Fleming AIM Fund slightly outperformed with a smaller fall of 1.64%. Once again there was unseasonably mild weather conditions but energy prices held up well with some stability in the oil and gas sector.

As anticipated the Bank of England raised the UK base rate by half a percentage point to 3.5% and the comment at the Monetary Policy Committee meeting suggested that the rate had hit its peak in the cycle. The latest GDP data from the Office for National Statistics revealed that the UK economy had not contracted in Q4 of 2022 thereby avoiding a technical recession. However, a recession albeit a shallower one than previously forecast was expected to emerge later in the year. A positive factor has been the falling energy input costs but rising wages would still have a negative effect on inflation.

In order to take advantage of stock market opportunities we reduced several of our above average sized holdings to add to others where prospects were not reflected in current share price levels. The additions included Restore (provider of digital and document secure record storage business), Gooch and Housego (design and manufacture photonics products for a wide range of industries), Totally (outsourcing services for the NHS), Essensys (office service management systems), Next 15 (media) and Volex (global supplier of power products). Some of the more marketable shares listed on AIM have experienced disproportionate falls as some small company funds were forced to raise money to meet redemptions. An example of this is Microlise, a company specialising in fleet management using its software. It has a high level of recurring revenue, net cash in the balance sheet and healthy number of potential new customers. A trading statement at the end of January confirmed results to be slightly ahead of expectations and yet the share price was driven down to an all time low. As the fundamentals were unchanged we added to our holding to then be rewarded by a sharp recovery in the share price.

**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.

Milder weather conditions through February and energy prices have stabilised at a lower level. The 35% windfall tax has made the North Sea less attractive to energy companies but the recent licensing round has still seen plenty of interest. However, a number of major oil companies have reduced their drilling activity in the North Sea to concentrate on other geographical areas with more favourable tax rates. The situation with smaller companies is that they are more nimble and able to offset some of the taxation liability against drilling costs. With healthy cash flows they are able to acquire existing production assets at favourable prices from those companies wishing to reduce their North Sea exposure. In this respect we feel that we are well placed to benefit from our holdings in the sector. In the medium term we would anticipate the OPEC might use their influence to keep oil prices at a reasonable level and this also supports our faith in this sector of the market.

We have now passed the one year anniversary of Russian invasion of the Ukraine and there seems to be little progress in reaching a peaceful solution to the conflict. The economic consequences has been a rise in inflation and creation of a background where recessionary conditions emerge. Some of the headwinds have subdued but higher energy and food prices to historic levels have increased the cost of living, leading to substantial wage demands and in some instances public strike action in parts of the public sector. Companies have faced higher raw material costs and in the majority of cases smaller companies have been able to pass these on by increasing prices. Component supply shortages, fluctuating transportation costs and destocking can create short term problems but these are not insurmountable. At present there seems to be a more stable background to the UK economy with Sterling strength reflecting the more prudent policy implemented by the current fiscal policy. A major boost to global economy would be the effect of China moving out of a Covid lockdown to recover to levels seen previously. Smaller companies and particularly those listed on AIM have remained somewhat friendless but this has created opportunities for active management and there should be others for us to take advantage of price movements as we move towards the end of the financial year.

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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