

**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**

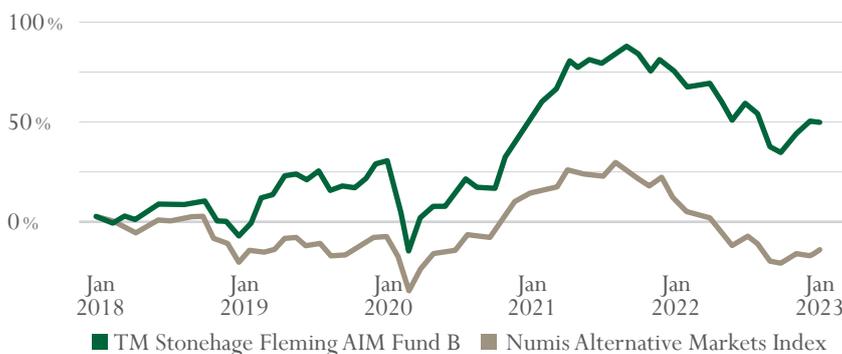
**INVESTMENT OBJECTIVE**

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	9.6	-6.1	-0.7	-14.4	15.4	50.2
Numis Alternative Markets Index	7.5	-5.1	4.0	-20.7	-7.9	-14.0

**DISCRETE 12 MONTH PERFORMANCE (%)**

12 months to 31 January	2023	2022	2021	2020	2019
TM Stonehage Fleming AIM Fund B	-14.4	15.9	16.3	30.4	-0.2
Numis Alternative Markets Index	-20.7	-3.5	20.5	8.1	-13.6

**CALENDAR YEAR PERFORMANCE (%)**

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-0.7	-16.5	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	4.0	-31.1	7.6	19.3	14.7	-17.5

Source: Morningstar as at 31/01/2023, % 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 31 January 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	£109.3m
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	26.6
Industrials	22.8
Health Care	15.9
Energy	10.1
Consumer Discretionary	7.7
Communication Services	5.8
Materials	4.5
Consumer Staples	3.2
Real Estate	2.5
Cash	0.8

**TOP TEN HOLDINGS (%)**

MS International Plc	5.4
ZOO Digital Group Plc	4.0
Netcall Plc	3.3
Serica Energy Plc	3.3
Totally Plc	2.9
M&C Saatchi Plc	2.7
Kistos Plc	2.7
Lok n Store Group	2.5
Bango Plc	2.3
Velocity Composites Plc	2.2

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 31 January 2023. 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 rallied strongly at the start of the year and the Numis Alternative Companies (incl. investment companies) Index was up 4.00% but the TM Stonehage Fleming AIM Fund declined by 0.7% to give up the material out-performance which was seen in December. The main reason was the under performance of our holdings in the oil and gas sector where share prices reflected the decline in energy prices as a result of the unseasonably mild weather conditions.

Global stock markets also recovered well in the month and Sterling remained firm to reflect the Government's cautious management of the UK economy. Inflation fell marginally but remains at a high level. The 0.5% rise in BOE Base Rate to 3.5% was anticipated and a further increase looks likely. Even the thoughts of a global recession did not unsettle the stock market and investors seem prepared to overlook short term headwinds.

We reduced a number of holdings during the month and disposed of our remaining interest in Longboat the North Sea oil exploration company. Another energy holding where we reduced our exposure was IOG which produced disappointing production results from one of its major fields. The company operates in the Southern North Sea and owns a number of licences plus a pipeline and infrastructure. We would be prepared to revisit and increase our weighting in the event of some positive news flow. We took advantage to add to more than a dozen holdings where share prices were at an attractive level. Included in these were further additions to our holding in Gooch and Housego a leading company in cutting edge technology in photonics, Marlowe which offers a number of compliance products and Inspeps, the manufacturer and global distributor of spectacle frames and lenses. Good value was also seen in Restore, the document storage company where the share price had fallen sharply on the back of a large holder making aggressive sales. Other similar situations occurred for technical reasons and this allowed us to take advantage of current price levels to acquire further shares.

As mentioned earlier, the mild weather has continued through January causing oil and gas prices to ease back further and the North Sea windfall tax rate increasing at 35%

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 which would feed through to the underlying rate of inflation. At present the huge wage demands and strikes from a number of sectors for higher pay is worrying and it is hoped that there can be sensible outcomes. 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.

A number of headwinds are facing companies as we move into 2023. Energy costs, the rise in interest rates, food prices and global inflation are linked to the Russian invasion of the Ukraine and subsequent sanctions. 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 be peaking. 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 more stable outlook, which can also be seen by the recent strength of Sterling. There may well be further stock market volatility but we feel the fund is well positioned to take advantage of improved conditions.

**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.

The distribution or possession of this document in jurisdictions outside the United Kingdom may be restricted by law or other regulatory requirements.

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

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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