

**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**

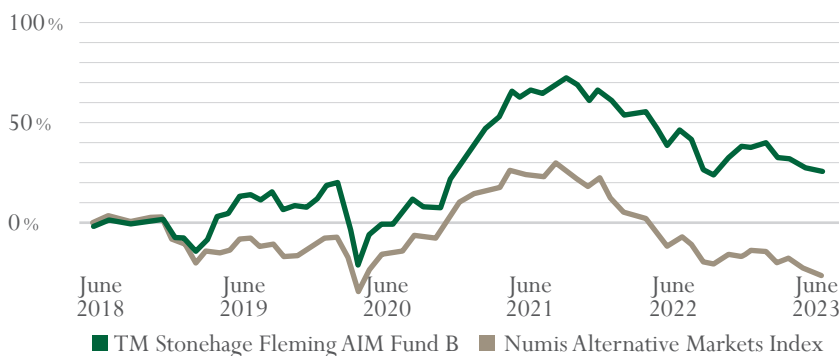
INVESTMENT OBJECTIVE

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	-5.1	-10.0	-10.0	-9.7	27.1	25.8
Numis Alternative Markets Index	-5.5	-8.2	-8.2	-12.9	-11.4	-24.8

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 30 June	2023	2022	2021	2020	2019
TM Stonehage Fleming AIM Fund B	-9.7	-15.7	66.9	-11.1	11.3
Numis Alternative Markets Index	-12.9	-28.5	42.2	-3.3	-12.2

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-10.0	-15.9	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	-8.2	-31.1	7.6	19.3	14.7	-17.5

Source: Morningstar as at 30/06/2023, % 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 30 June 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	£96.4m
Dealing Frequency	Daily

FEES

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

² 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

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

SECTOR ALLOCATION (%)

Information Technology	26.7
Industrials	21.0
Health Care	17.4
Energy	8.6
Communication Services	7.5
Consumer Discretionary	6.9
Materials	4.6
Consumer Staples	3.5
Real Estate	2.7
Cash	1.0

TOP TEN HOLDINGS (%)

MS International Plc	5.0
Netcall Plc	4.2
ZOO Digital Group Plc	3.2
Serica Energy Plc	3.1
M&C Saatchi Plc	3.1
Lok nStore Group Pln	2.7
Totally Plc	2.6
Velocity Composites Plc	2.2
Inspecc Group Plc	2.2
Bango Plc	2.1

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 30 June 2023. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

PORTFOLIO COMMENTARY

During the month, the TM Stonehage Fleming AIM Fund showed a negative performance of 1.63% which compared to the Numis Alternative Companies (incl. investment companies) Index negative return of 3.17%.

The main concern in the period was the high level of inflation which remained high at 8.7% against the Government target of 2%. In an attempt to cool the economy, at the end of the month the Bank of England raised interest rates from 4.5% to 5.0%. Some economists suggested that there should be further increases with the possibility of a 7% level being reached. In our opinion, this seems unlikely unless the Government is prepared for a major recession. However it seems that there will be a further rise in US interest rates which could have a bearing on UK levels.

There were no major purchases in the month but we took advantage of stock market levels by making small additions to Made Technology (software services to the UK public sector), Parkmead (oil and gas), RGB (legal services), Synectics (security and surveillance systems). To raise funds we reduced a couple our holdings including Breedon (aggregates) which has moved from AIM to a main market listing.

The UK Government is in a difficult position with increasing wages demands in response to the high level of inflation and the rapid rise in interest rates which is adding to the cost of living. It is understandable that the focus is on a reducing inflation by prudently managing the economy but there can be the problem of creating a major

recession. With an election in the not too distant future, there is the incentive to create a stable economy with the view of demonstrating that there is a positive outlook for sustainable growth. The strength of Sterling against many currencies suggests that there is confidence in the government strategy. However, perhaps some measures might need to be taken to restore confidence in the housing market. The Russia/Ukraine conflict has added to food and energy costs and this is not something that can be controlled by increasing interest rates and the Bank of England 2% inflation target seems unrealistic. Any change in this target would take pressure off a further interest rise in interest rates and be positive for the stock market.

In recent months share prices of smaller companies and particularly those listed on AIM have fallen sharply and discriminately. Some of the more marketable securities where investors have been seeking liquidity have often suffered disproportionate falls. It is the ideal situation for a stock picking approach and we have been able to position the portfolio to take advantage of current market conditions. In the past, we often see that a market recovery can occur when least expected and generally reflects improved conditions before they recover. With the Chinese economy coming out of lockdown and stable energy prices the global economy has improved and this should help investor sentiment. Stock markets may remain subdued in the short term but we are positive about the medium term outlook and feel that the fund is well placed moving forward.

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.

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