

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

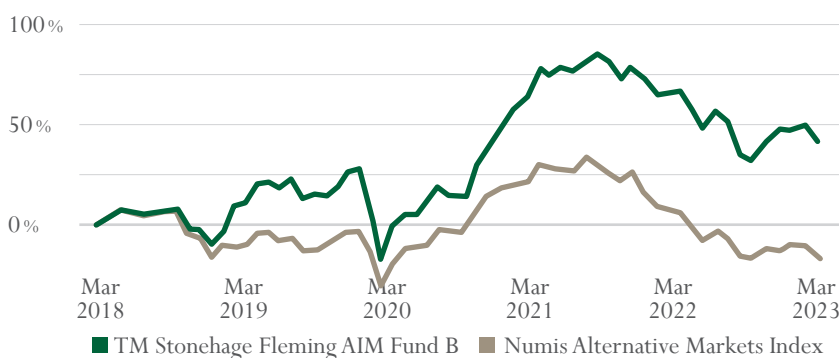
INVESTMENT OBJECTIVE

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	-5.2	3.3	-5.2	-14.0	67.2	42.2
Numis Alternative Markets Index	-2.8	0.8	-2.8	-22.0	20.7	-15.3

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 March	2023	2022	2021	2020	2019
TM Stonehage Fleming AIM Fund B	-14.0	1.8	91.0	-24.1	12.1
Numis Alternative Markets Index	-22.0	-11.1	74.2	-23.3	-8.6

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-5.2	-15.9	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	-2.8	-31.1	7.6	19.3	14.7	-17.5

Source: Morningstar as at 31/03/2023, % 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 March 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	£101.2m
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	26.9
Industrials	21.8
Health Care	15.7
Energy	9.1
Communication Services	7.5
Consumer Discretionary	7.4
Materials	4.7
Consumer Staples	3.4
Real Estate	2.1
Cash	1.3

TOP TEN HOLDINGS (%)

MS International Plc	5.1
ZOO Digital Group Plc	4.8
Netcall Plc	3.5
M&C Saatchi Plc	3.4
Serica Energy Plc	3.1
Kistos Plc	2.3
Lok n Store Group	2.1
Totally Plc	2.1
Altitude Group Plc	2.0
Johnson Service Group Plc	2.0

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 31 March 2023. Third parties whose data may be included in this document do not accept any liability for errors or omissions.

PORTFOLIO COMMENTARY

March was a poor month in the stock market due to sentiment following the collapse of Silicon Valley Bank and financial problems which emerged with Credit Suisse. A further factor might well have been tax loss selling by investors as the financial year end approached. This leads to declines in share prices for no fundamental reason which can drive individual share price performance. Smaller companies and particularly those listed on AIM suffered badly and the Numis Alternative Companies (incl. investment companies) Index fell by 5.6%. During this time, the TM Stonehage Fleming AIM Fund slightly underperformed being down 6.0%.

Thankfully, in the US, the Fed moved quickly to ensure that investors' in the Silicon Valley Bank and other regional banks had protection for their depositors and the Swiss authorities engineered a deal where UBS acquired Credit Suisse for \$3.3bn. In the UK the decline in energy costs was offset against rising food prices and inflation remained high which led to an increasing number of wage demands. Some encouragement was seen in the Spring Budget designed to halve inflation, grow the economy and to see debt falling. As a result Sterling has strengthened against other currencies.

Every cloud has a silver lining and we were able to add to a number of holdings which had seen significant, and what in our opinion, were unjustified falls in value. One such company was Animalcare (veterinary products) where the shares were friendless and had drifted lower and the back of an institutional seller but suffered with little buying support. We were able to add at an attractive level and see some recovery in the share price on the back of announcing results. A similar movement was seen in EKF (point of care/life sciences) where our purchase was rewarding by a sharp recovery following its results announcement. Other additions were made to Next 15 (media), Restore (digital and information management services), RWS (language translation business), and Volex (manufacturing services and power products). We made no major disposals but reduced our holding in Billington (structural steel specialists). The company is trading well and has a positive outlook but the shares have substantially out performed and it was felt that there is better value elsewhere. Another factor to influence the

decision is that, in the past, it has been linked to a cyclical industry where fortunes have changed very quickly.

Unseasonal warmer weather condition have persisted through March and energy prices have remained stable 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 levels to support the sector and this also reaffirms our faith in this area of the market.

On the international front the Russia/Ukraine situation looks no nearer to any solution but at least shipments of grain and other agricultural products is returning in a controlled measured manner. China is slowly coming out of COVID restrictions and this should help boost the global economy. Equally, inflation is falling in the US and it could be that interest rates might be nearing peak levels. Raw material costs also look to be under control and there are signs that the shortage of semi-conductor chips is improving. However, UK inflation is still high but the majority of companies we meet find it manageable with adjustments to business practices. Moving forward high wage demands may cause problems in some areas and we are mindful of avoiding companies which find it difficult to increase prices or work with slender margins. Next month will see the benefit of the new financial year when investors will be topping up ISA accounts and there should be a good flow of money moving into markets over the next few months and smaller companies could return to favour. Looking ahead, despite possible head winds we feel that the fund is well placed to achieve above average growth.

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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