

**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**

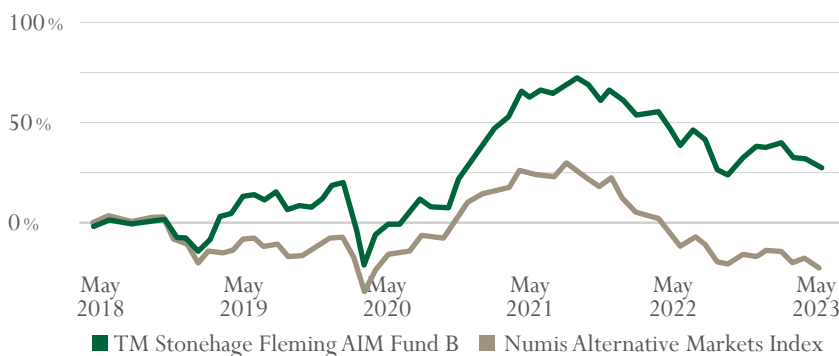
INVESTMENT OBJECTIVE

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	-8.9	-5.0	-8.5	-12.2	29.7	28.2
Numis Alternative Markets Index	-8.3	-6.8	-5.2	-18.9	-7.2	-22.1

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 May	2023	2022	2021	2020	2019
TM Stonehage Fleming AIM Fund B	-12.2	-10.6	65.2	-13.1	13.8
Numis Alternative Markets Index	-18.9	-20.8	44.4	-8.0	-8.8

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-8.5	-15.9	27.1	11.2	36.7	-7.2
Numis Alternative Markets Index	-5.2	-31.1	7.6	19.3	14.7	-17.5

Source: Morningstar as at 31/05/2023, % 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 May 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 31 May 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 3.67 % to out-perform the Numis Alternative Companies (incl. investment companies) Index which showed a negative return of 4.12%.

The period under review saw inflation fall with the consumer price index at 8.2% having previously risen to double figures with the food sector being one of the more material contributors. Unseasonal warm weather in Europe allowed energy demand to stabilise and reserves to be replenished which ultimately allowed energy prices to fall and Brent Crude for example now stands at levels before the Russian/Ukraine conflict escalated prices to high levels last summer. Global inflation also fell but there were concerns regarding the huge US Budget Deficit which is needs to be reduced.

We saw the weakness in the AIM market as a good opportunity to add to a number of holdings. These included Microlise (Fleet management software) and RWS (translation services). Our holdings in IQE (computer chips) and Zoo Digital (dubbing services) both raised money for working capital and expansion at discounted share prices and we participated in both. There were no major sales but we trimmed our interests in three holdings in order to recycle the proceeds.

On the political front, the UK Government are focussed on a reduction in inflation as a principal target and to prudently manage the economy. As a result Sterling has been stronger against many currencies but the rise in interest rates has had a dampening

effect on the housing market. However, with energy prices now lower than last summer and with an election looming next year there could well be an incentive by government to lower taxes and win voters. It may well be that food prices are nearing their peak and leading to a decline in headline inflation. On the other hand, large wage settlements could lead to higher prices for goods and services. In this respect, from the large number of companies we meet, it seems that companies accept that inflationary costs should be covered by internal cost savings and/or higher prices for goods/services provided.

In our opinion, the oil and gas sector remains substantially undervalued but the warm weather and mild winter has led to a fall in energy prices and share prices have fallen to reflect the lower returns. It looks as though OPEC will cut back on production in order to achieve the objective of obtaining an average price of around \$80/bl. A recovery and opening of the Chinese economy should stimulate demand. Consequently, despite short term under-performance, we are happy to maintain our interest in this area of the stock market. Elsewhere, the market has drifted lower to rise to attractive investment propositions. Smaller companies and particularly those listed on AIM have been friendless which has enabled us to add to holdings at attractive prices. Consequently, we feel well placed when the investor confidence is restored.

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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