

**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**

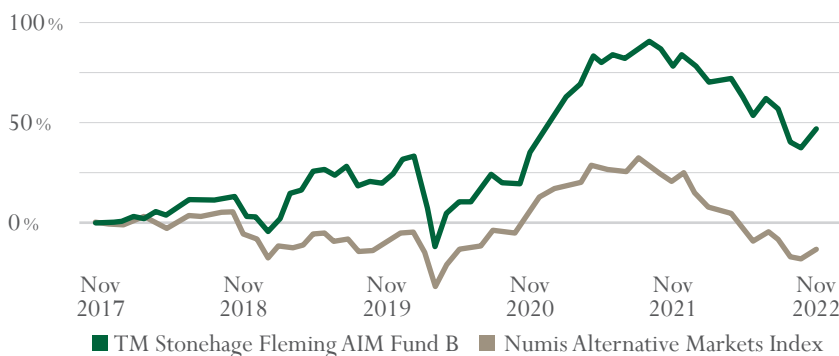
**INVESTMENT OBJECTIVE**

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	-6.9	-8.3	-19.7	-16.9	20.4	47.3
Numis Alternative Markets Index	-3.6	-12.9	-29.9	-28.0	-6.2	-12.6

**DISCRETE 12 MONTH PERFORMANCE (%)**

12 months to 30 November	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-16.9	30.5	11.0	20.3	1.7
Numis Alternative Markets Index	-28.0	14.8	13.5	1.5	-8.1

**CALENDAR YEAR PERFORMANCE (%)**

Performance	YTD	2021	2020	2019	2018	2017
TM Stonehage Fleming AIM Fund B	-19.7	27.1	11.2	36.7	-7.2	32.8
Numis Alternative Markets Index	-29.9	7.6	19.3	14.7	-17.5	27.4

Source: Morningstar as at 30/11/2022, % 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 November 2022. 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	£103.6m
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	25.8
Industrials	18.0
Health Care	15.9
Energy	14.0
Consumer Discretionary	8.5
Communication Services	6.0
Materials	4.4
Real Estate	2.7
Consumer Staples	2.3
Cash	2.4

**TOP TEN HOLDINGS (%)**

Serica Energy Plc	4.2
ZOO Digital Group Plc	4.0
Totally Plc	4.0
Kistos Plc	3.4
MS International Plc	3.0
Netcall Plc	3.0
Lok n Store Group	2.7
Parkmead Group Plc	2.7
M&C Saatchi Plc	2.5
Independent Oil & Gas Plc	2.2

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 30 November 2022. 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 had a good recovery in the month and the TM Stonehage Fleming AIM Fund advanced by 6.16% which compared to a rise of 5.15% in the Numis Alternative Companies (incl. investment companies) Index. There was good rises throughout the portfolio with the stock market seeing relief that the measures in the Autumn Budget were designed to bring stability into the economy albeit at the cost of higher taxation.

The fiscal measures announced previously under the Truss government demonstrated clearly that the economy needed to be managed prudently. The sharp fall in Sterling against the US Dollar and substantial rise in yields on British Government stocks was a signal that the Country cannot rely on cheap debt to stimulate the economy without incurring a fiscal cost. In fact it required the Bank of England to intervene by purchasing gilts in order to stabilise markets which in turn supported mortgage rates from climbing higher. The new government policy which included higher tax increases together with a programme of spending cuts had a positive effect on currency with the pound having a sharp recovery from low levels.

During the month we disposed of our holding in Versarien the graphene material specialist manufacturer. The company is in the process of exploring the compound for use in two key areas – concrete and sports fabric and although this has potential it is likely to be sometime before profitability is actually reached. We also sold our holding in iGas the UK onshore energy company. It had pinned hopes on developing significant fracking reserves but the change in government policy no longer makes this achievable. A new holding was taken in Alliance Pharma, the international producer and distributor of consumer healthcare brands. It is a company which we have held in the past and we have taken advantage of a disproportionate fall in the share price after a disappointing trading statement. Similarly, we have acquired a holding in Gooch and Housego, a world leading company in with cutting edge technology in photonics. The company is seeing strong demand for its products with an impressive rise in the order book but for a number of reasons there has been a delay in delivery causing a

downgrade to short term profit expectations. The company has new management and look to have good recovery prospects. Elsewhere, we have added to fifteen holdings which represent outstanding value at current price levels.

In November, oil and gas prices have eased back from their peak levels and one disappointment was the Budget increase in the North Sea windfall tax rate from 25% to 35%. This could delay and even postpone drilling programmes and many companies might seek to move into other geographical areas of the world. Asset valuations would become more attractive to acquisitive companies and we feel that it has opened up more opportunities for corporate deals. Many of our companies have sizeable interests in gas where demand is likely to remain strong. Oil prices have moved lower due to the fear of a fall in demand through the effect of recessionary issues affecting many countries. However, if prices stay at current levels it should help to ease inflationary pressures and be of benefit to the UK economy. Results from our holdings in the sector would still be attractive and cash generated from operations would be available for reinvestment in further drilling or acquisitions. Due to the continuing conflict in the Ukraine, the North Sea should remain a key area for providing energy needs of the UK.

Global inflation has caused Central Banks to increase interest rates and the cost of borrowing. Wage rises would fuel inflation as companies look to increase prices to mitigate these higher costs. We have found that the majority of companies we have spoken to are able to do this and are sometimes able to re-negotiate contracts to take account of higher costs. Smaller companies tend to be relatively nimble when faced with cost cutting and at current share price levels there could also be an increase in takeover activity. Even though the stock market has shown a small relative recovery there are many companies which could be attractive to being acquired by private equity funds. It has been seen on many occasions in the past that stock markets can recover when least expected and often before an economic recovery is seen. We feel that the current portfolio contains a large number of undervalued situations and is well placed to taken advantage of the market re-rating when it occurs.

**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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