

**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**

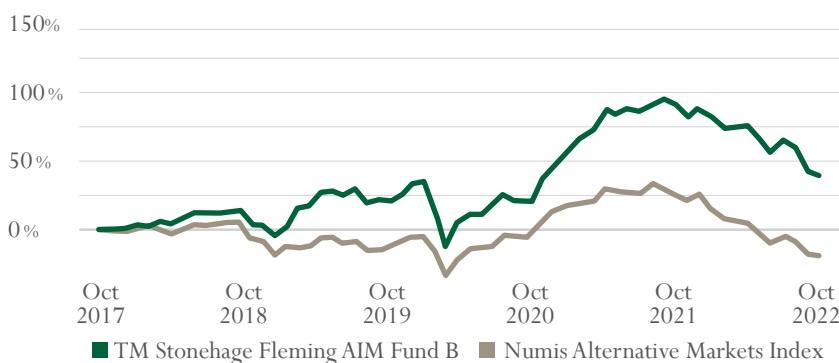
INVESTMENT OBJECTIVE

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	-14.4	-18.7	-24.4	-25.2	16.6	39.4
Numis Alternative Markets Index	-11.8	-20.9	-33.4	-33.3	-7.4	-17.7

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 31 October	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-25.2	58.0	-1.3	16.4	2.7
Numis Alternative Markets Index	-33.3	29.8	7.0	-5.9	-5.6

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2021	2020	2019	2018	2017
TM Stonehage Fleming AIM Fund B	-24.4	27.1	11.2	36.7	-7.2	32.8
Numis Alternative Markets Index	-33.4	7.6	19.3	14.7	-17.5	27.4

Source: Morningstar as at 31/10/2022, % 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 31 October 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	£96m
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.



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	25.5
Industrials	19.0
Health Care	17.0
Energy	13.3
Consumer Discretionary	8.1
Communication Services	6.1
Materials	4.1
Real Estate	2.9
Consumer Staples	2.3
Cash	1.5

TOP TEN HOLDINGS (%)

Serica Energy Plc	4.3
ZOO Digital Group Plc	4.2
Totally Plc	4.2
Netcall Plc	3.2
MS International Plc	3.2
Kistos Plc	3.2
Lok n Store Group	2.9
Beximco Pharmaceuticals GDR regs	2.7
M&C Saatchi Plc	2.5
Parkmead Group Plc	2.5

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 31 October 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 showed some recovery in the month but the TM Stonehage Fleming AIM Fund declined by 1.97% against a rise of 0.29% in the Numis Alternative Companies (incl. investment companies) Index. Much of the underperformance was due to exposure to shares in the Oil & Gas sector where uncertainty exists on whether the existing "windfall" tax would be increased. Elsewhere the market was reassured by the incoming new Chancellor of the Exchequer with the reversal of tax proposals announced in the mini-budget by the previous Chancellor.

To recap, the London Stock Market reacted badly to the fiscal measures announced under the Truss government. Sterling fell sharply against the US Dollar and yields on British Government stocks increased substantially. To reduce the cost of borrowing, the Bank of England intervened by purchasing gilts and this had a positive effect on mortgage rates. The new government policy is to produce a financially stable economy which would involve tax increases and spending cuts. These measures will not be known until mid-November when the Chancellor announces the Autumn statement. Until then there is likely to be speculation and some uncertainty in the stock market on what it will contain.

Although there has been a small recovery in some areas of the stock market, generally share prices are still depressed and have reacted badly to any disappointing news or outlook. This gives opportunities to add to shares which have suffered a disproportionate fall and where the longer term prospects remain intact. A good example of this is IOG, the small gas producer in the Southern North Sea. It is a company which has brought on stream gas production from a standing start but suffered teething problems stabilising the production. The share price fell sharply on the back of a trading statement causing a change in management. After talking to the company, we concluded that the problems are surmountable and added to our holding.

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.

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

Similarly we used the opportunity to add to ten existing holdings where share prices had fallen back to attractive levels. We disposed of our holding in Mirriad, the media company, which was struggling to achieve sales of its innovative/unique advertising offering. Reductions were made to several companies where shares had performed well in relative terms.

October has been a month of unseasonal warm weather and oil & gas prices have eased back from their peak levels but there is still also a great deal of uncertainty in the energy markets. If prices stay at current levels it should help to ease inflationary pressures and be of benefit to the UK economy. Even at current levels the results from our holdings in the sector would still be attractive and cash generated from operations would be available for reinvestment in further drilling. Due to the continuing conflict in the Ukraine, the North Sea should remain as a key area for providing some of the energy needs of the UK.

Global inflation has caused Central Banks to increase interest rates and the cost of borrowing. Wage inflation would put pressure on companies as they look to increase prices to mitigate this higher costs. We have found that the majority of companies 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 opportunistic takeover activity. Even though the stock market has shown a small recovery there are many companies which could be attractive to private equity funds and especially those non-UK funds taking advantage of the weak sterling exchange rate. 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.

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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