

**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**

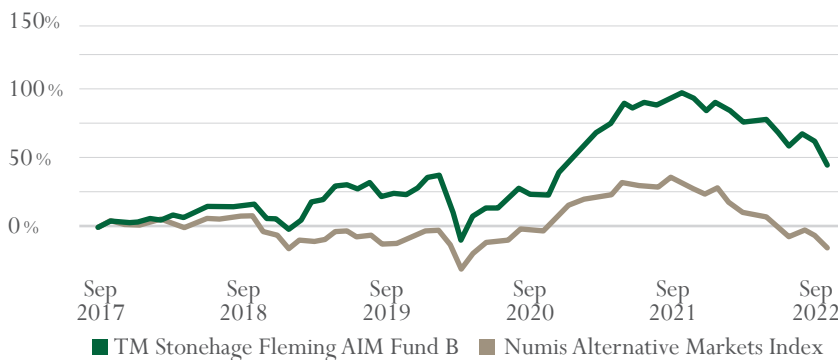
INVESTMENT OBJECTIVE

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	-7.9	-16.8	-22.8	-25.9	18.2	45.1
Numis Alternative Markets Index	-8.5	-22.6	-33.6	-34.4	-5.6	-14.8

DISCRETE 12 MONTH PERFORMANCE (%)

12 months to 30 September	2022	2021	2020	2019	2018
TM Stonehage Fleming AIM Fund B	-25.9	60.6	-0.7	6.7	15.0
Numis Alternative Markets Index	-34.4	30.7	10.1	-17.5	9.3

CALENDAR YEAR PERFORMANCE (%)

Performance	YTD	2021	2020	2019	2018	2017
TM Stonehage Fleming AIM Fund B	-22.8	27.1	11.2	36.7	-7.2	32.8
Numis Alternative Markets Index	-33.6	7.6	19.3	14.7	-17.5	27.4

Source: Morningstar as at 30/09/2022, % 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 September 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	£98.5m
Dealing Frequency	Daily

FEES

Initial Charge	Up to 5.00%
Ongoing Charges Figure (OCF) ²	0.67%
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	24.3
Industrials	18.3
Health Care	16.9
Energy	15.8
Consumer Discretionary	9.2
Communication Services	6.0
Materials	3.6
Real Estate	2.3
Consumer Staples	1.1
Cash	2.5

TOP TEN HOLDINGS (%)

Serica Energy Plc	5.3
Totally Plc	3.9
Kistos Plc	3.7
ZOO Digital Group Plc	3.2
MS International Plc	3.1
Netcall Plc	2.8
Beximco Pharmaceuticals GDR regs	2.7
M&C Saatchi	2.5
Independent Oil & Gas Plc	2.4
Parkmead Group Plc	2.4

Source: Thesis Unit Trust Management Limited and Stonehage Fleming Investment Management as at 30 September 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 moved sharply lower in the month and the TM Stonehage Fleming AIM Fund under-performed the benchmark with its value declining by 10.59% against a fall of 8.58% in the Numis Alternative Companies (incl. investment companies) Index. There were widespread falls in shares of AIM listed companies and especially our sector exposure to energy giving up some of their recent gains.

Markets reacted badly to the fiscal measures announced by the new Chancellor of the Exchequer during the period. The initial worrying effect was the reaction on Sterling which had a sharp decline against the US Dollar. Gilt yields increased sharply as the cost of borrowing was predicted to rise. The Bank of England also had to intervene by buying gilts and mortgage rates still reacted with increases.

During the month we sold our holding in Attraqt group after it agreed to a takeover offer and also sold our holding in Trackwise which produced a disappointing trading statement and might require additional working capital in view of a slowdown and/or postponement of potential orders. The fall in the stock market gives a good opportunity to recycle funds into shares which had a disproportionate fall. Additions to holdings included Advanced Medical Solutions the specialist wound care product company which has a fast growing US business where a new product has received marketing approval and Michelmersh Brick the specialist brick manufacture which was able to pass on price increases from energy inflation. Other additions included Induction Healthcare, the remote systems

provider to the NHS and Johnson Service Group, the textile laundry services company which is in the middle of a share buy-back programme.

We have previously highlighted the merits of shares in the oil and gas sector and two of our largest holdings Kistos and Serica produced interim results in the month. Having not been able to agree merger terms these two companies produced impressive individual results. They are principally both North Sea gas producers which benefitted from higher energy prices and lower than average production costs. With strong cash flows and healthy balance sheets they are each looking to make acquisitions and, at the same time, increase drilling activity to mitigate any "windfall" tax.

Moving into the winter, energy costs remain a concern but oil and gas prices seemed to have stabilised at a slightly lower level. Wage inflation creates a further headwind for companies but we have found that an increase in prices or re-negotiated contracts has become an accepted way of passing on higher costs. In the meantime, the stock market seems to have over-reacted. This is particularly true at the smaller end of the spectrum and especially AIM listed securities where in some cases a lower liquidity level have led to many anomalies occurring via some sharp moves for no sound reason. 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 holdings and is well placed to taken advantage of the market recovery 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.

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