

Investment Objective

The Unicorn UK Smaller Companies Fund aims to achieve long-term capital growth by investing primarily in UK companies included within the Numis Smaller Companies plus AIM Index. For this purpose, UK companies are defined as those which are incorporated or domiciled in the UK, or have a significant part of their operations in the UK. The Index covers the bottom tenth by value of the main UK equity market plus AIM stocks that meet the same size limit.

Investment Policy/Strategy

The investment approach is to identify individual companies for investment and therefore the portfolio may not be representative of the index. AIM is the London Stock Exchange's International Market for smaller growing companies. The fund may also invest, at its discretion, in other transferable securities and deposits and cash. The fund may also enter into certain derivative and forward transactions for hedging purposes. The fund invests for the long term and there is no guarantee that any particular return will be achieved over any period. Investors should note that their capital is always at risk.

Manager

Simon Moon

Fund Commentary

The UK Smaller Companies Fund recorded a total return of +6.8% in December, compared to the average total return of +7.1% from the IA UK Smaller Companies sector over the same period. UK markets rallied strongly in the second half of December following the decisive general election result in favour of a Conservative government.

The top contributor during the month was Somero Enterprises, adding +1.0% to overall portfolio performance, despite an absence of company specific news. The next largest contributor was Codemasters, adding +0.8% in Fund performance terms. Codemasters announced that it would be launching a new game; Fast & Furious Crossroads, in May 2020. Other positive performers included Severfield and Secure Trust Bank, which each contributed +0.5% respectively to headline Fund performance.

The largest detractor in December was Goodwin, costing the Fund -0.6% in overall performance terms. Goodwin's interim results reported on a small decline in profits compared to the prior half-year period due to economic uncertainty, which had impacted on market demand. Management remain confident in their longer-term outlook however, especially given increased clarity over Brexit, which is expected to help drive an increase in business activity. Other detractors included; Warpaint London, which issued a weak trading statement and Card Factory, which declined despite an absence of news flow.

Unicorn Asset Management Limited (Unicorn) is an independent, specialist fund management group, established in July 2000.

Unicorn focuses on long term, long only, investment in UK quoted companies and aims to achieve superior absolute returns through the application of traditional, fundamental principles of investment.



Cumulative Performance

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------------|--------|--------|--------|--------|---------|
| UK Smaller Companies (B -Shares) | 32.4 % | 32.4 % | 40.2 % | 76.1 % | 324.9 % |
| Rank | 12/51 | 12/51 | 31/48 | 29/47 | 19/44 |
| NSCI plus AIM (ex IC) | 22.2% | 22.2% | 25.3% | 52.4% | 166.0% |
| Sector Average | 25.3 % | 25.3 % | 40.8 % | 74.7 % | 245.8 % |

Source: Financial Express (Using bid to bid market value, total return)

Discrete Performance

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------|-------|--------|-------|-------|-------|
| UK Smaller Companies (B-Shares) | 32.4% | -15.6% | 25.4% | 10.0% | 14.2% |
| Rank | 12/51 | 36/50 | 35/48 | 18/47 | 30/47 |
| NSCI plus AIM (ex IC) | 22.2% | -15.8% | 21.9% | 12.0% | 8.6% |
| Sector Average | 25.3% | -11.7% | 27.2% | 8.0% | 14.9% |

Source: Financial Express (Using bid to bid market value, total return)

Past Performance - 10 Years



31/12/2009 - 31/12/2019 Data from FE 2019

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the full amount of their original investment.

Unicorn UK Smaller Companies Fund

January 2020

| Top 10 Holdings | |
|-----------------------|--------------|
| Alpha FX | 4.9% |
| Codemasters | 4.5% |
| Goodwin | 4.2% |
| 4Imprint Group | 3.8% |
| Frontier Developments | 3.8% |
| Secure Trust Bank | 3.7% |
| Somero Enterprises | 3.7% |
| Severfield | 3.5% |
| Ricardo | 2.7% |
| Breedon Aggregates | 2.6% |
| Total | 37.4% |

| Fund Facts | |
|--------------------|----------------------|
| Fund Manager | Simon Moon |
| Fund Size | £57m |
| Launch Date | 15 July 2002 |
| Fund Sector | UK Smaller Companies |
| Number of Holdings | 43 |
| Pricing | 10:00 Daily |
| ISAs/JISAs | Available |
| Dividend Dates | Ex-Div: 30/9 |
| | Payment: 30/11 |

| Risk Ratios | 1yr | 3yr |
|-------------------|------|------|
| Volatility | 9.44 | 9.67 |
| Alpha | 6.03 | 1.17 |
| Beta | 1.03 | 0.92 |
| Sharpe | 3.11 | 0.84 |
| Information Ratio | 1.33 | 0.05 |

| Sector Breakdown | |
|------------------------------|--------------|
| Engineering | 18.8% |
| Travel & Leisure | 16.8% |
| Financial Services | 11.6% |
| Logistics & Transportation | 8.4% |
| Building & Construction | 7.0% |
| Cash | 6.4% |
| Software & Computer Services | 5.4% |
| Consumer Retail | 5.3% |
| Marketing | 3.8% |
| Banks | 3.7% |
| Total | 87.2% |

| Share Class Information | | | |
|-------------------------|--------------|--------------|--------------|
| | A - Income | B - Income | O - Income |
| Initial Charge | 5.50% | 2.50% | 5.50% |
| On Going Charge | 1.62% | 0.87% | 1.62% |
| ISIN Code | GB0031791238 | GB0031785065 | GB00BJTMCQ36 |
| Sedol Code | 3179123 | 3178506 | BJTMCQ3 |
| Bloomberg Code | UNUKSAI | UNUKSBI | UNUKSOI |
| MEX ID | U2UKSI | U2UKSB | U2AAAF |
| Initial Investment | £2,000 | £20,000 | £10,000 |

| How to buy the Fund: The fund is available through a number of distributors including | |
|---|------------------------|
| 7IM | HL Vantage |
| Aegon | Hubwise |
| Alliance Trust | James Hay |
| Ascentric/Funds Direct | Novia |
| Aviva | Nucleus |
| Bestinvest | Pershing Nexus Funds |
| Charles Stanley Direct | Standard Life Fundzone |
| Cofunds | Transact |
| Fidelity Funds Network | Zurich |
| Standard Life Elevate | Old Mutual Wealth |

All figures within this factsheet have been calculated with reference to 31 December 2019 with exception to the on going charge figure which is based on the final accounts for the 12 months ended 30 September 2019

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