

Unicorn Investment Funds

Annual Report 30 September 2022

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* These collectively comprise the Authorised Corporate Director's Report.

Directory

Authorised Corporate Director (ACD) & Investment Manager

Unicorn Asset Management Limited
First Floor Office
Preacher's Court
The Charterhouse
Charterhouse Square
London EC1M 6AU
Website: www.unicornam.com
(Authorised and regulated by the Financial Conduct Authority)

Investment Advisor

Mastertrust Sub-fund
Peter John Walls
Hunter House
150 Hutton Road
Shenfield
Essex CM15 8NL

Administrator and Registrar

Maitland Institutional Services Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 01245 398950
Fax: 01245 398951
Website: www.maitlandgroup.com
(Authorised and regulated by the Financial Conduct Authority)

Customer Service Centre

Maitland Institutional Services Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 026 4287
Fax: 0845 280 2415
Email: unicorn@maitlandgroup.com

Depositary

HSBC Bank plc
8 Canada Square
London E14 5HQ
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Auditor

Grant Thornton UK LLP
Statutory Auditors, Chartered Accountants
30 Finsbury Square
London EC2A 1AG

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ('ACD') is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expenses and of the net gains/losses on the property of the Company for that year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, including Financial Reporting Standard 102 'The financial reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, subject to any material departures, which are required to be disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Certification of the Annual Report by the Authorised Corporate Director

In accordance with the requirements of the Regulations and COLL, we hereby certify the Report on behalf of the ACD, Unicorn Asset Management Limited.

Directors
Unicorn Asset Management Limited
27 January 2023

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the UNICORN INVESTMENT FUNDS ('the Company') for the Year Ended 30 September 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interest of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of the Company for the Year Ended 30 September 2022

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC Bank plc
27 January 2023

Independent Auditor's report to the Shareholders of Unicorn Investment Funds

Opinion

We have audited the financial statements of Unicorn Investment Funds (the 'Company') for the year ended 30 September 2022. These financial statements comprise together the statement of accounting policies and risk management policies and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

- Unicorn UK Growth Fund
- Unicorn Mastertrust Fund
- Unicorn UK Smaller Companies Fund
- Unicorn UK Income Fund
- Unicorn Outstanding British Companies Fund
- Unicorn UK Ethical Income Fund

The individual financial statements for each of the Company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 30 September 2022 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the risks associated with the Company and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern for a period of at least twelve-months from when the financial statements are authorised for issue.

Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section of this report.

Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report (which comprises the Directory, the Authorised Status and for each of the Sub-funds the Investment Objective and Policy, the Investment Manager's report, Portfolio Statement and Risk and Rewards Profile) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates. We determined that the following laws and regulations were most significant: Collective Investment Schemes Sourcebook, Investment Association Statement of Recommended Practice and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- We enquired of management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
 - the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud; and
 - checking the completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year end for financial statements preparation.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.

Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

27 January 2023

Accounting Policies and Risk Management Policies

for the year ended 30 September 2022

The financial statements for Unicorn Investment Funds comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014.

The financial statements have been prepared on the going concern basis.

The authorised Status and head office of the Sub-funds can be found within the general information starting on page 126.

The Certification of the Annual Report by the Authorised Corporate Director can be found on page 2.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an accrual basis.

Derivative returns have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

(e) Allocation of revenue and expenses to multiple share classes

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the ACD's management charge which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

(f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Accounting Policies and Risk Management Policies

continued

1. Accounting Policies

continued

(g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend distributions. Any revenue deficit is funded from capital.

At the year end, there were no items of a capital nature.

Unicorn UK Income and Unicorn Ethical Income Sub-funds distribute quarterly.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. This may constrain the capital growth of the Sub-fund.

For the purpose of enhancing revenue entitlement, the annual management fee payable to the ACD is allocated to capital in accordance with the Prospectus on Unicorn UK Income and Unicorn UK Ethical Income Sub-funds. This will reduce the capital growth of the Sub-funds. All other expenses (except for those relating to the purchase and sale of investments), are charged against revenue for the year.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

(h) Basis of valuation of investments

Quoted investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unquoted or suspended investments are valued by the ACD taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The fair value of open forward foreign currency contracts is calculated with reference to the changes in the spot rate, changes in interest rate differential and the reduced term left to maturity.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for an identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.
- Level 3 – Valuation techniques using unobservable inputs.

(i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

(j) Dilution levy

The ACD may charge a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where over a dealing period a Sub-fund has experienced a large level of net sales or redemptions relative to its size, on 'large deals' (being a deal worth 5% or more of the size of the Sub-fund) where a Sub-fund is in continual decline or increase or in any other case where the ACD is of the opinion that the interest of the shareholders require the imposition of a dilution levy.

Accounting Policies and Risk Management Policies

continued

2. Risk Management Policies

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creation and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price and interest rate risk in relation to the investment portfolio.

The Sub-funds may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition, the Sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-funds in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-funds will be exposed.

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-funds portfolios.

Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings or unquoted securities and the ACD considers that the Sub-funds have little exposure to credit risk.

Stress testing and scenario analysis is carried out on a regular basis.

Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-funds may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

Accounting Policies and Risk Management Policies

continued

2. Risk Management Policies

continued

Liquidity risk (continued)

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. In addition, the Manager monitors market liquidity of all securities, seeking to ensure the Unicorn Investment Funds maintains sufficient liquidity to meet known and potential redemption activity. Unicorn cash balances are monitored daily by the ACD. All of the Unicorn Investment Funds financial liabilities are payable on demand or in less than one year.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

Counterparty risk

Counterparty risk is the risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-funds suffering a loss. The ACD minimises the risk by conducting trades through only the most reputable counterparties.

Derivatives

The Sub-funds may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes. The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the ACD there is no sophisticated derivative use within the Sub-funds and accordingly a sensitivity analysis is not presented.

Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

Investment Objective and Policy

The Unicorn UK Growth Fund aims to achieve long term capital growth through investment in a portfolio of UK Companies. 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 Sub-fund may also invest in smaller companies including companies quoted on the AIM stock exchange. AIM is the London Stock Exchange's international market for smaller, growing companies.

The Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the year ended 30 September 2022

For the twelve-month period to 30 September 2022, the Sub-fund's Institutional (B) Income shares produced a total return of -28.9%, which compares to the UK All Companies sector average total return of -15.3% (Source: Financial Express Bid to Bid, Total Returns).

The period under review was dominated by macro events, notably the continued quantitative tightening actions taken by central banks. The Russian invasion of Ukraine unsettled markets and exacerbated global inflationary pressures. Commodity prices rose particularly sharply during the year, while the US Dollar strengthened significantly against all major currencies. In the UK, a change in Prime Minister, Liz Truss and a new lower taxation pro-growth strategy were met with scepticism by the investment community, which then triggered a brief but unprecedented level of volatility in the gilt market together with broad-based weakness across UK equities and sterling. Liz Truss' term in office was short-lived, lasting just 44 days, as she too was forced to resign as Prime Minister. Rishi Sunak has now been appointed Prime Minister, becoming the UK's third leader in as many months.

Our focus on "genuine" growth companies remains unchanged. We expect growth companies to be capable of delivering attractive levels of earnings growth over the medium-to-long term. This ability to grow is often supported by long term structural trends, which increases our confidence in the sustainability of growth over a multi-year investment horizon. A disciplined focus on fundamentals such as; profitability, cash generation and balance sheet strength also provides additional comfort that such businesses can successfully navigate periods of economic uncertainty and equity market volatility.

The period under review was extremely challenging for all growth investors. Small-cap growth stocks were sold-off particularly indiscriminately, which has been reflected in the Sub-fund's poor absolute and relative performance in the year ended 30 September 2022. Despite the significant de-rating in the valuations of many of the Sub-fund's holdings, we were encouraged by the resilience shown by most of our investee companies.

The largest detractor during the period was Virgin Wines UK, which cost 1.8% in overall performance terms. Virgin Wines UK released results during the period that were below expectations due to a slowdown in the rate of new customer acquisition. As a consequence, the anticipated level of earnings growth was significantly downgraded and, understandably, shareholder disappointment subsequently translated into a dramatic decline in the share price. While we continue to believe that Virgin Wines UK has the potential to grow over the longer term, the current environment, both in terms of falling demand and rising costs, is unattractive and we therefore decided to exit the position.

Another significant detractor was Victorian Plumbing, which cost 1.5% in overall performance terms. Victorian Plumbing has been affected by deteriorating demand for its bathroom products, as consumer spending on big ticket items fell in response to the inflation driven squeeze on consumer discretionary income. Our investment in Victorian Plumbing has been a disappointment and, with no improvement expected in consumer discretionary spending in the near term, the position was exited in full.

Other notable detractors were Liontrust Asset Management and The Fulham Shore, which cost 1.3% and 1.4% respectively in overall performance terms. Liontrust Asset Management was impacted negatively by stock market declines and by asset outflows. By contrast, The Fulham Shore continued to trade strongly throughout the period under review, and is also benefiting from a favourable property market, which is providing attractive growth opportunities. Despite the strength in its underlying trading, The Fulham Shore's share price fell sharply, reflecting the experience of many other consumer facing stocks during the period.

Investment Manager's Report

continued

As reported in the interim statement, the Sub-fund's exposures to certain sectors had a significant impact on absolute and relative performance over the period under review. The Fund has no exposure to the three largest sectors within the FTSE All Share Index; Pharmaceuticals, Oil & Gas and Industrial Metals & Mining which, in aggregate, account for almost 30% of Index value. Performance was strong in each of these three sectors during the period. The Sub-fund's lack of exposure to these sectors therefore accounted for 4% of the Sub-fund's relative underperformance against the benchmark index during the period under review.

Our longstanding and significantly overweight exposure to the Software & Computer Services sector, which represented an average weighting of approximately 23% over the period, was also costly in both relative and absolute performance terms. Companies in this sector suffered significant share price declines during the period as investors grew increasingly concerned by their sensitivity to rising interest rates. Overweight exposure to this sector cost the Sub-fund a further 4.6% in aggregate performance terms during the year under review.

The largest positive contributor was Alpha Financial Markets Consulting, which added 0.6% to overall Sub-fund performance. Alpha Financial Markets Consulting released full year results during the period, which recorded an adjusted growth in earnings of 44%. The acquisition of Lionpoint brings global scale in alternative asset classes and provides a strong foundation for further growth in the US.

The next largest contributor was Clipper Logistics, which added 0.4% to overall Sub-fund performance. Clipper Logistics announced that it had received a takeover approach from GXO Logistics, which valued the business at 920 pence per share. Following this bid for the business, the Sub-fund's position was exited, crystallising an attractive capital gain in what has been a highly successful investment for the Sub-fund. A position in Clipper Logistics has been held in the Sub-fund since the business listed in 2014 at 100 pence per share.

Another notable contributor was 4imprint, which added 0.3% in Fund performance terms. 4imprint released a strong trading update in July 2022, which led to forecasts being upgraded by a further 40% on top of a 30% upgrade that was delivered in May. 4imprint has emerged from the Covid-19 pandemic in a considerably stronger position than its competitors, mainly because its management team has continued to invest heavily in the 4imprint brand throughout the period of lockdown. This investment has been rewarded by meaningful gains in market share for the business.

A noticeable theme across UK equity markets during the period under review was an increase in corporate activity. Depressed valuations and a weak currency, particularly relative to the US Dollar, presents an attractive combination for overseas buyers. The Sub-fund saw three of its holdings receive takeover bids during the period, namely; Clipper Logistics, Aveva and GB. The holdings in Clipper Logistics and Aveva were sold in the market shortly after each business publicly declared that they had received bid approaches. After the financial year under review had ended, GB announced that their proposed acquiror had withdrawn from negotiations after failing to reach agreement with GB's Board on a mutually acceptable valuation for the business. The Sub-fund has held an investment in GB for over a decade and we continue to believe that the long-term opportunity for GB, as an independent entity, remains intact.

It was a busy period in terms of portfolio activity. A number of positions were fully exited during the year, in order to reduce the Sub-fund's exposure to consumer discretionary expenditure. The proceeds from these disposals were invested across seven new holdings, which has helped to diversify the sources of earnings growth within the portfolio. The new names added were; Experian, Qinetiq, Smith & Nephew, LondonMetric Property, Clarkson, Rotork and Renishaw.

The rate of inflation in the UK remains high. The Consumer Prices Index rose by 10.1% in the 12 months to 30 September 2022, which was higher than anticipated and has probably not yet peaked. In an environment where capital values are eroded by inflation, the ability to generate cash and maintain a strong balance sheet are valuable characteristics. Our focus on the fundamental strengths of a business has resulted in the construction of a portfolio of investee companies that are predominantly free of debt. At the period end, 22 companies held net cash on their balance sheets, representing 54% of the portfolio by value. Of the remaining businesses, levels of indebtedness are modest and entirely manageable despite rising interest costs, with the level of gearing, on average, amounting to 1x EBITDA.

The outlook for UK equities in the current financial year remains uncertain. Macro-economic data continues to deteriorate, inflation remains high, and the UK political landscape is unstable. In the short term, the performance of UK equities will continue to react to these key factors. However, we are optimistic that equity markets are approaching a turning point and remain firm believers in the long-term attractions of investing in a portfolio of high-quality, market-leading businesses whose growth prospects are underpinned by structural trends.

Portfolio Statement

as at 30 September 2022

Holding	Security	Market value £	% of total net assets 2022
TECHNOLOGY 26.25% (22.96%)			
Software and Computer Services 26.25% (21.82%)			
540,000	Aptitude Software	2,079,000	2.73
400,000	Bytes Technology	1,679,200	2.21
6,435,000	Eckoh*	2,509,650	3.29
110,000	FD Technologies*	1,566,400	2.06
500,000	GB*	3,042,500	3.99
1,400,000	Gresham Technologies	1,946,000	2.55
1,069,795	Iomart*	1,743,766	2.29
125,000	Kainos	1,608,750	2.11
1,000,000	Microlise*	1,420,000	1.86
1,100,000	NCC	2,403,500	3.16
		19,998,766	26.25
Technology Hardware and Equipment 0.00% (1.14%)			
TELECOMMUNICATIONS 2.22% (1.75%)			
Telecommunications Service Providers 2.22% (1.75%)			
160,000	Gamma Communications*	1,689,600	2.22
HEALTH CARE 2.62% (0.00%)			
Medical Equipment and Services 2.62% (0.00%)			
190,000	Smith & Nephew	1,995,000	2.62
FINANCIALS 16.73% (14.88%)			
Banks 0.00% (1.51%)			
Finance and Credit Services 3.50% (2.06%)			
35,000	London Stock Exchange	2,669,800	3.50
Investment Banking and Brokerage Services 11.33% (9.91%)			
150,000	3i	1,639,500	2.15
254,500	Alpha FX*	4,326,500	5.68
140,000	Liontrust Asset Management	1,022,000	1.34
7,000,000	Mercia Asset Management*	1,645,000	2.16
		8,633,000	11.33
Open-End and Miscellaneous Investment Vehicles 1.90% (1.40%)			
2,100,000	AdvancedAdvT	1,449,000	1.90
REAL ESTATE 2.29% (0.00%)			
Real Estate Investment Trusts 2.29% (0.00%)			
1,000,000	LondonMetric Property	1,745,000	2.29
CONSUMER DISCRETIONARY 7.59% (26.66%)			
Household Goods and Home Construction 0.00% (1.81%)			
Leisure Goods 2.37% (5.25%)			
135,000	Frontier Developments*	1,803,600	2.37

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	Personal Goods 0.00% (1.95%)		
	Media 2.00% (1.80%)		
45,000	4imprint	1,525,500	2.00
	Retailers 0.00% (9.49%)		
	Travel and Leisure 3.22% (6.36%)		
1,780,000	City Pub*	979,000	1.29
16,300,000	The Fulham Shore*	1,467,000	1.93
		2,446,000	3.22
	CONSUMER STAPLES 1.40% (4.00%)		
	Food Producers 1.40% (4.00%)		
200,000	Hilton Food	1,068,000	1.40
	INDUSTRIALS 31.00% (24.32%)		
	Construction and Materials 2.45% (2.30%)		
3,500,000	Breedon*	1,865,500	2.45
	Aerospace and Defense 2.17% (0.00%)		
500,000	Qinetiq	1,650,000	2.17
	Electronic and Electrical Equipment 6.42% (2.25%)		
45,000	Renishaw	1,579,500	2.07
600,000	Rotork	1,404,000	1.84
70,000	Spectris	1,915,200	2.51
		4,898,700	6.42
	General Industrials 1.93% (2.31%)		
1,660,000	Macfarlane	1,467,440	1.93
	Industrial Engineering 0.00% (4.16%)		
	Industrial Support Services 15.61% (13.30%)		
949,863	Alpha Financial Markets Consulting*	3,751,959	4.92
65,000	Experian	1,729,000	2.27
230,000	FDM	1,437,500	1.89
210,000	Keystone Law*	924,000	1.21
750,000	Restore*	2,775,000	3.64
400,000	RWS*	1,280,000	1.68
		11,897,459	15.61
	Industrial Transportation 2.42% (0.00%)		
70,000	Clarkson	1,841,000	2.42

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	BASIC MATERIALS 1.87% (1.85%)		
	Industrial Materials 1.87% (1.85%)		
149,577	James Cropper*	1,420,981	1.87
Investment assets		70,064,346	91.97
Net other assets		6,119,093	8.03
Net assets		76,183,439	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

*Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	800.83	554.84	569.47
Return before operating charges [^]	-225.35	257.66	-5.83
Operating charges	-10.54	-11.13	-8.80
Return after operating charges [^]	-235.89	246.53	-14.63
Distributions	-2.08	-0.54	0.00
Closing net asset value per share	562.86	800.83	554.84
[^] After direct transaction costs of	-1.48	-2.20	-1.18
Performance			
Return after charges	-29.46%	44.43%	-2.57%
Other information			
Closing net asset value	£2,705,550	£4,282,579	£3,243,300
Closing number of shares	480,679	534,765	584,542
Operating charges	1.57%	1.57%	1.57%
Ongoing operating charges*	1.59%	1.57%	1.57%
Direct transaction costs	0.22%	0.31%	0.21%
Prices			
Highest share price	797.57	844.42	685.35
Lowest share price	564.90	553.02	398.83

	B Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	805.44	558.10	570.44
Return before operating charges [^]	-227.17	259.10	-5.88
Operating charges	-5.56	-5.87	-4.62
Return after operating charges [^]	-232.73	253.23	-10.50
Distributions	-7.34	-5.89	-1.84
Closing net asset value per share	565.37	805.44	558.10
[^] After direct transaction costs of	-1.49	-2.22	-1.18
Performance			
Return after charges	-28.89%	45.37%	-1.84%
Other information			
Closing net asset value	£52,903,107	£91,163,012	£51,458,689
Closing number of shares	9,357,199	11,318,368	9,220,255
Operating charges	0.82%	0.82%	0.82%
Ongoing operating charges*	0.84%	0.82%	0.82%
Direct transaction costs	0.22%	0.31%	0.21%
Prices			
Highest share price	803.38	854.35	688.35
Lowest share price	572.67	556.61	401.68

Comparative Tables

continued

Change in net assets per share

	B Accumulation ^{^^}
	30.09.22 p
Opening net asset value per share	100.00 [†]
Return before operating charges [^]	-26.13
Operating charges	-0.44
Return after operating charges [^]	-26.57
Distributions	-0.75
Retained distributions on accumulation shares	0.75
Closing net asset value per share	73.43
[^] After direct transaction costs of	-0.18
Performance	
Return after charges	-26.57%
Other information	
Closing net asset value	£122,607
Closing number of shares	166,964
Operating charges	0.52%
Ongoing operating charges*	0.54%
Direct transaction costs	0.22%
Prices	
Highest share price	103.24
Lowest share price	73.43

^{^^}B Accumulation launched on 10 December 2021[†]Launch price

	C Accumulation ^{^^^}		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	170.63	117.07	100.00 [†]
Return before operating charges [^]	-48.20	54.34	17.64
Operating charges	-0.75	-0.78	-0.57
Return after operating charges [^]	-48.95	53.56	17.07
Distributions	-1.99	-1.68	-0.42
Retained distributions on accumulation shares	1.99	1.68	0.42
Closing net asset value per share	121.68	170.63	117.07
[^] After direct transaction costs of	-0.32	-0.47	-0.23
Performance			
Return after charges	-28.69%	45.75%	17.07%
Other information			
Closing net asset value	£20,391,909	£50,521,294	£34,762,883
Closing number of shares	16,758,636	29,608,029	29,694,579
Operating charges	0.52%	0.52%	0.52%
Ongoing operating charges*	0.54%	0.52%	0.52%
Direct transaction costs	0.22%	0.31%	0.21%
Prices			
Highest share price	170.29	179.62	118.52
Lowest share price	121.67	116.78	98.29

^{^^^}C Accumulation launched on 7 May 2020[†]Launch price

Comparative Tables

continued

	Overseas Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	185.90	128.80	132.20
Return before operating charges [^]	-52.30	59.81	-1.36
Operating charges	-2.45	-2.58	-2.04
Return after operating charges [^]	-54.75	57.23	-3.40
Distributions on income shares	-0.39	-0.13	0.00
Closing net asset value per share	130.76	185.90	128.80
[^] After direct transaction costs of	-0.34	-0.51	-0.27
Performance			
Return after charges	-29.45%	44.43%	-2.57%
Other information			
Closing net asset value	£60,266	£128,877	£65,875
Closing number of shares	46,089	69,327	51,146
Operating charges	1.57%	1.57%	1.57%
Ongoing operating charges*	1.59%	1.57%	1.57%
Direct transaction costs	0.22%	0.31%	0.21%
Prices			
Highest share price	185.14	196.02	159.10
Lowest share price	131.14	128.38	92.58

*The Net Asset Value of the Sub-fund has decreased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily Net Asset Values for the last month of the period has the effect of increasing the Ongoing Operating charges by 0.02%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The level of targeted income is not guaranteed and may not be achieved.
- This Sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- Smaller company shares, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than those of a larger company.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(42,318,514)		38,974,186
Revenue	3	2,226,647		2,000,467	
Expenses	4	(910,921)		(851,723)	
Net revenue before taxation		1,315,726		1,148,744	
Taxation	5	(57,891)		(82,742)	
Net revenue after taxation			1,257,835		1,066,002
Total return before distributions			(41,060,679)		40,040,188
Distributions	6		(1,257,835)		(1,066,008)
Change in net assets attributable to Shareholders from investment activities			(42,318,514)		38,974,180

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		146,095,762		89,530,746
Amounts receivable on issue of shares	32,355,686		48,525,566	
Less: Amounts payable on cancellation of shares	(60,284,445)		(31,432,798)	
		(27,928,759)		17,092,768
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(42,318,514)		38,974,180
Retained distributions on accumulation shares		334,856		498,007
Unclaimed distributions		94		61
Closing net assets attributable to Shareholders		76,183,439		146,095,762

The notes on pages 23 to 30 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			70,064,346		140,862,650
Current Assets					
Debtors	7	310,583		1,324,653	
Cash and bank balances	9	6,957,006		6,935,311	
Total current assets			7,267,589		8,259,964
Total assets			77,331,935		149,122,614
LIABILITIES					
Creditors					
Distribution payable		(697,292)		(669,782)	
Other creditors	8	(451,204)		(2,357,070)	
Total creditors			(1,148,496)		(3,026,852)
Total liabilities			(1,148,496)		(3,026,852)
Net assets attributable to Shareholders			76,183,439		146,095,762

The notes on pages 23 to 30 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains	30.09.22	30.09.21
	£	£
Non-derivative securities	(42,307,740)	38,983,546
Currency losses	(3,097)	—
Transaction charges	(7,677)	(9,360)
Net capital (losses)/gains	(42,318,514)	38,974,186

3. Revenue	30.09.22	30.09.21
	£	£
UK dividends: Ordinary	1,808,741	1,448,852
Overseas dividends	385,099	551,615
Property income distributions	17,764	—
Bank interest	15,043	—
Total revenue	2,226,647	2,000,467

4. Expenses	30.09.22	30.09.21
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	818,106	764,659
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	65,102	59,580
Safe custody and other bank charges	6,364	5,422
	71,466	65,002
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015

Notes to the Financial Statements

continued

4. Expenses (continued)	30.09.22	30.09.21
	£	£
Other expenses:		
Legal fees	3,203	4,159
Listing fees	3,054	3,068
Printing costs	4,077	3,820
	<u>10,334</u>	<u>11,047</u>
Total expenses	910,921	851,723

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

5. Taxation	30.09.22	30.09.21
	£	£
(a) Analysis of charge in the year:		
Overseas tax	57,891	82,742
Total tax charge (note 5b)	57,891	82,742
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,315,726	1,148,744
Corporation tax at 20%	263,145	229,749
Effects of:		
UK dividends	(361,748)	(289,771)
Movement in surplus management expenses	175,623	170,345
Overseas tax expensed	57,891	82,742
Non-taxable overseas earnings	(77,020)	(110,323)
Total tax charge (note 5a)	57,891	82,742

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,340,507 (2021: £1,164,884) in relation to surplus management expenses of £6,702,534 (2021: £5,824,419). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.22	30.09.21
		£	£
Final distribution	30.09.22	1,032,148	1,167,789
Revenue deducted on cancellation of shares		258,765	145,475
Revenue received on issue of shares		(33,078)	(247,256)
Distributions		1,257,835	1,066,008

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	1,257,835	1,066,002
Undistributed revenue brought forward	12	18
Undistributed revenue carried forward	(12)	(12)
Distributions	1,257,835	1,066,008

7. Debtors

	30.09.22	30.09.21
	£	£
Amounts receivable on issues	25,730	1,061,425
Sales awaiting settlement	99,616	70,164
Accrued income:		
Dividends receivable	183,079	192,300
Prepaid expenses:		
Legal fees	279	—
Listing fees	1,879	764
Total debtors	310,583	1,324,653

Notes to the Financial Statements

continued

8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	172,108	699,387
Purchases awaiting settlement	205,384	1,551,193
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	48,172	80,110
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	8,604	12,037
Safe custody and other bank charges	1,931	1,081
	10,535	13,118
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	–	622
Listing fees	2,290	–
Printing costs	1,700	1,625
	3,990	2,247
Total other creditors	451,204	2,357,070
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	6,957,006	6,935,311
Cash and bank balances	6,957,006	6,935,311

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
A Income Shares			
Philip John - Finance and Operations Director	2,572	—	2,572
B Income Shares			
Colin Howell - Chairman	54,100	—	54,100
Jean Howell - Chairman's wife	3,600	—	3,600
Overseas Income Shares			
Unicorn Asset Management Ltd	10,350	8	10,342

Unicorn AIM VCT PLC, a company for which Unicorn Asset Management Ltd acts as Investment Manager held shares in the Sub-fund as follows:

	Held at 30.09.22	Change in period	Held at 30.09.21
B Income Shares	—	(164,391)	164,391

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £7,006,435 (2021: £14,086,265).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	6,957,006	70,374,929	77,331,935
	6,957,006	70,374,929	77,331,935

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,148,496	1,148,496
	1,148,496	1,148,496

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	6,935,311	142,160,955	149,096,266
United States dollar	—	26,348	26,348
	6,935,311	142,187,303	149,122,614

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	3,026,852	3,026,852
	3,026,852	3,026,852

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchases cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	41,946,941	35,701	0.09	138,268	0.33	41,772,972
Total purchases after commissions and tax	41,946,941					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	70,437,505	78,445	0.11	281	0.00	70,516,231
Corporate actions	4,557,043	—	0.00	—	0.00	4,557,043
Total sales after commissions and tax	74,994,548					
Commission as a % of the average net assets	0.10%					
Taxes as a % of the average net assets	0.12%					

30.09.21

Analysis of purchases	Total purchases cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	81,235,363	75,032	0.09	202,507	0.25	80,957,824
Total purchases after commissions and tax	81,235,363					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	63,215,703	80,477	0.13	319	0.00	63,296,499
Total sales after commissions and tax	63,215,703					
Commission as a % of the average net assets	0.13%					
Taxes as a % of the average net assets	0.18%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 17 to 19. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 1.88% (2021: 1.71%).

15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

Valuation technique	30.09.22		30.09.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 [^]	70,064,346	—	140,862,650	—
Level 2 ^{^^}	—	—	—	—
Level 3 ^{^^^}	—	—	—	—
	70,064,346	—	140,862,650	—

[^] Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^} Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^} Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income	B Income	B Accumulation
Opening number of shares	534,765	11,318,3687	—
Shares issued	14,854	4,339,180	157,034
Shares cancelled	(64,728)	(6,291,447)	(91,779)
Shares converted	(4,212)	(8,902)	101,709
Closing number of shares	480,679	9,357,199	166,964

	C Accumulation	Overseas Income
Opening number of shares	29,608,029	69,32
Shares issued	305,062	4,853
Shares cancelled	(13,154,455)	(28,091)
Shares converted	—	—
Closing number of shares	16,758,636	46,089

Distribution Tables

for the year ended 30 September 2022

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2022 p	Distribution paid 2021 p
A	Final	Group 1	2.0826	–	2.0826	0.5405
		Group 2	1.9421	0.1405	2.0826	0.5405
B	Final	Group 1	7.3430	–	7.3430	5.8913
		Group 2	6.6025	0.7405	7.3430	5.8913
Overseas	Final	Group 1	0.3947	–	0.3947	0.1338
		Group 2	0.3907	0.0040	0.3947	0.1338

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
B	Final	Group 1	0.7543	–	0.7543	N/A
		Group 2	0.7014	0.0529	0.7543	N/A
C	Final	Group 1	1.9906	–	1.9906	1.6820
		Group 2	1.6925	0.2981	1.9906	1.6820

Final period: 01.10.21 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The Unicorn Mastertrust Fund aims to achieve long term capital growth by primarily investing in a range of listed investment companies.

The investment companies themselves invest around the world. Investment companies are companies that can invest in a portfolio of assets. Their shares are listed on a stock exchange, in the same way as a normal company. The Sub-fund will choose investment companies which the Manager believes have good potential to grow and which are attractively priced.

The Sub-fund may also invest, at its discretion, in other transferable securities, deposits, cash and near cash and units of eligible collective investment schemes. The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the year ended 30 September 2022

For the twelve-month period ended 30 September 2022, Unicorn Mastertrust's B Income shares produced a total return of -17.3%. Over the same period, the average return achieved by Investment Companies was -17.0% and the average return in the Flexible Investment fund peer group was -9.2%. The overall UK equity market, excluding Investment Companies, fell by a more modest 3.0% on a total return basis. (Source: Financial Express Bid to Bid, Total Returns). The Sub-fund was invested in 52 companies at the period end.

As observed at the interim stage, hopes of a post pandemic recovery in the global economy were dashed not only by the truly tragic events in Ukraine but also by the dogged persistence of the virus in China and its impact on global supply chains. The consequences of Putin's actions in relation to both energy and foodstuffs continue to be far reaching and with so much uncertainty it is unsurprising that equity market participants have become increasingly cautious. In line with previous periods of market weakness, investment company discount ratings deteriorated with the size weighted average discount for the Sub-fund portfolio widening from 11.2% as at 30 September 2021 to 20.8% as at 30 September 2022.

Against the backdrop of rising inflation and higher interest rates, many of the Sub-fund's top performers in the previous financial year proved to be the greatest detractors from performance in the period under review, led by Herald (share price total return -32.8%), BlackRock Throgmorton (-45.1%), Henderson Smaller Companies (-40.5%) and North Atlantic Smaller Companies (-30.7%). Elsewhere there were disappointing returns from Keystone Positive Change (-43.3%) and Schroder UK Public Private (-54.4%). The most significant positive returns were attributable to BlackRock World Mining (+15.8%), Crystal Amber (+16.0%), CQS Natural Resources Growth & Income (+31.2%), Oakley Capital Investments (+7.1%) and F&C Investment Trust (+6.3%).

As highlighted at the interim stage, portfolio activity featured the acquisition of new holdings in Weiss Korea Opportunity Fund and Golden Prospect Precious Metals and, in the second half, a position in Gore Street Energy Storage was established and subsequently sold. A number of smaller positions, including Aberdeen Latin American, New Star Investment Trust and Polar Capital Global Financials, were also sold. There were partial returns of capital from Strategic Equity Capital and Gresham House Strategic (subsequently renamed as Rockwood Strategic). Liquidity realised from sales and corporate actions was deployed by adding to many of the Sub-fund's existing holdings at levels that should prove to be attractive when markets recover.

We are disappointed with performance during the period under review but note that more than half of the reduction in the Net Asset Value was attributable to widening discounts, which we are confident will recover in due course.

Global markets will continue to face myriad economic and geopolitical challenges, as central banks seek to curb inflation without precipitating deep recessions, supply chains are re-established and the transition to net zero accelerates. Despite the many uncertainties, we continue to believe in the benefits of the global diversification offered by Unicorn Mastertrust.

Portfolio Statement

as at 30 September 2022

Holding	Security	Market value £	% of total net assets 2022
FINANCIAL SERVICES 97.66% (94.52%)			
Closed End Investments 93.95% (91.29%)			
900,000	Aberdeen New Dawn Investment Trust	2,439,000	2.23
735,000	Aberdeen Private Equity Opportunities Trust	2,962,050	2.70
234,500	Aberforth Smaller Companies Trust	2,546,670	2.32
1,000,000	Apax Global Alpha	1,682,000	1.53
643,000	Artemis Alpha Trust	1,710,380	1.56
887,419	Atlantis Japan Growth Fund	1,455,367	1.33
1,639,365	AVI Global Trust	2,931,185	2.67
2,500,000	AVI Japan Opportunity Trust	2,700,000	2.46
137,000	Baillie Gifford Japan Trust	985,030	0.90
1,250,000	Baillie Gifford UK Growth Fund	1,812,500	1.65
307,000	BlackRock Throgmorton Trust	1,550,350	1.41
655,400	BlackRock World Mining Trust	3,696,456	3.37
85,925	Caledonia Investment	2,706,637	2.47
742,500	CQS Natural Resources Growth & Income	1,262,250	1.15
1,850,000	Crystal Amber Fund*	1,998,000	1.82
525,000	CT Private Equity Trust	2,047,500	1.87
366,500	Edinburgh Investment Trust	2,019,415	1.84
332,000	F&C Investment Trust	2,978,040	2.72
353,317	Fidelity Emerging Markets	2,035,106	1.86
783,800	Fidelity European Trust	2,108,422	1.92
570,000	Fidelity Special Values	1,359,450	1.24
1,535,000	Gabelli Value Plus+ Trust^	15,350	0.01
3,850,000	Golden Prospect Precious Metals	1,212,750	1.11
1,226,000	Hansa Investment Company 'A' Class	2,120,980	1.94
156,500	HarbourVest Global Private Equity	3,270,850	2.98
251,168	Henderson Smaller Companies Investment Trust	1,780,781	1.63
168,100	Herald Investment Trust	2,726,582	2.49
2,400,000	Hipgnosis Songs Fund	2,136,000	1.95
287,700	ICG Enterprise Trust	2,819,460	2.57
950,000	Invesco Asia Trust	2,992,500	2.73
1,735,000	JPMorgan Emerging Markets Investment Trust	1,745,410	1.59
578,845	JPMorgan European Discovery Trust	2,043,323	1.86
740,000	Keystone Positive Change Investment Trust	1,410,440	1.29
382,300	Law Debenture	2,572,879	2.35
74,500	North Atlantic Smaller Companies Investment Trust	2,495,750	2.28
1,010,000	Pantheon International	2,434,100	2.22
115,000	Pershing Square	3,105,000	2.83
46,011	RENN Universal Growth Investment Trust^	–	0.00
100,000	RIT Capital Partners	2,070,000	1.89
136,706	Rockwood Strategic	1,886,543	1.72
2,000,000	Round Hill Music Royalty Fund	1,496,282	1.37
545,000	Schroder Asian Total Return Investment	2,141,850	1.95
6,250,000	Schroder UK Public Private Trust	1,003,750	0.92
906,118	Strategic Equity Capital	2,355,907	2.15
379,300	The Alliance Trust	3,485,767	3.18

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
Closed End Investments (continued)			
200,000	The Biotech Growth Trust	1,988,000	1.81
244,343	The Independent Investment Trust	1,050,675	0.96
255,000	The Monks Investment Trust	2,468,400	2.25
614,100	TR Property Investment Trust	1,820,806	1.66
800,000	Weiss Korea Opportunity Fund*	1,360,000	1.24
		102,995,943	93.95
Investment Banking and Brokerage Services 3.71% (3.23%)			
3,000,000	Allied Minds	316,500	0.29
1,000,000	Oakley Capital Investments	3,750,000	3.42
		4,066,500	3.71
Investment assets		107,062,443	97.66
Net other assets		2,567,130	2.34
Net assets		109,629,573	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

^These are delisted securities and have been valued at the ACD's best assessment of their fair value.

*Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	657.93	490.34	513.05
Return before operating charges [^]	-107.90	179.94	-12.15
Operating charges	-9.71	-9.65	-7.80
Return after operating charges [^]	-117.61	170.29	-19.95
Distributions	-4.89	-2.70	-2.76
Closing net asset value per share	535.43	657.93	490.34
[^] After direct transaction costs of	-0.43	-0.06	-0.35
Performance			
Return after charges	-17.88%	34.73%	-3.89%
Other information			
Closing net asset value	£2,649,440	£3,583,365	£3,096,676
Closing number of shares	494,825	544,640	631,541
Operating charges	1.57%	1.57%	1.58%
Direct transaction costs	0.07%	0.01%	0.07%
Prices			
Highest share price	693.36	679.81	564.66
Lowest share price	539.90	493.42	350.28

	B Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	589.59	439.41	459.76
Return before operating charges [^]	-97.13	161.25	-10.86
Operating charges	-4.56	-4.53	-3.70
Return after operating charges [^]	-101.69	156.72	-14.56
Distributions	-8.60	-6.54	-5.79
Closing net asset value per share	479.30	589.59	439.41
[^] After direct transaction costs of	-0.39	-0.06	-0.31
Performance			
Return after charges	-17.25%	35.67%	-3.17%
Other information			
Closing net asset value	£106,818,650	£127,061,711	£91,747,479
Closing number of shares	22,286,307	21,550,747	20,879,798
Operating charges	0.82%	0.82%	0.83%
Direct transaction costs	0.07%	0.01%	0.07%
Prices			
Highest share price	622.53	613.01	507.09
Lowest share price	487.54	442.18	315.55

Comparative Tables

continued

Change in net assets per share

	Overseas Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	193.42	144.15	150.83
Return before operating charges [^]	-31.73	52.90	-3.58
Operating charges	-2.85	-2.84	-2.29
Return after operating charges [^]	-34.58	50.06	-5.87
Distributions	-1.44	-0.79	-0.81
Closing net asset value per share	157.40	193.42	144.15
[^] After direct transaction costs of	-0.13	-0.02	-0.10
Performance			
Return after charges	-17.88%	34.73%	-3.89%
Other information			
Closing net asset value	£161,483	£155,256	£161,999
Closing number of shares	102,596	80,269	112,382
Operating charges	1.57%	1.57%	1.58%
Direct transaction costs	0.07%	0.01%	0.07%
Prices			
Highest share price	203.84	199.85	166.00
Lowest share price	158.73	145.05	102.98

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

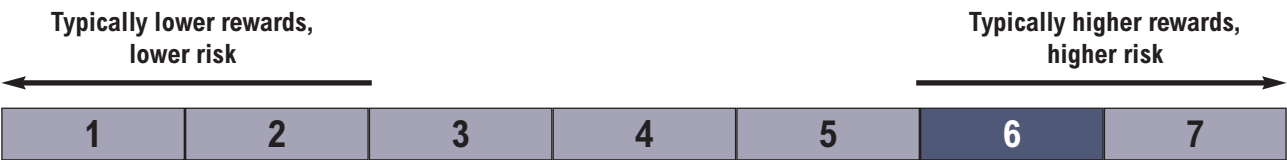
In addition to the operating charges above, managers charge fees within the closed end investments held. We have estimated that, based on market values at the period end and ongoing charge fee rates per fund (excluding performance fees), these represent an additional 1.08% of average net assets.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



During the year under review the category changed from 5 to 6, this is due to the price volatility of the Sub-fund. This Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Changes in currency exchange rates may cause the value of investments to decrease or increase.
- The price of investment trusts may not reflect the value of the assets they hold. This can result in wide price changes of the investment trust shares.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(25,306,559)		32,386,257
Revenue	3	3,003,554		2,404,854	
Expenses	4	(1,073,811)		(1,013,222)	
Net revenue before taxation		1,929,743		1,391,632	
Taxation	5	–		–	
Net revenue after taxation			1,929,743		1,391,632
Total return before distributions			(23,376,816)		33,777,889
Distributions	6		(1,929,758)		(1,391,616)
Change in net assets attributable to Shareholders from investment activities			(25,306,574)		32,386,273

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		130,800,332		95,006,154
Amounts receivable on issue of shares	26,807,066		33,883,160	
Less: Amounts payable on cancellation of shares	(22,671,966)		(30,475,325)	
		4,135,100		3,407,835
Breach Compensation		715		–
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(25,306,574)		32,386,273
Unclaimed distributions		–		70
Closing net assets attributable to Shareholders		109,629,573		130,800,332

The notes on pages 40 to 46 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			107,062,443		123,633,769
Current Assets					
Debtors	7	395,957		547,651	
Cash and bank balances	9	4,496,133		8,307,971	
Total current assets			4,892,090		8,855,622
Total assets			111,954,533		132,489,391
LIABILITIES					
Creditors					
Distribution payable		(1,943,127)		(1,424,538)	
Other creditors	8	(381,833)		(264,521)	
Total creditors			(2,324,960)		(1,689,059)
Total liabilities			(2,324,960)		(1,689,059)
Net assets attributable to Shareholders			109,629,573		130,800,332

The notes on pages 40 to 46 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains	30.09.22	30.09.21
	£	£
Non-derivative securities	(25,305,620)	32,397,981
Currency losses	(222)	(11,259)
Transaction charges	(717)	(465)
Net capital (losses)/gains	(25,306,559)	32,386,257

3. Revenue	30.09.22	30.09.21
	£	£
UK dividends: Ordinary	2,796,611	2,078,861
Overseas dividends	196,595	325,993
Bank interest	10,348	—
Total revenue	3,003,554	2,404,854

4. Expenses	30.09.22	30.09.21
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	981,393	925,514
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	67,032	61,688
Safe custody and other bank charges	6,209	5,725
	73,241	67,413
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	1,952	2,665
Listing fees	3,062	3,068
Printing costs	3,148	3,547
	8,162	9,280
Total expenses	1,073,811	1,013,222

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

Notes to the Financial Statements

continued

5. Taxation	30.09.22 £	30.09.21 £
(a) Analysis of charge in the year	–	–
Total tax charge (note 5b)	–	–
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,929,743	1,391,632
Corporation tax at 20%	385,949	278,326
Effects of:		
UK dividends	(559,322)	(415,772)
Movement in surplus management expenses	212,692	202,645
Non-taxable overseas earnings	(39,319)	(65,199)
Total tax charge (note 5a)	–	–

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,285,915 (2021: £1,073,223) in relation to surplus management expenses of £6,429,579 (2021: £5,366,117). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	30.09.22 £	30.09.21 £
Final distribution 30.09.22	1,943,127	1,424,538
Revenue deducted on cancellation of shares	162,022	146,515
Revenue received on issue of shares	(175,391)	(179,437)
Distributions	1,929,758	1,391,616
Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	1,929,743	1,391,632
Undistributed revenue brought forward	19	3
Undistributed revenue carried forward	(4)	(19)
Distributions	1,929,758	1,391,616

Notes to the Financial Statements

continued

7. Debtors	30.09.22	30.09.21
	£	£
Amounts receivable on issues	180,494	294,037
Sales awaiting settlement	25,729	–
Accrued income:		
Dividends receivable	188,627	252,850
Prepaid expenses:		
Legal fees	1,107	–
Listing fees	–	764
Total debtors	395,957	547,651
8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	279,703	153,968
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	74,647	84,988
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	10,658	11,342
Safe custody and other bank charges	2,034	1,034
	12,692	12,376
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	–	374
Listing fees	2,299	–
Printing costs	1,477	1,800
	3,776	2,174
Total other creditors	381,833	264,521
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	4,496,133	8,307,971
Cash and bank balances	4,496,133	8,307,971

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees paid to the ACD, Unicorn Asset Management Ltd are shown in note 4, the amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
A Income Shares			
Philip John - Finance and Operations Director	–	–	–
B Income Shares			
Philip John - Finance and Operations Director	6,963	75	6,888
Overseas Income Shares			
Unicorn Asset Management Ltd	10,177	41	10,136

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £10,706,244 (2021: £12,363,377).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material direct foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	4,496,133	105,962,118	110,458,251
United States dollar	—	1,496,282	1,496,282
	4,496,133	107,458,400	111,954,533

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	2,324,960	2,324,960
	2,324,960	2,324,960

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	8,307,971	124,181,420	132,489,391
	8,307,971	124,181,420	132,489,391

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,689,059	1,689,059
	1,689,059	1,689,059

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	18,051,317	25,847	0.15	56,895	0.33	17,968,575
Total purchases after commissions and tax	18,051,317					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	7,999,532	4,620	0.06	12	0.00	8,004,164
Corporate actions	654,940	—	0.00	—	0.00	654,940
Total sales after commissions and tax	8,654,472					
Commission as a % of the average net assets	0.02%					
Taxes as a % of the average net assets	0.05%					

30.09.21

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	4,495,258	4,163	0.09	1,433	0.03	4,489,662
Total purchases after commissions and tax	4,495,258					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	5,019,190	7,455	0.15	20	0.00	5,026,665
Corporate actions	1,848,387	—	0.00	—	0.00	1,848,387
Total sales after commissions and tax	6,867,577					
Commission as a % of the average net assets	0.01%					
Taxes as a % of the average net assets	0.00%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 35 and 36. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 1.19% (2021: 1.20%).

Notes to the Financial Statements

continued

15. Events after the Balance Sheet date

The table below denotes the movement in Net Asset Value per share since the period end, calculated with reference to daily published single prices.

Share Class	30.09.22 p	25.01.23 p	% Movement
A Income*	540.66	611.22	13.05%
B Income*	488.22	552.66	13.20%
Overseas Income*	158.96	179.70	13.05%

*adjusted for income distribution for comparison purposes

16. Fair Value Disclosure

Valuation technique	30.09.22 Assets £	30.09.22 Liabilities £	30.09.21 Assets £	30.09.21 Liabilities £
Level 1^	107,047,093	—	123,633,769	—
Level 2^^	—	—	—	—
Level 3^^^	15,350	—	—	—
	107,062,443	—	123,633,769	—

A reconciliation of fair value measurements in Level 3 is set out in the following table.

	30.09.22	30.09.21
Opening Balance	—	—
Purchases	—	—
Sales	—	—
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	—	—
- on assets held at year end - Stock delisted in the year	15,350	—
	15,350	—

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^ Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^ Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income	B Income	Overseas Income
Opening number of shares	544,640	21,550,747	80,269
Shares issued	19,950	4,756,818	22,355
Shares cancelled	(60,587)	(4,031,473)	(28)
Shares converted	(9,178)	10,215	—
Closing number of shares	494,825	22,286,307	102,596

Distribution Table

for the year ended 30 September 2022

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2022 p	Distribution paid 2021 p
A	Final	Group 1	4.8870	–	4.8870	2.7032
		Group 2	3.2920	1.5950	4.8870	2.7032
B	Final	Group 1	8.6038	–	8.6038	6.5389
		Group 2	4.9230	3.6808	8.6038	6.5389
Overseas	Final	Group 1	1.4381	–	1.4381	0.7897
		Group 2	0.8986	0.5395	1.4381	0.7897

Final period: 01.10.21 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

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 (Ex-Investment Trust) 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.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

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 Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash. The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-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.

Investment Manager's Report

for the year ended 30 September 2022

During the twelve-month period ended 30 September 2022, the Unicorn UK Smaller Companies Fund's Income B shares generated a total return of -26.6%. This performance compares with a total return from the benchmark Numis Smaller Companies plus AIM (Ex-Investment Trust) Index of -26.9% over the same time period. (Source: Financial Express Bid to Bid, Total Returns).

As at 30 September 2022, the Sub-fund held investments in 44 companies.

The financial year under review began with cautious optimism that, despite the return of inflation, the UK economy could still generate modest growth. However, pressures in the global supply chain and Russia's invasion of Ukraine caused the rate of inflation to spike and created huge levels of economic uncertainty. The Bank of England has repeatedly raised interest rates in an effort to control inflation, while simultaneously trying to avoid stifling prospects for economic growth.

In the UK, the political landscape has also been extremely unstable. Following several controversial incidents, Boris Johnson's own MPs lost faith in his leadership, and he was forced to resign. After a lengthy process, Liz Truss was selected as the new leader of the Conservative Party and therefore became the next Prime Minister. Liz Truss in collaboration with her Chancellor, Kwasi Kwarteng, quickly announced a mini budget which contained a series of unfunded tax cuts designed to kick-start economic growth. Unfortunately for her, this budget was met with scepticism and disapproval by the markets, which created significant volatility in government bonds, pushing values down and yields up. This, in turn, weakened Sterling, and made government borrowing significantly more expensive to service. Liz Truss' term in office was short-lived, lasting just 44 days, as she too was forced to resign as Prime Minister. Rishi Sunak has now been appointed Prime Minister, becoming the nation's third leader in as many months.

Since the Brexit referendum in 2016, international investors have had multiple reasons to avoid allocating investments to the UK and, as a result many listed businesses have subsequently struggled to deliver value for shareholders.

During the financial year under review, the Managers undertook a review of consumer exposure within the Sub-fund. The result of this review was the disposal or partial disposals of several holdings within the Sub-fund that we felt represented increased risk in an inflationary environment. This re-positioning of the Sub-fund had the additional effect of increasing cash levels just prior to a period of exceptional equity market volatility, triggered by Russia's invasion of Ukraine, which enabled the Managers to draw on substantial cash resources to invest in attractively valued new opportunities. As a result, portfolio turnover was higher than average during the period.

The positions exited in full during the period included; Fisher (James) & Sons, Johnson Service, Revolution Bars, Polar Capital, Hostelworld, Breedon, Curtis Banks, Tekmar, Brickability and Topps Tiles.

The Sub-fund's holding in EMIS was also sold in the market, shortly after a bid approach had been announced, at a significant premium to the prevailing market price. River & Mercantile was also sold following corporate activity.

Investment Manager's Report

continued

In addition to EMIS and River & Mercantile, a positive contribution came from GB (+0.7%), whose share price responded positively to an announcement that private equity firm GTCR were considering making a bid for the company. After period end, GTCR announced that they do not intend to make an offer for the company after failing to agree a mutually acceptable price with the Board of GB.

Braemar Shipping Services (+0.5%), a leading international shipbroker and provider of shipping services, published a number of positive trading updates during the period, which highlighted an uptick in their transactional volumes owing to the increasing scale and breadth of their broking operations.

New additions to the portfolio included; Cohort, a specialist defence technology company; Stelrad, a manufacturer of steel panel radiators; Porvair, a specialist filtration products company; Ashtead Technology, a subsea equipment rental company; Calnex Solutions, a manufacturer of testing equipment for identity verification business; Hilton Food, a meat and fish packaging company; Integrafina, an investment platform; and NCC, a leading cyber security company.

Share price movements became dislocated from fundamentals during the period and declines were broad based in spite of generally robust underlying trading performances from the investee companies. This particular dynamic meant that returns were negative across much of the portfolio, however, certain detractors warrant further analysis.

The largest detractor during the period was Virgin Wines UK, which cost 2.2% in overall performance terms. Virgin Wines UK released results during the period that were below expectations due to a slowdown in the rate of new customer acquisition. As a consequence, the anticipated level of earnings growth was significantly downgraded and, understandably, shareholder disappointment subsequently translated into a dramatic decline in the share price. While we continue to believe that Virgin Wines UK has the potential to grow over the longer term, the current environment, both in terms of falling demand and rising costs, is unattractive.

The Fulham Shore (-1.6%) continued to trade strongly throughout the period under review, and is also benefiting from a favourable property market, which is providing attractive growth opportunities. Despite the strength in underlying trading, Fulham Shore's share price fell sharply, reflecting the experience of many other consumer facing stocks during the period.

The Sub-fund remains invested in businesses that are predominantly well-financed and cash generative. These companies typically sell specialist products and/or services and are run by high calibre management teams. Our unrelenting focus on high quality companies that operate with robust balance sheets means that we are confident that they can withstand the increasingly difficult economic landscape.

Portfolio Statement

as at 30 September 2022

Holding	Security	Market value £	% of total net assets 2022
TECHNOLOGY 13.45% (8.92%)			
Software and Computer Services 9.15% (7.87%)			
140,000	Accesso Technology*	758,800	2.29
150,000	GB*	912,750	2.75
500,000	Microlise*	710,000	2.14
300,000	NCC	655,500	1.97
		3,037,050	9.15
Technology Hardware and Equipment 4.30% (1.05%)			
117,214	Gooch & Housego*	656,398	1.98
2,267,500	IQE*	770,950	2.32
		1,427,348	4.30
TELECOMMUNICATIONS 2.02% (0.00%)			
Telecommunications Equipment 2.02% (0.00%)			
450,000	Calnex Solutions	666,000	2.02
HEALTH CARE 1.83% (1.70%)			
Medical Equipment and Services 1.83% (1.70%)			
250,000	Advanced Medical Solutions*	608,750	1.83
FINANCIALS 8.83% (15.45%)			
Banks 0.23% (3.36%)			
4,438	Arbuthnot Banking*	31,066	0.09
6,729	Secure Trust Bank	47,776	0.14
		78,842	0.23
Investment Banking and Brokerage Services 8.60% (12.09%)			
50,000	Alpha FX*	850,000	2.56
200,000	Integrafin	439,200	1.32
3,500,000	Mercia Asset Management*	822,500	2.48
320,000	Numis*	742,400	2.24
		2,854,100	8.60
CONSUMER DISCRETIONARY 17.11% (23.26%)			
Automobiles and Parts 0.93% (0.62%)			
2,569,806	Autins*	308,377	0.93
Leisure Goods 3.02% (3.26%)			
75,000	Frontier Developments*	1,002,000	3.02
Personal Goods 1.90% (2.85%)			
516,215	Warpaint London*	629,782	1.90
Media 4.94% (3.45%)			
25,000	4imprint	847,500	2.54
300,000	STV	798,000	2.40
		1,645,500	4.94

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
	Retailers 1.03% (4.03%)		
711,203	Virgin Wines UK*	341,377	1.03
	Travel and Leisure 5.29% (9.05%)		
8,227,372	The Fulham Shore*	740,464	2.23
700,000	Tortilla Mexican Grill*	1,015,000	3.06
		1,755,464	5.29
	CONSUMER STAPLES 5.03% (3.97%)		
	Food Producers 5.03% (3.97%)		
500,000	Devro	830,000	2.50
50,000	Hilton Food	267,000	0.80
600,000	Premier Foods	570,600	1.73
		1,667,600	5.03
	INDUSTRIALS 44.74% (41.47%)		
	Construction and Materials 13.76% (12.92%)		
500,000	Alumasc*	725,000	2.18
955,000	Epwin*	706,700	2.13
200,000	Ricardo	920,000	2.77
3,070,000	Severfield	1,504,300	4.53
452,116	Stelrad	714,343	2.15
		4,570,343	13.76
	Aerospace and Defense 4.72% (2.26%)		
80,000	Avon Rubber	899,200	2.71
145,000	Cohort*	667,000	2.01
		1,566,200	4.72
	Electronic and Electrical Equipment 3.74% (2.10%)		
330,000	Morgan Advanced Materials	744,150	2.24
100,000	Porvair	499,000	1.50
		1,243,150	3.74
	General Industrials 5.86% (4.87%)		
71,200	Goodwin	1,943,760	5.86
	Industrial Engineering 8.93% (10.09%)		
225,000	Castings	612,000	1.84
410,400	Somero Enterprises*	1,580,040	4.76
250,000	Vesuvius	773,500	2.33
		2,965,540	8.93
	Industrial Support Services 3.16% (3.88%)		
70,000	FDM	437,500	1.32
850,000	Trifast	612,000	1.84
		1,049,500	3.16

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	Industrial Transportation 4.57% (5.35%)		
250,000	Braemar Shipping Services	707,500	2.13
100,000	Ocean Wilsons	810,000	2.44
		1,517,500	4.57
	BASIC MATERIALS 2.07% (2.20%)		
	Industrial Materials 2.07% (0.00%)		
72,191	James Cropper*	685,815	2.07
	ENERGY 2.24% (1.12%)		
	Oil, Gas and Coal 2.24% (1.12%)		
320,000	Ashtead Technology	742,400	2.24
	Investment assets	32,306,398	97.32
	Net other assets	889,013	2.68
	Net assets	33,195,411	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

*Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	750.13	509.67	525.37
Return before operating charges [^]	-192.95	255.24	-6.51
Operating charges	-10.51	-10.56	-8.54
Return after operating charges [^]	-203.46	244.68	-15.05
Distributions	-7.05	-4.22	-0.65
Closing net asset value per share	539.62	750.13	509.67
[^] After direct transaction costs of	-0.97	-1.14	-0.90
Performance			
Return after charges	-27.12%	48.01%	-2.86%
Other information			
Closing net asset value	£2,764,081	£4,127,048	£3,165,302
Closing number of shares	512,226	550,176	621,048
Operating charges	1.63%	1.58%	1.62%
Direct transaction costs	0.15%	0.17%	0.17%
Prices			
Highest share price	750.87	784.83	638.64
Lowest share price	545.94	504.96	379.86

	B Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	731.57	497.13	512.81
Return before operating charges [^]	-188.73	248.90	-6.33
Operating charges	-5.55	-5.43	-4.49
Return after operating charges [^]	-194.28	243.47	-10.82
Distributions	-11.70	-9.03	-4.86
Closing net asset value per share	525.59	731.57	497.13
[^] After direct transaction costs of	-0.95	-1.11	-0.88
Performance			
Return after charges	-26.56%	48.98%	-2.11%
Other information			
Closing net asset value	£26,172,331	£44,045,323	£36,603,099
Closing number of shares	4,979,577	6,020,666	7,362,898
Operating charges	0.88%	0.83%	0.87%
Direct transaction costs	0.15%	0.17%	0.17%
Prices			
Highest share price	732.30	770.05	624.70
Lowest share price	536.58	492.84	372.77

Comparative Tables

continued

Change in net assets per share

	C Income	
	30.09.22 p	30.09.21 [^] p
Opening net asset value per share	111.53	100.00 [†]
Return before operating charges [^]	-28.45	13.55
Operating charges	-0.96	-0.64
Return after operating charges [^]	-29.41	12.91
Distributions	-2.03	-1.38
Closing net asset value per share	80.09	111.53
[^] After direct transaction costs of	-0.23	-0.19
Performance		
Return after charges	-26.37%	12.91%
Other information		
Closing net asset value	£4,245,253	£11,883,027
Closing number of shares	5,300,383	10,654,484
Operating charges	0.63%	0.58%
Direct transaction costs	0.15%	0.17%
Prices		
Highest share price	111.64	117.38
Lowest share price	82.02	100.00

[^]C Income share class launched 6 April 2021.

[†]Launch price

	Overseas Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	178.13	121.03	124.86
Return before operating charges [^]	-46.76	60.63	-1.55
Operating charges	-1.57	-2.51	-2.03
Return after operating charges [^]	-48.33	58.12	-3.58
Distributions	-1.62	-1.02	-0.25
Closing net asset value per share	128.18	178.13	121.03
[^] After direct transaction costs of	-0.14	-0.27	-0.21
Performance			
Return after charges	-27.13%	48.02%	-2.87%
Other information			
Closing net asset value	£13,746	£37,067	£25,164
Closing number of shares	10,724	20,809.00	20,791
Operating charges	1.63%	1.58%	1.62%
Direct transaction costs	0.15%	0.17%	0.17%
Prices			
Highest share price	178.30	186.38	151.78
Lowest share price	129.62	119.92	90.28

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(14,349,846)		19,415,713
Revenue	3	1,224,677		1,257,154	
Expenses	4	(402,228)		(478,762)	
Net revenue before taxation		822,449		778,392	
Taxation	5	(33,120)		(32,406)	
Net revenue after taxation			789,329		745,986
Total return before distributions			(13,560,517)		20,161,699
Distributions	6		(789,333)		(745,981)
Change in net assets attributable to Shareholders from investment activities			(14,349,850)		19,415,718

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		60,092,465		39,793,565
Amounts receivable on issue of shares	7,738,320		21,500,942	
Less: Amounts payable on cancellation of shares	(20,285,524)		(20,617,771)	
		(12,547,204)		883,171
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(14,349,850)		19,415,718
Unclaimed distributions		—		11
Closing net assets attributable to Shareholders		33,195,411		60,092,465

The notes on pages 58 to 65 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			32,306,398		58,943,148
Current Assets					
Debtors	7	940,831		3,204,229	
Cash and bank balances	9	1,229,877		2,831,764	
Total current assets			2,170,708		6,035,993
Total assets			34,477,106		64,979,141
LIABILITIES					
Creditors					
Distribution payable		(726,805)		(713,782)	
Other creditors	8	(554,890)		(4,172,894)	
Total creditors			(1,281,695)		(4,886,676)
Total liabilities			(1,281,695)		(4,886,676)
Net assets attributable to Shareholders			33,195,411		60,092,465

The notes on pages 58 to 65 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains	30.09.22	30.09.21
	£	£
Non-derivative securities	(14,344,715)	19,420,108
Currency losses	(322)	–
Transaction charges	(4,809)	(4,395)
Net capital (losses)/gains	(14,349,846)	19,415,713

3. Revenue	30.09.22	30.09.21
	£	£
UK dividends: Ordinary	947,723	1,041,115
Overseas dividends	273,531	216,039
Bank interest	3,423	–
Total revenue	1,224,677	1,257,154

4. Expenses	30.09.22	30.09.21
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	351,564	424,969
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	27,894	31,058
Safe custody and other bank charges	2,357	2,583
	30,251	33,641

Notes to the Financial Statements

continued

4. Expenses (continued)	30.09.22	30.09.21
	£	£
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	3,354	3,171
Listing fees	3,062	3,060
Printing costs	2,982	2,906
	9,398	9,137
Total expenses	402,228	478,762

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

5. Taxation	30.09.22	30.09.21
	£	£
(a) Analysis of charge in the year:		
Overseas tax	33,120	32,406
Total tax charge (note 5b)	33,120	32,406
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	822,449	778,392
Corporation tax at 20%	164,490	155,678
Effects of:		
UK dividends	(189,545)	(208,223)
Movement in surplus management expenses	79,761	95,753
Overseas tax expensed	33,120	32,406
Non-taxable overseas earnings	(54,706)	(43,208)
Total tax charge (note 5a)	33,120	32,406

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,219,174 (2021: £1,139,413) in relation to surplus management expenses of £6,095,870 (2021: £5,697,065). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.22 £	30.09.21 £
Final distribution	30.09.22	726,805	713,782
Revenue deducted on cancellation of shares		114,099	97,960
Revenue received on issue of shares		(51,571)	(65,761)
Distributions		789,333	745,981

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		789,329	745,986
Undistributed revenue brought forward		12	7
Undistributed revenue carried forward		(8)	(12)
Distributions		789,333	745,981

7. Debtors

	30.09.22 £	30.09.21 £
Amounts receivable on issues	644,222	74,544
Sales awaiting settlement	40,260	2,890,759
Accrued income:		
Dividends receivable	254,513	238,154
Prepaid expenses:		
Legal fees	1,836	—
Listing fees	—	772
Total debtors	940,831	3,204,229

Notes to the Financial Statements

continued

8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	512,631	1,517,354
Purchases awaiting settlement	—	2,597,516
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	23,049	39,045
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,912	5,787
Safe custody and other bank charges	702	482
	4,614	6,269
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	—	373
Listing fees	2,291	—
Printing costs	1,290	1,322
	3,581	1,695
Total other creditors	554,890	4,172,894
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	1,229,877	2,831,764
Cash and bank balances	1,229,877	2,831,764

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees paid to the ACD, Unicorn Asset Management Ltd are shown in note 4, the amounts due at the year end in respect of Management fees are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
B Income Shares			
Colin Howell - Chairman	72,000	—	72,000
Jean Howell - Chairman's wife	80,000	—	80,000
Philip John - Finance and Operations Director	5,895	78	5,817
Overseas Income Shares			
Unicorn Asset Management Ltd	10,724	65	10,659

Unicorn AIM VCT Plc, a company for which Unicorn Asset Management Ltd acts as Investment Manager held shares in the Sub-fund as follows:

	Held at 30.09.22	Change in period	Held at 30.09.21
B Income Shares	—	(161,560)	161,560

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £3,230,640 (2021: £5,894,315).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	1,229,877	33,215,243	34,445,120
United States dollar	—	31,986	31,986
	1,229,877	33,247,229	34,477,106

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,281,695	1,281,695
	1,281,695	1,281,695

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	2,831,764	62,108,135	64,939,899
United States dollar	—	39,242	39,242
	2,831,764	62,147,377	64,979,141

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	4,886,676	4,886,676
	4,886,676	4,886,676

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	10,392,815	10,842	0.10	22,425	0.22	10,359,548
Total purchases after commissions and tax	10,392,815					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	22,684,849	31,908	0.14	197	0.00	22,716,954
Total sales after commissions and tax	22,684,849					
Commission as a % of the average net assets	0.10%					
Taxes as a % of the average net assets	0.05%					

30.09.21

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	24,770,362	23,155	0.09	52,195	0.21	24,695,012
Total purchases after commissions and tax	24,770,362					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	23,562,618	30,681	0.13	149	0.00	23,593,448
Total sales after commissions and tax	23,562,618					
Commission as a % of the average net assets	0.09%					
Taxes as a % of the average net assets	0.08%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 53 and 54. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 2.91% (2021: 2.34%).

15. Events after the Balance Sheet date

The table below denotes the movement in Net Asset Value per share since the period end, calculated with reference to daily published single prices.

Share Class	30.09.22 p	25.01.23 p	% Movement
A Income*	545.94	614.71	12.60%
B Income*	536.58	604.99	12.75%
C Income*	82.02	92.51	12.80%
Overseas Income*	129.62	145.96	12.61%

*adjusted for income distribution for comparison purposes

16. Fair Value Disclosure

Valuation technique	30.09.22		30.09.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	32,306,398	—	58,943,148	—
Level 2^^	—	—	—	—
Level 3^^^	—	—	—	—
	32,306,398	—	58,943,148	—

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income	B Income	C Income	Overseas Income
Opening number of shares	550,176	6,020,666	10,654,484	20,809
Shares issued	23,412	1,070,376	699,422	66
Shares cancelled	(60,125)	(2,084,460)	(6,238,914)	(10,151)
Shares converted	(1,237)	(27,005)	185,391	—
Closing number of shares	512,226	4,979,577	5,300,383	10,724

Distribution Table

for the year ended 30 September 2022

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2022 p	Distribution paid 2021 p
A	Final	Group 1	7.0460	–	7.0460	4.2245
		Group 2	3.3462	3.6998	7.0460	4.2245
B	Final	Group 1	11.7038	–	11.7038	9.0320
		Group 2	7.2229	4.4809	11.7038	9.0320
C	Final	Group 1	2.0327	–	2.0327	1.3754
		Group 2	1.4231	0.6096	2.0327	1.3754
Overseas	Final	Group 1	1.6155	–	1.6155	1.0163
		Group 2 [^]	1.6155	–	1.6155	1.0163

[^]No equalisation applicable for these Group 2 shares.

Final period: 01.10.21 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The Unicorn UK Income Fund aims to provide an income by investing in UK companies.

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 Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash. The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests at least 80% in UK companies which are quoted companies with a bias towards small and medium sized companies (those with a market value of less than £4 billion). Some of the companies in which the Sub-fund invests may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

Investment Manager's Report

for the year ended 30 September 2022

The Unicorn UK Income Fund B accumulation shares recorded a total return of -21.0% during the year ended 30 September 2022, lagging the total return of -8.5% delivered by the UK Equity Income peer group. (Source: Financial Express Bid to Bid, Total Returns). The period under review saw inflation rise sharply around the world and central banks responded with substantial interest rate increases. The Russian invasion of Ukraine unsettled markets and exacerbated inflationary pressures. Commodity prices rose sharply during the year and the US Dollar strengthened significantly against all major currencies. In the UK, a change of Prime Minister, Liz Truss, and a new lower taxation, pro-growth strategy was met with scepticism by global markets, which then triggered a brief but unprecedented level of volatility in the gilt market together with broad-based weakness across UK equities and sterling. Liz Truss' term in office was short-lived, lasting just 44 days, as she too was forced to resign as Prime Minister. Rishi Sunak has now been appointed Prime Minister, becoming the UK's third leader in as many months.

The period under review was challenging for UK Small and Mid-Cap investors, with larger quoted companies outperforming significantly during the period, as they benefited from a strong Dollar and rising commodity prices. Given the requirement of the Sub-fund to hold at least 80% of its assets invested in UK Small and Mid-Cap companies, its performance reflected the challenges faced at the lower end of the market cap range. Pleasingly, the Sub-fund outperformed the Mid-Cap Index and the Numis Smaller Companies Index (NSCI) during the period.

Despite the volatile market backdrop, the Sub-fund made excellent progress in terms of dividend income, registering a record level of dividend receipts in the twelve-month period to the end of September 2022. This represents an increase of 22% when compared to the previous financial year and 1% ahead of the pre-pandemic peak in 2019. All portfolio holdings have now resumed dividend payments and, at this early stage in the current financial year, the outlook is encouraging. The UK market will take longer to return to pre-pandemic dividend levels and the yield offered by the Sub-fund is now significantly ahead of the benchmark index, thereby representing the widest yield premium for several years. This is a strong signal of value in the current portfolio.

The poor share price performance delivered by many of the investee companies during the period has been at odds with their resilient trading performance, with most investee companies continuing to meet or beat market expectations. This strong trading performance has underpinned the increase in dividends received during the year.

Portfolio activity was slightly higher than normal during the year. Early optimism about a consumer led, post-covid recovery gave way to significant inflation and rapidly rising interest rates, which resulted in a decision to significantly reduce exposure to businesses dependent on consumer discretionary spending. Several consumer retail stocks were disposed of during the period and these were replaced by a number of growth companies, which had fallen into our required yield territory. These changes are intended to protect capital in the short term, as consumers face increasing pressure on their disposable income, and also to position the Sub-fund so that it can fully benefit from any sustained market recovery.

In November 2021, assets were transferred into the Sub-fund following the decision to wind up the Acorn Income Fund. Eight of the Sub-fund's twelve new holdings joined the portfolio as a result of this transaction, namely; Ocean Wilsons, Curtis Banks, Chesnara, Warpaint, STV, Braemar Shipping Services and Alumasc. Given that both Funds were managed by the same team, the new holdings all adhered to the strict investment criteria of the UK Income Fund and were well known to the managers having been held in Acorn for several years. By the end of the period, five of these holdings had been exited in full, in aggregate locking in a small positive contribution to performance. Positions in Ocean Wilsons, STV and Alumasc were retained.

Investment Manager's Report

continued

UK listed businesses have become increasingly attractive for overseas buyers due to the double discount of weaker sterling and depressed valuations. Clipper Logistics and Brewin Dolphin were both sold following approaches from North American trade buyers. The position in River and Mercantile was also exited in full following the disposal of its solutions business to Schroders and the subsequent all share acquisition of the remaining asset management business by AssetCo.

Yield compression remains the core sell discipline within the portfolio and was the primary reason for the disposals of Coca Cola HBC, Hill & Smith and EMIS. In the early part of 2022, we also took the decision to reduce the portfolio's exposure to businesses dependent upon discretionary consumer spending. This resulted in five disposals from the portfolio with Appreciate, B&M European Value Retail, Hostelworld, Hollywood Bowl and Dunelm all exiting the Sub-fund. Positions in Boot (Henry), Palace Capital, XPS Pensions were also sold during the period. In an unusual step, Hill & Smith was reintroduced to the portfolio towards the end of the period following significant share price weakness post disposal, thereby reversing the yield compression which had triggered the earlier decision to sell the holding.

Of the purchases made during the period, three were in companies being reintroduced to the portfolio following their disposal in prior years on the grounds of yield compression. The reintroductions were; Victrex, RWS, Liontrust Asset Management and Rotork. Volatile market conditions also presented the opportunity to make long-term investments in businesses that are new to the portfolio, and which, because of the fall in their share prices, are offering unusually high dividend yields. As active managers, we were able to take advantage of these conditions, adding; Spectris, AJ Bell, Smith & Nephew, Breedon, Schroders and Alpha Financial Markets, all of which were on uncharacteristically high yields at the point of initial investment. Greencoat UK Wind and Stelrad (via an IPO) were also added to the portfolio during the period.

In contrast to the strong level of dividends received during the year under review, capital returns were mainly negative, which reflected the difficult equity market conditions experienced. Of the companies held, only 17 delivered positive share price returns during the period, while 44 registered negative returns.

Telecom Plus performed strongly during the year, contributing 2.1% to overall Sub-fund performance. Rising energy prices and significant dislocation in the domestic energy supply market enabled Telecom Plus to increase customer numbers, thanks to its highly competitive customer proposition. Brewin Dolphin also performed well in the period. After receiving a takeover approach from Royal Bank of Canada, its share price responded positively, and the investment added 1.6% to Sub-fund performance. Other more modest contributions came from River and Mercantile, Boot (Henry) and 4imprint. Synthomer was the weakest performer during the period, detracting 2.2% from the Sub-fund's total return. Demand for Synthomer's products declined in the period, and a recent acquisition has also increased debt to an uncomfortably high level. Marshalls, which is a long-standing constituent of the portfolio, was also weak during the period. Demand for its domestic garden and driveway products were significantly below original expectations, which meant that overall earnings forecasts had to be materially reduced. Having significantly reduced the Sub-fund's exposure to Marshall's in prior years, the recent weakness in its share price has enabled us to embark on a cautious rebuilding of the position. In total, the position in Marshalls cost the Sub-fund 2% during the period under review.

The global economy is currently undergoing a period of instability and the outlook for growth therefore remains uncertain as central banks attempt to control inflation, while also trying to avoid killing off prospects for economic growth. We remain acutely conscious of the challenges ahead, but we continue to believe that investing in high quality, market leading businesses with strong balance sheets will offer resilience during the current period of weakness, while also providing strong recovery potential when conditions do improve.

Portfolio Statement

as at 30 September 2022

		Market value £	% of total net assets 2022
Holding	Security		
	TECHNOLOGY 0.00% (2.01%)		
	Software and Computer Services 0.00% (2.01%)		
	TELECOMMUNICATIONS 6.34% (5.27%)		
	Telecommunications Service Providers 6.34% (5.27%)		
1,175,000	Telecom Plus	20,233,500	6.34
	HEALTH CARE 1.32% (0.00%)		
	Medical Equipment and Services 1.32% (0.00%)		
400,000	Smith & Nephew	4,200,000	1.32
	FINANCIALS 17.04% (20.66%)		
	Finance and Credit Services 0.00% (0.49%)		
	Banks 1.87% (1.96%)		
842,630	Secure Trust Bank	5,982,673	1.87
	Investment Banking and Brokerage Services 13.06% (18.21%)		
750,000	3i	8,197,500	2.57
1,500,000	AJ Bell	4,038,000	1.27
425,000	Liontrust Asset Management	3,102,500	0.97
4,320,000	Numis*	10,022,400	3.14
3,168,860	Peel Hunt*	2,756,908	0.86
2,518,684	Polar Capital*	10,452,539	3.27
800,000	Schroders	3,114,400	0.98
		41,684,247	13.06
	Closed End Investments 2.11% (0.00%)		
4,500,000	Greencoat UK Wind	6,750,000	2.11
	INSURANCE 10.99% (11.06%)		
	Life Insurance 6.29% (5.41%)		
3,814,041	Phoenix	20,084,740	6.29
	Nonlife Insurance 4.70% (5.65%)		
2,200,000	Conduit	7,601,000	2.38
7,622,437	Sabre Insurance	7,393,764	2.32
		14,994,764	4.70
	REAL ESTATE 11.72% (14.66%)		
	Real Estate Investment and Services Development 0.00% (2.98%)		
	Real Estate Investment Trusts 11.72% (11.68%)		
11,000,000	LondonMetric Property	19,195,000	6.01
10,800,000	Primary Health Properties	12,236,400	3.83
9,368,000	Regional REIT	5,986,152	1.88
		37,417,552	11.72

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	MEDIA 3.68% (2.67%)		
	Media 3.68% (2.67%)		
260,000	4imprint	8,814,000	2.76
1,100,000	STV	2,926,000	0.92
		11,740,000	3.68
	RETAILERS 0.00% (5.01%)		
	Retailers 0.00% (5.01%)		
	TRAVEL AND LEISURE 0.00% (2.24%)		
	Travel and leisure 0.00% (2.24%)		
	FOOD, BEVERAGE AND TOBACCO 2.74% (3.25%)		
	Beverages 0.00% (1.18%)		
	Food Producers 2.74% (2.07%)		
5,276,783	Devro	8,759,460	2.74
	INDUSTRIALS 36.55% (24.24%)		
	Construction and Materials 13.08% (8.18%)		
784,381	Alumasc*	1,137,352	0.36
7,000,000	Breedon*	3,731,000	1.17
7,200,000	Epwin*	5,328,000	1.67
5,300,000	James Halstead*	10,600,000	3.32
2,600,000	Marshalls	7,607,600	2.38
15,213,000	Severfield	7,454,370	2.34
3,720,930	Stelrad	5,879,069	1.84
		41,737,391	13.08
	Electronic and Electrical Equipment 4.80% (0.00%)		
3,200,000	Rotork	7,488,000	2.35
286,332	Spectris	7,834,044	2.45
		15,322,044	4.80
	Industrial Engineering 7.22% (7.59%)		
2,077,000	Castings	5,649,440	1.77
1,904,000	Somero Enterprises*	7,330,400	2.30
3,250,000	Vesuvius	10,055,500	3.15
		23,035,340	7.22
	Industrial Support Services 7.65% (6.27%)		
950,000	Alpha Financial Markets Consulting*	3,752,500	1.18
1,318,005	FDM	8,237,531	2.58
4,100,000	Gateley*	7,790,000	2.44
1,450,000	RWS*	4,640,000	1.45
		24,420,031	7.65

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	Industrial Transportation 3.80% (2.20%)		
450,000	Ocean Wilsons	3,645,000	1.14
2,900,000	Wincanton	8,468,000	2.66
		12,113,000	3.80
	BASIC RESOURCES 1.90% (2.47%)		
	Industrial Metals and Mining 1.90% (2.47%)		
950,000	Bodycote	4,419,400	1.38
181,028	Hill & Smith	1,649,165	0.52
		6,068,565	1.90
	CHEMICALS 2.16% (2.01%)		
	Chemicals 2.16% (2.01%)		
3,100,000	Synthomer	3,301,500	1.03
215,000	Victrex	3,590,500	1.13
		6,892,000	2.16
	Investment assets	301,435,307	94.44
	Net other assets	17,741,989	5.56
	Net assets	319,177,296	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

*Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	243.92	193.50	231.77
Return before operating charges [^]	-47.97	62.93	-28.24
Operating charges	-3.52	-3.61	-3.37
Return after operating charges [^]	-51.49	59.32	-31.61
Distributions	-10.77	-8.90	-6.66
Closing net asset value per share	181.66	243.92	193.50
[^] After direct transaction costs of	-0.38	-0.21	-0.52
Performance			
Return after charges	-21.11%	30.66%	-13.64%
Other information			
Closing net asset value	£15,502,260	£22,908,381	£20,777,037
Closing number of shares	8,533,681	9,391,838	10,737,409
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	248.53	253.43	266.76
Lowest share price	184.43	190.78	157.03

	A Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	346.52	264.82	307.14
Return before operating charges [^]	-69.86	86.70	-37.82
Operating charges	-5.08	-5.00	-4.50
Return after operating charges [^]	-74.94	81.70	-42.32
Distributions	-15.51	-12.35	-8.91
Retained distributions on accumulation shares	15.51	12.35	8.91
Closing net asset value per share	271.58	346.52	264.82
[^] After direct transaction costs of	-0.55	-0.29	-0.69
Performance			
Return after charges	-21.63%	30.85%	-13.78%
Other information			
Closing net asset value	£3,888,548	£5,609,489	£5,014,047
Closing number of shares	1,431,836	1,618,825	1,893,381
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	356.08	355.46	354.39
Lowest share price	270.80	261.08	209.54

Comparative Tables

continued

Change in net assets per share

	B Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	270.80	213.22	253.46
Return before operating charges [^]	-53.56	69.50	-31.01
Operating charges	-2.04	-2.07	-1.92
Return after operating charges [^]	-55.60	67.43	-32.93
Distributions	-11.99	-9.85	-7.31
Closing net asset value per share	203.21	270.80	213.22
[^] After direct transaction costs of	-0.43	-0.23	-0.57
Performance			
Return after charges	-20.53%	31.62%	-12.99%
Other information			
Closing net asset value	£139,545,314	£214,681,809	£205,619,495
Closing number of shares	68,669,501	79,275,813	96,435,849
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	276.48	281.32	292.27
Lowest share price	206.28	210.34	172.33

	B Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	384.47	291.64	335.71
Return before operating charges [^]	-77.92	95.70	-41.51
Operating charges	-2.94	-2.87	-2.56
Return after operating charges [^]	-80.86	92.83	-44.07
Distributions	-17.47	-13.66	-9.78
Retained distributions on accumulation shares	17.47	13.66	9.78
Closing net asset value per share	303.61	384.47	291.64
[^] After direct transaction costs of	-0.62	-0.32	-0.76
Performance			
Return after charges	-21.03%	31.83%	-13.13%
Other information			
Closing net asset value	£139,262,917	£260,389,426	£327,402,587
Closing number of shares	45,869,665	67,726,011	112,261,395
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	395.86	394.34	388.10
Lowest share price	302.73	287.69	229.83

Comparative Tables

continued

Change in net assets per share

	Overseas Income		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	101.26	80.33	96.22
Return before operating charges [^]	-19.92	26.12	-11.73
Operating charges	-1.46	-1.50	-1.40
Return after operating charges [^]	-21.38	24.62	-13.13
Distributions	-4.44	-3.69	-2.76
Closing net asset value per share	75.44	101.26	80.33
[^] After direct transaction costs of	-0.16	-0.09	-0.22
Performance			
Return after charges	-21.11%	30.65%	-13.64%
Other information			
Closing net asset value	£2,443,335	£2,939,671	£3,352,177
Closing number of shares	3,238,872	2,903,118	4,172,798
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	103.18	105.21	110.75
Lowest share price	76.56	79.20	65.19

	C Income
	30.09.22 ^{^^} p
Opening net asset value per share	411.71 [†]
Return before operating charges [^]	-86.42
Operating charges	-0.22
Return after operating charges [^]	-86.64
Distributions	-17.79
Closing net asset value per share	307.28
[^] After direct transaction costs of	-0.64
Performance	
Return after charges	-21.04%
Other information	
Closing net asset value	£17,969,585
Closing number of shares	5,847,975
Operating charges ^{##}	0.06%
Direct transaction costs	0.17%
Prices	
Highest share price	416.37
Lowest share price	312.17

^{^^}C Income launched on 15 November 2021 due to an inspecie transfer from Acorn Income Fund

[†]Launch price

^{##} Annual management fee 0.75% on C Income waived until 15 November 2022

Comparative Tables

continued

Change in net assets per share

	Overseas Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	138.63	105.95	122.88
Return before operating charges [^]	-28.02	34.68	-15.13
Operating charges	-2.03	-2.00	-1.80
Return after operating charges [^]	-30.05	32.68	-16.93
Distributions	-6.19	-4.94	-3.57
Retained distributions on accumulation shares	6.19	4.94	3.57
Closing net asset value per share	108.58	138.63	105.95
[^] After direct transaction costs of	-0.22	-0.12	-0.28
Performance			
Return after charges	-21.68%	30.84%	-13.78%
Other information			
Closing net asset value	£565,337	£866,248	£911,657
Closing number of shares	520,678	624,843	860,456
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.17%	0.09%	0.24%
Prices			
Highest share price	142.46	142.21	141.79
Lowest share price	108.27	104.45	83.83

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying funds (synthetic ongoing charge). The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(109,853,286)		141,076,659
Revenue	3	21,913,294		22,652,710	
Expenses	4	(3,699,024)		(4,790,435)	
Net revenue before taxation		18,214,270		17,862,275	
Taxation	5	(327,441)		(488,991)	
Net revenue after taxation			17,886,829		17,373,284
Total return before distributions			(91,966,457)		158,449,943
Distributions	6		(20,898,385)		(21,240,667)
Change in net assets attributable to Shareholders from investment activities			(112,864,842)		137,209,276

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		507,395,024		563,077,000
Amounts receivable on issue of shares	99,981,405		135,840,243	
Less: Amounts payable on cancellation of shares	(184,945,079)		(340,000,327)	
		(84,963,674)		(204,160,084)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(112,864,842)		137,209,276
Retained distributions on accumulation shares		9,610,735		11,268,498
Unclaimed distributions		53		334
Closing net assets attributable to Shareholders		319,177,296		507,395,024

The notes on pages 79 to 86 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			301,435,307		484,805,478
Current Assets					
Debtors	7	5,604,707		2,470,705	
Cash and bank balances	9	16,898,697		25,469,305	
Total current assets			22,503,404		27,940,010
Total assets			323,938,711		512,745,488
LIABILITIES					
Creditors					
Distribution payable		(3,181,305)		(3,093,290)	
Other creditors	8	(1,580,110)		(2,257,174)	
Total creditors			(4,761,415)		(5,350,464)
Total liabilities			(4,761,415)		(5,350,464)
Net assets attributable to Shareholders			319,177,296		507,395,024

The notes on pages 79 to 86 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains	30.09.22	30.09.21
	£	£
Non-derivative securities	(109,816,550)	141,086,902
Currency losses	(29,548)	(1,378)
Transaction charges	(7,188)	(8,865)
Net capital (losses)/gains	(109,853,286)	141,076,659

3. Revenue	30.09.22	30.09.21
	£	£
UK dividends: Ordinary	17,099,171	16,141,055
Overseas dividends	2,542,021	3,259,940
Property income distributions	2,234,538	3,251,715
Bank interest	37,564	—
Total revenue	21,913,294	22,652,710

4. Expenses	30.09.22	30.09.21
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	3,407,623	4,449,577
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	225,143	272,410
Safe custody and other bank charges	22,467	26,760
	247,610	299,170

Notes to the Financial Statements

continued

4. Expenses (continued)	30.09.22	30.09.21
	£	£
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	6,340	6,879
Listing fees	6,138	6,121
Printing costs	20,298	17,673
	32,776	30,673
Total expenses	3,699,024	4,790,435

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

5. Taxation	30.09.22	30.09.21
	£	£
(a) Analysis of charge in the year:		
Overseas tax	327,441	488,991
Total tax charge (note 5b)	327,441	488,991
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	18,214,270	17,862,275
Corporation tax at 20%	3,642,854	3,572,455
Effects of:		
UK dividends	(3,419,834)	(3,228,211)
Movement in surplus management expenses	285,384	307,744
Overseas tax expensed	327,441	488,991
Non-taxable overseas earnings	(508,404)	(651,988)
Total tax charge (note 5a)	327,441	488,991

(c) Deferred tax

At the year end there is a potential deferred tax asset of £6,616,960 (2021: £6,331,576) in relation to surplus management expenses of £33,084,800 (2021: £31,657,879). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.22 £	30.09.21 £
First interim distribution	31.12.21	4,407,965	4,734,518
Second interim distribution	31.03.22	3,095,860	2,996,395
Third interim distribution	30.06.22	6,962,079	5,905,933
Final distribution	30.09.22	5,797,685	6,481,162
		20,263,589	20,118,008
Revenue deducted on cancellation of shares		917,521	1,848,204
Revenue received on issue of shares		(282,725)	(725,545)
Distributions		20,898,385	21,240,667

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	17,886,829	17,373,284
Expenses allocated to capital	3,407,623	4,449,577
Relief on expenses allocated to capital	(396,140)	(582,171)
Undistributed revenue brought forward	106	83
Undistributed revenue carried forward	(33)	(106)
Distributions	20,898,385	21,240,667

7. Debtors

	30.09.22 £	30.09.21 £
Amounts receivable on issues	612,415	716,305
Sales awaiting settlement	3,529,397	–
Accrued income:		
Dividends receivable	1,458,520	1,741,007
UK income tax recoverable	–	11,849
Prepaid expenses:		
Legal fees	4,375	–
Listing fees	–	1,544
Total debtors	5,604,707	2,470,705

Notes to the Financial Statements

continued

8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	1,021,450	1,849,885
Purchases awaiting settlement	279,902	–
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	218,486	343,180
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	31,689	42,305
Safe custody and other bank charges	7,186	4,204
	38,875	46,509
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	–	1,245
Listing fees	4,594	–
Printing costs	5,788	5,340
	10,382	6,585
Total other creditors	1,580,110	2,257,174
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	16,898,697	25,469,305
Cash and bank balances	16,898,697	25,469,305

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees paid to the ACD, Unicorn Asset Management Ltd are shown in note 4, the amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
A Accumulation Shares			
Unicorn Asset Management Ltd	5,023	—	5,023
B Income Shares			
Colin Howell - Chairman	34,000	—	34,000
Jean Howell - Chairman's wife	9,600	—	9,600
B Accumulation Shares			
Unicorn Asset Management Ltd	4,819	—	4,819
C Income Shares			
Philip John - Finance and Operations Director	5,040	5,040	—
Susan John - Finance and Operations Director's Wife	9,880	9,880	—
Overseas Income Shares			
Unicorn Asset Management Ltd	14,103	654	13,449
Overseas Accumulation Shares			
Unicorn Asset Management Ltd	10,000	—	10,000

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £30,143,531 (2021: £48,480,548).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	16,898,697	306,887,698	323,786,395
United States dollar	—	152,316	152,316
	16,898,697	307,040,014	323,938,711

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	4,761,415	4,761,415
	4,761,415	4,761,415

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	25,469,305	487,123,686	512,592,991
United States dollar	—	152,497	152,497
	25,469,305	487,276,183	512,745,488

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	5,350,464	5,350,464
	5,350,464	5,350,464

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	147,695,561	94,682	0.06	394,127	0.27	147,206,752
Total purchases after commissions and tax	147,695,561					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	215,551,091	250,538	0.12	361	0.00	215,801,990
Corporate actions	5,697,704	—	0.00	—	0.00	5,697,704
Total sales after commissions and tax	221,248,795					
Commission as a % of the average net assets	0.08%					
Taxes as a % of the average net assets	0.09%					

30.09.21

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	62,068,357	49,578	0.08	182,250	0.29	61,836,529
Total purchases after commissions and tax	62,068,357					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	259,233,289	297,770	0.11	495	0.00	259,531,554
Corporate actions	137,198	—	0.00	—	0.00	137,198
Total sales after commissions and tax	259,370,487					
Commission as a % of the average net assets	0.06%					
Taxes as a % of the average net assets	0.03%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 72 to 75. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 0.56% (2021: 0.72%).

Notes to the Financial Statements

continued

15. Events after the Balance Sheet date

The table below denotes the movement in Net Asset Value per share since the period end, calculated with reference to daily published single prices.

Share Class	30.09.22 p	25.01.23 p	% Movement
A Income*	185.06	216.11	16.78%
A Accumulation	271.72	320.60	17.99%
B Income*	206.99	242.29	17.06%
B Accumulation	303.77	359.25	18.26%
C Income*	313.26	366.91	17.13%
Overseas Income*	76.82	89.72	16.79%
Overseas Accumulation	108.63	128.23	18.04%

*adjusted for income distribution for comparison purposes

16. Fair Value Disclosure

Valuation technique	30.09.22		30.09.21	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Level 1^	301,435,307	—	484,805,478	—
Level 2^^	—	—	—	—
Level 3^^^	—	—	—	—
	301,435,307	—	484,805,478	—

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income	B Income	C Income	Overseas Income
Opening number of shares	9,391,838	79,275,813	—	2,903,118
Shares issued	300,766	9,047,067	8,741,841	684,401
Shares cancelled	(1,142,800)	(20,226,258)	(2,522,861)	(348,647)
Shares converted	(16,123)	572,879	(371,005)	—
Closing number of shares	8,533,681	68,669,501	5,847,975	3,238,872

	A Accumulation	B Accumulation	Overseas Accumulation
Opening number of shares	1,618,825	67,726,011	624,843
Shares issued	100,456	11,006,793	3,856
Shares cancelled	(287,445)	(32,864,444)	(108,021)
Shares converted	—	1,305	—
Closing number of shares	1,431,836	45,869,665	520,678

Distribution Tables

for the year ended 30 September 2022

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2022 p	Distribution paid 2021 p
A	First interim	Group 1	2.1224	–	2.1224	1.7763
		Group 2	1.2791	0.8433	2.1224	1.7763
	Second interim	Group 1	1.5409	–	1.5409	1.1821
		Group 2	0.9522	0.5887	1.5409	1.1821
	Third interim	Group 1	3.8078	–	3.8078	2.7997
		Group 2	1.4930	2.3148	3.8078	2.7997
	Final	Group 1	3.2996	–	3.2996	3.1398
		Group 2	1.0969	2.2027	3.2996	3.1398
B	First interim	Group 1	2.3592	–	2.3592	1.9595
		Group 2	1.6082	0.7510	2.3592	1.9595
	Second interim	Group 1	1.7162	–	1.7162	1.3056
		Group 2	1.0564	0.6598	1.7162	1.3056
	Third interim	Group 1	4.2491	–	4.2491	3.0981
		Group 2	1.4646	2.7845	4.2491	3.0981
	Final	Group 1	3.6643	–	3.6643	3.4822
		Group 2	1.4920	2.1723	3.6643	3.4822
Overseas	First interim	Group 1	0.8808	–	0.8808	0.7374
		Group 2	0.1419	0.7389	0.8808	0.7374
	Second interim	Group 1	0.6400	–	0.6400	0.4908
		Group 2	0.5429	0.0971	0.6400	0.4908
	Third interim	Group 1	1.5802	–	1.5802	1.1621
		Group 2	0.6193	0.9609	1.5802	1.1621
	Final	Group 1	1.3434	–	1.3434	1.3042
		Group 2	1.0027	0.3407	1.3434	1.3042
C	First interim	Group 1	2.9948	–	2.9948	–
		Group 2^	2.9948	–	2.9948	–
	Second interim	Group 1	2.5874	–	2.5874	–
		Group 2	1.7323	0.8551	2.5874	–
	Third interim	Group 1	6.3895	–	6.3895	–
		Group 2	0.5037	5.8858	6.3895	–
	Final	Group 1	5.8133	–	5.8133	–
		Group 2	1.3433	4.4700	5.8133	–

Distribution Tables

continued

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
A	First interim	Group 1	3.0147	–	3.0147	2.4307
		Group 2	0.5248	2.4899	3.0147	2.4307
	Second interim	Group 1	2.2079	–	2.2079	1.6307
		Group 2	1.4891	0.7188	2.2079	1.6307
	Third interim	Group 1	5.4819	–	5.4819	3.8828
		Group 2	2.9253	2.5566	5.4819	3.8828
	Final	Group 1	4.8058	–	4.8058	4.4038
		Group 2	2.3434	2.4624	4.8058	4.4038
B	First interim	Group 1	3.3489	–	3.3489	2.6794
		Group 2	2.1785	1.1704	3.3489	2.6794
	Second interim	Group 1	2.4575	–	2.4575	1.7999
		Group 2	1.5671	0.8904	2.4575	1.7999
	Third interim	Group 1	6.1347	–	6.1347	4.3042
		Group 2	3.3545	2.7802	6.1347	4.3042
	Final	Group 1	5.5323	–	5.5323	4.8808
		Group 2	2.7311	2.8012	5.5323	4.8808
Overseas	First interim	Group 1	1.2060	–	1.2060	0.9724
		Group 2^	1.2060	–	1.2060	0.9724
	Second interim	Group 1	0.8834	–	0.8834	0.6525
		Group 2^	0.8834	–	0.8834	0.6525
	Third interim	Group 1	2.1946	–	2.1946	1.5520
		Group 2	0.8646	1.3300	2.1946	1.5520
	Final	Group 1	1.9055	–	1.9055	1.7622
		Group 2	0.0370	1.8685	1.9055	1.7622

^No equalisation applicable for these Group 2 shares.

First interim period: 01.10.21 - 31.12.21

Second interim period: 01.01.22 - 31.03.22

Third interim period: 01.04.22 - 30.06.22

Final period: 01.07.22 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The Unicorn Outstanding British Companies Fund aims to achieve long term capital growth by investing in a portfolio of outstanding British companies by taking a long term view of not less than five years.

British companies are defined as those which are incorporated or domiciled in the UK or have a significant part of their operations in the UK.

At least 80% of the companies that the Sub-fund invests into will be British companies. The Sub-fund can also invest into companies that are not otherwise British companies but are listed on stock exchanges in the UK.

Outstanding companies are defined as those whose economics and risks are well understood, whose revenues, earnings and cash flows are predictable to a reasonable degree of certainty, which sell products and services into growing markets, which have market leadership positions and lasting competitive strength, which generate high average and incremental returns on invested capital, which convert a high proportion of their earnings into free, distributable cash, which can show a consistent track record of operating performance, which are run by decent, experienced individuals, who manage their businesses with the goal of maximising owner-value, which operate with low core debt, which are not predominantly acquisition-led, and which produce clean, intelligible financial statements.

The Sub-fund may also invest in smaller companies, including companies quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

The Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund may have a concentrated portfolio.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the year ended 30 September 2022

For the twelve-month period ended 30 September 2022, the Outstanding British Companies Fund's Accumulation B shares recorded a total return of -18.6%. In comparison, the IA UK All Companies sector average total return was -15.3% over the same period. (Source: Financial Express Bid to Bid, Total Returns).

During the twelve-month period under review, UK equity markets experienced pronounced periods of volatility. This volatility was driven by a deteriorating outlook for UK and global economic growth, combined with significant increases in the rate of interest charged by central banks. Underlying economic pressures were further exacerbated in the third quarter of 2022 by extraordinary levels of political instability. Following the resignation of Boris Johnson as Prime Minister in early July, a leadership contest eventually led to the nomination of Liz Truss as Britain's new Prime Minister. Liz Truss's government immediately announced a fiscal package focused on tax reductions, which were to be funded through increased levels of government borrowing. However, this 'mini-budget' was very poorly received by UK markets and resulted in; a sharp spike in gilt yields, a decline in the value of Sterling and a sell-off in domestically focused UK equities. In view of this unprecedented downward pricing of UK assets, the Bank of England announced a targeted intervention to restore market functioning in long-dated government bonds and reduce the risk of financial contagion. Ultimately, this chaotic period led to the resignation of the Chancellor, Kwasi Kwarteng swiftly followed by the Prime Minister, Liz Truss. Rishi Sunak has now been appointed Prime Minister, becoming the UK's third leader in as many months. However, the dislocation in the gilt market, caused by such unprecedented levels of political instability, also had a significantly negative impact on UK equity markets during September 2022, which resulted in a particularly poor performance for the Sub-fund during the final month of the financial year under review.

The Sub-fund's strategy of investing in high quality companies over the long term has delivered strong absolute and relative performance since the launch of the Sub-fund in 2006. However, in recent times, this strategy has failed to outperform the wider market. It is no surprise that high quality companies tend to command premium valuations. When confidence wanes in the prospects for growth, then such businesses tend to experience a sharp de-rating in value. A further headwind to relative performance stemmed directly from the strong performance of the Oil & Gas sector, which was the single largest sector

Investment Manager's Report

continued

contributor to the FTSE All-Share (ex. IT) Index return over the twelve-month period. Given that oil & gas companies invariably fail to meet our required investment criteria, the Sub-fund held a zero allocation in the oil & gas sector during the period under review. This zero allocation created the largest negative contribution to relative returns, costing -3.3% in overall performance attribution terms. It remains our view that oil & gas companies are highly cyclical and typically cash consumptive and therefore do not meet the investment criteria for the Sub-fund. At some point in 2023, the oil price cycle is likely to turn again causing the valuations of Oil & Gas companies to experience a sharp decline in value. However, given heightened levels of uncertainty, it is possible that the Sub-fund's underweight allocation to oil & gas companies may continue to negatively impact relative performance.

The other main factor behind relative underperformance was due to sector attribution in the Pharmaceuticals and the Industrial Transportation sectors, which cost -2.9% and -2.8% respectively in performance attribution. A review of stock specific returns will be addressed later in this report.

The primary drivers of positive relative portfolio returns can be attributed to good stock selection within the Software sector and an underweight allocation to Travel & Leisure stocks, which added +1.6% and +1.3% respectively in performance attribution terms. The Sub-fund had zero exposure to stocks in the Travel & Leisure sector during the period, reflecting the Managers' opinion that businesses reliant upon consumer expenditure would struggle to grow their earnings as a result of the almost unprecedented level of cost inflation being experienced in the UK. There will come a point in time when the current cost of living crisis subsides and the outlook for the British consumer improves, but we do not believe this will occur for some time yet.

Stock selection was also a driver of underperformance during the twelve-month period under review. In several cases, this was due to a de-rating of highly valued companies, which had otherwise performed in line with market forecasts. This was evident with the Pharmaceuticals sector, in which the portfolio's holdings in Dechra Pharmaceuticals and Anpario both experienced a sharp contraction in their P/E valuation multiple during the period. However, in other instances, poor stock performance was a result of self-inflicted problems. This was true in the case of Fisher (James) & Sons, which continued to report disappointing results, as a direct consequence of an over-complicated business model and a highly leveraged balance sheet. As Managers, we hold our hands up for persisting with this investment for too long. Post period end, the Managers concluded a stock review, which resulted in the decision to fully exit the holding in Fisher (James) & Sons.

The second largest detractor in absolute performance terms over the financial year was Integrafin Holdings, which cost -2.2%. Integrafin is a financial services business which owns an investment platform called Transact. During the period, Integrafin released disappointing results, which highlighted a significant increase in the level of investment required to maintain the investment platform's competitive position in the Investment Advisory market. As such, Integrafin's forecast earnings over the next three financial years have been sharply downgraded. While the decision to sacrifice near-term profits for the potential of longer-term growth may prove astute, it is currently too early to tell whether it is a correct one and, in the meantime, the damage to shareholder value has been substantial.

The third largest detractor in absolute terms was RWS, costing -1.8% in Sub-fund performance over the twelve-month period. RWS has experienced a challenging couple of years, having struggled to successfully integrate and extract synergies from its merger with rival SDL, which completed at the end of 2020. The retirement of RWS's long serving and well-respected CEO Richard Thompson in July 2021 was an additional blow to the business. During the twelve-month period under review, RWS' new CEO Ian El-Mokadem announced a new strategy of increasing investment in the company, which resulted in a reduction in forecast earnings growth over the next couple of years. We continue to regard RWS as a high-quality business but believe that clear evidence of improving returns on invested capital will be required before shareholders are rewarded for their patience.

The largest contributors to Sub-fund performance over the financial year was Euromoney Institutional Investor (+1.6%), Aveva (+0.7%) and Curtis Banks (+0.5%).

Euromoney Institutional Investor ('Euromoney') received a cash takeover bid from a private equity consortium at a premium of 33.5% to the price at which the shares were trading immediately prior to the bid announcement. The takeover is expected to complete by the end of December 2022 and, in doing so, will present a satisfactory return on the Sub-fund's investment, which had only been added to the portfolio in November 2021.

Investment Manager's Report

continued

Aveva was also the recipient of a takeover bid during the period. In this case, Schneider Electric SE, a large French industrial company which already owned a majority stake in Aveva, made an offer to acquire the company in full. The cash bid of £31 per Aveva share represented a healthy premium to the undisturbed share price and was recommended by Aveva's Independent Board Committee. The transaction is expected to complete in the first quarter of 2023.

While it is pleasing to report a positive return on the investments made in both Euromoney and Aveva, their takeover by corporate acquirers does highlight the increasing risk faced by UK listed equities. That is one of heightened takeover activity from overseas acquirers who consider the UK equity market to be undervalued and are further supported by a cheap British Pound. In the Managers' opinion, it remains highly probable that other portfolio holdings could be subject to takeover bids if the UK equity market remains undervalued relative to international stock markets.

As previously covered in the Sub-fund's Interim Report, the holding in British American Tobacco ('BAT') was fully exited from the portfolio in November 2021 on Environmental, Social and Governance ('ESG') grounds. No other holdings were fully exited during the financial year under review.

As of 30 September 2022, the Sub-fund retained a concentrated portfolio of 32 holdings. During the period, 6 new investments were added:

1. Aveva – a global leader in industrial software that helps to drive digital transformation for industrial organizations managing complex operational processes.
2. Euromoney Institutional Investor – a global provider of business-to-business information services.
3. NCC – global cyber and software resilience business.
4. Spirent Communications – a global provider of automated testing and assurance solutions for networks, security and positioning systems.
5. Unilever – one the world's largest consumer goods companies.
6. Genus – a world-leading animal genetics company which supplies genetics to cattle and pig farmers.

While it remains early days, it is pleasing to report that these new additions have performed relatively robustly, despite the significant market and economic turmoil faced during the period. We expect that portfolio turnover levels will remain at a higher than usual level in the months and quarters ahead, as we take advantage of depressed UK equity valuations to establish holdings in other exceptional quality UK listed companies.

Despite the Sub-fund's recent underperformance, the Managers believe that the characteristics of a portfolio of high-quality companies, which generate predictable revenues, profits and cash flows, will continue to deliver superior total returns over the Sub-fund's long-term investment horizon. This is especially true during more challenging economic periods, when lower quality businesses can experience a rapid deterioration in their financial performance and a corresponding fall in their share price.

The Sub-fund's investment strategy remains unchanged. The objective is to deliver superior, long-term total returns through investment in a concentrated portfolio of high-quality companies. The Manager continues to focus on identifying businesses that demonstrate leadership positions in niche and growing market sectors, which have strong barriers to entry and can generate sustainably high returns on invested capital.

Despite a challenging year in absolute and relative performance terms, we believe that a Fund composed of investments in resilient businesses that offer differentiated products and services will provide defensive characteristics during periods of stock market turbulence, while also offering the potential for strong capital growth over the long-term.

Portfolio Statement

as at 30 September 2022

Holding	Security	Market value £	% of total net assets 2022
	TECHNOLOGY 16.06% (10.05%)		
	Software and Computer Services 14.27% (7.25%)		
75,000	Aveva	2,356,500	3.77
1,000,000	NCC	2,185,000	3.49
400,000	Sage	2,788,800	4.46
175,000	Tracsis*	1,592,500	2.55
		8,922,800	14.27
	Technology Hardware and Equipment 1.79% (2.80%)		
200,000	Gooch & Housego*	1,120,000	1.79
	TELECOMMUNICATIONS 3.35% (0.00%)		
	Telecommunications Equipment 3.35% (0.00%)		
800,000	Spirent Communications	2,097,600	3.35
	HEALTH CARE 15.91% (20.45%)		
	Health Care Providers 1.49% (3.20%)		
300,000	Tristel*	930,000	1.49
	Medical Equipment and Services 7.12% (7.75%)		
750,000	Advanced Medical Solutions*	1,826,250	2.92
250,000	Smith & Nephew	2,625,000	4.20
		4,451,250	7.12
	Pharmaceuticals and Biotechnology 7.30% (9.50%)		
115,000	Abcam*	1,546,750	2.47
225,000	Anpario*	922,500	1.48
70,000	Dechra Pharmaceuticals	1,835,400	2.93
10,000	Genus	261,600	0.42
		4,566,250	7.30
	FINANCIALS 14.30% (17.19%)		
	Banks 2.86% (3.26%)		
255,311	Arbuthnot Banking*	1,787,177	2.86
	Finance and Credit Services 3.66% (2.98%)		
30,000	London Stock Exchange	2,288,400	3.66
	Investment Banking and Brokerage Services 7.78% (10.95%)		
725,000	Curtis Banks*	1,892,250	3.02
650,000	Integrafin	1,427,400	2.28
250,000	Mattioli Woods*	1,550,000	2.48
		4,869,650	7.78
	REAL ESTATE 3.08% (3.48%)		
	Real Estate Investment Trusts 3.08% (3.48%)		
1,700,000	Primary Health Properties	1,926,100	3.08

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	CONSUMER STAPLES 11.65% (10.93%)		
	Beverages 4.26% (4.16%)		
70,000	Diageo	2,657,900	4.26
	Food Producers 3.58% (3.07%)		
330,000	Tate & Lyle	2,242,020	3.58
	Tobacco 0.00% (3.70%)		
	Personal Care, Drug and Grocery Stores 3.81% (0.00%)		
60,000	Unilever	2,381,400	3.81
	INDUSTRIALS 27.58% (27.45%)		
	Construction and Materials 2.40% (2.90%)		
750,000	James Halstead*	1,500,000	2.40
	Electronic and Electrical Equipment 6.17% (6.16%)		
50,000	Renishaw	1,755,000	2.81
900,000	Rotork	2,106,000	3.36
		3,861,000	6.17
	Industrial Engineering 3.66% (3.99%)		
22,000	Spirax-Sarco Engineering	2,286,900	3.66
	Industrial Support Services 10.07% (7.12%)		
250,000	Euromoney Institutional Investor	3,600,000	5.75
250,000	Keystone Law*	1,100,000	1.76
500,000	RWS *	1,600,000	2.56
		6,300,000	10.07
	Industrial Transportation 5.28% (7.28%)		
450,000	Fisher (James) & Sons	1,269,000	2.03
275,000	VP	2,035,000	3.25
		3,304,000	5.28
	BASIC MATERIALS 3.34% (3.59%)		
	Chemicals 3.34% (3.59%)		
125,000	Victrex	2,087,500	3.34
	Investment assets	59,579,947	95.27
	Net other assets	2,960,893	4.73
	Net assets	62,540,840	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

* Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	323.21	274.58	304.15
Return before operating charges [^]	-57.60	53.47	-24.92
Operating charges	-4.65	-4.84	-4.65
Return after operating charges [^]	-62.25	48.63	-29.57
Distributions	-1.76	-1.33	-0.44
Retained distributions on accumulation shares	1.76	1.33	0.44
Closing net asset value per share	260.96	323.21	274.58
[^] After direct transaction costs of	-0.44	-0.40	-0.15
Performance			
Return after charges	-19.26%	17.71%	-9.72%
Other information			
Closing net asset value	£5,282,562	£8,288,338	£8,543,143
Closing number of shares	2,024,306	2,564,350	3,111,370
Operating charges	1.59%	1.57%	1.57%
Direct transaction costs	0.15%	0.13%	0.05%
Prices			
Highest share price	327.00	341.66	338.58
Lowest share price	258.94	269.80	236.46

	B Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	352.34	297.22	326.62
Return before operating charges [^]	-63.00	57.87	-26.78
Operating charges	-2.69	-2.75	-2.62
Return after operating charges [^]	-65.69	55.12	-29.40
Distributions	-4.34	-3.93	-2.85
Retained distributions on accumulation shares	4.34	3.93	2.85
Closing net asset value per share	286.65	352.34	297.22
[^] After direct transaction costs of	-0.48	-0.44	-0.16
Performance			
Return after charges	-18.64%	18.55%	-9.00%
Other information			
Closing net asset value	£57,233,629	£104,322,594	£100,719,077
Closing number of shares	19,966,429	29,608,538	36,915,586
Operating charges	0.84%	0.82%	0.82%
Direct transaction costs	0.15%	0.13%	0.05%
Prices			
Highest share price	356.58	372.10	364.25
Lowest share price	284.44	292.23	255.09

Comparative Tables

continued

Change in net assets per share

	Overseas Accumulation		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	138.32	117.51	130.17
Return before operating charges [^]	-24.65	22.88	-10.67
Operating charges	-1.99	-2.07	-1.99
Return after operating charges [^]	-26.64	20.81	-12.66
Distributions on income shares	-0.76	-0.56	-0.19
Retained distributions on accumulation shares	0.76	0.56	0.19
Closing net asset value per share	111.68	138.32	117.51
[^] After direct transaction costs of	-0.19	-0.17	-0.06
Performance			
Return after charges	-19.26%	17.71%	-9.73%
Other information			
Closing net asset value	£24,649	£30,528	£39,347
Closing number of shares	22,071	22,071	33,484
Operating charges	1.59%	1.57%	1.57%
Direct transaction costs	0.15%	0.13%	0.05%
Prices			
Highest share price	139.94	146.21	144.90
Lowest share price	110.81	115.46	101.19

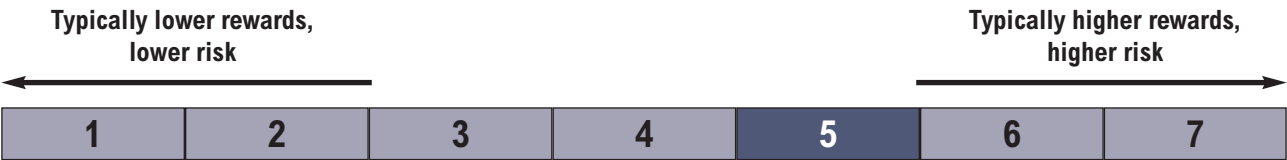
Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The Sub-fund may hold a limited number of investments. If one of these investment falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(16,935,528)		20,357,472
Revenue	3	1,706,626		2,505,161	
Expenses	4	(712,296)		(1,098,221)	
Net revenue before taxation		994,330		1,406,940	
Taxation	5	—		—	
Net revenue after taxation			994,330		1,406,940
Total return before distributions			(15,941,198)		21,764,412
Distributions	6		(994,338)		(1,406,918)
Change in net assets attributable to Shareholders from investment activities			(16,935,536)		20,357,494

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		112,641,460		118,301,567
Amounts receivable on issue of shares	5,467,991		60,796,579	
Less: Amounts payable on cancellation of shares	(39,534,645)		(88,011,562)	
		(34,066,654)		(27,214,983)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(16,935,536)		20,357,494
Retained distributions on accumulation shares		901,570		1,197,382
Closing net assets attributable to Shareholders		62,540,840		112,641,460

The notes on pages 99 to 105 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			59,579,947		104,911,037
Current Assets					
Debtors	7	167,073		559,497	
Cash and bank balances	9	2,952,468		7,673,454	
Total current assets			3,119,541		8,232,951
Total assets			62,699,488		113,143,988
LIABILITIES					
Creditors					
Other creditors	8	(158,648)		(502,528)	
Total creditors			(158,648)		(502,528)
Total liabilities			(158,648)		(502,528)
Net assets attributable to Shareholders			62,540,840		112,641,460

The notes on pages 99 to 105 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains

	30.09.22 £	30.09.21 £
Non-derivative securities	(16,929,550)	20,362,212
Currency losses	(460)	–
Transaction charges	(5,518)	(4,740)
Net capital (losses)/gains	(16,935,528)	20,357,472

3. Revenue

	30.09.22 £	30.09.21 £
UK dividends: Ordinary	1,651,155	2,318,312
Property income distributions	50,025	186,849
Bank interest	5,446	–
Total revenue	1,706,626	2,505,161

4. Expenses

	30.09.22 £	30.09.21 £
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	644,724	1,007,305
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	44,666	65,581
Safe custody and other bank charges	3,981	5,562
	48,647	71,143
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	1,953	2,665
Listing fees	3,052	3,061
Printing costs	2,905	3,032
	7,910	8,758
Total expenses	712,296	1,098,221

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

Notes to the Financial Statements

continued

5. Taxation	30.09.22 £	30.09.21 £
(a) Analysis of charge in the year	–	–
Total tax charge (note 5b)	–	–
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	994,330	1,406,940
Corporation tax at 20%	198,866	281,388
Effects of:		
UK dividends	(330,231)	(463,662)
Movement in surplus management expenses	131,365	182,274
Total tax charge (note 5a)	–	–

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,161,847 (2021: £1,030,482) in relation to surplus management expenses of £5,809,237 (2021: £5,152,412). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	30.09.22 £	30.09.21 £
Final distribution 30.09.22	901,570	1,197,382
Revenue deducted on cancellation of shares	115,932	546,848
Revenue received on issue of shares	(23,164)	(337,312)
Distributions	994,338	1,406,918

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	994,330	1,406,940
Undistributed revenue brought forward	24	2
Undistributed revenue carried forward	(16)	(24)
Distributions	994,338	1,406,918

Notes to the Financial Statements

continued

7. Debtors	30.09.22	30.09.21
	£	£
Amounts receivable on issues	38,354	277,736
Accrued income:		
Dividends receivable	127,612	280,997
Prepaid expenses:		
Legal fees	1,107	–
Listing fees	–	764
Total debtors	167,073	559,497
8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	92,723	401,542
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	43,714	77,091
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	6,428	10,268
Safe custody and other bank charges	1,208	928
	7,636	11,196
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	–	374
Listing fees	2,289	–
Printing costs	1,271	1,310
	3,560	1,684
Total other creditors	158,648	502,528
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	2,952,468	7,673,454
Cash and bank balances	2,952,468	7,673,454

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees paid to the ACD, Unicorn Asset Management Ltd are shown in note 4, the amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
B Accumulation Shares			
Jean Howell - Chairman's wife	9,800	—	9,800
Philip John - Finance and Operations Director	8,886	—	8,886
Chris Hutchinson - Director	9,290	3,431	5,859
Overseas Accumulation Shares			
Unicorn Asset Management Ltd	10,000	—	10,000

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £5,957,995 (2021: £10,491,104).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	2,952,468	59,714,482	62,666,950
United States dollar	—	32,538	32,538
	2,952,468	59,747,020	62,699,488

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	158,648	158,648
	158,648	158,648

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	7,673,454	105,435,674	113,109,128
United States dollar	—	34,860	34,860
	7,673,454	105,470,534	113,143,988

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	502,528	502,528
	502,528	502,528

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	13,937,601	9,342	0.07	66,764	0.48	13,861,495
Total purchases after commissions and tax	13,937,601					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	41,884,385	43,653	0.10	258	0.00	41,928,296
Corporate actions	454,756	—	0.00	—	0.00	454,756
Total sales after commissions and tax	42,339,141					
Commission as a % of the average net assets	0.07%					
Taxes as a % of the average net assets	0.08%					

30.09.21

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	28,074,717	21,409	0.08	94,062	0.34	27,959,246
Total purchases after commissions and tax	28,074,717					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	43,283,783	48,993	0.11	223	0.00	43,332,999
Total sales after commissions and tax	43,283,783					
Commission as a % of the average net assets	0.06%					
Taxes as a % of the average net assets	0.07%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 94 and 95. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 1.29% (2021: 1.21%).

Notes to the Financial Statements

continued

15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

Valuation technique	30.09.22		30.09.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 [^]	59,579,947	—	104,911,037	—
Level 2 ^{^^}	—	—	—	—
Level 3 ^{^^^}	—	—	—	—
	59,579,947	—	104,911,037	—

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Accumulation	B Accumulation	Overseas Accumulation
Opening number of shares	2,564,350	29,608,538	22,071
Shares issued	97,484	1,581,447	—
Shares cancelled	(637,480)	(11,223,600)	—
Shares converted	(48)	44	—
Closing number of shares	2,024,306	19,966,429	22,071

Distribution Table

for the year ended 30 September 2022

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
A	Final	Group 1	1.7556	–	1.7556	1.3258
		Group 2	1.0892	0.6664	1.7556	1.3258
B	Final	Group 1	4.3366	–	4.3366	3.9288
		Group 2	2.9126	1.4240	4.3366	3.9288
Overseas	Final	Group 1	0.7567	–	0.7567	0.5596
		Group 2	0.7567	–	0.7567	0.5596

Final period: 01.10.21 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The Unicorn UK Ethical Income Fund aims to provide an income by investing in UK companies which meet the ACD's ethical guidelines. 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.

Selection of such ethical equities will be undertaken on the basis of thorough company analysis, with ethical and socially responsible criteria reviewed at the point of investment and quarterly thereafter.

The Sub-fund may also invest, at its discretion, in other transferable securities, deposits and cash. The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests at least 80% in UK quoted companies with a bias towards small and medium sized companies (those with a market value of less than £4 billion). Some of the companies may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

Investment Manager's Report

for the year ended 30 September 2022

The Unicorn UK Ethical Income Fund B accumulation shares recorded a total return of -20.5% during the year ended 30 September 2022, lagging the total return of -8.5% delivered by the UK Equity Income peer group. (Source: Financial Express Bid to Bid, Total Returns). The period under review saw inflation rise sharply around the world prompting central banks to respond with substantial interest rate increases. The Russian invasion of Ukraine unsettled markets and exacerbated inflationary pressures. Commodity prices rose sharply during the year and the US Dollar strengthened significantly against all major currencies. In the UK, a change of Prime Minister, Liz Truss, and a new lower taxation, pro-growth strategy was met with scepticism by global markets, which then triggered a brief but unprecedented level of volatility in the gilt market together with broad-based weakness across UK equities and sterling. Liz Truss' term in office was short-lived, lasting just 44 days, as she too was forced to resign as Prime Minister. Rishi Sunak has now been appointed Prime Minister, becoming the UK's third leader in as many months.

The Unicorn UK Ethical Income Fund provides investors with exposure to a differentiated, high-conviction portfolio of companies that we believe can deliver an attractive combination of growth and income while also adhering to a strict ethical framework. The investment process applied to the Sub-fund leverages Unicorn's longstanding expertise for successfully investing small and mid-cap income stocks, but with the addition of a Unicorn Suitability Assessment, which is applied to all potential investments. The Unicorn Suitability Assessment enables us to remove companies that are not compatible with the Sub-fund's strict ethical criteria. The results of these assessments are then subject to independent verification provided by MSCI.

The period under review was challenging for UK Small and Mid-Cap investors, with larger quoted companies outperforming significantly during the period, as they benefited from a strong US Dollar and rising commodity prices. Given the requirement of the Sub-fund to hold at least 80% of its assets invested in UK Small and Mid-Cap companies, its performance reflected the challenges faced at the lower end of the market cap range. We derive modest comfort from the fact that the Sub-fund outperformed both the Mid-Cap Index and the Numis Smaller Companies Index ('NSCI') during the period.

Despite the volatile market backdrop, the Sub-fund made good progress in terms of dividend income, registering an increase of 16% on the prior year. All portfolio holdings have now resumed dividend payments and, at this early stage in the current financial year, the outlook is encouraging. The UK market will take longer to return to pre-pandemic dividend levels and the yield offered by the Sub-fund is now significantly ahead of the benchmark index, thereby representing the widest yield premium for several years. This is a strong signal of value in the current portfolio.

The poor share price performance delivered by many of the investee companies during the period has been at odds with their resilient trading performance, with most investee companies continuing to meet or beat market expectations. This strong trading performance has underpinned the increase in dividends received during the year.

Portfolio activity was slightly higher than normal during the year. Early optimism about a consumer led, post-covid recovery gave way to significant inflation and rapidly rising interest rates, which resulted in a decision to significantly reduce exposure to businesses dependent on consumer discretionary spending. Several consumer retail stocks were disposed of during the period, and these were replaced by a number of growth companies, which had fallen into our required yield territory. These

Investment Manager's Report

continued

changes are intended to protect capital in the short term, as consumers face increasing pressure on their disposable income, and also to position the Sub-fund so that it can fully benefit from any sustained market recovery.

In November 2021, certain assets were transferred into the Sub-fund following the decision to wind up the Acorn Income Fund. Seven of the Sub-fund's twelve new holdings joined the portfolio as a result of this transaction, namely; Ocean Wilsons, Curtis Banks, Chesnara, Warpaint, Braemar Shipping Services, Topps Tiles and Alumasc. Given that both Funds were managed by the same team, the new holdings all adhered to the strict investment criteria of the UK Ethical Income Fund and were well known to the Managers having been held in Acorn for several years. By the end of the period, five of these holdings had been exited in full, in aggregate locking in a small positive contribution to performance. Positions in Ocean Wilsons and Alumasc were retained.

UK listed businesses have become increasingly attractive for overseas buyers due to the double discount of weaker sterling and depressed valuations. Brewin Dolphin was sold following an approach from a North American trade buyer. The position in River and Mercantile was also exited in full following the disposal of its solutions business to Schroders and the subsequent all share acquisition of the remaining asset management business by AssetCo.

Yield compression remains the core sell discipline within the portfolio and was the primary reason for the disposals of Coca Cola HBC, Hill & Smith and EMIS. In the early part of 2022, we also took the decision to reduce the portfolio's exposure to discretionary consumer spending. This resulted in four disposals from the portfolio with Appreciate, B&M European Value Retail, Hostelworld and Dunelm all exiting the Sub-fund. Positions in Boot (Henry), Palace Capital, XPS Pensions were also sold during the period. In an unusual step, Hill & Smith was reintroduced to the portfolio towards the end of the period following significant share price weakness post disposal, reversing the yield compression which had triggered the earlier decision to sell the holding.

In contrast to the strong level of dividends received during the year under review, capital returns were generally negative, reflecting the difficult equity market conditions experienced. Of the companies held, only 13 delivered positive share price returns during the period, with 42 registered negative returns.

Telecom Plus performed strongly during the year, contributing 2.1% to overall Sub-fund performance. Rising energy prices and a significant dislocation in the domestic energy supply market enabled Telecom Plus to increase customer numbers, thanks to its highly competitive customer proposition. Brewin Dolphin also performed well in the period. After receiving a takeover approach from Royal Bank of Canada, its share price responded positively, and the investment added 1.5% to Sub-fund performance. Other more modest contributions came from River and Mercantile, Boot (Henry) and 4imprint. Synthomer was the weakest performer during the period, detracting 2.2% from total Sub-fund returns. Demand for Synthomer's products declined in the period, and a recent acquisition has also pushed debt to an uncomfortably high level. Marshalls, which is a long-standing constituent of the portfolio, was also weak during the period. Demand for its domestic garden and driveway products was significantly below original expectations, which meant that overall earnings forecasts had to be materially reduced. Having significantly reduced the Sub-fund's exposure to Marshall's in prior years, the recent weakness in its share price has enabled us to embark on a cautious rebuilding of the position. In total, the position in Marshalls cost the Sub-fund 2.3% during the period under review.

The global economy is currently experiencing a high degree of instability and the outlook for growth remains uncertain as central banks attempt to control inflation while also trying to avoid killing off prospects for economic growth. We remain acutely conscious of the challenges ahead, but we continue to believe that investing in high quality, market leading businesses with strong balance sheets will offer resilience during the current period of weakness, while also providing strong recovery potential when conditions do improve.

Portfolio Statement

as at 30 September 2022

Holding	Security	Market value £	% of total net assets 2022
	TECHNOLOGY 6.12% (6.93%)		
	Software and Computer Services 0.00% (1.53%)		
	Telecommunications Service Providers 6.12% (5.40%)		
220,000	Telecom Plus	3,788,400	6.12
	FINANCIALS 16.35% (21.39%)		
	Banks 2.16% (2.70%)		
188,526	Secure Trust Bank	1,338,535	2.16
	Finance and Credit Services 0.00% (1.80%)		
	Investment Banking and Brokerage Services 12.13% (16.89%)		
130,000	3i	1,420,900	2.30
369,171	AJ Bell	993,808	1.61
100,000	Liontrust Asset Management	730,000	1.18
800,000	Numis*	1,856,000	3.00
665,000	Peel Hunt*	578,550	0.93
464,474	Polar Capital*	1,927,567	3.11
		7,506,825	12.13
	Closed End Investments 2.06% (0.00%)		
850,000	Greencoat UK Wind	1,275,000	2.06
	INSURANCE 10.78% (10.20%)		
	Life Insurance 5.96% (5.03%)		
700,000	Phoenix	3,686,200	5.96
	Nonlife Insurance 4.82% (5.17%)		
450,000	Conduit	1,554,750	2.51
1,474,488	Sabre Insurance	1,430,253	2.31
		2,985,003	4.82
	REAL ESTATE 12.24% (12.63%)		
	Real Estate Investment and Services Development 0.00% (2.55%)		
	Real Estate Investment Trusts 12.24% (10.08%)		
2,200,000	LondonMetric Property	3,839,000	6.20
2,500,000	Primary Health Properties	2,832,500	4.58
1,417,000	Regional REIT	905,463	1.46
		7,576,963	12.24
	MEDIA 2.08% (2.53%)		
	Media 2.08% (2.53%)		
38,000	4imprint	1,288,200	2.08

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	RETAILERS 0.00% (4.91%)		
	Retailers 0.00% (4.91%)		
	TRAVEL AND LEISURE 0.00% (1.16%)		
	Travel and Leisure 0.00% (1.16%)		
	FOOD, BEVERAGE AND TOBACCO 2.41% (3.74%)		
	Beverages 0.00% (1.44%)		
	Food Producers 2.41% (2.30%)		
900,000	Devro	1,494,000	2.41
	INDUSTRIALS 40.43% (26.93%)		
	Construction and Materials 14.66% (10.60%)		
138,476	Alumasc*	200,790	0.32
1,300,000	Breedon*	692,900	1.12
1,950,000	Epwin*	1,443,000	2.33
1,065,000	James Halstead*	2,130,000	3.44
560,000	Marshall's	1,638,560	2.65
3,817,000	Severfield	1,870,330	3.02
697,674	Stelrad	1,102,325	1.78
		9,077,905	14.66
	Electronic and Electrical Equipment 6.15% (0.00%)		
700,000	Rotork	1,638,000	2.65
200,000	Schroders	778,600	1.26
50,644	Spectris	1,385,620	2.24
		3,802,220	6.15
	Industrial Engineering 7.63% (9.92%)		
550,000	Castings	1,496,000	2.42
355,600	Somero Enterprises*	1,369,060	2.21
600,000	Vesuvius	1,856,400	3.00
		4,721,460	7.63
	Industrial Support Services 8.58% (4.49%)		
230,000	Alpha Financial Markets Consulting*	908,500	1.47
306,001	FDM	1,912,506	3.09
763,000	Gateley*	1,449,700	2.34
325,000	RWS*	1,040,000	1.68
		5,310,706	8.58
	Industrial Transportation 3.41% (1.92%)		
80,000	Ocean Wilsons	648,000	1.05
500,000	Wincanton	1,460,000	2.36
		2,108,000	3.41

Portfolio Statement

continued

		Market value £	% of total net assets 2022
Holding	Security		
	BASIC RESOURCES 0.53% (0.87%)		
	Industrial Metals and Mining 0.53% (0.87%)		
36,206	Hill & Smith	329,837	0.53
	CHEMICALS 0.00% (2.09%)		
	Chemicals 0.00% (2.09%)		
	Investment assets	56,289,254	90.94
	Net other assets	5,609,778	9.06
	Net assets	61,899,032	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.21.

*Quoted on AIM.

Comparative Tables

Change in net assets per share

	A Income†		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	104.70	83.34	101.81
Return before operating charges^	-20.01	26.92	-13.95
Operating charges	-1.51	-1.55	-1.49
Return after operating charges^	-21.52	25.37	-15.44
Distributions	-4.62	-4.01	-3.03
Closing net asset value per share	78.56	104.70	83.34
^After direct transaction costs of	-0.23	-0.18	-0.47
Performance			
Return after charges	-20.55%	30.44%	-15.17%
Other information			
Closing net asset value	£39,170	£50,690	£39,350
Closing number of shares	49,862	48,415	47,216
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.24%	0.18%	0.49%
Prices			
Highest share price	106.43	108.72	117.50
Lowest share price	79.73	82.46	71.22

	A Accumulation†		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	129.40	99.05	117.05
Return before operating charges^	-25.42	32.22	-16.28
Operating charges	-1.89	-1.87	-1.72
Return after operating charges^	-27.31	30.35	-18.00
Distributions	-5.80	-4.83	-3.52
Retained distributions on accumulation shares	5.80	4.83	3.52
Closing net asset value per share	102.09	129.40	99.05
^After direct transaction costs of	-0.29	-0.22	-0.54
Performance			
Return after charges	-21.11%	30.64%	-15.38%
Other information			
Closing net asset value	£67,878	£102,765	£71,923
Closing number of shares	66,490	79,418	72,612
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.24%	0.18%	0.49%
Prices			
Highest share price	132.62	132.54	135.50
Lowest share price	101.86	98.02	82.40

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 1.56% of the average Net Asset Value of the Sub-fund.

Comparative Tables

continued

Change in net assets per share

	B Income†		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	105.87	83.64	101.41
Return before operating charges^	-20.31	27.08	-13.97
Operating charges	-0.79	-0.81	-0.77
Return after operating charges^	-21.10	26.27	-14.74
Distributions	-4.72	-4.04	-3.03
Closing net asset value per share	80.05	105.87	83.64
^After direct transaction costs of	-0.24	-0.18	-0.47
Performance			
Return after charges	-19.93%	31.41%	-14.54%
Other information			
Closing net asset value	£21,361,345	£31,651,289	£24,072,917
Closing number of shares	26,683,945	29,895,867	28,781,795
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.24%	0.18%	0.49%
Prices			
Highest share price	107.83	109.92	117.26
Lowest share price	81.42	82.81	71.19

	B Accumulation†		
	30.09.22 p	30.09.21 p	30.09.20 p
Opening net asset value per share	134.19	101.96	119.53
Return before operating charges^	-26.50	33.23	-16.65
Operating charges	-1.02	-1.00	-0.92
Return after operating charges^	-27.52	32.23	-17.57
Distributions	-6.04	-4.99	-3.61
Retained distributions on accumulation shares	6.04	4.99	3.61
Closing net asset value per share	106.67	134.19	101.96
^After direct transaction costs of	-0.30	-0.22	-0.55
Performance			
Return after charges	-20.51%	31.61%	-14.70%
Other information			
Closing net asset value	£40,430,639	£51,570,971	£28,567,252
Closing number of shares	37,901,930	38,430,428	28,019,031
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.24%	0.18%	0.49%
Prices			
Highest share price	137.81	137.43	138.82
Lowest share price	106.45	100.95	84.49

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 0.81% of the average Net Asset Value of the Sub-fund.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

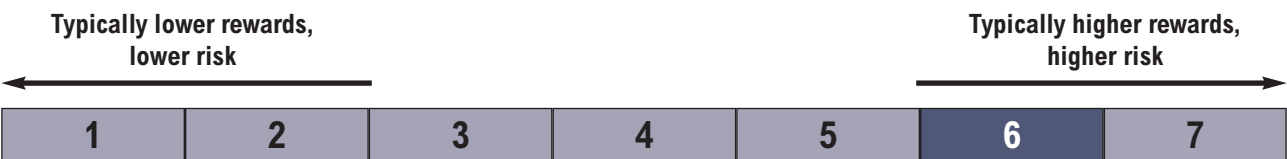
Comparative Tables

continued

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The level of targeted income is not guaranteed and may not be achieved.
- This Sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- Smaller company shares can be riskier as they may be more difficult to buy and sell and their share price may fluctuate more than that of larger companies.
- For further risk information please see the Prospectus.

Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
Income					
Net capital (losses)/gains	2		(19,989,483)		15,390,106
Revenue	3	3,997,050		2,989,546	
Expenses	4	(654,302)		(556,576)	
Net revenue before taxation		3,342,748		2,432,970	
Taxation	5	(63,969)		(64,535)	
Net revenue after taxation			3,278,779		2,368,435
Total return before distributions			(16,710,704)		17,758,541
Distributions	6		(3,832,577)		(2,817,751)
Change in net assets attributable to Shareholders from investment activities			(20,543,281)		14,940,790

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	£	30.09.22 £	£	30.09.21 £
Opening net assets attributable to Shareholders		83,375,715		52,751,442
Amounts receivable on issue of shares	37,628,510		43,247,912	
Less: Amounts payable on cancellation of shares	(40,933,070)		(29,283,218)	
		(3,304,560)		13,964,694
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(20,543,281)		14,940,790
Dilution Levy		24,155		—
Retained distributions on accumulation shares		2,347,003		1,718,789
Closing net assets attributable to Shareholders		61,899,032		83,375,715

The notes on pages 117 to 124 form an integral part of these Financial Statements.

Balance Sheet

as at 30 September 2022

	Note	£	30.09.22 £	£	30.09.21 £
ASSETS					
Fixed Assets					
Investments			56,289,254		77,856,299
Current Assets					
Debtors	7	2,453,179		2,342,963	
Cash and bank balances	9	5,056,423		5,115,364	
Total current assets			7,509,602		7,458,327
Total assets			63,798,856		85,314,626
LIABILITIES					
Creditors					
Distribution payable		(417,958)		(435,470)	
Other creditors	8	(1,481,866)		(1,503,441)	
Total creditors			(1,899,824)		(1,938,911)
Total liabilities			(1,899,824)		(1,938,911)
Net assets attributable to Shareholders			61,899,032		83,375,715

The notes on pages 117 to 124 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 September 2022

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

2. Net Capital (Losses)/Gains	30.09.22	30.09.21
	£	£
Non-derivative securities	(19,976,583)	15,396,138
Currency losses	(4,748)	(182)
Transaction charges	(8,152)	(5,850)
Net capital (losses)/gains	(19,989,483)	15,390,106

3. Revenue	30.09.22	30.09.21
	£	£
UK dividends: Ordinary	2,995,457	2,126,115
Overseas dividends	659,630	471,171
Property income distributions	332,797	392,260
Bank interest	9,166	—
Total revenue	3,997,050	2,989,546

4. Expenses	30.09.22	30.09.21
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	614,170	520,542
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	45,214	37,806
Safe custody and other bank charges	4,010	3,237
	49,224	41,043
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	2,531	3,029
Listing fees	3,062	3,069
Printing costs	3,156	2,871
	8,749	8,969

Notes to the Financial Statements

continued

4. Expenses (continued)	30.09.22 £	30.09.21 £
Total Ongoing charge (OCG) rebates accrued against expenses	(28,856)	(24,993)
Total expenses	654,302	556,576

The audit fee is £12,298. This differs to £11,015 in Note 4 by £1,283. The difference represents an under accrual.

5. Taxation	30.09.22 £	30.09.21 £
(a) Analysis of charge in the year:		
Overseas tax	63,969	64,535
Total tax charge (note 5b)	63,969	64,535
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	3,342,748	2,432,970
Corporation tax at 20%	668,550	486,594
Effects of:		
UK dividends	(599,092)	(425,223)
Movement in surplus management expenses	62,468	32,863
Overseas tax expensed	63,969	64,535
Non-taxable overseas earnings	(131,926)	(94,234)
Total tax charge (note 5a)	63,969	64,535

(c) Deferred tax

At the year end there is a potential deferred tax asset of £141,669 (2021: £79,201) in relation to surplus management expenses of £708,347 (2021: £396,007). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.22 £	30.09.21 £
First interim distribution	31.12.21	773,081	511,997
Second interim distribution	31.03.22	541,246	354,354
Third interim distribution	30.06.22	1,296,488	909,603
Final distribution	30.09.22	1,187,405	1,131,373
		3,798,220	2,907,327
Revenue deducted on cancellation of shares		197,089	178,812
Revenue received on issue of shares		(162,732)	(268,388)
Distributions		3,832,577	2,817,751

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	3,278,779	2,368,435
Expenses allocated to capital	614,170	520,542
Relief on expenses allocated to capital	(60,367)	(71,245)
Undistributed revenue brought forward	7	26
Undistributed revenue carried forward	(12)	(7)
Distributions	3,832,577	2,817,751

7. Debtors

	30.09.22 £	30.09.21 £
Amounts receivable on issues	440,218	2,026,550
Sales awaiting settlement	1,682,201	–
Accrued income:		
Dividends receivable	324,803	311,965
UK income tax recoverable	2,092	1,412
Total ongoing charge rebates	2,396	2,272
Prepaid expenses:		
Legal fees	1,469	–
Listing fees	–	764
Total debtors	2,453,179	2,342,963

Notes to the Financial Statements

continued

8. Other Creditors	30.09.22	30.09.21
	£	£
Amounts payable on cancellations	451,392	128,027
Purchases awaiting settlement	966,475	1,304,247
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	41,483	50,834
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	6,906	7,230
Safe custody and other bank charges	1,300	590
	8,206	7,820
Auditors remuneration:		
Audit fee (including VAT)	11,015	11,015
Other expenses:		
Legal fees	—	498
Listing fees	2,299	—
Printing costs	996	1,000
	3,295	1,498
Total other creditors	1,481,866	1,503,441
9. Cash and Bank Balances	30.09.22	30.09.21
	£	£
Cash and bank balances	5,056,423	5,115,364
Cash and bank balances	5,056,423	5,115,364

Notes to the Financial Statements

continued

10. Related Party Transactions

Management fees paid to the ACD, Unicorn Asset Management Ltd are shown in note 4, the amounts due at the year end in respect of Management fees are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Amounts receivable from the ACD for total ongoing charge rebates accrued against expenses are disclosed in note 4 and amounts due at the year end are shown in note 7.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.22	Change in period	Held at 30.09.21
A Income Shares			
Unicorn Asset Management Ltd	12,760	611	12,149
A Accumulation Shares			
Unicorn Asset Management Ltd	10,000	—	10,000

Unicorn AIM VCT Plc, a company for which Unicorn Asset Management Ltd acts as Investment Manager held shares in issue in the Sub-fund as follows:

	Held at 30.09.22	Change in period	Held at 30.09.21
B Income Shares	4,071,747	—	4,071,747
B Accumulation Shares	—	(500,000)	500,000

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £5,628,925 (2021: £7,785,630).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2021: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.22

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	5,056,423	58,713,188	63,769,611
United States dollar	—	29,245	29,245
	5,056,423	58,742,433	63,798,856

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,899,824	1,899,824
	1,899,824	1,899,824

30.09.21

Currency	Floating rate financial assets £	Financial assets not carrying interest £	Total £
Pound sterling	5,115,364	80,162,192	85,277,556
United States dollar	—	37,070	37,070
	5,115,364	80,199,262	85,314,626

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,938,911	1,938,911
	1,938,911	1,938,911

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	42,197,852	30,221	0.07	139,466	0.33	42,028,165
Total purchases after commissions and tax	42,197,852					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	42,606,432	48,388	0.11	221	0.00	42,655,041
Corporate Actions	(1,181,877)	—	0.00	—	0.00	(1,181,877)
Total sales after commissions and tax	41,424,555					
Commission as a % of the average net assets	0.10%					
Taxes as a % of the average net assets	0.17%					

30.09.21

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	26,208,326	17,929	0.07	92,122	0.35	26,098,275
Total purchases after commissions and tax	26,208,326					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	14,376,673	16,576	0.12	153	0.00	14,393,402
Corporate Actions	27,440	—	0.00	—	0.00	27,440
Total sales after commissions and tax	14,404,113					
Commission as a % of the average net assets	0.05%					
Taxes as a % of the average net assets	0.13%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 112 to 114. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2022 is 0.62% (2021: 0.97%).

15. Events after the Balance Sheet date

The table below denotes the movement in Net Asset Value per share since the period end, calculated with reference to daily published single prices.

Share Class	30.09.22 p	25.01.23 p	% Movement
A Income*	79.96	93.30	16.68%
A Accumulation	102.16	120.32	17.78%
B Income*	81.67	95.44	16.87%
B Accumulation	106.76	126.06	18.08%

*adjusted for income distribution for comparison purposes

16. Fair Value Disclosure

Valuation technique	30.09.22		30.09.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	56,289,254	—	77,856,299	—
Level 2^^	—	—	—	—
Level 3^^^	—	—	—	—
	56,289,254	—	77,856,299	—

^ Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^ Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^ Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	48,415	79,418	29,895,867	38,430,428
Shares issued	17,049	3,802	10,177,391	21,282,197
Shares cancelled	(15,602)	(16,730)	(13,375,726)	(21,821,416)
Shares converted	—	—	(13,587)	10,721
Closing number of shares	49,862	66,490	26,683,945	37,901,930

Distribution Tables

for the year ended 30 September 2022

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2022 p	Distribution paid 2021 p
A	First interim	Group 1	0.8899	–	0.8899	0.7664
		Group 2	0.2767	0.6132	0.8899	0.7664
	Second interim	Group 1	0.6499	–	0.6499	0.5173
		Group 2	0.3741	0.2758	0.6499	0.5173
	Third interim	Group 1	1.7292	–	1.7292	1.2877
		Group 2	0.6892	1.0400	1.7292	1.2877
	Final	Group 1	1.3527	–	1.3527	1.4348
		Group 2	0.1941	1.1586	1.3527	1.4348
B	First interim	Group 1	0.9021	–	0.9021	0.7676
		Group 2	0.6784	0.2237	0.9021	0.7676
	Second interim	Group 1	0.6592	–	0.6592	0.5203
		Group 2	0.3769	0.2823	0.6592	0.5203
	Third interim	Group 1	1.5945	–	1.5945	1.2979
		Group 2	0.8662	0.7283	1.5945	1.2979
	Final	Group 1	1.5638	–	1.5638	1.4543
		Group 2	0.6147	0.9491	1.5638	1.4543

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
A	First interim	Group 1	1.0983	–	1.0983	0.9113
		Group 2	0.9280	0.1703	1.0983	0.9113
	Second interim	Group 1	0.8099	–	0.8099	0.6196
		Group 2	0.4001	0.4098	0.8099	0.6196
	Third interim	Group 1	1.9583	–	1.9583	1.5507
		Group 2	0.7000	1.2583	1.9583	1.5507
	Final	Group 1	1.9375	–	1.9375	1.7480
		Group 2	0.2856	1.6519	1.9375	1.7480
B	First interim	Group 1	1.1429	–	1.1429	0.9390
		Group 2	0.7828	0.3601	1.1429	0.9390
	Second interim	Group 1	0.8429	–	0.8429	0.6393
		Group 2	0.5596	0.2833	0.8429	0.6393
	Third interim	Group 1	2.0320	–	2.0320	1.6028
		Group 2	1.0038	1.0282	2.0320	1.6028
	Final	Group 1	2.0267	–	2.0267	1.8072
		Group 2	0.8714	1.1553	2.0267	1.8072

Distribution Tables

continued

First interim period: 01.10.21 - 31.12.21

Second interim period: 01.01.22 - 31.03.22

Third interim period: 01.04.22 - 30.06.22

Final period: 01.07.22 - 30.09.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

Authorised Status

Unicorn Investment Funds (the “Company”) is structured as an Investment Company with Variable Capital (“ICVC”), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”) as a UCITS Retail Scheme and “Umbrella Company” under the COLL Sourcebook.

The Company was incorporated in England and Wales on 21 December 2001 under registration number IC000143. The Shareholders are not liable for the debts of the Company.

The Company currently has 6 Sub-funds, which are detailed below:

- Unicorn UK Growth Fund
- Unicorn Mastertrust Fund
- Unicorn UK Smaller Companies Fund
- Unicorn UK Income Fund
- Unicorn Outstanding British Companies Fund
- Unicorn UK Ethical Income Fund

Head Office

First Floor Office, Preacher’s Court, The Charterhouse, Charterhouse Square, London EC1M 6AU.

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

Classes of Shares

The Instrument of Incorporation allows each Sub-fund to issue different classes of shares in respect of any Sub-fund.

The Sub-funds currently have the following classes of shares available for investment:

Sub-fund	Share class							
	A		B		C		Overseas	
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc
Unicorn UK Growth Fund	✓	–	✓	✓**	–	✓	✓	–
Unicorn Mastertrust Fund	✓	–	✓	–	–	–	✓	–
Unicorn UK Smaller Companies Fund	✓	–	✓	–	✓	–	✓	–
Unicorn UK Income Fund	✓	✓	✓	✓	✓*	–	✓	✓
Unicorn Outstanding British Companies Fund	–	✓	–	✓	–	–	–	✓
Unicorn UK Ethical Income Fund	✓	✓	✓	✓	–	–	–	–

*C Income Shares launched on 15 November 2021 due to an inspecie of Shareholders from the Acorn Income Fund.

**B Accumulation Shares launched on 10 December 2021.

The Company may issue both Income and Accumulation Shares.

General Information

continued

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 10:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of units, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Fund if the ACD considers it desirable to do so, with the Depositary's approval

Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Maitland Institutional Services Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Or by telephone on:
0345 026 4287

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Association website at www.fundlistings.com and on the Financial Times website at www.ft.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD. In the event that a Shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Remuneration of the Authorised Corporate Director

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD's compliance with its duty to act in the best interests of the funds it manages.

General Information

continued

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the Funds, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

30.09.22	Number of Beneficiaries	Total Remuneration Paid	Fixed Remuneration	Variable Remuneration Paid
Total remuneration paid by the ACD during the year	13	£3,434,150	£1,305,216	£2,128,934
Remuneration paid to employees of the ACD who have material impact on the risk profile of the funds	8	£2,824,219	£1,030,029	£1,794,190

The staff members included in the analysis supports all funds managed by the ACD. It is not considered feasible or useful to attempt to apportion these figures to specific funds.

ACD Value Assessment

The ACD is required to provide annual statements for the Funds, attesting that in the opinion of the ACD the services provided to the Funds and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of Shares

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

Investment Management Fees

The investment management function is delegated to an FCA authorised, professional investment management firm. The Investment Manager provides an active investment management service consistent with the Investment Policy and Objectives set out within the scheme documentation.

The fees of the Investment Manager represent the largest cost to the Funds, are clearly set out within the scheme documentation, and are consistent with the market rates for other professional investment managers for hire providing comparable services.

The investment management fees may vary by share class reflecting the size of the minimum investment into that share class, with the objective of providing economies of scale for larger investors.

Services Provided by the ACD

The ACD does not charge for the provision of any services other than for investment management.

Services Appointed by the ACD

Services appointed by the ACD are provided by professional entities for hire appointed on an arm's length basis. Delegates are appointed under competitive tender and their services are regularly reviewed and benchmarked by the ACD to ensure that they are consistent with services provided by other similar professional entities for hire. When appointing or reviewing appointees the ACD takes into account the quality of the services provided, the performance of the appointed entity over a period of time and, that the costs of the service provided take into account any economies of scale that may be available to funds of a similar size or complexity.

General Information

continued

Summary

It is the opinion of the ACD that the fees charged to the scheme property of the Funds represent value for money for investors taking into account the criteria set out by the Regulator.

Significant Information

The ACD has assessed the Russia-Ukraine war implications and although the Company has no direct exposure to Russian or Ukrainian assets the crisis has and will have a wider impact in terms of market performance.

Risk Warning

An investment in an Investment Company with Variable Capital should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

