

Unicorn UK Smaller Companies Fund

June 2022

Investment Objective

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

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

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

Investment Policy/Strategy

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

Manager

Fund Manager - Simon Moon
Assistant Fund Manager - Alex Game



Fund Commentary

The UK Smaller Companies Fund recorded a total return of -3.3% in May. This compares to an average total return of -2.6% from the IA UK Smaller Companies sector over the same period.

Notable contributors during the month were Morgan Advanced Materials, Vesuvius and IQE, each adding circa 0.3% to overall Fund performance. Morgan Advanced Materials released a Quarter One trading update in May, which highlighted that Group revenues were 10.9% higher than during the corresponding period in 2021. Vesuvius also released a trading update, which covered the first four months of 2022 and highlighted a stronger than expected sales performance. Meanwhile, IQE announced the release of a globally innovative product, which is expected to lead to further market share gains. IQE also announced a strategic partnership with Porotech, a pioneer in MicroLED and GaN-based semiconductor technology.

The largest detractor was Goodwin, which cost -0.8% in overall Fund performance terms. Goodwin's share price drifted lower during May in the absence of any trading related newsflow.

Other detractors from performance during the month included; Tortilla, Fulham Shore and Somero Enterprises, costing -0.5%, -0.5% and -0.6% respectively in overall Fund performance. Somero and Fulham Shore did not release any trading related company updates in May, while Tortilla announced the strategic acquisition of Chilango (an award-winning fast-casual restaurant chain). The decline in the value of Tortilla and Fulham Shore reflects the wider negative sentiment surrounding the restaurant sector as investors continue to worry about the mounting pressures on discretionary consumer spending.

There were no major additions or exits to the Fund during May.



Cumulative Performance

	YTD	1 Year	3 Year	5 Year	10 Year
UK Smaller Companies (B -Shares)	-14.6 %	-13.4 %	12.5 %	21.5 %	209.8 %
Rank	17/51	22/51	39/50	31/46	24/43
NSCI plus AIM (ex IC)	-13.3%	-11.7%	20.8%	19.4%	139.6%
Sector Average	-16.8 %	-14.2 %	20.7 %	30.8 %	194.0 %

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

Discrete Performance

	2021	2020	2019	2018	2017
UK Smaller Companies (B -Shares)	19.3 %	-0.8 %	32.4 %	-15.6 %	25.4 %
Rank	38/51	36/50	12/49	35/48	33/46
NSCI plus AIM (ex IC)	20.0 %	4.9 %	22.2 %	-15.8 %	21.9 %
Sector Average	22.9 %	6.5 %	25.3 %	-11.7 %	27.2 %

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

Past Performance - 10 Years



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

Unicorn UK Smaller Companies Fund

June 2022

Top 10 Holdings	
Somero Enterprises	5.4%
Goodwin	5.3%
Severfield	5.1%
Braemar Shipping Services	3.5%
The Fulham Shore	2.9%
Frontier Developments	2.8%
Alumasc	2.7%
Morgan Advanced Materials	2.7%
Mercia Asset Management	2.7%
Alpha FX	2.6%
Total	35.7%

Top 10 Sectors	
Engineering	23.6%
Building & Construction	9.5%
Financial Services	7.7%
Food Production	7.2%
Software & Computer Services	6.6%
Logistics & Transportation	5.9%
Consumer Retail	5.8%
Defence	4.7%
Cash	3.5%
Travel & Leisure	2.9%
Total	77.4%

Fund Facts	
Fund Manager	Simon Moon
Assistant Fund Manager	Alex Game
Fund Size	£39m
Launch Date	15 July 2002
Fund Sector	UK Smaller Companies
Number of Holdings	41
Pricing	10:00 Daily
ISAs/JISAs	Available
Dividend Dates	Ex-Div: 30/9 Payment: 30/11

Share Class Information			
	A - Income	B - Income	O - Income
Initial Charge	5.50%	2.50%	5.50%
On Going Charge	1.59%	0.84%	1.59%
ISIN Code	GB0031791238	GB0031785065	GB00BJTMQC36
Sedol Code	3179123	3178506	BJTMQC3
Bloomberg Code	UNUKSAI	UNUKSBI	UNUKSOI
MEX ID	U2UKSI	U2UKSB	U2AAAF
Initial Investment	£2,000	£20,000	£10,000

Risk Ratios	1yr	3yr
Volatility	12.16	20.14
Alpha	-3.06	-1.70
Beta	0.82	0.97
Sharpe	-0.02	0.03
Information Ratio	-0.03	-0.31

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

All figures within this factsheet have been calculated with reference to 31 May 2022 with exception to the on going charge figure which is based on the annual accounts for the 12 months ended 30 September 2021

- Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the full amount of their original investment
- Unicorn Asset Management do not give out investment advice, we recommend that you contact a financial advisor if you are unsure whether to invest
- Investors should also read the Prospectus and KIID document of the fund before making an investment
- Equities are subject to greater degrees of market risk than other types of investment, such as bonds or money market instruments. You should not invest unless you are prepared to accept a higher degree of risk
- Investing in smaller companies, including AIM companies, can carry greater risks than those usually associated with large capitalisation companies. Smaller companies are likely to be less established and may not have access to the financial resources available to their larger counterparts. The shares of smaller companies are relatively illiquid and under-researched.
- Taxation levels, benefits and reliefs may all vary depending on individual circumstances and are subject to change
- Opinions expressed in this factsheet are subject to change without notice.
- Unicorn Asset Management Limited are authorised and regulated by the Financial Conduct Authority.

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