

Investment Objective

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.

Investment Policy/Strategy

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 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 Fund invests may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

Managers

Fraser Mackersie

Simon Moon

Fund Commentary

The UK Income Fund recorded a total return of -3.0% in January, compared to an average total return of -0.4% from the IA UK Equity Income sector over the same period.

Global equity markets have been volatile in recent , as Central Banks have been forced to raise interest rates in an attempt to combat persistently high rates of inflation. The Fund's longstanding exclusion of Oil & Gas, Mining and Tobacco stocks has had a detrimental impact on relative performance given their strength during the month.

The largest detractor was Polar Capital, which cost 0.8% in overall Fund performance terms. Polar Capital's share price fell by 21% during the month, which was marked lower because of the Group's exposure to technology through the Polar Capital Technology Trust. The next largest detractor was FDM Group, which cost the Fund 0.5% in overall performance, as its share price declined despite a positive trading update.

The largest contributor was Sabre Insurance, which added 0.7% to overall Fund performance. The specialist motor insurer announced a contract win during the month and its share price responded well to evidence of an improving pricing environment for its products.

The position in Hostelworld was exited during the month.

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.



**ALPHA
MANAGER 2021**
Fraser Mackersie



**FE INVESTMENTS
APPROVED** ✓



FE fundinfo Crown Fund Rating



Cumulative Performance

| | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|-----------------------|--------|--------|--------|--------|---------|
| UK Income (B -Shares) | -3.0 % | 12.9 % | 22.2 % | 30.3 % | 165.1 % |
| Rank | 71/87 | 74/86 | 32/84 | 29/77 | 4/68 |
| Sector Average | -0.4 % | 18.8 % | 20.4 % | 26.0 % | 109.1 % |

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

Discrete Performance

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-----------------------|--------|---------|--------|---------|--------|
| UK Income (B -Shares) | 14.9 % | -11.8 % | 31.3 % | -15.3 % | 21.4 % |
| Rank | 71/87 | 45/85 | 4/85 | 74/83 | 4/78 |
| Sector Average | 18.4 % | -10.7 % | 20.1 % | -10.5 % | 11.3 % |

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.

| Top 10 Holdings | |
|-------------------------|--------------|
| Telecom Plus | 5.4% |
| Londonmetric Property | 4.9% |
| Phoenix Holdings | 4.9% |
| Sabre Insurance | 4.7% |
| Brewin Dolphin Holdings | 4.2% |
| Vesuvius | 3.2% |
| Polar Capital Holdings | 3.1% |
| Regional Reit Ltd | 3.0% |
| Somero Enterprises | 3.0% |
| James Halstead | 3.0% |
| Total | 39.4% |

| Fund Facts | |
|--------------------|---|
| Fund Managers | Fraser Mackersie Simon Moon |
| Fund Size | £497 m |
| Launch Date | 24 May 2004 |
| Fund Sector | UK Equity Income |
| Number of Holdings | 46 |
| Pricing | 10:00 Daily |
| ISAs/JISAs | Available |
| Dividend Dates | Ex-Div: 31/3, 30/6, 30/9, 31/12 Payment: 31/5, 31/8, 30/11, 28/2 |

| Risk Ratios | 1yr | 3yr |
|-------------------|-------|-------|
| Volatility | 7.76 | 18.78 |
| Alpha | -0.89 | 1.44 |
| Beta | 0.77 | 0.96 |
| Sharpe | 1.02 | 0.19 |
| Information Ratio | -0.83 | 0.13 |

| Top 10 Sectors | |
|------------------------------|--------------|
| Financial Services | 16.8% |
| Insurance | 12.3% |
| Property | 11.4% |
| Building & Construction | 11.1% |
| Engineering | 10.5% |
| Cash | 5.7% |
| Communications | 5.4% |
| Consumer Retail | 5.3% |
| Logistics & Transportation | 4.5% |
| Software & Computer Services | 3.6% |
| Total | 86.6% |

| Share Class Information | | | |
|-------------------------|--------------|-------------------|--------------|
| | Retail 'A' | Institutional 'B' | Overseas 'O' |
| Initial Charge | 5.50% | 2.50% | 5.50% |
| On Going Charge | 1.56% | 0.81% | 1.56% |
| Historic Yield | 3.87% | 3.86% | 3.88% |
| ISIN Code - Income | GB00B00Z1S94 | GB00B00Z1R87 | GB00BJTMQB29 |
| - Accumulation | GB00B9XQFW49 | GB00B9XQFY62 | GB00BJTMQ909 |
| Sedol Code - Income | B00Z1S9 | B00Z1R8 | BJTMQB2 |
| - Accumulation | B9XQFW4 | B9XQFY6 | BJTMQ90 |
| Bloomberg - Income | UNIINKA | UNIINKB | UNUKIOI |
| - Accumulation | UNIINAA | UNIINBA | UNUKIOA |
| MEX ID - Income | U2INA | U2INB | U2AAAG |
| - Accumulation | U2RTAC | U2RTAD | U2AAAB |
| Initial Investment | £2,500 | £100,000 | £10,000 |

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

All figures within this factsheet have been calculated with reference to 31 January 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.
- A key objective of the Fund is to provide income, therefore, some or all of the annual management charge is taken from capital rather than income. This can reduce the potential for capital growth.
- Unicorn Asset Management Limited are authorised and regulated by the Financial Conduct Authority.

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