

Unicorn UK Ethical Income Fund

June 2022

Investment Objective

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.

Investment Policy/Strategy

The Fund may also invest, at its discretion, in other transferable securities, 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 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. There is no guarantee that the target return will be achieved over a 3 year, or any other period, and investors should note that their capital is always at risk.

Manager

Fraser Mackersie
Simon Moon

Fund Commentary

The UK Ethical Income Fund recorded a total return of -2.6% in May. This compares to the average total return of +1.1% from the IA UK Equity Income sector over the same period. Sectors to which the Fund deliberately has no exposure, such as; Commodities, Oil & Gas and Tobacco, performed particularly well during May, while smaller capitalised companies underperformed the wider market.

Notable contributors during the month included; Polar Capital, Vesuvius and Phoenix, each adding circa 0.3% to overall Fund performance. Polar Capital and Phoenix both performed well, despite an absence of positive trading-related news flow, while Vesuvius released a strong trading update, announcing that sales performance during the first four months of 2022 had been better than expected.

The principal detractor was B&M, which cost -0.6% in overall Fund performance terms. B&M announced FY22 results at the end of May, which highlighted continued growth in Group revenues. Overall, B&M's sales increased by 13.0% in the financial year, however its share price fell due to the wider negative sentiment surrounding businesses that are reliant on discretionary consumer spending.

Other detractors included; Marshalls and Somero Enterprises, which cost -0.4% and -0.3% respectively in overall Fund performance terms. Marshalls released a trading statement during the month, which highlighted growth in total revenues of 7.0% and confirmed that the business continues to operate a strong balance sheet with net debt declining by -12.2% to £86m during the period reported upon. Despite this positive performance, Marshalls' share price fell in value as the market clearly remains concerned about the prospects for its Consumer division, which is deemed to be vulnerable to a further slowdown in consumer discretionary spending.

RWS Holdings and AJ Bell were added to the Fund during the month, while positions were exited in Boot (Henry) and Warpaint London.

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

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



Cumulative Performance

	YTD	1 Year	3 Year	5 Year	Since Launch
UK Ethical Income (B -Shares)	-8.0 %	-5.3 %	-1.8 %	3.3 %	25.6 %
Rank	80/84	78/83	80/81	67/77	63/73
Sector Average	0.6 %	5.7 %	18.1 %	16.3 %	42.0 %

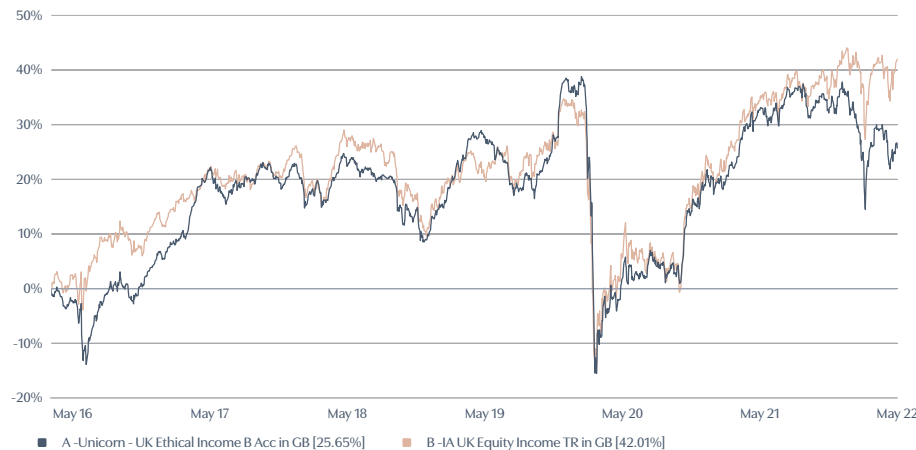
Source: Financial Express (Using bid to bid market value, total return)

Discrete Performance

	2021	2020	2019	2018	2017
UK Ethical Income (B -Shares)	15.7 %	-14.6 %	25.7 %	-9.6 %	16.8 %
Rank	60/83	62/81	17/81	33/79	11/74
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 - Since Launch



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.

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June 2022

Top 10 Holdings

Telecom Plus	6.4%
Londonmetric Property	5.8%
Phoenix Holdings	5.4%
Sabre Insurance	4.2%
Primary Health Properties	4.2%
Polar Capital Holdings	3.8%
Vesuvius	3.5%
Marshalls	3.3%
Severfield	3.1%
Wincanton	3.0%
Total	42.7%

Top 10 Sectors

Financial Services	13.0%
Insurance	12.5%
Property	12.4%
Engineering	11.6%
Building & Construction	10.7%
Cash	7.4%
Communications	6.4%
Logistics & Transportation	4.0%
Consumer Retail	3.0%
Consulting Services	2.9%
Total	83.9%

Fund Facts

Fund Managers	Fraser Mackersie Simon Moon
Fund Size	£80 m
Launch Date	31 March 2016
Fund Sector	UK Equity Income
Number of Holdings	39
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

Share Class Information

	Retail 'A'	Institutional 'B'
Initial Charge	5.50%	2.50%
On Going Charge	1.56%	0.81%
Historic Yield	4.43%	4.42%
ISIN Code - Income	GB00BDHLG082	GB00BYP2Y515
- Accumulation	GB00BDHLG207	GB00BYQCS257
Sedol Code - Income	BDHLG20	BYP2Y51
- Accumulation	BDHLG20	BYQCS25
Bloomberg - Income	UNIUEAI	UNIUEBI
- Accumulation	UNIUEAA	UNIUEBA
MEX ID - Income	U2XXA	U2XAB
- Accumulation	U2XXB	U2XAA
Initial Investment	£2,500	£100,000

Risk Ratios

	1yr	3yr
Volatility	10.44	18.69
Alpha	-8.58	-4.02
Beta	0.85	0.92
Sharpe	-0.01	-0.01
Information Ratio	-1.53	-0.57

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
Cofonds	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.
- 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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