

# Unicorn Investment Funds

Interim Report 31 March 2019

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## Directory

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London EC1M 6AU  
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(Authorised and regulated by the Financial Conduct Authority)

### **Investment Advisor**

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Peter John Walls  
Burfords  
Lower Green  
Galleywood  
Essex CM2 8QS

### **Administrator and Registrar**

Maitland Institutional Services Limited  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
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Website: [www.maitlandgroup.com](http://www.maitlandgroup.com)  
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### **Customer Service Centre**

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Email: [unicorn@maitlandgroup.co.uk](mailto:unicorn@maitlandgroup.co.uk)  
(Authorised and regulated by the Financial Conduct Authority)

### **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  
30 Finsbury Square  
London EC2A 1AG

## **Basis of Accounting**

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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 September 2018.

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

### **Certification of the Interim Report by the Authorised Corporate Director**

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Statement of Recommended Practice issued by the IA.

**Philip John**

**Chris Hutchinson**

Directors

Unicorn Asset Management Ltd.

30 May 2019

## 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 period ended 31 March 2019

For the six month period ending 31 March 2019, the Sub-fund's Institutional (B) shares produced a total return of -10.8%, which compares to the UK All Companies sector average total return of -4.4%.

The underperformance of the Sub-fund during the period can largely be attributed to equity market declines experienced during the final quarter of 2018, as investor sentiment towards growth focused stocks deteriorated sharply.

The final quarter of 2018 was an extremely challenging period for global equity markets due to increasing concerns over mounting political and economic risks, both in the UK and globally. In contrast, risk aversion towards equities largely disappeared at the start of 2019 and the first quarter of 2019 proved to be a positive period for most equity markets, reversing some of the losses from the previous three months. The Sub-fund's returns followed a similar pattern, posting total returns of -19.4% in the final quarter of 2018 and +10.1% in the first quarter of 2019.

The most significant share price declines were experienced by more highly valued 'growth' stocks. Smaller companies, including those listed on AIM, whose shares are typically more illiquid than larger companies, also suffered some of the sharpest price corrections. The Sub-fund's exposure to AIM stocks started the period at approximately 40% and cost the Sub-fund 7.2% in overall performance terms during the period under review. It is clear that the stock market sell-off during the fourth quarter of 2018 triggered a disproportionately large fall in the value of the Sub-fund's AIM-listed holdings, however the Manager believes that some of the indiscriminate share price declines reflected an element of panic selling among retail investors rather than any fundamental deterioration in the longer term prospects for our investee companies. The UK's Alternative Investment Market offers a fertile hunting ground for selective and experienced stock pickers because it contains many world-class businesses, which are frequently under-represented in terms of analyst coverage. This anomaly creates an environment in which stocks are often inefficiently priced and, as a result, presents attractive opportunities for long term and specialist Fund Managers, such as Unicorn. We would expect our exposure to this part of the market to remain a significant component of the portfolio going forward, given the significant number of growth opportunities within this market.

The strategy of the Sub-fund remains unchanged. Our disciplined investment process seeks to identify companies capable of delivering multi-year, sustainable profit growth. The portfolio is composed of a relatively small number of profitable businesses that we believe can continue to deliver consistent profit growth over sustained periods, thereby enabling us to maintain a long-term and high conviction approach to managing the Sub-fund. Our focus on profitable growth, supported by sound fundamentals by way of strong cash generation and balance sheet strength, precludes us from investing in early-stage, "blue-sky" businesses, which are typically loss making and cash consumptive. The portfolio is thus comprised of holdings in companies, which have a proven business model and where investment is targeted at profitable, cash generative growth, rather than speculative Research & Development or overly ambitious acquisitive growth.

## Investment Manager's Report

continued

The sources of growth within the portfolio are broad and varied. The digital economy remains a strong theme, with exposure gained through a variety of sectors, but most notably in our long standing and significantly overweight position in the Software & Computer Services sector. The underlying end markets within this sector are diverse and include exposure to long-term structural growth trends in areas such as big data, cyber security and cloud computing. Outside the technology arena, we also find growth opportunities in high quality operators in a variety of sectors who are either taking market share in fragmented markets or acting as disruptors in more mature markets. While we would attribute the majority of our growth exposure to structural trends, we do invest in a small number of more cyclical businesses where the end markets are positive and the investee company is clearly a market leader. This exposure is relatively limited at present, with investment in cyclical sectors or companies being used as a tool to enhance structural growth trends when economic conditions are supportive.

The fundamental attractions of the companies held in the Sub-fund remain intact. All 41 of the underlying companies are currently profitable, while 37 of these are expected to pay a dividend within the next twelve months. Strength of balance sheet and free cash flow generation are also key considerations as they provide comfort in the sustainability of the business models of our investee companies.

During the six month period under review, six positions were exited in full, while three positions were initiated, all of which have been held previously in the Sub-fund. The companies concerned are; Telecom Plus, NCC and Hostelworld. It is our belief that the investment case and growth prospects in each of these businesses have improved since their previous tenure within the Sub-fund and all were re-introduced at share prices below the previous exit price. The positions exited were Midwich, Smart Metering Systems, Shearwater, Vesuvius and Diploma.

Investments are typically made with the intention that they be held for a number of years, however, we constantly seek to add value through actively managing the portfolio; typically buying more shares in companies after sustained price weakness and crystallising profits through partial disposals following significant share price appreciation. We remain encouraged by the operational performance of most of the portfolio's investee companies, because they have generally been continuing to report earnings growth that is in-line with, or ahead of, market expectations.

There were three particularly notable detractors from performance during the period under review: accesso Technology; Warpaint and Amino Technologies. The largest decline in absolute terms came from accesso Technology, which cost 1.9% in Sub-fund performance. accesso Technology, which provides software to the leisure sector, released a disappointing trading update during the period, which included three pieces of information that were not well received by the market. Profits for the full year are expected to be lower than previous guidance; Executive Chairman, Tom Burnet has unexpectedly announced his intention to take early retirement and, the Board has begun a strategic review, which is likely to result in depressed profitability in the near term. We continue to believe that accesso's Technology remains critically important to its blue chip customer base but, we acknowledge that investor confidence has been dented by the company's most recent statement and that credibility will take time to rebuild. accesso was first introduced to the Sub-fund in 2012 and since that time has delivered a significant positive contribution to overall Sub-fund performance, even when taking into account this recent setback.

The next largest detractor was Warpaint, which cost the Sub-fund 1.5% in performance terms. Warpaint, which supplies cosmetics to high street retailers, warned that challenging trading conditions in the UK would result in full-year profits being below expectations. Warpaint has however, continued to achieve strong international growth, particularly in America and the business remains profitable and cash generative with a strong balance sheet.

Another significant negative contributor was Amino Technologies, which cost the Sub-fund 1.4% in overall performance terms. Amino, a provider of IP/cloud video solutions, warned that challenging economic conditions in emerging markets have resulted in lower than anticipated customer orders. This issue, combined with a material increase in the cost of components, led to a significant downgrade to full year profits. Despite these headwinds, cash generation remains positive and the company intends paying an increased dividend.

Despite the negative headline Sub-fund return, many of the portfolio's investee companies reported strong earnings growth and cash generation during the course of the period under review.

### Investment Manager's Report

continued

4imprint was the largest contributor to Sub-fund performance during the period, adding 0.7%. 4imprint is a promotional products company, which released final results during the period, recording double digit growth in sales, earnings per share and dividends per share. The results were particularly encouraging in that they confirmed the immediate impact of a significant investment programme designed to build brand awareness, which was undertaken throughout 2018.

Another notable contributor was Codemasters, which added 0.6% to overall Sub-fund performance in the period. Codemasters is a leading developer of video games focused on motor car racing, which released strong interim results during the period and also announced a number of strategically important partnerships, including one with a leading Chinese gaming group, Netease. In spite of the positive news flow, the shares performed badly during October, before recovering strongly between November and the end of March.

Other notable contributors included;

Micro Focus (+0.5%), Hill & Smith (+0.5%) and Alpha FX (+0.4%).

We are mindful of the risks posed to UK equity markets by the complicated political and economic scenarios that are currently evolving both domestically and internationally. At the time of writing, the terms of our exit from the European Union remain unresolved, trade talks between the US and China continue to rumble on, showing few signs of tangible progress, while global economic growth also appears to be slowing.

Despite the inevitable uncertainties, we remain positive on the outlook for the Sub-fund. The investee companies are in sound financial health and are delivering resilient and healthy rates of growth, which we believe ought to be sustainable over many years.



## Portfolio Statement

as at 31 March 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>Forestry &amp; Paper 2.00% (1.38%)</b>		
140,800	James Cropper*	1,337,600	2.00
	<b>Construction &amp; Materials 2.66% (2.19%)</b>		
970,000	Melrose Industries	1,776,070	2.66
	<b>General Industrials 6.81% (8.25%)</b>		
2,300,000	Coats	1,817,000	2.72
1,690,000	Macfarlane	1,622,400	2.43
330,000	Smith (DS)	1,107,150	1.66
		4,546,550	6.81
	<b>Industrial Engineering 4.87% (6.26%)</b>		
95,000	Hill & Smith	1,180,850	1.77
575,382	Somero Enterprises*	2,071,375	3.10
		3,252,225	4.87
	<b>Industrial Transportation 2.71% (1.85%)</b>		
728,000	BBA Aviation	1,809,808	2.71
	<b>Support Services 9.84% (16.36%)</b>		
605,000	Alpha Financial Markets Consulting*	1,452,000	2.17
60,000	Ashtead	1,111,500	1.67
480,000	Clipper Logistics	1,267,200	1.90
22,500	Ferguson	1,098,450	1.65
477,000	Restore*	1,636,110	2.45
		6,565,260	9.84
	<b>Leisure Goods 6.03% (4.63%)</b>		
855,000	Codemasters*	2,009,250	3.01
207,500	Frontier Developments*	2,016,900	3.02
		4,026,150	6.03
	<b>Personal Goods 1.57% (2.13%)</b>		
1,100,000	Warpaint London*	1,045,000	1.57
	<b>Food &amp; Drug Retailers 0.00% (0.00%)</b>		
400,000	Conviviality^	–	–
	<b>General Retailers 2.46% (1.93%)</b>		
440,000	B&M European Value Retail	1,643,840	2.46
	<b>Media 5.64% (4.72%)</b>		
110,000	4imprint	2,706,000	4.06
829,276	ITV	1,053,595	1.58
		3,759,595	5.64

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Travel &amp; Leisure 14.25% (11.35%)</b>			
678,125	Cineworld	1,984,194	2.97
750,000	City Pub*	1,590,000	2.38
740,000	Hollywood Bowl	1,554,000	2.33
500,000	Hostelworld	915,000	1.37
249,999	SSP	1,730,493	2.60
800,000	The Gym	1,736,000	2.60
		<b>9,509,687</b>	<b>14.25</b>
<b>Fixed Line Telecommunications 1.84% (0.00%)</b>			
80,584	Telecom Plus	1,224,877	1.84
<b>Banks 2.24% (1.70%)</b>			
110,000	Secure Trust Bank	1,496,000	2.24
<b>Real Estate Investment Trusts 1.80% (1.46%)</b>			
600,000	Londonmetric Property	1,198,200	1.80
<b>Financial Services 7.28% (6.01%)</b>			
470,000	Alpha FX*	3,196,000	4.79
475,000	Integrafin	1,661,313	2.49
		<b>4,857,313</b>	<b>7.28</b>
<b>Software &amp; Computer Services 19.27% (18.59%)</b>			
100,000	Accesso Technology*	840,000	1.26
1,456,630	dotDigital*	1,354,666	2.03
3,577,157	Eckoh*	1,323,548	1.98
190,750	FDM	1,709,120	2.56
73,000	First Derivatives*	1,963,700	2.94
330,000	GB*	1,613,700	2.42
600,000	Iomart*	2,079,000	3.12
41,000	Micro Focus International	818,360	1.23
825,000	NCC	1,155,000	1.73
		<b>12,857,094</b>	<b>19.27</b>
<b>Technology Hardware &amp; Equipment 1.18% (2.36%)</b>			
947,591	Amino Technologies*	786,501	1.18
<b>Investment assets</b>		<b>61,691,770</b>	<b>92.45</b>
<b>Net other assets</b>		<b>5,038,530</b>	<b>7.55</b>
<b>Net assets</b>		<b>66,730,300</b>	<b>100.00</b>

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 30.09.18.

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

^This is a delisted security and has been valued at the Manager's best assessment of its fair value.

\*Quoted on the AIM.

Total purchases for the period: £13,915,215

Total sales for the period: £10,687,422

**Comparative Tables**
**Change in net assets per share**

	A Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	635.42	574.17	441.78	405.18
Return before operating charges <sup>^</sup>	-61.52	75.06	145.35	47.35
Operating charges	-8.93	-10.03	-8.62	-7.18
Return after operating charges <sup>^</sup>	-70.45	65.03	136.73	40.17
Distributions	0.00	-3.78	-4.34	-3.57
<b>Closing net asset value per share</b>	<b>564.97</b>	<b>635.42</b>	<b>574.17</b>	<b>441.78</b>
<sup>^</sup> After direct transaction costs of	-0.55	-2.59	-2.26	-1.28
<b>Performance</b>				
Return after charges	-11.09%	11.33%	30.95%	9.91%
<b>Other information</b>				
Closing net asset value	£4,239,817	£5,291,163	£4,392,290	£3,694,327
Closing number of shares	750,445	832,702	764,974	836,236
Operating charges	1.62%	1.62%	1.68%	1.74%
Ongoing operating charges*	1.62%	1.62%	1.64%	1.74%
Direct transaction costs	0.10%	0.42%	0.44%	0.31%
<b>Prices</b>				
Highest share price	641.94	652.77	586.27	448.77
Lowest share price	509.14	571.76	426.72	371.04

	B Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	636.54	575.19	443.25	405.93
Return before operating charges <sup>^</sup>	-63.74	75.21	144.94	48.11
Operating charges	-4.81	-5.43	-4.80	-4.11
Return after operating charges <sup>^</sup>	-68.55	69.78	140.14	44.00
Distributions	0.00	-8.43	-8.20	-6.68
<b>Closing net asset value per share</b>	<b>567.99</b>	<b>636.54</b>	<b>575.19</b>	<b>443.25</b>
<sup>^</sup> After direct transaction costs of	-0.55	-2.61	-2.27	-1.28
<b>Performance</b>				
Return after charges	-10.77%	12.13%	31.62%	10.84%
<b>Other information</b>				
Closing net asset value	£62,399,651	£67,744,194	£29,000,737	£14,179,020
Closing number of shares	10,986,016	10,642,541	5,041,920	3,198,847
Operating charges	0.87%	0.87%	0.93%	0.99%
Ongoing operating charges*	0.87%	0.87%	0.89%	0.99%
Direct transaction costs	0.10%	0.42%	0.44%	0.31%
<b>Prices</b>				
Highest share price	643.05	657.14	590.93	452.66
Lowest share price	511.04	574.94	427.84	374.06

## Comparative Tables

continued

### Change in net assets per share

	Overseas Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	147.53	133.37	102.84	94.22
Return before operating charges <sup>^</sup>	-14.29	17.43	33.64	11.14
Operating charges	-2.07	-2.33	-2.00	-1.67
Return after operating charges <sup>^</sup>	-16.36	15.10	31.64	9.47
Distributions	0.00	-0.94	-1.11	0.85
<b>Closing net asset value per share</b>	<b>131.17</b>	<b>147.53</b>	<b>133.37</b>	<b>102.84</b>
<sup>^</sup> After direct transaction costs of	-0.13	-0.60	-0.52	-0.30
<b>Performance</b>				
Return after charges	-11.09%	11.32%	30.77%	10.05%
<b>Other information</b>				
Closing net asset value	£90,832	£96,237	£58,714	£45,760
Closing number of shares	69,248	65,233	44,024	44,497
Operating charges	1.62%	1.62%	1.68%	1.74%
Ongoing operating charges*	1.62%	1.62%	1.64%	1.74%
Direct transaction costs	0.10%	0.42%	0.44%	0.31%
<b>Prices</b>				
Highest share price	149.04	151.62	136.28	104.36
Lowest share price	118.21	132.82	99.19	86.29

\*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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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.

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 period.

## Comparative Tables

continued

### 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 average rises and falls in value in the past. During the year under review the category changed from 4 to 5, this is due to the price volatility of the Sub-fund. 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 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital losses		(8,212,281)		(1,315,940)
Revenue	404,875		401,404	
Expenses	(301,154)		(214,773)	
Interest payable and similar charges	–		–	
Net revenue before taxation	103,721		186,631	
Taxation	(1,683)		(8,846)	
Net revenue after taxation		102,038		177,785
<b>Total return before distributions</b>		<b>(8,110,243)</b>		<b>(1,138,155)</b>
Distributions		(4,275)		29,399
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(8,114,518)</b>		<b>(1,108,756)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>73,131,594</b>		<b>33,451,741</b>
Amounts receivable on issue of shares	16,212,126		27,930,334	
Less: Amounts payable on cancellation of shares	(14,498,902)		(8,910,038)	
		1,713,224		19,020,296
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(8,114,518)		(1,108,756)
Unclaimed distributions		–		37
<b>Closing net assets attributable to Shareholders</b>		<b>66,730,300</b>		<b>51,363,318</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

## Unicorn Investment Funds - UK Growth Fund

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### Balance Sheet

as at 31 March 2019

	31.03.19		30.09.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		61,691,770		66,671,007
<b>Current Assets</b>				
Debtors	1,933,613		755,542	
Cash and bank balances	4,336,020		7,693,517	
<b>Total current assets</b>		<b>6,269,633</b>		<b>8,449,059</b>
<b>Total assets</b>		<b>67,961,403</b>		<b>75,120,066</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Distribution payable	–		(929,742)	
Other creditors	(1,231,103)		(1,058,730)	
<b>Total creditors</b>		<b>(1,231,103)</b>		<b>(1,988,472)</b>
<b>Total liabilities</b>		<b>(1,231,103)</b>		<b>(1,988,472)</b>
<b>Net assets attributable to Shareholders</b>		<b>66,730,300</b>		<b>73,131,594</b>

### 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 period ended 31 March 2019

For the six month period ending 31 March 2019, Unicorn Mastertrust's Institutional (B) shares produced a return of -2.7%. Over the same period, the overall UK equity market fell by 1.9% and the average return achieved by Investment Companies was -0.8% (source: Financial Express Bid to Bid, Total Returns). The Sub-fund was invested in 58 companies at the period end.

The period under review was characterised by particularly weak equity markets in the final three months of 2018, followed by an impressive recovery in the first quarter of 2019. Within this period of relatively high volatility there were inevitably a number of significant share price moves within the portfolio. The largest negative contributions to performance were attributable to Riverstone Energy (-26.4%), JPMorgan European Smaller Companies (-12.7%), Acorn Income Fund (-13.8%) and Gabelli Value+ (-8.6%) while the greatest positives came from Genesis Emerging Markets (+8.2%), Caledonia investments (+6.2%), JPMorgan Emerging Markets (+7.1%), Aberdeen New Dawn (+6.4%) and Invesco Asia Trust (+6.1%). The portfolio's cash weighting was progressively reduced during the period with additions made to a range of existing holdings. In the light of the further Brexit-inspired derating of many UK equities, particular emphasis was placed on adding to positions in UK invested trusts such as; Aberforth Smaller Companies, Keystone, Baillie Gifford UK Growth, Edinburgh Investment Trust and Henderson Smaller Companies. Corporate actions featured tender offers by Edinburgh Dragon and Atlantis Japan Growth.

One of the great advantages of the Investment Trust structure is the ability to invest in less liquid assets and the sector contains many examples of how this flexibility has historically led to superior long-term returns. In addition to the increased holdings referred to above, Mastertrust participated in two new investment company launches or IPOs, which both played to the strengths of the structure; Smithson Investment Trust and AVI Japan Opportunity Trust. The former IPO transpired to be the largest ever investment company new issue. Such was the enthusiasm for this "smaller companies" version of the successful Fundsmith Equity strategy that the new shares traded at a healthy premium to net asset value following the listing and the decision was taken to sell the position. The managers of AVI Japan Opportunity Trust believe that there are extraordinary under-valuations in a range of over-capitalised Japanese small companies, which are expected to generate consistent earnings growth and cash generation from their core businesses, but have inefficient balance sheets featuring cash and cross-shareholdings. AVI's managers believe that corporate governance reform, combined with shareholder activism, will unlock this long-trapped value in the coming years.

Two new positions were established in existing investment companies at discount levels that we believe will prove to be attractive in the fullness of time. The first, Oakley Capital Investments, invests in private equity assets with particular emphasis on digital consumer businesses, TMT and education. The shares were acquired at an estimated discount of c.30%. The second, Woodford Patient Capital, has not been without its critics and its performance since launch in 2015 could kindly be described as disappointing. Mastertrust's purchase followed the transfer of unquoted investments from the manager's open-ended LF Woodford Equity Income Fund to Woodford Patient Capital, a move that created a great deal of comment and controversy. This did little to improve sentiment and facilitated the purchase of shares at an estimated discount of more than 19%. Given the early-stage nature of many of the underlying investments within the trust's portfolio there may be more negative surprises to come, but there has also been plenty of encouraging news flow and we remind ourselves of the old venture investing adage that the lemons ripen before the plums.



### **Investment Manager's Report**

continued

Greater interest in investment companies has been stimulated by developments such as pension freedoms and the retail distribution review in recent years and we are encouraged to see further growth in the sector through both primary and secondary issuance, together with a more pragmatic approach towards discount and premium management. We continue to believe that a portfolio of carefully selected investment companies offers the prospect of delivering attractive long-term returns.

## Portfolio Statement

as at 31 March 2019

Holding	Security	Market value £	% of total net assets 2019
<b>Equity Investment Instruments 92.46% (80.60%)</b>			
400,000	Aberdeen Latin American Income	265,600	0.29
750,000	Aberdeen New Dawn Investment Trust	1,785,000	1.96
184,500	Aberforth Smaller Companies Trust	2,309,940	2.54
563,700	Acorn Income Fund^^	2,001,135	2.20
271,344	Apax Global Alpha	388,022	0.43
643,000	Artemis Alpha Trust	1,813,260	1.99
867,500	Atlantis Japan Growth	1,804,400	1.98
1,500,000	AVI Japan Opportunity Trust	1,534,500	1.69
105,000	Baillie Gifford Japan Trust	790,650	0.87
1,135,000	Baillie Gifford UK Growth	2,008,950	2.21
170,531	Better Capital	81,855	0.09
117,939	BH Global	1,757,291	1.93
246,280	Biotech Growth Trust	1,778,142	1.95
307,000	BlackRock Throgmorton Trust	1,553,420	1.71
590,400	BlackRock World Mining Trust	2,160,864	2.38
279,100	British Empire Trust	2,017,893	2.22
75,925	Caledonia Investments	2,258,769	2.48
81,500	Candover Investments	2,038	0.00
535,000	CQS Natural Resources Growth & Income	477,220	0.52
149,934	Edinburgh Dragon Trust	575,747	0.63
350,000	Edinburgh Investment Trust	2,250,500	2.47
157,791	Fidelity Asian Values	678,501	0.75
748,800	Fidelity European Values	1,654,848	1.82
570,000	Fidelity Special Values	1,453,500	1.60
282,000	Foreign & Colonial Investment Trust	1,948,620	2.14
1,535,000	Gabelli Value Plus	1,872,700	2.06
277,626	Genesis Emerging Markets	1,962,816	2.16
200,528	Gresham House Strategic*	1,925,069	2.12
185,200	Hansa Trust	1,768,660	1.94
156,500	HarbourVest Global Private Equity	2,228,560	2.45
251,168	Henderson Smaller Companies	2,099,764	2.31
161,600	Herald Investment Trust	1,963,440	2.16
212,700	ICG Enterprise Trust	1,769,664	1.95
160,000	Independent Investment Trust	857,600	0.94
682,100	Invesco Asia Trust	1,923,522	2.11
173,500	JPMorgan Emerging Markets Trust	1,585,790	1.74
553,845	JPMorgan European Smaller Companies Trust	1,927,381	2.12
120,199	Keystone Investment Trust	1,881,114	2.07
367,300	Law Debenture	2,218,492	2.44
63,439	LMS Capital	29,436	0.03
500,000	Marwyn Value Investors	570,000	0.63
180,000	Monks Investment Trust	1,504,800	1.65
525,000	Montanaro UK Smaller Companies Investment Trust	556,500	0.61
86,591	New Star Investment Trust	88,323	0.10
71,500	North Atlantic Smaller Companies Investment Trust	2,087,800	2.30
1,000,000	Oakley Capital Investments*	1,980,000	2.18

**Portfolio Statement**

continued

<b> Holding</b>	<b> Security</b>	<b> Market value £</b>	<b> % of total  net assets  2019</b>
<b>Equity Investment Instruments (continued)</b>			
91,000	Pantheon International Participations	1,920,100	2.11
1,410,000	Polar Capital Global Financials Trust	1,776,600	1.95
46,011	RENN Universal Growth Investment Trust <sup>^</sup>	–	–
25,000	RIT Capital Partners	522,500	0.57
141,940	Riverstone Energy	1,327,139	1.46
320,000	Schroder Asian Total Return Investment Trust	1,152,000	1.27
300,000	Seneca Global Income & Growth Trust	519,000	0.57
450,000	Standard Life Private Equity Trust	1,588,500	1.75
774,434	Strategic Equity Capital	1,603,078	1.76
367,300	The Alliance Trust	2,740,058	3.01
514,100	TR Property Investment Trust	2,017,843	2.22
1,000,000	Woodford Patient Capital Trust	792,000	0.87
		<b>84,110,914</b>	<b>92.46</b>
<b>Investment assets</b>		<b>84,110,914</b>	<b>92.46</b>
<b>Net other assets</b>		<b>6,857,397</b>	<b>7.54</b>
<b>Net assets</b>		<b>90,968,311</b>	<b>100.00</b>

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 30.09.18.

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

<sup>^</sup>This is a delisted security and has been valued at the Manager's best assessment of its fair value.

<sup>^^</sup>Represents investment into a related party of the Manager.

\*Quoted on the AIM.

Total purchases for the period: £19,889,631

Total sales for the period: £2,316,861

**Comparative Tables**
**Change in net assets per share**

	<b>A Income</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	521.27	489.93	411.83	346.36
Return before operating charges <sup>^</sup>	-7.84	39.51	86.64	72.70
Operating charges	-7.91	-8.17	-7.35	-6.03
Return after operating charges <sup>^</sup>	-15.75	31.34	79.29	66.67
Distributions	0.00	0.00	-1.19	-1.20
<b>Closing net asset value per share</b>	<b>505.52</b>	<b>521.27</b>	<b>489.93</b>	<b>411.83</b>
<sup>^</sup> After direct transaction costs of	-0.50	-0.87	-0.50	-0.59
<b>Performance</b>				
Return after charges	-3.02%	6.40%	19.25%	19.25%
<b>Other information</b>				
Closing net asset value	£4,368,665	£5,220,199	£4,776,681	£3,340,490
Closing number of shares	864,198	1,001,434	974,971	811,137
Operating charges	1.59%	1.59%	1.60%	1.63%
Ongoing operating charges	1.59%	1.57%	1.60%	1.63%
Direct transaction costs	0.10%	0.17%	0.11%	0.16%
<b>Prices</b>				
Highest share price	524.13	529.67	496.39	415.48
Lowest share price	473.24	492.28	411.97	337.26

	<b>B Income</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	467.15	438.57	368.65	310.04
Return before operating charges <sup>^</sup>	-8.72	35.38	77.56	65.10
Operating charges	-3.75	-3.88	-3.51	-2.93
Return after operating charges <sup>^</sup>	-12.47	31.50	74.05	62.17
Distributions	0.00	-2.92	-4.13	-3.56
<b>Closing net asset value per share</b>	<b>454.68</b>	<b>467.15</b>	<b>438.57</b>	<b>368.65</b>
<sup>^</sup> After direct transaction costs of	-0.45	-0.79	-0.45	-0.53
<b>Performance</b>				
Return after charges	-2.67%	7.18%	20.09%	20.05%
<b>Other information</b>				
Closing net asset value	£86,358,731	£80,217,883	£50,090,128	£32,594,940
Closing number of shares	18,993,197	17,171,884	11,421,364	8,841,787
Operating charges	0.84%	0.84%	0.85%	0.88%
Ongoing operating charges	0.84%	0.82%	0.85%	0.88%
Direct transaction costs	0.10%	0.17%	0.11%	0.16%
<b>Prices</b>				
Highest share price	469.69	477.07	447.17	374.39
Lowest share price	424.94	440.97	369.07	302.79

## Comparative Tables

continued

### Change in net assets per share

	Overseas Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	153.22	143.99	121.03	101.80
Return before operating charges <sup>^</sup>	-2.30	11.63	25.48	21.36
Operating charges	-2.33	-2.40	-2.16	-1.77
Return after operating charges <sup>^</sup>	-4.63	9.23	23.32	19.59
Distributions	0.00	0.00	-0.36	-0.36
<b>Closing net asset value per share</b>	<b>148.59</b>	<b>153.22</b>	<b>143.99</b>	<b>121.03</b>
<sup>^</sup> After direct transaction costs of	-0.15	-0.26	-0.15	-0.17
<b>Performance</b>				
Return after charges	-3.02%	6.41%	19.27%	19.24%
<b>Other information</b>				
Closing net asset value	£240,915	£325,221	£105,472	£46,357
Closing number of shares	162,138	212,258	73,247	38,301
Operating charges	1.59%	1.59%	1.60%	1.63%
Ongoing operating charges*	1.59%	1.57%	1.60%	1.63%
Direct transaction costs	0.10%	0.17%	0.11%	0.16%
<b>Prices</b>				
Highest share price	154.06	155.69	145.90	122.11
Lowest share price	139.10	144.71	121.08	99.13

\*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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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.

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 period.

## Comparative Tables

continued

### 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 4 because funds of this type have experienced average 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital (losses)/gains		(2,586,495)		48,325
Revenue	816,072		493,041	
Expenses	(378,670)		(287,117)	
Interest payable and similar charges	–		–	
Net revenue before taxation	437,402		205,924	
Taxation	–		–	
Net revenue after taxation		437,402		205,924
<b>Total return before distributions</b>		<b>(2,149,093)</b>		<b>254,249</b>
Distributions		10,034		15,876
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(2,139,059)</b>		<b>270,125</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>85,763,303</b>		<b>54,972,281</b>
Amounts receivable on issue of shares	16,114,406		20,141,556	
Less: Amounts payable on cancellation of shares	(8,770,339)		(5,883,068)	
		7,344,067		14,258,488
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(2,139,059)		270,125
<b>Closing net assets attributable to Shareholders</b>		<b>90,968,311</b>		<b>69,500,894</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

## Unicorn Investment Funds - Mastertrust Fund

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### Balance Sheet

as at 31 March 2019

	£	31.03.19	£	£	30.09.18	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments		84,110,914			69,123,559	
<b>Current Assets</b>						
Debtors	507,969			536,461		
Cash and bank balances	9,531,830			16,892,715		
<b>Total current assets</b>		<b>10,039,799</b>			<b>17,429,176</b>	
<b>Total assets</b>		<b>94,150,713</b>			<b>86,552,735</b>	
<b>LIABILITIES</b>						
Investment liabilities			–			–
<b>Creditors</b>						
Distribution payable		–		(501,419)		
Other creditors	(3,182,402)			(288,013)		
<b>Total creditors</b>			<b>(3,182,402)</b>		<b>(789,432)</b>	
<b>Total liabilities</b>			<b>(3,182,402)</b>		<b>(789,432)</b>	
<b>Net assets attributable to Shareholders</b>		<b>90,968,311</b>			<b>85,763,303</b>	



## Investment Objective and Policy

The Unicorn UK Smaller Companies Sub-fund aims to achieve long term capital growth by investing primarily in UK companies included within the UK 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.

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 period ended 31 March 2019

For the six month period ended 31 March 2019, the Unicorn UK Smaller Companies Fund's Institutional (B) shares delivered a total return of -2.7%. This performance compares with a total return from the benchmark Numis Smaller Companies Index (Ex IT) plus AIM, of -8.6% over the same period.

As at 31 March 2019, the Sub-fund held investments in 43 companies.

Although the Sub-fund delivered a modestly negative total return, it nonetheless significantly outperformed its benchmark in a period defined by significant volatility for UK equities. The final three months of 2018 was particularly challenging, witnessing a rapid deterioration of investor sentiment and a significantly reduced appetite for risk. In contrast, the first three months of 2019, saw a sharp recovery in the value of the main UK equity market.

The Sub-fund's focus on investing in companies that trade at a meaningful discount relative to their long-term historical valuations has been the key reason for the outperformance achieved in the period. Many of the companies listed on the benchmark index can be described as being 'momentum' stocks, which have been sought after by investors for their perceived ability to deliver superior rates of growth during a long period in which genuine, sustained growth has been difficult to find. Accordingly, these momentum stocks suffered most when sentiment turned negative in the final three months of 2018, while most of the companies held in the Sub-fund proved to be relatively resilient due their lower average valuations.

The ongoing uncertainty surrounding the UK's exit from Europe continues to weigh on UK equity markets, as global investors have reduced allocation to funds investing in British companies. Over time, this has resulted in a relative derating of UK equities. In addition, within the UK equity market, smaller quoted companies currently sit at a meaningful discount to larger quoted companies. When taking these two factors into account it would be logical to conclude that UK small-cap stocks currently look attractively valued.

Since its launch in 2002, the Sub-fund has exclusively focused on investing in smaller quoted companies. At the period end, the portfolio of investee companies had an average market capitalisation of approximately £500 million. The Sub-fund also continues to be managed along high conviction lines, with the portfolio being composed of 43 holdings at the period end.

Increased volatility in equity markets resulted in higher than normal levels of portfolio activity, as the Manager repositioned the portfolio to take advantage of the perceived mis-pricing of certain stocks. In the six month period under review, eight holdings were initiated, one holding was exited through M&A activity, and three other holdings were disposed of in full.

### Investment Manager's Report

continued

The largest contributors to performance were as follows:-

**Marshalls** (+88bps), a supplier of block paving to the residential and commercial market, continued to perform well, posting strong full year results and announcing a further special dividend for the fourth consecutive year.

**4imprint** (+75bps), a promotional products company, released final results during the period, which highlighted the success of the company's strategy in building awareness of its brand in its primary market, the US, which led to significant growth in both revenues and profits.

**Dairy Crest** (+70bps), the UK's leading manufacturer of cheese and other dairy based products, announced in March that it had received a bid approach from Saputo, a Canadian dairy business. The offer for Dairy Crest was at a significant premium to the average price in the run-up to the announcement.

**Warpaint** (-122bps), a supplier of cosmetic products to the retail market, was the largest detractor from performance in the period, as it warned investors that challenging trading conditions in the UK would result in full-year profits being below expectations. Warpaint has however, continued to achieve strong international growth, particularly in America and the business remains profitable and cash generative.

**First Derivatives** (-84bps), a specialist in real-time database interrogation, saw its share price decline sharply in the final three months of 2018 in line with general equity market weakness. In November 2018, First Derivatives released interim results that met forecasts for earnings growth expectations and, as a result, the company's share price has begun to recover.

**Frontier Developments** (-83bps) is a developer of video games whose share price has declined by over 50% since reaching a high point in June 2018. Frontier Developments has been a highly valued stock since its listing on AIM in July 2013, due to its superior growth and exposure to the rapidly expanding video-gaming sector. Despite the recent correction in its share price, Frontier Development's market value has increased almost tenfold in the near six year period since flotation.

Although a 'no deal' Brexit remains a risk, the UK economy continues to grow modestly, despite many gloomy predictions. In addition, UK equity valuations continue to look attractive from both a domestic and international perspective. As a consequence, the Manager is confident in the longer term prospects for the Sub-fund, while also being mindful that until a Brexit resolution is achieved the UK remains vulnerable to further periods of increased market volatility.

The Sub-fund invests in companies that operate in niche growth markets. Such businesses are typically able to develop a lasting competitive advantage through the provision of specialised products or services. As a consequence, these businesses tend to be sustainably profitable and are capable of generating significant free cash flows, which, in turn, support the payment of regular dividends to shareholders. By focusing on companies that display these characteristics, the Fund Manager remains confident that the Sub-fund can continue to deliver long-term outperformance.

## Portfolio Statement

as at 31 March 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>Oil &amp; Equipment, Services &amp; Distribution 1.57% (2.24%)</b>		
750,000	Tekmar*	787,500	1.57
	<b>Chemicals 0.00% (2.40%)</b>		
	<b>Forestry &amp; Paper 1.54% (1.24%)</b>		
81,200	James Cropper*	771,400	1.54
	<b>Construction &amp; Materials 4.97% (6.66%)</b>		
700,000	Alumasc	721,000	1.43
170,000	Marshalls	1,050,600	2.09
300,000	Tyman	726,000	1.45
		2,497,600	4.97
	<b>Aerospace &amp; Defence 3.53% (3.75%)</b>		
136,456	Avon Rubber	1,773,928	3.53
	<b>General Industrials 4.82% (6.71%)</b>		
2,100,000	Coats	1,659,000	3.30
128,882	Vesuvius	763,626	1.52
		2,422,626	4.82
	<b>Electronic &amp; Electrical Equipment 1.96% (2.57%)</b>		
250,000	discoverIE	985,000	1.96
	<b>Industrial Engineering 22.48% (20.68%)</b>		
145,000	Bodycote	1,188,275	2.37
320,930	Castings	1,100,790	2.19
80,000	Goodwin	2,160,000	4.30
90,000	Hill & Smith	1,118,700	2.23
200,000	Porvair	1,052,000	2.09
2,000,000	Severfield	1,372,000	2.73
600,382	Somero Enterprises*	2,161,375	4.30
600,000	Trifast	1,140,000	2.27
		11,293,140	22.48
	<b>Industrial Transportation 6.63% (7.10%)</b>		
437,500	Braemar Shipping Services	700,000	1.40
160,715	Ocean Wilsons	1,800,008	3.58
350,000	Wincanton	827,750	1.65
		3,327,758	6.63
	<b>Support Services 4.26% (4.62%)</b>		
450,000	Clipper Logistics	1,188,000	2.36
150,000	Ricardo	954,000	1.90
		2,142,000	4.26

**Portfolio Statement**

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2019</b>
	<b>Automobiles &amp; Parts 0.55% (0.61%)</b>		
950,000	Autins*	275,500	0.55
	<b>Food Producers 2.70% (2.09%)</b>		
218,067	Dairy Crest	1,354,196	2.70
	<b>Leisure Goods 7.22% (6.58%)</b>		
715,000	Codemasters*	1,680,250	3.35
200,000	Frontier Developments*	1,944,000	3.87
		3,624,250	7.22
	<b>Personal Goods 1.51% (2.14%)</b>		
800,000	Warpaint London*	760,000	1.51
	<b>Food &amp; Drug Retailers 0.00% (0.00%)</b>		
600,000	Conviviality^	–	–
	<b>General Retailers 3.44% (2.64%)</b>		
325,000	Card Factory	585,975	1.17
1,500,000	Topps Tiles	1,140,000	2.27
		1,725,975	3.44
	<b>Media 5.03% (5.37%)</b>		
102,750	4imprint	2,527,650	5.03
	<b>Travel &amp; Leisure 7.20% (5.35%)</b>		
400,000	City Pub*	848,000	1.69
500,000	Domino's Pizza	1,210,000	2.41
436,500	Hostelworld	798,795	1.59
350,000	The Gym	759,500	1.51
		3,616,295	7.20
	<b>Banks 3.25% (2.60%)</b>		
120,000	Secure Trust Bank	1,632,000	3.25
	<b>Financial Services 7.85% (4.08%)</b>		
300,000	Alpha FX*	2,040,000	4.06
58,091	Arbuthnot Banking*	760,992	1.52
225,000	Numis*	562,500	1.12
113,200	Polar Capital*	579,584	1.15
		3,943,076	7.85

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	<b>Software &amp; Computer Services 4.78% (2.65%)</b>		
85,000	FDM	761,600	1.52
35,000	First Derivatives*	941,500	1.87
500,000	NCC	700,000	1.39
		<b>2,403,100</b>	<b>4.78</b>
	<b>Investment assets</b>	<b>47,862,994</b>	<b>95.29</b>
	<b>Net other assets</b>	<b>2,365,786</b>	<b>4.71</b>
	<b>Net assets</b>	<b>50,228,780</b>	<b>100.00</b>

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 30.09.18.

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

^This is a delisted security and has been valued at the Manager's best assessment of its fair value.

\*Quoted on the AIM.

Total purchases for the period: £11,148,009

Total sales for the period: £11,756,673

## Comparative Tables

### Change in net assets per share

	A Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	550.83	549.84	443.63	434.02
Return before operating charges <sup>^</sup>	-8.24	17.24	120.85	22.02
Operating charges	-8.27	-9.16	-8.12	-6.89
Return after operating charges <sup>^</sup>	-16.51	8.08	112.73	15.13
Distributions	0.00	7.09	-6.52	-5.52
<b>Closing net asset value per share</b>	<b>534.32</b>	<b>550.83</b>	<b>549.84</b>	<b>443.63</b>
<sup>^</sup> After direct transaction costs of	-0.57	-1.15	-1.72	-1.20
<b>Performance</b>				
Return after charges	-3.00%	1.47%	25.41%	3.49%
<b>Other information</b>				
Closing net asset value	£5,393,238	£4,788,970	£5,381,587	£5,994,469
Closing number of shares	1,009,369	869,410	978,758	1,351,219
Operating charges	1.61%	1.59%	1.61%	1.61%
Direct transaction costs	0.11%	0.20%	0.34%	0.28%
<b>Prices</b>				
Highest share price	559.73	607.62	567.07	455.88
Lowest share price	477.70	554.46	420.34	383.63

	B Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	537.67	536.70	433.03	423.67
Return before operating charges <sup>^</sup>	-9.95	16.84	117.96	21.54
Operating charges	-4.32	-4.74	-4.24	-3.60
Return after operating charges <sup>^</sup>	-14.27	12.10	113.72	17.94
Distributions	0.00	-11.13	-10.05	-8.58
<b>Closing net asset value per share</b>	<b>523.40</b>	<b>537.67</b>	<b>536.70</b>	<b>433.03</b>
<sup>^</sup> After direct transaction costs of	-0.55	-1.13	-1.68	-1.18
<b>Performance</b>				
Return after charges	-2.65%	2.25%	26.26%	4.23%
<b>Other information</b>				
Closing net asset value	£44,795,324	£49,830,008	£46,600,233	£39,660,373
Closing number of shares	8,558,470	9,267,733	8,682,715	9,158,712
Operating charges	0.86%	0.84%	0.86%	0.86%
Direct transaction costs	0.11%	0.20%	0.34%	0.28%
<b>Prices</b>				
Highest share price	546.38	595.80	556.95	448.16
Lowest share price	467.19	541.87	410.64	376.85

## Comparative Tables

continued

### Change in net assets per share

	Overseas Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	130.92	130.69	105.45	103.28
Return before operating charges <sup>^</sup>	-1.97	4.09	28.73	5.24
Operating charges	-1.97	-2.18	-1.93	-1.64
Return after operating charges <sup>^</sup>	-3.94	1.91	26.80	3.60
Distributions	0.00	-1.68	-1.56	-1.43
<b>Closing net asset value per share</b>	<b>126.98</b>	<b>130.92</b>	<b>130.69</b>	<b>105.45</b>
<sup>^</sup> After direct transaction costs of	-0.13	-0.27	-0.41	-0.29
<b>Performance</b>				
Return after charges	-3.01%	1.46%	25.41%	3.48%
<b>Other information</b>				
Closing net asset value	£40,218	£77,799	£147,537	£47,909
Closing number of shares	31,672	59,425	112,895	45,432
Operating charges	1.61%	1.59%	1.61%	1.61%
Direct transaction costs	0.11%	0.20%	0.34%	0.28%
<b>Prices</b>				
Highest share price	133.04	144.42	134.79	108.48
Lowest share price	113.54	131.78	99.90	91.30

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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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.

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 period.

## Comparative Tables

continued

### 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 4 because funds of this type have experienced average 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital losses		(1,894,831)		(237,265)
Revenue	421,583		701,294	
Expenses	(228,847)		(261,982)	
Interest payable and similar charges	–		–	
Net revenue before taxation	192,736		439,312	
Taxation	(113)		(13,986)	
Net revenue after taxation		192,623		425,326
<b>Total return before distributions</b>		<b>(1,702,208)</b>		<b>188,061</b>
Distributions		(11,198)		5,501
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(1,713,406)</b>		<b>193,562</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>54,696,777</b>		<b>52,129,357</b>
Amounts receivable on issue of shares	5,968,805		10,035,523	
Less: Amounts payable on cancellation of shares	(8,723,396)		(7,480,788)	
		(2,754,591)		2,554,735
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(1,713,406)		193,562
<b>Closing net assets attributable to Shareholders</b>		<b>50,228,780</b>		<b>54,877,654</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

**Balance Sheet**

as at 31 March 2019

	31.03.19		30.09.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		47,862,994		50,363,235
<b>Current Assets</b>				
Debtors	803,043		391,751	
Cash and bank balances	1,702,371		5,477,391	
<b>Total current assets</b>		<b>2,505,414</b>		<b>5,869,142</b>
<b>Total assets</b>		<b>50,368,408</b>		<b>56,232,377</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Distribution payable	–		(1,094,222)	
Other creditors	(139,628)		(441,378)	
<b>Total creditors</b>		<b>(139,628)</b>		<b>(1,535,600)</b>
<b>Total liabilities</b>		<b>(139,628)</b>		<b>(1,535,600)</b>
<b>Net assets attributable to Shareholders</b>		<b>50,228,780</b>		<b>54,696,777</b>

### Investment Objective and Policy

The Unicorn UK Income Fund aims to achieve an historic yield in excess of 110% of the FTSE All-Share yield, over a 3 year period, by investing in mainly in UK companies. 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 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 mainly invests in UK companies which are quoted companies with a bias towards small and medium sized companies. 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.

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.

### Investment Manager's Report

for the period ended 31 March 2019

For the six month period ending 31 March 2019, the Sub-fund's Institutional (B Income) shares produced a total return of +2.2%. This compares to an average total return of -3.1% from funds classified as being in the UK Equity Income sector.

The Sub-fund performed relatively well during a volatile period for global equities, which witnessed a sharp selloff in the final quarter of 2018, followed by a strong rebound in the first three months of 2019. Given the significant moves in both directions, it is pleasing to report that the Sub-fund was able to deliver a positive total return during the period under review. It is also important to highlight that the positive outcome delivered by the Sub-fund was achieved during a period in which the FTSE 100 (-1.1%) again outperformed the Numis Smaller Companies Index ex-IT (-5.6%). Two major factors impacted equity markets during the period; concerns surrounding the pace of interest rate rises in the US, which triggered the sell-off in October and the ongoing political paralysis in the UK relating to the UK's exit from the European Union, which continues to exert a negative influence on UK financial markets. Brexit uncertainty continues to depress the value of Sterling, which presents a significant additional challenge for domestically focused smaller companies. As a result, UK equity markets currently offer considerable value, especially when compared to the valuation of equity markets in many other developed nations.

Despite heightened market volatility, the underlying trading performance of the Sub-fund's investee companies has remained stable. Turbulent conditions have also enabled us to add two new holdings to the portfolio, whose dividend yields became unexpectedly attractive due to short term share price weakness. These additions to the portfolio increased the total number of holdings to 46 by the end of the period under review.

The Sub-fund's clearly defined and robust investment process remains unchanged. The aim is to generate a high quality, diversified and sustainable income stream, together with long term capital gains, from a high conviction portfolio of UK quoted companies, which are predominantly selected from outside the FTSE 100 Index. This disciplined approach is designed to achieve superior total returns over the longer term and provide a differentiated income stream for our investors. As a result of this approach, the Fund has historically offered a consistently low level of correlation with its peer group.

The largest positive contribution came from Marshalls, the UK's leading supplier of paving and related products, which added 136bps to Sub-fund performance in the period under review. Trading at Marshalls has remained strong, as a combination of strong end market demand, accretive bolt on acquisitions and further efficiency initiatives combined to generate healthy financial returns. The company remains well capitalised, enabling management to increase the ordinary dividend by 18% for the financial year ended 31 December 2018. In addition, this was the fourth consecutive year in which a supplementary dividend has been declared. Unfortunately, strong share price performance has resulted in yield compression, which meant that we needed to actively reduce the size of this position during the period. The positive impact of this structured approach is that we realised significant capital gains from our stake in Marshalls, which can now be redeployed in other, higher yielding holdings within the portfolio.

The first quarter of 2019 saw the return of meaningful M&A activity in the Sub-fund, with two holdings receiving bid approaches. Dairy Crest, the UK's leading manufacturer of cheese products announced in March it had received an approach from Saputo, a Canadian dairy business. The bid values Dairy Crest at nearly £1bn and will crystallise a meaningful total return for the Fund once the deal completes. Dairy Crest added 90bps to performance during the current period alone, which, in monetary terms, represents a contribution of over £6m.

### Investment Manager's Report

continued

Manx Telecom, a provider of telecommunication services in the Isle of Man, also received a bid approach during the period. Manx Telecom enjoys an enviable position as the clear market leader on the Isle of Man. As with Dairy Crest, we are disappointed to see Manx Telecom leave the portfolio but, once complete, this deal will nonetheless crystallise a sizeable total return during our period of ownership. The position in Manx Telecom added 27 bps to Sub-fund performance during the period under review.

Other notable positive contributions to performance came from; Telecom Plus (97 bps), Hill & Smith (63 bps), 4Imprint (63 bps), PHP (44 bps), Micro Focus (41 bps) and Greene King (33 bps). It is pleasing to report that despite experiencing operational challenges in the prior period, both Micro Focus and Hill & Smith recovered strongly during the period under review.

In terms of negative contribution, BBA Aviation, a provider of services to the private aviation sector, was the biggest detractor from performance, costing the Fund 62 bps during the period. The private aviation market remains subdued, although BBA continues to outperform the market. Having taken profits at higher levels in prior periods the position in BBA has been increased significantly as we aim to take advantage of recent share price weakness.

Tyman, a supplier of building products with significant sales in the US, also struggled to make progress during the year, costing the Sub-fund 48 bps of performance. Tyman is in a period of transition, with a significant manufacturing efficiency programme recently undertaken and a change in both CEO and CFO due to take place later this year. We remain supporters of the business and increased our position on share price weakness during the period. Other notable detractors from performance included; Numis (-44 bps), Secure Trust Bank (-41 bps) and River & Mercantile (-26 bps). Positions in all three were also increased during the period.

The new additions to the portfolio were NCC Group and Melrose. They are both companies we know well, which in our experience rarely offer a sufficiently attractive dividend yield for inclusion in an income fund. The sell-off at the end of 2018 and short term operational challenges at NCC created a rare opportunity to add both to the portfolio.

NCC is a leading provider of cyber security and software escrow services. We initiated a position in the business in January, following a severe share price decline related to a trading update that disappointed the market. Operational challenges experienced in 2017 led to a change in senior management, which, in our view is now enabling the company to move in the right direction. This process will take time however and, while the challenges faced by the company appear manageable and ultimately fixable, it remains to be seen whether NCC can remain a clear market leader in the global cyber security space.

Melrose completed the acquisition of GKN in 2018, entering the FTSE 100 shortly thereafter. Melrose's management team has established an excellent track record for creating significant shareholder value through their 'buy, improve and sell' strategy. The combination of the broad market sell off at the end of 2018 and concerns surrounding the health of automotive markets has put pressure on the share price of Melrose, which created a rare opportunity to add the company to the portfolio at an attractive dividend yield.

No positions were exited in full during the period, however profits were taken in a number of existing holdings, which had performed well during the period.

As far as additions to existing holdings are concerned, existing positions in; Phoenix, Sabre, Bodycote, DS Smith, Hostelworld, Cineworld and River & Mercantile were among the larger top-ups undertaken during the period. In most of these cases, we were rebuilding positions following previous periods of active profit taking at higher levels.

Active management of our core long term holdings remains a valuable tool in managing the overall yield of the portfolio and improving capital returns. The ongoing process of crystallising profits in companies that have performed well and therefore suffered yield compression and then re-investing the proceeds into higher yielding opportunities, remains a core feature of our day to day portfolio management.

At the time of writing, the terms of Britain's exit from the EU remain unresolved. This impasse has created an unfavourable backdrop for UK equities, and for more domestically focused small and mid-caps in particular. Outflows from UK equity funds have continued during the period. In our opinion, the current level of negativity surrounding the prospects for UK equities has created interesting value opportunities, especially at the smaller end of the equity market. During the period under review we have been actively seeking to take advantage of this perceived value opportunity. Increased levels of trading activity have been a by-product of this short term opportunity, with new additions to the portfolio and numerous follow on investments being made.

### **Investment Manager's Report**

continued

As previously reported, the coming months will be important in shaping the future of the UK, both economically and politically. The portfolio has not been positioned to reflect any particular outcome given the significant levels of uncertainty that continue to prevail. We remain confident however, in the financial strength of our investee companies and in the ability of their high quality management teams. Regardless of uncertainty, we remain optimistic that the portfolio can continue to deliver relatively resilient performance.

Overall, the companies within the portfolio continue to trade well, commanding strong positions within their sectors and generating sufficient levels of profits and cash to enable them to continue making healthy and growing dividend payments to shareholders.

**Portfolio Statement**

as at 31 March 2019

Holding	Security	Market value £	% of total net assets 2019
<b>Construction &amp; Materials 10.54% (8.98%)</b>			
6,688,137	Epwin*	4,882,340	0.84
3,400,000	James Halstead*	15,130,000	2.62
3,900,000	Marshalls	24,102,000	4.18
4,500,000	Melrose	8,239,500	1.43
3,500,000	Tyman	8,470,000	1.47
		<b>60,823,840</b>	<b>10.54</b>
<b>General Industrials 2.21% (2.64%)</b>			
1,200,000	Smith (DS)	4,026,000	0.70
1,471,044	Vesuvius	8,715,936	1.51
		<b>12,741,936</b>	<b>2.21</b>
<b>Electronic &amp; Electrical Equipment 1.42% (1.43%)</b>			
2,081,386	discoverIE	8,200,661	1.42
<b>Industrial Engineering 7.83% (7.74%)</b>			
1,425,000	Bodycote	11,677,875	2.02
2,144,673	Castings	7,356,228	1.27
1,300,000	Hill & Smith	16,159,000	2.80
2,784,604	Somero Enterprises*	10,024,574	1.74
		<b>45,217,677</b>	<b>7.83</b>
<b>Industrial Transportation 7.03% (6.43%)</b>			
12,700,000	BBA Aviation	31,572,200	5.47
3,800,000	Wincanton	8,987,000	1.56
		<b>40,559,200</b>	<b>7.03</b>
<b>Support Services 5.37% (5.98%)</b>			
3,835,715	Clipper Logistics	10,126,288	1.75
4,889,698	Gateley*	7,334,547	1.27
7,250,000	RPS	13,557,500	2.35
		<b>31,018,335</b>	<b>5.37</b>
<b>Food Producers 3.07% (2.42%)</b>			
2,854,685	Dairy Crest	17,727,594	3.07
<b>Food &amp; Drug Retailers 0.00% (0.00%)</b>			
7,000,000	Conviviality^	-	-
<b>General Retailers 3.39% (3.44%)</b>			
3,600,000	Card Factory	6,490,800	1.13
11,749,030	Saga	13,064,921	2.26
		<b>19,555,721</b>	<b>3.39</b>

**Portfolio Statement**

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2019</b>
	<b>Media 5.16% (4.90%)</b>		
850,000	4imprint	20,910,000	3.62
6,993,970	ITV	8,885,839	1.54
		<b>29,795,839</b>	<b>5.16</b>
	<b>Travel &amp; Leisure 7.85% (7.52%)</b>		
10,400,000	Cineworld	30,430,400	5.27
1,206,421	Greene King	8,015,461	1.39
3,750,000	Hostelworld	6,862,500	1.19
		<b>45,308,361</b>	<b>7.85</b>
	<b>Fixed Line Telecommunications 5.46% (4.29%)</b>		
5,400,000	Manx Telecom*	11,610,000	2.01
1,311,856	Telecom Plus	19,940,211	3.45
		<b>31,550,211</b>	<b>5.46</b>
	<b>Banks 2.17% (2.77%)</b>		
920,000	Secure Trust Bank	12,512,000	2.17
	<b>Non-life Insurance 2.58% (2.10%)</b>		
5,200,000	Sabre Insurance	14,872,000	2.58
	<b>Life Insurance 4.70% (3.95%)</b>		
4,000,000	Phoenix	27,100,000	4.70
	<b>Real Estate Investment &amp; Services 1.13% (1.22%)</b>		
2,269,550	Palace Capital	6,536,304	1.13
	<b>Real Estate Investment Trusts 10.46% (10.30%)</b>		
7,500,000	LondonMetric Property	14,977,500	2.59
2,917,764	Mucklow (A&J)	14,763,886	2.56
16,000,000	Primary Health Properties	20,704,000	3.59
9,500,000	Regional REIT	9,937,000	1.72
		<b>60,382,386</b>	<b>10.46</b>
	<b>Financial Services 10.95% (11.94%)</b>		
567,389	Alpha FX*	3,858,245	0.67
3,750,000	Brewin Dolphin	11,685,000	2.02
3,900,000	Numis*	9,750,000	1.69
9,100,000	Park*	6,643,000	1.15
3,200,000	Polar Capital*	16,384,000	2.84
3,360,298	River & Mercantile	7,459,862	1.29
5,396,220	XPS Pensions	7,446,784	1.29
		<b>63,226,891</b>	<b>10.95</b>

**Portfolio Statement**

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2019</b>
	<b>Software &amp; Computer Services 4.96% (4.35%)</b>		
1,700,000	FDM	15,232,000	2.64
250,000	Micro Focus International	4,990,000	0.86
6,000,000	NCC	8,400,000	1.46
		<b>28,622,000</b>	<b>4.96</b>
	<b>Investment assets</b>	<b>555,750,956</b>	<b>96.28</b>
	<b>Net other assets</b>	<b>21,442,807</b>	<b>3.72</b>
	<b>Net assets</b>	<b>577,193,763</b>	<b>100.00</b>

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 30.09.18.

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

^This is a delisted security and has been valued at the Manager's best assessment of its fair value.

\*Quoted on AIM.

Total purchases for the period: £76,089,520

Total sales for the period: £35,779,634



**Comparative Tables**
**Change in net assets per share**

	A Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	235.96	258.62	224.43	231.23
Return before operating charges <sup>^</sup>	7.75	-8.55	47.86	6.67
Operating charges	-3.51	-3.94	-3.77	-3.53
Return after operating charges <sup>^</sup>	4.24	-12.49	44.09	3.14
Distributions	-3.02	-10.17	-9.90	-9.94
<b>Closing net asset value per share</b>	<b>237.18</b>	<b>235.96</b>	<b>258.62</b>	<b>224.43</b>
<sup>^</sup> After direct transaction costs of	-0.20	-0.38	-0.39	-0.59
<b>Performance</b>				
Return after charges	1.80%	-4.83%	19.65%	1.36%
<b>Other information</b>				
Closing net asset value	£32,368,377	£39,012,215	£48,559,181	£60,076,334
Closing number of shares	13,647,431	16,533,728	18,776,330	26,768,465
Operating charges	1.56%	1.56%	1.55%	1.56%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	240.82	266.33	267.32	240.97
Lowest share price	211.48	235.71	215.63	194.94

	A Accumulation			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	298.38	313.83	261.70	257.76
Return before operating charges <sup>^</sup>	10.06	-10.60	56.59	7.94
Operating charges	-4.45	-4.85	-4.46	-4.00
Return after operating charges <sup>^</sup>	5.61	-15.45	52.13	3.94
Distributions	-3.83	-12.53	-11.72	-11.26
Retained distributions on accumulation shares	3.83	12.53	11.72	11.26
<b>Closing net asset value per share</b>	<b>303.99</b>	<b>298.38</b>	<b>313.83</b>	<b>261.70</b>
<sup>^</sup> After direct transaction costs of	-0.26	-0.47	-0.46	-0.67
<b>Performance</b>				
Return after charges	1.88%	-4.92%	19.92%	1.53%
<b>Other information</b>				
Closing net asset value	£7,018,554	£8,026,574	£10,899,582	£11,425,335
Closing number of shares	2,308,842	2,690,050	3,473,060	4,365,803
Operating charges	1.56%	1.56%	1.55%	1.56%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	306.99	325.67	316.12	268.60
Lowest share price	267.40	288.42	251.45	224.89

**Comparative Tables**

continued

**Change in net assets per share**

	<b>B Income</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	256.10	278.59	239.95	245.36
Return before operating charges <sup>^</sup>	7.56	-9.27	51.36	7.14
Operating charges	-1.98	-2.21	-2.08	-1.95
Return after operating charges <sup>^</sup>	5.58	-11.48	49.28	5.19
Distributions	-3.29	-11.01	-10.64	-10.60
<b>Closing net asset value per share</b>	<b>258.39</b>	<b>256.10</b>	<b>278.59</b>	<b>239.95</b>
<sup>^</sup> After direct transaction costs of	-0.22	-0.41	-0.42	-0.63
<b>Performance</b>				
Return after charges	2.18%	-4.12%	20.54%	2.11%
<b>Other information</b>				
Closing net asset value	£256,445,122	£260,319,754	£353,710,832	£375,822,939
Closing number of shares	99,247,022	101,647,294	126,962,899	156,622,650
Operating charges	0.81%	0.81%	0.80%	0.81%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	262.29	287.32	287.24	256.17
Lowest share price	229.91	254.83	230.74	208.06

	<b>B Accumulation</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	323.70	337.91	279.66	273.38
Return before operating charges <sup>^</sup>	9.81	-11.49	60.72	8.49
Operating charges	-2.51	-2.72	-2.47	-2.21
Return after operating charges <sup>^</sup>	7.30	-14.21	58.25	6.28
Distributions	-4.16	-13.55	-12.58	-12.00
Retained distributions on accumulation shares	4.16	13.55	12.58	12.00
<b>Closing net asset value per share</b>	<b>331.00</b>	<b>323.70</b>	<b>337.91</b>	<b>279.66</b>
<sup>^</sup> After direct transaction costs of	-0.28	-0.50	-0.49	-0.71
<b>Performance</b>				
Return after charges	2.26%	-4.21%	20.83%	2.30%
<b>Other information</b>				
Closing net asset value	£276,037,388	£234,604,872	£213,948,450	£223,056,348
Closing number of shares	83,395,026	72,477,039	63,316,056	79,758,661
Operating charges	0.81%	0.81%	0.80%	0.81%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	334.19	351.39	339.51	268.41
Lowest share price	290.56	311.65	268.93	239.90

## Comparative Tables

continued

### Change in net assets per share

	Overseas Income			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	97.96	107.36	93.17	95.99
Return before operating charges <sup>^</sup>	3.21	-3.54	19.87	2.77
Operating charges	-1.46	-1.64	-1.57	-1.46
Return after operating charges <sup>^</sup>	1.75	-5.18	18.30	1.31
Distributions	-1.25	-4.22	-4.11	-4.13
<b>Closing net asset value per share</b>	<b>98.46</b>	<b>97.96</b>	<b>107.36</b>	<b>93.17</b>
<sup>^</sup> After direct transaction costs of	-0.08	-0.16	-0.16	-0.24
<b>Performance</b>				
Return after charges	1.79%	-4.82%	19.64%	1.36%
<b>Other information</b>				
Closing net asset value	£4,004,271	£4,072,743	£4,705,729	£4,254,729
Closing number of shares	4,066,726	4,157,688	4,383,003	4,566,823
Operating charges	1.56%	1.56%	1.55%	1.56%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	99.97	110.57	110.98	100.03
Lowest share price	87.80	97.85	89.52	80.93

	Overseas Accumulation			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	119.37	125.55	104.69	103.12
Return before operating charges <sup>^</sup>	4.03	-4.24	22.64	3.17
Operating charges	-1.78	-1.94	-1.78	-1.60
Return after operating charges <sup>^</sup>	2.25	-6.18	20.86	1.57
Distributions	-1.53	-5.01	-4.69	-4.51
Retained distributions on accumulation shares	1.53	5.01	4.69	4.51
<b>Closing net asset value per share</b>	<b>121.62</b>	<b>119.37</b>	<b>125.55</b>	<b>104.69</b>
<sup>^</sup> After direct transaction costs of	-0.10	-0.19	-0.18	-0.27
<b>Performance</b>				
Return after charges	1.88%	-4.92%	19.93%	1.52%
<b>Other information</b>				
Closing net asset value	£1,320,051	£1,512,444	£2,724,952	£2,564,295
Closing number of shares	1,085,432	1,267,010	2,170,362	2,449,376
Operating charges	1.56%	1.56%	1.55%	1.56%
Direct transaction costs	0.09%	0.15%	0.16%	0.26%
<b>Prices</b>				
Highest share price	122.82	130.29	126.47	107.45
Lowest share price	106.98	115.39	100.59	89.97

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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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.

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 period.

## Comparative Tables

continued

### 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 4 because funds of this type have experienced average 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital gains/(losses)		9,506,292		(54,614,176)
Revenue	7,694,750		10,298,529	
Expenses	(2,376,077)		(2,915,631)	
Interest payable and similar charges	—		—	
Net revenue before taxation	5,318,673		7,382,898	
Taxation	(522)		(47,267)	
Net revenue after taxation		5,318,151		7,335,631
<b>Total return before distributions</b>		<b>14,824,443</b>		<b>(47,278,545)</b>
Distributions		(7,291,328)		(9,844,666)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>7,533,115</b>		<b>(57,123,211)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>547,548,602</b>		<b>634,548,726</b>
Amounts receivable on issue of shares	132,424,300		129,021,157	
Less: Amounts payable on cancellation of shares	(113,894,324)		(85,356,117)	
		18,529,976		43,665,040
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		7,533,115		(57,123,211)
Retained distributions on accumulation shares		3,582,070		3,776,275
<b>Closing net assets attributable to Shareholders</b>		<b>577,193,763</b>		<b>624,866,830</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

## Unicorn Investment Funds - UK Income Fund

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### Balance Sheet

as at 31 March 2019

	31.03.19		30.09.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		555,750,956		505,930,201
<b>Current Assets</b>				
Debtors	10,614,797		5,037,445	
Cash and bank balances	15,263,531		47,984,464	
<b>Total current assets</b>		<b>25,878,328</b>		<b>53,021,909</b>
<b>Total assets</b>		<b>581,629,284</b>		<b>558,952,110</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Distribution payable	(1,578,088)		(3,940,841)	
Other creditors	(2,857,433)		(7,462,667)	
<b>Total creditors</b>		<b>(4,435,521)</b>		<b>(11,403,508)</b>
<b>Total liabilities</b>		<b>(4,435,521)</b>		<b>(11,403,508)</b>
<b>Net assets attributable to Shareholders</b>		<b>577,193,763</b>		<b>547,548,602</b>

## Distribution Tables

for the period ended 31 March 2019

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2019 p	Distribution paid 2018 p
A	First interim	Group 1	1.7466	–	1.7466	2.1799
		Group 2	0.7326	1.0140	1.7466	2.1799
	Second interim	Group 1	1.2792	–	1.2792	1.6579
		Group 2	0.7159	0.5633	1.2792	1.6579
B	First interim	Group 1	1.8965	–	1.8965	2.3509
		Group 2	0.9706	0.9259	1.8965	2.3509
	Second interim	Group 1	1.3924	–	1.3924	1.7915
		Group 2	0.6320	0.7604	1.3924	1.7915
Overseas	First interim	Group 1	0.7247	–	0.7247	0.9050
		Group 2	0.2867	0.4380	0.7247	0.9050
	Second interim	Group 1	0.5310	–	0.5310	0.6883
		Group 2	0.2397	0.2913	0.5310	0.6883

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2019 p	Amount reinvested 2018 p
A	First interim	Group 1	2.2059	–	2.2059	2.6456
		Group 2	1.1657	1.0402	2.2059	2.6456
	Second interim	Group 1	1.6321	–	1.6321	2.0287
		Group 2	0.8946	0.7375	1.6321	2.0287
B	First interim	Group 1	2.3934	–	2.3934	2.8521
		Group 2	1.2480	1.1454	2.3934	2.8521
	Second interim	Group 1	1.7740	–	1.7740	2.1907
		Group 2	0.9847	0.7893	1.7740	2.1907
Overseas	First interim	Group 1	0.8839	–	0.8839	1.0583
		Group 2	0.1739	0.7100	0.8839	1.0583
	Second interim	Group 1	0.6523	–	0.6523	0.8117
		Group 2	0.6523	–	0.6523	0.8117

First interim period: 01.10.18 - 31.12.18

Second interim period: 01.01.19 - 31.03.19

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 a rate of return that is superior to that of the FTSE All Share (Ex Investment Trusts) Index, over the long-term, where long-term is defined as being not less than five years, investing in a collection of outstanding British companies, with the least amount of economic, as distinct, from market price risk. 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. 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 period ended 31 March 2019

The Outstanding British Companies Fund 'B' Shares registered a total return of -7.9% for the six month period ended 31 March 2019, compared to a total return of -4.4% for the IA UK All Companies sector.

The period under review was challenging for the Outstanding British Companies Fund. The negative performance of the Sub-fund reflects the difficult equity market conditions experienced during the period under review, which were most pronounced during the final quarter of 2018. Investor sentiment deteriorated rapidly from the start of October, as political divisions deepened over how best to implement Britain's exit from the European Union. Investors also became increasingly risk averse in the face of mounting economic risks, both domestically and overseas. The culmination of these factors was to reduce the price that investors were prepared to pay for equities, particularly for those stocks that had previously benefitted from strong upward momentum and growth and were trading at near peak valuations before the correction. All UK equity markets experienced a significant mark down in value during the three month period to the end of December. The effect was most noticeable at the smaller end of the market however, where highly valued growth stocks, including those businesses listed on AIM, had previously benefitted from a prolonged period of share price growth. Given that AIM listed shares account for circa 40 percent, by value, of the Outstanding British Companies Fund, its performance was notably impacted by the weakness in these investments over the three month period, relative to the main market and its sector peer group.

In relative performance terms, the Sub-fund underperformed its benchmark index over the six month period under review. Despite this relatively weak performance, we remain confident in the longer term prospects for these businesses. This confidence has been further reinforced by investee companies reporting strong financial and operational results in the weeks following the correction.

The Fund Manager's strategy has always been to avoid highly cyclical sectors such as; mining, oil production and commodity related businesses. The Sub-fund retains a zero percent weighting in these sectors, which contributed to the relative underperformance experienced in the period under review. The price of oil has been strengthening in recent months and this has been reflected in positive share price performance from major UK oil and gas producers. Should this trend continue, then it is possible that the Sub-fund could suffer further relative underperformance. While we are mindful of this short-term risk, we continue to believe that our strategy of investing in less cyclical businesses, which tend to grow their revenues, profits and cash flow with greater predictability, as well as being less capital intensive in nature, are more likely to deliver superior returns to shareholders over the longer term.



## Investment Manager's Report

continued

On an absolute basis, a number of investments delivered strongly positive performance over the six months period to 31 March 2019. The top five contributors to Sub-fund performance were; Dechra Pharmaceuticals (+1.5%), Sage Group (+1.0%), Diageo (+0.9%), British American Tobacco (+0.6%) and Smith & Nephew (+0.5%).

During the period, there were also a few notably disappointing performances. In Sub-fund performance terms, the largest detractors included; Mears (-1.8%), Victrex (-1.8%), Babcock (-1.5%), Gooch & Housego (-1.3%) and ULS Technology (-1.3%). The performance of Mears was particularly disappointing. Its shares fell sharply after releasing results that were below expectations and announcing that it would be exiting certain business areas that have delivered weaker than expected returns on capital employed. Our holding in Mears has been retained in expectation of an improvement in performance, enabled by a simplified and less capital intensive corporate structure. Other detractors from performance were primarily related to the sell-off in more highly valued growth stocks experienced in the period under review.

Portfolio activity during the six month period was higher than usual, due to growth in the total assets of the Sub-fund resulting from strong inflows. As at 31 March 2019, the Sub-fund's total assets were £104 million, having grown from around £68 million as at 31 September 2018. This resulted in higher levels of trading activity, as cash was invested across the exiting positions in the Sub-fund. However, stock disposals remained low, with only two investments being exited in full. The holding in Ted Baker was sold due to our belief that the outlook for earnings growth remains very challenging for retailers. Elsewhere, the investment in Shire was disposed of in full after its agreed acquisition by Takeda Pharmaceuticals was announced.

Two new investments were introduced to the Sub-fund in the period under review:-

James Halstead, a manufacturer of flooring products, which has an outstanding track record of growth in profits and dividends, having been founded and managed by four generations of the Halstead family. Existing family members retain a significant stake in the business, which provides external investors with strong alignment of interests.

Primary Health Properties, which owns a portfolio of healthcare facilities in the UK and Ireland, was also introduced to the Sub-fund after announcing the agreed acquisition of Medicx. Primary Health Properties has a consistent track record for delivering earnings growth, together with 22 consecutive years of dividend growth.

We believe the outlook for the companies held in the Outstanding British Companies Fund remains attractive. This belief is underpinned by the positive financial results announced in the early months of 2019 by a large proportion of our investee companies. The risks posed to the UK economy by a disruptive Brexit have been widely discussed and, in our view, remain unchanged. Despite these economic and political risks, management teams remain cautiously optimistic when discussing the outlook for their businesses, especially given that the UK economy continues to be supported by historically low interest rates.

The strategy of the Sub-fund remains unchanged. The objective is to deliver superior, long-term total returns through investment in a concentrated portfolio of high quality companies. We continue to focus on identifying businesses that demonstrate leadership in niche and growing market sectors, have strong barriers to entry and can sustain high returns on capital employed. We believe that the Sub-fund is composed of investments in such businesses which should offer investors defensive resilience during periods of stock market weakness, while providing the potential for strong capital growth over the medium to long term.

## Portfolio Statement

as at 31 March 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>Chemicals 7.01% (6.68%)</b>		
111,600	Johnson Matthey	3,505,356	3.38
175,000	Victrex	3,762,500	3.63
		<b>7,267,856</b>	<b>7.01</b>
	<b>Construction &amp; Materials 2.90% (0.00%)</b>		
675,000	James Halstead*	3,003,750	2.90
	<b>Aerospace &amp; Defense 2.74% (2.65%)</b>		
575,000	Babcock International	2,837,625	2.74
	<b>Electronic &amp; Electrical Equipment 3.63% (5.87%)</b>		
175,000	Gooch & Housego*	2,275,000	2.20
40,000	Renishaw	1,482,400	1.43
		<b>3,757,400</b>	<b>3.63</b>
	<b>Industrial Engineering 3.86% (2.91%)</b>		
55,700	Spirax-Sarco Engineering	4,004,830	3.86
	<b>Industrial Transportation 4.00% (3.35%)</b>		
210,000	Fisher (James) & Sons	4,141,200	4.00
	<b>Support Services 14.95% (15.48%)</b>		
950,000	Keystone Law*	4,085,000	3.94
1,100,000	Mears	2,805,000	2.71
350,000	Murgitroyd*	1,785,000	1.72
900,000	RWS*	4,333,500	4.18
248,750	VP	2,487,500	2.40
		<b>15,496,000</b>	<b>14.95</b>
	<b>Beverages 3.53% (3.08%)</b>		
116,600	Diageo	3,658,908	3.53
	<b>Personal Goods 0.00% (1.66%)</b>		
	<b>Tobacco 3.75% (3.00%)</b>		
121,600	British American Tobacco	3,883,904	3.75
	<b>Health Care Equipment &amp; Services 10.34% (8.54%)</b>		
1,300,000	Advanced Medical Solutions*	4,114,500	3.97
238,400	Smith & Nephew	3,629,640	3.50
1,100,000	Tristel*	2,970,000	2.87
		<b>10,714,140</b>	<b>10.34</b>
	<b>Pharmaceuticals &amp; Biotechnology 8.77% (11.94%)</b>		
300,000	Abcam*	3,396,000	3.28
432,882	Anpario*	1,385,222	1.34
160,000	Dechra Pharmaceuticals	4,304,000	4.15
		<b>9,085,222</b>	<b>8.77</b>

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	<b>Media 0.95% (2.08%)</b>		
1,400,000	ULS Technology*	980,000	0.95
	<b>Travel &amp; Leisure 3.07% (2.94%)</b>		
1,500,000	City Pub*	3,180,000	3.07
	<b>Real Estate Investment Trusts 7.06% (3.65%)</b>		
2,250,000	Primary Health Properties	2,911,500	2.81
500,000	Shaftesbury	4,400,000	4.25
		7,311,500	7.06
	<b>Financial Services 12.75% (10.69%)</b>		
195,909	Arbuthnot Banking*	2,566,408	2.48
1,092,000	Curtis Banks*	3,210,480	3.10
1,050,000	Integrafin	3,672,375	3.54
485,500	Mattioli Woods*	3,762,625	3.63
		13,211,888	12.75
	<b>Software &amp; Computer Services 7.11% (5.47%)</b>		
532,300	Sage	3,731,423	3.60
578,000	Tracsis*	3,641,400	3.51
		7,372,823	7.11
	<b>Investment assets</b>	<b>99,907,046</b>	<b>96.42</b>
	<b>Net other assets</b>	<b>3,714,704</b>	<b>3.58</b>
	<b>Net assets</b>	<b>103,621,750</b>	<b>100.00</b>

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 30.09.18.

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

\*Quoted on AIM.

Total purchases for the period: £46,450,804

Total sales for the period: £2,927,501

**Comparative Tables**
**Change in net assets per share**

	<b>A Accumulation</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	325.17	292.07	275.58	235.23
Return before operating charges <sup>^</sup>	-22.09	37.99	20.98	44.49
Operating charges	-4.65	-4.89	-4.49	-4.14
Return after operating charges <sup>^</sup>	-26.74	33.10	16.49	40.35
Distributions	0.00	-0.31	-2.29	-0.67
Retained distributions on accumulation shares	0.00	0.31	2.29	0.67
<b>Closing net asset value per share</b>	<b>298.43</b>	<b>325.17</b>	<b>292.07</b>	<b>275.58</b>
<sup>^</sup> After direct transaction costs of	-0.71	-0.37	-0.31	-0.80
<b>Performance</b>				
Return after charges	-8.22%	11.33%	5.98%	17.15%
<b>Other information</b>				
Closing net asset value	£8,850,516	£9,199,256	£8,310,595	£7,763,432
Closing number of shares	2,965,712	2,829,021	2,845,452	2,817,131
Operating charges	1.58%	1.59%	1.60%	1.61%
Direct transaction costs	0.24%	0.12%	0.11%	0.31%
<b>Prices</b>				
Highest share price	327.82	330.22	295.48	278.87
Lowest share price	274.86	289.59	261.46	238.42

	<b>B Accumulation</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16</b> p
<b>Opening net asset value per share</b>	346.62	309.14	289.61	245.50
Return before operating charges <sup>^</sup>	-24.75	40.23	22.04	46.43
Operating charges	-2.61	-2.75	-2.51	-2.32
Return after operating charges <sup>^</sup>	-27.36	37.48	19.53	44.11
Distributions	0.00	-2.76	-4.61	-2.72
Retained distributions on accumulation shares	0.00	2.76	4.61	2.72
<b>Closing net asset value per share</b>	<b>319.26</b>	<b>346.62</b>	<b>309.14</b>	<b>289.61</b>
<sup>^</sup> After direct transaction costs of	-0.75	-0.39	-0.33	-0.83
<b>Performance</b>				
Return after charges	-7.89%	12.12%	6.74%	17.96%
<b>Other information</b>				
Closing net asset value	£94,743,044	£58,778,046	£42,588,945	£28,245,360
Closing number of shares	29,675,393	16,957,574	13,776,713	9,752,736
Operating charges	0.83%	0.84%	0.85%	0.86%
Direct transaction costs	0.24%	0.12%	0.11%	0.31%
<b>Prices</b>				
Highest share price	349.41	351.43	312.11	292.99
Lowest share price	293.57	307.35	275.13	248.91

**Comparative Tables**

continued

**Change in net assets per share**

	Overseas Accumulation			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16 p
<b>Opening net asset value per share</b>	139.17	125.01	118.03	100.73
Return before operating charges <sup>^</sup>	-9.46	16.25	8.90	19.07
Operating charges	-1.99	-2.09	-1.92	-1.77
Return after operating charges <sup>^</sup>	-11.45	14.16	6.98	17.30
Distributions	0.00	-0.13	-0.97	-0.31
Retained distributions on accumulation shares	0.00	0.13	0.97	0.31
<b>Closing net asset value per share</b>	<b>127.72</b>	<b>139.17</b>	<b>125.01</b>	<b>118.03</b>
<sup>^</sup> After direct transaction costs of	-0.30	-0.16	-0.13	-0.34
<b>Performance</b>				
Return after charges	-8.22%	11.33%	5.91%	17.17%
<b>Other information</b>				
Closing net asset value	£28,190	£30,717	£27,590	£188,384
Closing number of shares	22,071	22,071	22,071	159,614
Operating charges	1.58%	1.59%	1.60%	1.61%
Direct transaction costs	0.24%	0.12%	0.11%	0.31%
<b>Prices</b>				
Highest share price	140.30	141.34	126.47	119.43
Lowest share price	117.64	123.95	111.98	102.09

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 these tables have been calculated against the average Net Asset Value for the accounting period.

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.

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 period.

## Comparative Tables

continued

### 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 4 because funds of this type have experienced average 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 Fund may hold a limited number of investments. If one of these investment falls in value this can have a greater impact on the 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital losses		(4,823,088)		(31,244)
Revenue	847,264		433,279	
Expenses	(349,304)		(236,248)	
Interest payable and similar charges	—		—	
Net revenue before taxation	497,960		197,031	
Taxation	—		—	
Net revenue after taxation		497,960		197,031
<b>Total return before distributions</b>		<b>(4,325,128)</b>		<b>165,787</b>
Distributions		159,956		(1,374)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(4,165,172)</b>		<b>164,413</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>68,008,019</b>		<b>50,927,130</b>
Amounts receivable on issue of shares	45,099,011		8,211,678	
Less: Amounts payable on cancellation of shares	(5,320,108)		(10,696,094)	
		39,778,903		(2,484,416)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(4,165,172)		164,413
<b>Closing net assets attributable to Shareholders</b>		<b>103,621,750</b>		<b>48,607,127</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

## Unicorn Investment Funds - Outstanding British Companies Fund

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### Balance Sheet

as at 31 March 2019

	31.03.19		30.09.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		99,907,046		61,203,502
<b>Current Assets</b>				
Debtors	619,195		397,289	
Cash and bank balances	3,666,991		8,246,619	
<b>Total current assets</b>		<b>4,286,186</b>		<b>8,643,908</b>
<b>Total assets</b>		<b>104,193,232</b>		<b>69,847,410</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Other creditors	(571,482)		(1,839,391)	
<b>Total creditors</b>		<b>(571,482)</b>		<b>(1,839,391)</b>
<b>Total liabilities</b>		<b>(571,482)</b>		<b>(1,839,391)</b>
<b>Net assets attributable to Shareholders</b>		<b>103,621,750</b>		<b>68,008,019</b>



## Investment Objective and Policy

The Unicorn UK Ethical Income Fund aims to achieve an historic yield in excess of 110% of the FTSE All Share yield, over a 3 year period, by investing primarily 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 mainly invests in UK quoted companies with a bias towards small and medium sized companies. 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.

## Investment Manager's Report

for the period ended 31 March 2019

For the period ended 31 March 2019, the Fund's Institutional (B Income) shares produced a total return of +3.1%. This compares to an average total return of -3.1% from funds in the UK Equity Income sector.

As at 31 March 2019, the Sub-fund held investments in 37 companies.

On 1 April 2019, the Sub-fund marked its third anniversary. It is pleasing to report that, by the end of the period under review, the Sub-fund had achieved a total return of +22.8% since launch, which was superior to that of the UK Equity Income Sector as a whole. This outperformance is particularly pleasing given strong performance from a number of our excluded sectors, such as Mining, Oil & Gas and Pharmaceuticals, together with the persistently negative sentiment towards domestically focused UK small and mid-caps experienced since the EU referendum in June 2016.

The Sub-fund also performed relatively well during the six month period under review. Equity markets experienced a sharp selloff in the final quarter of 2018, followed by a strong rebound in the first three months of 2019. Given the significant moves in both directions, it is pleasing to report that the Sub-fund was able to deliver a positive total return in the period under review. It is also important to highlight that the positive outcome delivered by the Sub-fund was achieved during a period in which the FTSE 100 (-1.1%) again outperformed the Numis Smaller Companies Index ex-IT (-5.6%). Two major factors impacted equity markets during the period; concerns surrounding the pace of interest rate rises in the US, which triggered the sell-off in October, together with the ongoing political paralysis in the UK relating to the UK's exit from the European Union, which continues to exert a negative influence on UK financial markets. Brexit uncertainty continues to depress the value of Sterling, which presents a significant additional challenge for domestically focused smaller companies. As a result, UK equity markets currently offer considerable value, especially when compared to the valuation of equity markets in many other developed nations.

The Unicorn UK Ethical Income Fund is an ethically screened version of the Unicorn UK Income Fund. As such, its universe of stocks is sourced directly from the UK Income Fund and an external service is then used to screen out companies that generate revenues from prohibited sectors or those businesses that provoke environmental, social or governance concerns. In addition to these screens, which are performed by MSCI, there is an additional internal assessment undertaken by Unicorn Asset Management. This process reduces the number of holdings from 45 in the UK Income Fund to 37 in the UK Ethical Income Fund – with two stocks removed by the MSCI process and six by our own internal assessment. Unsurprisingly, the correlation of the Unicorn Ethical Income Fund with the Unicorn UK Income Fund remains high.

Despite heightened market volatility, the underlying trading performance of the Sub-fund's investee companies has remained stable. Turbulent conditions have also enabled us to add one new holding to the portfolio, whose dividend yield became unexpectedly attractive due to short term share price weakness. This addition to the portfolio increased the total number of holdings to 37 by the end of the period under review.

### Investment Manager's Report

continued

The Sub-fund's clearly defined and robust investment process remains unchanged. The aim is to generate a high quality, diversified and sustainable income stream, together with long term capital gains, from a high conviction portfolio of UK quoted companies, which are predominantly selected from outside the FTSE 100 Index. This disciplined approach is designed to achieve superior total returns over the longer term and provide a differentiated income stream for our investors. As a result of this approach, the Sub-fund has historically offered a consistently low level of correlation with its peer group.

The largest positive contribution came from Marshalls, the UK's leading supplier of paving and related products, which added 144bps to Sub-fund performance in the period under review. Trading at Marshalls has remained strong, as a combination of strong end market demand, accretive bolt on acquisitions and further efficiency initiatives, combined to generate healthy financial returns. The company remains well capitalised, enabling management to increase the ordinary dividend by 18% for the financial year ended 31 December 2018. In addition, this was the fourth consecutive year in which a supplementary dividend has been declared. Unfortunately, strong share price performance has resulted in yield compression, which meant that we needed to actively reduce the size of this position during the period. The positive impact of this structured approach is that we realised significant capital gains from our stake in Marshalls, which can now be redeployed in other, higher yielding holdings within the portfolio.

The first quarter of 2019 saw the return of meaningful M&A activity in the Sub-fund, with two holdings receiving bid approaches in the first three months of the current calendar year:-

**Dairy Crest**, the UK's leading manufacturer of cheese products announced in March it had received an approach from Saputo, a Canadian dairy business. The bid values Dairy Crest at nearly £1bn and will crystallise a meaningful total return for the Sub-fund once the deal completes. Dairy Crest added 104bps to performance during the current period.

**Manx Telecom**, a provider of telecommunication services in the Isle of Man, also received a bid approach during the period. Manx Telecom enjoys an enviable position as the clear market leader on the Isle of Man. As with Dairy Crest, we are disappointed to see Manx Telecom leave the portfolio but, once complete, this deal will nonetheless crystallise a sizeable total return during our period of ownership. The position in Manx Telecom added 42 bps to Sub-fund performance during the period under review.

Other notable positive contributions to performance came from; Telecom Plus (96 bps), 4 Imprint (83 bps), Hill & Smith (71 bps), Micro Focus (39 bps) and PHP (36 bps). It is pleasing to report that, despite experiencing operational challenges in the prior period, both Micro Focus and Hill & Smith recovered strongly during the period.

In terms of negative contribution, Tyman a supplier of building products with significant sales in the US, was the biggest detractor from performance, costing the Fund 63 bps during the period. Tyman struggled to make progress during the year. The company remains in a period of transition, with a significant manufacturing efficiency programme recently undertaken and a change in both CEO and CFO due to take place later this year. We remain supporters of the business and increased our position on share price weakness during the period.

Other notable detractors from performance included; Numis (-47 bps), XPS Pensions Group (-36bps) and Secure Trust Bank (-32 bps). Positions in all three of these companies were also increased during the period.

The only new addition was NCC Group, which was introduced to the portfolio in January 2019. NCC is a leading provider of cyber security and software escrow services. We initiated a position in the business following a severe share price decline related to a trading update that disappointed the market. Operational challenges experienced in 2017 led to a change in senior management, which, in our view is now enabling the company to move in the right direction. This process will take time however and, while the challenges faced by the company appear manageable and ultimately fixable, it remains to be seen whether NCC can remain a clear market leader in the global cyber security space.

Existing positions in Tyman, Sabre, Numis, Hostelworld, Cineworld, Brewin Dolphin and River & Mercantile were amongst the larger top-ups during this period. In most of these cases, we were rebuilding positions following previous periods of active profit taking at higher levels.

### Investment Manager's Report

continued

Active management of our core long term holdings remains a valuable tool in managing the overall yield of the portfolio and improving capital returns. The ongoing process of crystallising profits in companies that have performed well and therefore suffered yield compression and then re-investing the proceeds into higher yielding opportunities, remains a core feature of our day to day portfolio management.

At the time of writing, the terms of Britain's exit from the EU remain unresolved. This impasse has created an unfavourable backdrop for UK equities, and for more domestically focused small and mid-caps in particular. Outflows from UK equity funds have continued during the period. In our opinion, the current level of negativity surrounding the prospects for UK equities has created interesting value opportunities, especially at the smaller end of the equity market. During the period under review we have been actively seeking to take advantage of this perceived value opportunity. Increased levels of trading activity have been a by-product of this short term opportunity, with new additions to the portfolio and numerous follow on investments being made.

As previously reported, the coming months will be important in shaping the future of the UK, both economically and politically. The portfolio has not been positioned to reflect any particular outcome given the significant levels of uncertainty that continue to prevail. We remain confident however, in the financial strength of our investee companies and in the ability of their high quality management teams. Regardless of uncertainty, we remain optimistic that the portfolio can continue to deliver relatively resilient performance.

Overall, the companies within the portfolio continue to trade well, commanding strong positions within their sectors and generating sufficient levels of profits and cash to enable them to continue making healthy and growing dividend payments to shareholders.

**Portfolio Statement**

as at 31 March 2019

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2019</b>
<b>Construction &amp; Materials 10.80% (10.41%)</b>			
486,000	Epwin*	354,780	1.67
130,000	James Halstead*	578,500	2.73
137,250	Marshalls	848,205	4.00
210,000	Tyman	508,200	2.40
		<b>2,289,685</b>	<b>10.80</b>
<b>General Industrials 1.51% (2.65%)</b>			
54,054	Vesuvius	320,270	1.51
<b>Industrial Engineering 7.26% (8.27%)</b>			
123,000	Castings	421,890	1.99
37,500	Hill & Smith	466,125	2.20
181,000	Somero Enterprises*	651,600	3.07
		<b>1,539,615</b>	<b>7.26</b>
<b>Industrial Transportation 2.01% (2.09%)</b>			
180,000	Wincanton	425,700	2.01
<b>Support Services 5.30% (5.21%)</b>			
325,000	Gateley*	487,500	2.30
340,000	RPS	635,800	3.00
		<b>1,123,300</b>	<b>5.30</b>
<b>Food Producers 3.21% (3.03%)</b>			
109,429	Dairy Crest	679,554	3.21
<b>General Retailers 3.42% (3.32%)</b>			
103,700	Card Factory	186,971	0.88
485,000	Saga	539,320	2.54
		<b>726,291</b>	<b>3.42</b>
<b>Media 4.47% (3.95%)</b>			
38,500	4imprint	947,100	4.47
<b>Travel &amp; Leisure 7.38% (7.10%)</b>			
385,000	Cineworld	1,126,510	5.31
240,000	Hostelworld	439,200	2.07
		<b>1,565,710</b>	<b>7.38</b>
<b>Fixed Line Telecommunications 6.40% (4.89%)</b>			
278,000	Manx Telecom*	597,700	2.82
50,000	Telecom Plus	760,000	3.58
		<b>1,357,700</b>	<b>6.40</b>
<b>Banks 3.21% (2.96%)</b>			
50,000	Secure Trust Bank	680,000	3.21
<b>Non-life Insurance 2.97% (2.19%)</b>			
220,000	Sabre Insurance	629,200	2.97

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	<b>Life Insurance 4.47% (3.74%)</b>		
140,000	Phoenix	948,500	4.47
	<b>Real Estate Investment &amp; Services 2.51% (2.36%)</b>		
185,000	Palace Capital	532,800	2.51
	<b>Real Estate Investment Trusts 10.82% (10.07%)</b>		
310,000	Londonmetric Property	619,070	2.92
120,000	Mucklow (A&J)	607,200	2.86
442,000	Primary Health Properties	571,948	2.70
475,000	Regional REIT	496,850	2.34
		2,295,068	10.82
	<b>Financial Services 15.11% (14.80%)</b>		
43,716	Alpha FX*	297,269	1.40
170,000	Brewin Dolphin	529,720	2.50
190,000	Numis*	475,000	2.24
604,389	Park*	441,204	2.08
113,500	Polar Capital*	581,120	2.74
165,702	River & Mercantile	367,858	1.74
370,000	Xafinity	510,600	2.41
		3,202,771	15.11
	<b>Software &amp; Computer Services 5.26% (3.81%)</b>		
62,000	FDM	555,520	2.62
7,000	Micro Focus International	139,720	0.66
300,000	NCC	420,000	1.98
		1,115,240	5.26
	<b>Investment assets</b>	<b>20,378,504</b>	<b>96.11</b>
	<b>Net other assets</b>	<b>824,153</b>	<b>3.89</b>
	<b>Net assets</b>	<b>21,202,657</b>	<b>100.00</b>

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 30.09.18.

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

\*Quoted on the AIM.

Total purchases for the period: 4,958,430

Total sales for the period: 1,517,310

## Comparative Tables

### Change in net assets per share

	A Income†			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16^^ p
<b>Opening net asset value per share</b>	107.01	113.69	100.20	100.00
Return before operating charges^	4.50	-0.26	19.94	2.19
Operating charges	-1.61	-1.75	-1.70	-1.57
Return after operating charges^	2.89	-2.01	18.24	0.62
Distributions	-1.46	-4.67	-4.75	-0.42
<b>Closing net asset value per share</b>	<b>108.44</b>	<b>107.01</b>	<b>113.69</b>	<b>100.20</b>
^After direct transaction costs of	-0.15	-0.41	-0.95	-1.05
<b>Performance</b>				
Return after charges	2.70%	-1.77%	18.20%	0.62%
<b>Other information</b>				
Closing net asset value	£39,817	£29,337	£29,616	£10,020
Closing number of shares	36,719	27,414	26,048	10,000
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.15%	0.36%	0.87%	1.04%
<b>Prices</b>				
Highest share price	110.05	116.64	119.18	101.45
Lowest share price	97.72	107.44	96.70	99.57

	A Accumulation†			
	31.03.19 p	30.09.18 p	30.09.17 p	30.09.16^^ p
<b>Opening net asset value per share</b>	117.02	119.16	100.62	100.00
Return before operating charges^	5.00	-0.28	20.27	2.19
Operating charges	-1.77	-1.86	-1.73	-1.57
Return after operating charges^	3.23	-2.14	18.54	0.62
Distributions	-1.60	-4.97	-4.85	-0.42
Retained distributions on accumulation shares	1.60	4.97	4.85	0.42
<b>Closing net asset value per share</b>	<b>120.25</b>	<b>117.02</b>	<b>119.16</b>	<b>100.62</b>
^After direct transaction costs of	-0.17	-0.44	-0.96	-1.05
<b>Performance</b>				
Return after charges	2.76%	-1.80%	18.43%	0.62%
<b>Other information</b>				
Closing net asset value	£30,685	£30,480	£30,904	£10,062
Closing number of shares	25,517	26,046	25,934	10,000
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.15%	0.36%	0.87%	1.04%
<b>Prices</b>				
Highest share price	121.30	123.33	121.67	101.45
Lowest share price	106.84	113.69	97.20	99.58

^^A Income and Accumulation shares launched on 06 September 2016.

†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>B Income†</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16^^</b> p
<b>Opening net asset value per share</b>	105.80	111.55	97.60	100.00
Return before operating charges <sup>^</sup>	4.09	-0.23	19.44	1.08
Operating charges	-0.83	-0.90	-0.86	-0.77
Return after operating charges <sup>^</sup>	3.26	-1.13	18.58	0.31
Distributions	-1.46	-4.62	-4.63	-2.71
<b>Closing net asset value per share</b>	<b>107.60</b>	<b>105.80</b>	<b>111.55</b>	<b>97.60</b>
<sup>^</sup> After direct transaction costs of	-0.15	-0.40	-0.93	-1.00
<b>Performance</b>				
Return after charges	3.08%	-1.01%	19.04%	0.31%
<b>Other information</b>				
Closing net asset value	£8,710,119	£5,776,694	£2,943,419	£936,211
Closing number of shares	8,095,059	5,460,121	2,638,555	959,253
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.15%	0.36%	0.87%	1.04%
<b>Prices</b>				
Highest share price	109.18	114.48	116.65	100.30
Lowest share price	96.76	105.70	94.25	84.68

	<b>B Accumulation†</b>			
	<b>31.03.19</b> p	<b>30.09.18</b> p	<b>30.09.17</b> p	<b>30.09.16^^</b> p
<b>Opening net asset value per share</b>	118.69	119.94	100.52	100.00
Return before operating charges <sup>^</sup>	4.65	-0.27	20.32	1.30
Operating charges	-0.93	-0.98	-0.90	-0.78
Return after operating charges <sup>^</sup>	3.72	-1.25	19.42	0.52
Distributions	-1.62	-5.04	-4.86	-2.76
Retained distributions on accumulation shares	1.62	5.04	4.86	2.76
<b>Closing net asset value per share</b>	<b>122.41</b>	<b>118.69</b>	<b>119.94</b>	<b>100.52</b>
<sup>^</sup> After direct transaction costs of	-0.17	-0.44	-0.97	-1.00
<b>Performance</b>				
Return after charges	3.13%	-1.04%	19.32%	0.52%
<b>Other information</b>				
Closing net asset value	£12,422,036	£12,251,942	£7,166,321	£1,942,253
Closing number of shares	10,147,631	10,322,777	5,974,788	1,932,203
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.15%	0.36%	0.87%	1.04%
<b>Prices</b>				
Highest share price	123.45	124.74	122.16	101.32
Lowest share price	108.53	114.74	97.21	86.14

<sup>^^</sup>B Income and Accumulation shares launched on 01 April 2016.

<sup>†</sup>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.

## Comparative Tables

continued

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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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.

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 period.

## 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 4 because funds of this type have experienced average 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, 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 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 period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
Income				
Net capital gains/(losses)		500,647		(857,984)
Revenue	274,991		246,410	
Expenses	(71,466)		(50,563)	
Interest payable and similar charges	—		—	
Net revenue before taxation	203,525		195,847	
Taxation	(176)		(2,561)	
Net revenue after taxation		203,349		193,286
<b>Total return before distributions</b>		<b>703,996</b>		<b>(664,698)</b>
Distributions		(263,206)		(242,584)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>440,790</b>		<b>(907,282)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2019

	31.03.19		31.03.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>18,088,453</b>		<b>10,170,260</b>
Amounts receivable on issue of shares	6,142,565		8,398,646	
Less: Amounts payable on cancellation of shares	(3,632,549)		(1,718,683)	
		2,510,016		6,679,963
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		440,790		(907,282)
Retained distributions on accumulation shares		163,398		181,645
<b>Closing net assets attributable to Shareholders</b>		<b>21,202,657</b>		<b>16,124,586</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

**Balance Sheet**

as at 31 March 2019

	£	31.03.19	£	£	30.09.18	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments		20,378,504			16,433,164	
<b>Current Assets</b>						
Debtors	567,230			254,653		
Cash and bank balances	730,104			1,904,292		
<b>Total current assets</b>		<b>1,297,334</b>			<b>2,158,945</b>	
<b>Total assets</b>		<b>21,675,838</b>			<b>18,592,109</b>	
<b>LIABILITIES</b>						
Investment liabilities			–			–
<b>Creditors</b>						
Distribution payable	(54,392)			(83,533)		
Other creditors	(418,789)			(420,123)		
<b>Total creditors</b>			<b>(473,181)</b>			<b>(503,656)</b>
<b>Total liabilities</b>			<b>(473,181)</b>			<b>(503,656)</b>
<b>Net assets attributable to Shareholders</b>		<b>21,202,657</b>			<b>18,088,453</b>	

## Distribution Tables

for the period ended 31 March 2019

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2019 p	Distribution paid 2018 p
A	First interim	Group 1	0.7983	–	0.7983	1.0898
		Group 2	0.1793	0.6190	0.7983	1.0898
	Second interim	Group 1	0.6644	–	0.6644	0.7973
		Group 2	–	0.6644	0.6644	0.7973
B	First interim	Group 1	0.7927	–	0.7927	1.0732
		Group 2	0.3583	0.4344	0.7927	1.0732
	Second interim	Group 1	0.6689	–	0.6689	0.7850
		Group 2	0.3392	0.3297	0.6689	0.7850

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2019 p	Amount reinvested 2018 p
A	First interim	Group 1	0.8729	–	0.8729	1.1407
		Group 2	0.1674	0.7055	0.8729	1.1407
	Second interim	Group 1	0.7329	–	0.7329	0.8437
		Group 2	0.4780	0.2549	0.7329	0.8437
B	First interim	Group 1	0.8850	–	0.8850	1.1531
		Group 2	0.4733	0.4117	0.8850	1.1531
	Second interim	Group 1	0.7443	–	0.7443	0.8518
		Group 2	0.3652	0.3791	0.7443	0.8518

First interim period: 01.10.18 - 31.12.18

Second interim period: 01.01.19 - 31.03.19

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		Overseas	
	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	✓	✓	✓	✓	–	–

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each 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.

## General Information

continued

### 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 shares, 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 Company or any Sub-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 Ltd  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Or by telephone to:  
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](http://www.fundlistings.com) and on the Financial Times website at <http://funds.ft.com/uk/>. 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, of which copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details 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.

### Significant Information

Until 25 February 2019 the address for the Administrator, Registrar and Customer service centre was Springfield Lodge, Colchester Road, Chelmsford Essex CM2 5PW.

From 25 February 2019 the address for the Administrator, Registrar and Customer service centre is Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.

### 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.

