

Investment Objective

The Unicorn UK Ethical Income Fund aims to provide an income by investing in UK companies which meet the ACD's ethical guidelines. For this purpose, UK companies are defined as those which are incorporated or domiciled in the UK, or have a significant part of their operations in the UK. Selection of such ethical equities will be undertaken on the basis of thorough company analysis, with ethical and socially responsible criteria reviewed at the point of investment and quarterly thereafter.

Investment Policy/Strategy

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

The Fund invests at least 80% in UK quoted companies with a bias towards small and medium sized companies (those with a market value of less than £4 billion). Some of the companies may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies. There is no guarantee that the target return will be achieved over a 3 year, or any other period, and investors should note that their capital is always at risk.

Manager

Fraser Mackersie

Simon Moon

Fund Commentary

The UK Ethical Income Fund recorded a total return of +3.3% in December, compared to an average total return of +4.8% from the IA UK Equity Income sector over the same period.

The largest contributor was Telecom Plus, which added 0.7% to overall Fund performance, despite an absence of trading-related newsflow. The next largest contributor was Somero, adding 0.5% to Fund performance. Somero released another strong trading update during the month, increasing full year forecasts for the fifth time in the past twelve months. Revenue expectations for the financial year ended 31 December 2021 have been revised to \$130m, which is 50% higher than initially forecast. Other notable contributors were Brewin Dolphin and FDM, each adding 0.3% to Fund performance.

The largest detractor during the month was Synthomer, costing 0.4% in overall Fund performance terms. Synthomer's share price drifted lower despite an absence of trading-related news flow.

There were no changes to the constituents of the portfolio during the month.

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

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



Cumulative Performance

| | YTD | 1 Year | 3 Year | 5 Year | Since Launch |
|-------------------------------|--------|--------|--------|--------|--------------|
| UK Ethical Income (B -Shares) | 15.7 % | 15.7 % | 24.2 % | 31.1 % | 36.5 % |
| Rank | 62/86 | 62/86 | 53/84 | 25/77 | 46/76 |
| Sector Average | 18.4 % | 18.4 % | 26.9 % | 26.4 % | 41.1 % |

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

Discrete Performance

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------------|--------|---------|--------|---------|--------|
| UK Ethical Income (B -Shares) | 15.7 % | -14.6 % | 25.7 % | -9.6 % | 16.8 % |
| Rank | 62/86 | 65/84 | 18/84 | 34/82 | 12/77 |
| Sector Average | 18.4 % | -10.7 % | 20.1 % | -10.5 % | 11.3 % |

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

Past Performance - Since Launch



01/04/2016 - 31/12/2021 Data from FE2021

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

| Top 10 Holdings | |
|---------------------------|--------------|
| Telecom Plus | 5.7% |
| Phoenix Holdings | 4.5% |
| Londonmetric Property | 4.4% |
| Somero Enterprises | 4.1% |
| Brewin Dolphin Holdings | 3.8% |
| Vesuvius | 3.5% |
| Polar Capital Holdings | 3.2% |
| Secure Trust Bank | 3.0% |
| Severfield | 2.8% |
| Primary Health Properties | 2.8% |
| Total | 37.8% |

| Top 10 Sectors | |
|------------------------------|--------------|
| Financial Services | 18.0% |
| Engineering | 12.6% |
| Building & Construction | 11.8% |
| Property | 11.2% |
| Insurance | 10.2% |
| Cash | 7.3% |
| Communications | 5.7% |
| Consumer Retail | 5.2% |
| Software & Computer Services | 3.4% |
| Banks | 3.0% |
| Total | 88.4% |

| Fund Facts | |
|--------------------|---------------------------------------------------------------------|
| Fund Managers | Fraser Mackersie Simon Moon |
| Fund Size | £92 m |
| Launch Date | 31 March 2016 |
| Fund Sector | UK Equity Income |
| Number of Holdings | 43 |
| Pricing | 10:00 Daily |
| ISAs/JISAs | Available |
| Dividend Dates | Ex-Div: 31/3, 30/6, 30/9, 31/12 Payment: 31/5, 31/8, 30/11, 28/2 |

| Share Class Information | | |
|-------------------------|--------------|-------------------|
| | Retail 'A' | Institutional 'B' |
| Initial Charge | 5.50% | 2.50% |
| On Going Charge | 1.56% | 0.81% |
| Historic Yield | 3.77% | 3.75% |
| ISIN Code - Income | GB00BDHLG082 | GB00BYP2Y515 |
| - Accumulation | GB00BDHLG207 | GB00BYQCS257 |
| Sedol Code - Income | BDHLG20 | BYP2Y51 |
| - Accumulation | BDHLG20 | BYQCS25 |
| Bloomberg - Income | UNIUEAI | UNIUEBI |
| - Accumulation | UNIUEAA | UNIUEBA |
| MEX ID - Income | U2XXA | U2XAB |
| - Accumulation | U2XXB | U2XAA |
| Initial Investment | £2,500 | £100,000 |

| Risk Ratios | 1yr | 3yr |
|-------------------|------|-------|
| Volatility | 7.36 | 18.12 |
| Alpha | 3.99 | 0.69 |
| Beta | 0.70 | 0.91 |
| Sharpe | 1.34 | 0.21 |
| Information Ratio | 0.03 | -0.03 |

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

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

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

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