

# Unicorn Asset Management

## Quarterly AIM Newsletter



Q2 2023

For professional advisers only

### Unicorn AIM VCT

The largest and longest running AIM VCT in the market, focused on long term income generation and capital growth

### AIM IHT & ISA Portfolio Service

Invests in a BR qualifying portfolio of AIM businesses to deliver IHT mitigation, natural income and growth - there are two portfolios; a growth focus portfolio and a dividend focus portfolio

### AIM IHT & ISA Service Responsible Portfolios

Offers the dividend and growth portfolios with expanded revenue restrictions on investee companies

## FROM THE DESK OF ALEX GAME

The Unicorn AIM IHT and ISA Service portfolios outperformed their benchmark index (Numis Alternative Markets Index) during Q2 2023 which was a challenging period for AIM. It was a busy period of reporting company news flow during the quarter as many companies released results. The investment team were encouraged by the positive trends in trading performance reported by many investee companies. To date, companies have continued to benefit from robust levels of demand, moderating input cost inflation and easing of supply chain bottlenecks.

Pleasingly, share prices responded positively to good underlying operating performance, which is reflective of a healthier market dynamic in which share prices and earnings become more correlated. The Unicorn AIM VCT delivered a net asset value total return of +2.2% during the quarter, outperforming the AIM All-Share Index which registered a total return of -6.3% over the same period. Fund performance was helped by a strong contribution from Abcam (+80.5%), whose share price responded positively to the news that the company was exploring strategic options to maximise value for shareholders..

The AIM IHT and ISA Service portfolios also outperformed their benchmark index. The top performing stock was Gooch & Housego, which registered a total return of +39.8% in the quarter. The specialist manufacturer of optical components and systems published its interim results, which highlighted an encouraging outlook for a recovery in profitability. Iomart (+38.9%) also released its full year results during the quarter.

In contrast to the broad-based decline in equity values over the last eighteen months, the dividend picture was much more positive. According to Link Group, AIM dividends surged to a new record of over £1.3 billion in 2022, up nearly 14% on the 2021 figure. Dividends not only support investment returns but provide a useful barometer of the sentiment and optimism within investee company management teams.

Valuations are also looking increasingly attractive for many AIM shares. At the end of the quarter, the FTSE AIM All-Share Index was trading on a forward P/E ratio of 12x. This represents a 14% discount to its long-term average. In combination with the current robust trading reported by many companies, we are optimistic that AIM shares are well placed to deliver potentially attractive returns over the medium to long-term time horizon.



**Alex Game**  
Fund Manager

## Q2 2023 PORTFOLIO OVERVIEW

### UNICORN AIM VCT PLC

**Total return:** +2.2% vs NAMI -5.6%

**Stocks added:** None

**Stocks exited:** None

Name	Contribution to Return (%)
<b>Top 3 performers</b>	
ABCAM	+4.4
HASGROVE	+0.7
FUTURA MEDICAL	+0.4
<b>Bottom 3 performers</b>	
MAXCYTE	-0.4
FEEDBACK	-0.6
KEYWORDS STUDIOS	-1.0

### UNICORN AIM IHT & ISA PORTFOLIO SERVICE - GROWTH FOCUS

**Total returns:** -0.4% vs NAMI -5.6%

**Stocks added:** Begbies Traynor Group, Franchise Brands, Cerillion, Idox, Young & Co's Brewery

**Stocks exited:** Breedon Group, Iomart Group

Name	Total Return (%)
<b>Top 3 performers</b>	
GOOCH & HOUSEGO	+40.0
IOMART GROUP	+39.0
CROPPER (JAMES)	+38.0
<b>Bottom 3 performers</b>	
RWS HOLDINGS	-20.5
IQE	-22.0
GB GROUP	-22.4

### UNICORN AIM IHT & ISA PORTFOLIO SERVICE – RESPONSIBLE GROWTH

**Total returns:** -1.2% vs NAMI -5.6%

**Stocks added:** Begbies Traynor Group, Franchise Brands, Cerillion, Idox

**Stocks exited:** Breedon Group, Iomart Group

Name	Total Return (%)
<b>Top 3 performers</b>	
IOMART	+39.0
CROPPER (JAMES)	+38.0
FRONTIER DEVELOPMENTS	+25.8
<b>Bottom 3 performers</b>	
JOHNSON SERVICE GROUP	-14.6
RWS HOLDINGS	-20.5
GB GROUP	-22.4

### UNICORN AIM IHT & ISA PORTFOLIO SERVICE - DIVIDEND FOCUS

**Total returns:** -1.8% vs NAMI -5.6%

**Stocks added:** Bioventix, Midwich Group

**Companies sold:** Breedon Group

Name	Total Return (%)
<b>Top 3 performers</b>	
IOMART	+39.0
YOUNG & CO'S BREWERY	+23.7
ANIMALCARE GROUP	+16.8
<b>Bottom 3 performers</b>	
NICHOLS	-14.7
MORTGAGE ADVICE BUREAU	-19.0
RWS HOLDINGS	-20.5

The VCT table shows contributions to fund performance. The IHT tables show the total return of stocks held in the model portfolio.

Source: Numis Alternative Markets Index, Morningstar, Unicorn Asset Management UK 30/06/2023.

Past performance is not a guide to future performance, performance is based on returns net of fees. Your capital is at risk, the value of investments and the income from them may go down as well as up. Investors may not get back the amount of their original investment.

## COMPANY SPOTLIGHTS



### TRISTEL

**FIRST INVESTMENT:** January 2016  
**MARKET CAP:** £168 million  
**SECTOR:** Health Care Services  
**PORTFOLIO:** AIM IHT

#### OVERVIEW OF THE COMPANY:

##### What Tristel does

Tristel is a company that specialises in the development, manufacture, and sale of infection prevention and contamination control products. It focuses on creating innovative products for the healthcare industry. Its portfolio includes various products for surface disinfection, high-level instrument disinfection, endoscope decontamination, and hand hygiene.

##### Why we like it

Tristel's solutions are designed to prevent healthcare-associated infections (HAIs) and ensure a safe environment for patients and healthcare professionals. The increased number of international guidelines on disinfection, the substantial backlogs in the field of diagnostics and testing, and the growing adoption of ultrasound devices in point-of-care diagnostics and bedside monitoring, all offer significant, long-term structural growth potential for Tristel.

##### Company news from the latest quarter

Tristel has recently successfully received FDA approval for "Tristel ULT" as a high-level disinfectant for immediate sale. With over 40m high-touch scans being carried out annually in the US, this approval offers significant material upside to Tristel's performance and earnings potential. The novel product offers an easier, quicker, mobile, and less costly alternative to the current disinfection technologies in use.



### RENALYTIX

**FIRST INVESTMENT:** October 2018  
**MARKET CAP:** £106 million  
**SECTOR:** Health Care Services  
**PORTFOLIO:** AIM VCT

#### OVERVIEW OF THE COMPANY:

##### What Renalytix does

Renalytix plc is a company that develops diagnostic solutions for kidney disease using artificial intelligence. Its flagship product, KidneyIntelX, combines patient data and AI algorithms to assess the risk of progressive kidney disease in diabetic patients.

##### Why we like it

Renalytix's use case revolves around leveraging artificial intelligence and data-driven insights to improve the identification, management, and research of kidney disease, particularly in patients with diabetes. Kidney disease is a common complication of diabetes, and early intervention is crucial to slow down its progression and improve patient outcomes. By using KidneyIntelX, healthcare providers can assess a patient's risk more accurately and develop personalized treatment plans.

##### Company news from the latest quarter

At the end of the quarter, Renalytix announced that it has successfully received FDA approval for its KidneyIntelX prognostic test. The company anticipates that this authorization from the FDA will result in a rise in test adoption, greater influence on clinical guidelines, broader insurance coverage, pursuit of additional regulatory approvals in international markets, and provides an encouraging outlook for expanding into new indications and product development in the future.

Source: Unicorn Asset Management 30/06/2023.

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## UNICORN AIM IHT PHASED INVESTMENT OFFERING

The Unicorn AIM IHT & ISA Portfolio Service looks to offer differentiated solutions tailored to investor's needs. We are always looking to improve and following feedback from intermediaries, we are delighted to offer a new 'phased investment' approach:

- An investor's cash will be held on deposit (earning interest) and invested into a portfolio of AIM stocks in 6 equal monthly instalments
- Designed to mitigate "market entry risk" during a period when many feel the AIM market is offering excellent value over the medium to long-term, but short term volatility remains

We look to work with advisers to provide the best service to their clients and have a range of financial planning ideas we can share (ISA switches, POA/care homes, trusts, selling a business etc). Get in touch to find out more.



**GROWTH FOCUS**



**RESPONSIBLE GROWTH FOCUS**



**DIVIDEND FOCUS**

## MORE INFORMATION

For further information on any of the following, please get in touch.

- Factsheets
- Videos and webinar recordings
- Face-to-face and virtual Events
- Manager meetings
- CPD credit opportunities

[CONTENT LIBRARY](#)

[EVENTS](#)

Past performance is not a guide to future performance, performance is based on returns net of fees. Your capital is at risk, the value of investments and the income from them may go down as well as up. Investors may not get back the amount of their original investment. Performance figures show the total return of the Unicorn AIM IHT & ISA Portfolio Service Growth and Dividend Focus Portfolios where the contribution of each portfolio to the total return is weighted by portfolio size. The returns take into account all portfolio management fees but do not include initial portfolio or adviser fees. Individual portfolios are excluded during months when a portfolio is being invested, during months when withdrawals are made, where the investor has died and all portfolios where the initial investment is less than the minimums quoted in the terms & conditions of the service. The performance figures have been calculated by WM Capital Management based on the bid prices of holdings at the end of each month. Fees are subject to change.

Investing in smaller companies, including AIM listed companies and unlisted companies, can carry greater risks than those associated with larger capitalized companies. Taxation levels, benefits and reliefs may all vary depending on individual circumstances and are subject to change. Except where otherwise stated, the source of the information in this document is Unicorn Asset Management.

Opinions expressed are those of Unicorn Asset Management and should not be relied upon as a guarantee of the possible returns from an investment in its funds, nor is there any guarantee, representation or warranty regarding the accuracy of the information contained within this document. Forward looking opinions may be subject to change without notice.

Nothing in this document should be seen as advice, an invitation or a recommendation to buy or sell any investment or security referred to. Investors should seek financial advice before making an investment. Any decision to invest in the Unicorn fund range should be made solely by reference to the prospectus, KIIDs, terms and conditions and relevant application form.

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