

## Unicorn UK Income Fund moves to quarterly dividends and generates yield from a differentiated portfolio

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### Unicorn AIM VCT raise exceeds £10m

#### **UNICORN UK INCOME FUND**

Unicorn Asset Management has moved the Unicorn UK Income Fund from semi-annual to quarterly dividend payments, with the first distribution as at 31 December 2014. The Fund's dividend yield as at 31 December 2014 was 5.1%\*.

#### **Portfolio diversification – low exposure to FTSE 100 stocks**

Unicorn's investment approach has a bias towards small and mid cap stocks, which means the Unicorn UK Income Fund generates yield from a portfolio which is differentiated from that of the majority of the IMA UK equity income sector.

The Fund currently has a 3.5% exposure to FTSE 100 stocks, which have historically accounted for 89% of UK company dividends. The Unicorn UK Income Fund has a track record of more than ten years' income generation from the remaining 11%.

Fraser Mackersie, Co-Manager of the Unicorn UK Income Fund commented: *"The Unicorn UK Income Fund has a low exposure to FTSE 100 stocks and instead seeks to generate income from smaller and mid cap stocks. As such it provides a diversified source of income for an investor's portfolio, differentiated from many of the funds in its IMA sector peer group, which have a large cap focus. The Fund's avoidance of mining and energy stocks has also benefitted recent performance."*

#### **UNICORN AIM VCT**

The Unicorn AIM VCT has raised over £10m for its 2014/15 offer, with a reservation facility now available. The largest AIM-focused VCT in the market, the Unicorn AIM VCT plc was the joint-highest rated AIM VCT by Martin Churchill's Tax Efficient Review (87/100) and was awarded 5\* by Tilney Bestinvest.

The board of the VCT recently announced a proposed tax-free dividend of 6p per share for the financial year ended 30 Sep 2014. Subject to shareholder approval, this is expected to be paid around 20 February 2015. In the previous 3 financial years the VCT has paid a total of 16p in tax-free dividends, meaning 22p in dividends has been paid or proposed in relation to the past four financial years.

The VCT, which currently has net assets of over £100m, is managed by an experienced team, with a proven long term track record. It provides investors with exposure to an established, diversified, maturing and strongly performing portfolio of British smaller companies, the majority of which are listed on the FTSE AIM market.

Chris Hutchinson, Manager of the Unicorn AIM VCT commented, "This offering gives investors an opportunity to access an existing investment portfolio, which over recent years has delivered strong relative out-performance and a sustainable and gently progressive dividend income stream. Since launch in 2001, the Unicorn AIM VCT has paid total dividends to investors of almost £34m and has also built up substantial reserves, which are available for future dividend distribution."

The VCT has delivered a total return of +65.6% over the last 3 calendar years vs. +4.2% for the FTSE AIM index and +37.3% for the FTSE All Share index\*\*.

The closing date for applications for the 2014/15 tax year is 12 noon on 1 April 2015 and for the 2015/16 tax year is 12 noon on 30 June 2015.

\*Source: Unicorn Asset Management: Yield as at 31 December 2014. FTSE 100 weighting as at 13 January 2015.

\*\*Source: Unicorn Asset Management: 1 January 2012 – 31 December 2014. Unicorn AIM VCT NAV total return including dividends reinvested. FTSE AIM Index return in GBP. Past performance is not a guide to future performance.

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## **NOTES TO EDITORS:**

### **Unicorn Asset Management**

Unicorn Asset Management was established in 2000 and is an independently owned and managed company. It specialises in investing in UK small and mid-cap companies, AIM and fledgling markets.

Unicorn operates a team based approach to investment management and its experienced, committed and well-resourced investment team has almost 100 years' of combined experience. Unicorn is focused on being the 'best not the biggest' and its funds aim to deliver long term outperformance. Unlike many investment firms, Unicorn is majority owned by its directors and managers, providing further incentive to help ensure that the funds deliver consistently strong performance.

Unicorn currently manages over £850m across a range of funds designed to satisfy a variety of investor requirements, including UK Income, UK Growth, UK Smaller Companies, an investment trust and an AIM focused VCT.

### **Chris Hutchinson, Director & Senior Fund Manager**

Chris is the lead manager of Unicorn AIM VCT and has been a member of the Unicorn Investment Committee since he joined the firm in 2005. Prior to joining Unicorn, Chris was a Fund Manager at Montanaro Investment Managers for over eight years where he specialised in UK smaller companies.

### **Fraser Mackersie, Fund Manager**

Fraser has been manager of the Unicorn UK Growth fund since February 2011 and co-manager of the Unicorn UK Income Fund and Acorn Investment fund since 2013. He joined Unicorn Asset Management in 2008 and has been an active member of Investment Committee at Unicorn since joining the firm. Prior to joining Unicorn Fraser held positions at F&C Asset Management and Geoghegan & Co Chartered Accountants. Fraser is a Fellow of the Association of Chartered Certified Accountants.

### **Simon Moon, Fund Manager**

Simon has been co-manager of the Unicorn UK Income Fund and Acorn Investment Fund and lead manager of the Unicorn Smaller Companies Fund since 2013. He joined Unicorn Asset Management in 2008, since when he has been an active member of the Investment Committee. Prior to joining Unicorn Simon worked as a research analyst at JM Finn & Co. Stockbrokers and spent three years in the NHS graduate finance scheme.

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**Media contact:**

**Zoe Powell**

**Press Office**

**e: [zpowell@lgbrcapital.com](mailto:zpowell@lgbrcapital.com)**

**m: +44 (0)7866 639014**