

Investment Objective

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.

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 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.

Manager

Fraser Mackersie
Simon Moon

Fund Commentary

The UK Ethical Income Fund registered a total return of +7.9% in December, which compares to an average total return from the IA UK Equity Income sector of +3.9% over the same period. UK markets rallied strongly in the second half of December, following the decisive general election result in favour of a Conservative government.

Many of the portfolio investee companies performed well in share price terms during the month, despite an absence of trading related news flow. The top contributors were; Somero, Numis, Wincanton and Telecom Plus, which, in aggregate, added a total of 2.4% to overall portfolio performance.

There were no material detractors from performance during the month.

A position in B&M European Value Retail was initiated during the month. B&M is a discount retailer with strong long term growth prospects as it executes on a disciplined rollout strategy. B&M generates strong levels of cash, which helps fund a healthy dividend yield and support the payment of periodic special dividends.

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	6 Month	1 Year	3 Year	Since Launch
UK Ethical Income (B-Shares)	25.7%	11.8%	25.7%	32.7%	38.2%
Rank	16/86	13/86	16/86	7/79	22/78
Sector Average	20.1%	8.3%	20.1%	19.6%	33.5%

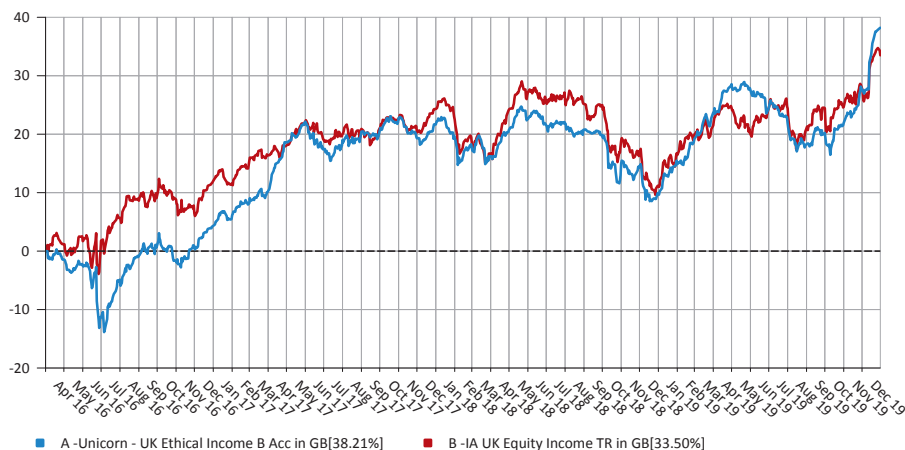
Source: Financial Express (Using bid to bid market value, total return)

Discrete Performance

	2019	2018	2017
UK Ethical Income (B-Shares)	25.7%	-9.6%	16.8%
Rank	16/86	33/84	11/79
Sector Average	20.1%	-10.5%	11.3%

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

Past Performance - Since Launch



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

Top 10 Holdings	
Cineworld Group	4.7%
Telecom Plus	4.1%
Phoenix Group	4.0%
Secure Trust Bank	3.9%
Hill & Smith Holdings	3.4%
Londonmetric Property	3.4%
Brewin Dolphin Holdings	3.3%
FDM Group Holdings	3.2%
Numis Corporation	3.0%
Sabre Insurance	2.9%
Total	35.9%

Sector Breakdown	
Financial Services	16.3%
Engineering	12.4%
Property	11.4%
Building & Construction	11.1%
Insurance	6.9%
Travel & Leisure	6.3%
Cash	6.3%
Software & Computer Services	5.4%
Consulting Services	5.3%
Communications	4.1%
Total	85.5%

Fund Facts	
Fund Managers	Fraser Mackersie Simon Moon
Fund Size	£38 m
Launch Date	31 March 2016
Fund Sector	UK Equity Income
Number of Holdings	36
Pricing	10:00 Daily
ISAs/JISAs	Available
Dividend Dates	Ex-Div: 31/3, 30/6, 30/9, 31/12 Payment: 31/5, 31/8, 30/11, 28/2

Share Class Information		
	Retail 'A'	Institutional 'B'
Initial Charge	5.50%	2.50%
On Going Charge	1.56%	0.81%
Historic Yield	4.44%	4.43%
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	9.53	9.00
Alpha	11.40	4.87
Beta	0.66	0.76
Sharpe	2.31	0.67
Information Ratio	0.60	0.56

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 2019 with exception to the on going charge figure which is based on the final accounts for the 12 months ended 30 September 2019

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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.

Fact sheet issued by:

Unicorn Asset Management
Preacher's Court
The Charterhouse
Charterhouse Square
London
EC1M 6AU

Telephone: 020 7253 0889

Fax: 020 7251 4028

Email: info@unicornam.com

Website: www.unicornam.com

Dealing Helpline: 0345 026 4287