

Investment Objective

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

Investment Policy/Strategy

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

Manager

Simon Moon

Fund Commentary

The UK Smaller Companies Fund registered a total return of +1.3% in November, compared to the IA UK Smaller Companies sector average total return of -1.4% over the same period.

Equity markets remained under pressure in November, as political uncertainty surrounding the eventual outcome of Brexit, together with ongoing tensions between the US and China, resulted in deteriorating investor confidence.

Despite generally poor sentiment towards UK equities, a number of investments registered a positive return during the month. The top contributors were; Codemasters Group, Alpha FX Group and Goodwin which in aggregate added +1.4% to Fund performance. Codemasters reported strong interim results, which covered the successful release of new Formula One and ONRUSH games and is expected to benefit from the launch of DiRT Rally 2.0 in February 2019. Shares in Alpha FX and Goodwin gained in price despite an absence of newsflow.

The primary detractors were First Derivatives, Somero Enterprises and Dairy Crest Group, which, in aggregate, cost -1.3% in Fund performance. First Derivatives' (FD) share price continued to come under pressure, despite announcing interim results that reported on strong growth in revenues and profits. FD's management team also stated that they remain confident in the outlook for the full year. Dairy Crest released interim results that were in line with market expectations, while there was no meaningful news from Somero Enterprises.

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	10 Year
UK Smaller Companies (B-Shares)	-11.0%	-9.1%	23.6%	44.8%	381.3%
Rank	38/51	40/51	29/48	32/48	21/44
NSCI (ex IC)	-10.6%	-7.5%	19.2%	32.6%	344.3%
Sector Average	-7.2%	-4.6%	28.2%	46.8%	333.2%

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

Discrete Performance

	2017	2016	2015	2014	2013
UK Smaller Companies (B-Shares)	25.4%	10.0%	14.2%	-2.1%	57.0%
Rank	35/49	17/48	30/48	31/48	3/47
NSCI (ex IC)	19.5%	11.1%	10.6%	-1.8%	36.9%
Sector Average	26.6%	7.7%	14.2%	-2.0%	37.4%

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

Past Performance - 10 Years



30/11/2008 - 30/11/2018 Data from FE 2018

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	
4Imprint Group	4.3%
Goodwin	4.2%
Hill & Smith Holdings	4.2%
Avon Rubber	4.2%
Coats Group	4.0%
Alpha FX	3.9%
Ocean Wilsons Holdings	3.7%
Marshalls	3.4%
Somero Enterprises	3.2%
Severfield	3.0%
Total	38.1%

Sector Breakdown	
Engineering	26.1%
Travel & Leisure	11.3%
Logistics & Transportation	10.9%
Building & Construction	6.6%
Defence	6.5%
Financial Services	4.8%
Consumer Retail	4.5%
Cash	4.4%
Marketing	4.3%
Textiles	4.0%
Total	83.4%

Fund Facts	
Fund Manager	Simon Moon
Fund Size	£50m
Launch Date	15 July 2002
Fund Sector	UK Smaller Companies
Number of Holdings	39
Pricing	10:00 Daily
ISAs/JISAs	Available
Dividend Dates	Ex-Div: 30/9 Payment: 30/11

Share Class Information	A - Income	B - Income	O - Income
	Initial Charge	5.50%	2.50%
On Going Charge	1.59%	0.84%	1.59%
ISIN Code	GB0031791238	GB0031785065	GB00BJTMQC36
Sedol Code	3179123	3178506	BJTMQC3
Bloomberg Code	UNUKSAI	UNUKSBI	UNUKSOI
MEX ID	U2UKSI	U2UKSB	U2AAAF
Initial Investment	£2,000	£20,000	£10,000

Risk Ratios	1yr	3yr
Volatility	10.41	10.18
Alpha	-5.51	-0.29
Beta	0.81	0.89
Sharpe	-0.01	0.34
Information Ratio	-0.89	-0.24

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 30 November 2018 with exception to the on going charge figure which is based on the full year accounts for the 12 months ended 30 September 2018

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