

Unicorn Investment Funds

Interim Report 31 March 2018

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Directory

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Auditor

Grant Thornton UK LLP
30 Finsbury Square
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Basis of Accounting

The interim financial statements have been prepared under the historical cost basis, as modified by revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for the Financial Statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 September 2017.

The financial statements have been prepared on the going concern basis.

Certification of the Interim Report by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Statement of Recommended Practice issued by the IA.

Philip John

Chris Hutchinson

Directors

Unicorn Asset Management Ltd.

25 May 2018

Investment Objective and Policy

The Unicorn UK Growth Fund aims to achieve long term capital growth through investment in a portfolio of UK equities.

The Sub-fund has issued A Income, B Income and Overseas Income shares.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

For the six month period ending 31 March 2018, the Sub-fund's Institutional (B) shares produced a total return of 0.90% or 90 basis points (90bps) (Source: Financial Express, Bid to Bid, Total Returns), comfortably outperforming the UK All Companies sector, which generated an average total return of -2.06%.

The outperformance during the period under review masks the contrasting returns achieved between the first and second quarters of the Sub-fund's current financial year. A strong period of absolute and relative performance during the final three months of 2017, was largely offset by negative returns generated in the quarter that followed. In addition to general weakness and heightened volatility in equity markets during the first quarter of 2018, one company held in the portfolio, Conviviality, was written down to zero value, which had a significant negative impact on overall performance. This stock specific issue is explained in more detail later in the report.

The strategy of the Sub-fund remains unchanged. We remain focused on investing in companies that are capable of delivering sustainable, long term, profitable growth. The Sub-fund's flexible mandate allows us to invest in companies of any size, although our long-standing preference for small and mid-sized companies has been maintained. We would expect this trend to continue.

The term "growth" might not necessarily be considered appropriate given the current UK macro-economic backdrop, especially considering the latest Bank of England forecast, which predicts UK GDP growth of 1.4% in 2018, followed by 1.1% in 2019. Nevertheless, we remain confident that we can continue to find attractive investment opportunities within the UK quoted universe, which will provide exposure to superior secular growth, both within the domestic economy and also in faster-growing economies overseas. A good example of attractive and sustainable growth within the UK economy is the digital sector and, in particular, the e-commerce market, which is already one of the most developed in the world. The Sub-fund's exposure to this rapidly evolving area of the economy has been gained through investment in companies that deliver and operate the necessary digital infrastructure, rather than through direct investment in consumer retail stocks that are seeking to secure efficiencies through the use of digital technology. A significant proportion of the earnings generated in the Sub-fund now come from companies with significant overseas activities. The US appears to be a particularly attractive market at the current time, and we have therefore increased our exposure to UK companies operating in this area. In our opinion, a prudent diversification strategy provides investors with access to high growth, international markets, while also serving to mitigate the risk of under-performance caused by over-reliance on companies operating solely within the domestic economy, at a time when UK consumer spending is clearly under pressure.

The fundamental attractions of the companies held in the Sub-fund remain intact. With the exception of Conviviality all of the underlying companies are currently profitable, while 42 of these are expected to pay a dividend within the next twelve months. While dividend payments are not an essential criteria for inclusion in the Sub-fund, we look favourably on those companies that are able to generate sufficient cash to enable them to invest in their future growth plans, while also making regular cash returns to shareholders. The majority of companies in the Sub-fund hold cash on their balance sheets, while those that are leveraged, are operating at modest levels of net gearing.

The Sub-fund has maintained a high conviction approach, ending the period with 46 holdings. During the six month period under review, twelve positions were exited in full, while nine positions were initiated. The Sub-fund participated in two Initial Public Offerings (IPOs) during the period, City Pub and Integrafin. City Pub is an owner/operator of high quality, drink-led pubs, while Integrafin provides a platform for financial advisors and wealth managers designed to help them manage their clients' portfolios. Other notable additions to the portfolio included; Smith (DS), a manufacturer of packaging, Ashtead, an equipment rental company, Bodycote, an engineering business, Diploma a distributor of industrial components, and Hollywood Bowl, an operator of bowling alleys.

Although the portfolio delivered a positive total return of 0.9% during the period under review, performance overall was negatively impacted by a write-down in the value of the Sub-fund's holding in Conviviality Retail, a drinks retailer.

Investment Manager's Report

continued

Conviviality cost the Sub-fund 272 basis points (bps) in performance terms during the period. Following a series of extremely disappointing updates in March, the shares were suspended and written down to zero-value within the Sub-fund. The issues faced by Conviviality occurred primarily within the Conviviality Direct Division, a division created following the acquisition of Matthew Clarke, a drinks distribution business. A lack of internal controls over pricing and budgeting, was exacerbated by poor working capital disciplines and inadequate management of cashflow. The combination of these factors resulted in the company being unable to meet its financial obligations to its suppliers and HMRC, which led to the share suspension and subsequent collapse of the business following a failed attempt to raise emergency funds.

The decision to invest in Conviviality revolved around a belief that its 'one-stop shop' model would ultimately provide a strong platform for market consolidation, which in turn would generate significant earnings growth as the benefits of scale came to the fore. Regardless of size and market position, day to day operational excellence is key in a competitive market and it has since become clear that crucial operational and financial controls were absent during a period of rapid, acquisitive growth. We are naturally disappointed by the destruction in value caused by Conviviality's demise, particularly since we believe that most of the company's problems were self-inflicted.

The next largest detractor was Micro Focus International, which cost the Sub-fund 113 bps in performance terms. The company released a disappointing trading update which resulted in downgraded expectations. In line with its strategy of buying unloved software assets and then seeking to improve their operational performance, Micro Focus International acquired the software assets of Hewlett Packard Enterprise last year in a significant acquisition. The integration of this business caused major disruption to the sales team leading to lower than anticipated revenues and profits. In our opinion, these issues are temporary in nature and the economic rationale for the HP deal, while diminished, remains intact.

The largest positive contributor to the Sub-fund over the six month period was Somero Enterprises, which added 95 bps in performance terms. Somero manufactures laser guided machinery, which is used in the spreading and levelling of concrete. Somero's financial and operational performance has been consistently good since the position was initiated in October 2013 and this trend continued throughout the period under review. Somero is a cash generative business, which has enabled the management team to increase the dividend payout ratio and pay two special dividends in the past twelve months, while also retaining sufficient cash to meet organic growth objectives.

The next largest contributor was First Derivatives, which added 87 bps to performance. First Derivatives provides high-performance, time-series, database software, which allow its customers to process and analyse vast data sets in real-time. First Derivatives has been another long-standing position within the Sub-fund, and has delivered impressive growth since first entering the portfolio in February 2013. The company recently released another strong trading update and announced a number of new contract wins, many of which are in new verticals.

Other notable contributors during the period were Frontier Developments (59 bps), Midwich (57 bps), and Accesso Technology (43 bps).

Looking ahead, we anticipate that volatility will continue to be a feature in equity market performance, and in the value of Sterling. The negotiations over Britain's exit from the European Union are complex and may yet unravel. There are also concerns surrounding the stability of Theresa May's government. A lack of tangible and positive progress on Brexit will inevitably increase the pressure on the Prime Minister. Meanwhile, UK economic growth remains lacklustre and forecast growth rates have recently been reduced.

In spite of the uncertain outlook, we remain confident about the growth prospects for our underlying investee companies. The Sub-fund continues to invest in well-run, profitable, cash generative companies, many of which are exposed to sustainable, multi-year growth trends. As such, the Manager believes that the Sub-fund remains well placed to deliver further growth over the longer term.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
	Chemicals 1.89% (1.84%)		
37,863	Victrex	971,565	1.89
	Forestry & Paper 1.94% (2.18%)		
67,500	James Cropper*	995,625	1.94
	Construction & Materials 2.32% (5.14%)		
514,807	Melrose Industries	1,189,204	2.32
	General Industrials 8.03% (5.54%)		
1,326,101	Coats	1,014,467	1.98
1,293,171	Macfarlane	995,742	1.94
238,417	Smith (DS)	1,121,990	2.18
170,000	Vesuvius	991,100	1.93
		4,123,299	8.03
	Industrial Engineering 8.07% (4.28%)		
126,616	Bodycote	1,132,580	2.20
102,172	Hill & Smith	1,357,866	2.64
441,748	Somero Enterprises*	1,656,555	3.23
		4,147,001	8.07
	Industrial Transportation 1.87% (4.34%)		
300,000	BBA Aviation	961,200	1.87
	Support Services 14.06% (10.70%)		
62,505	Ashtead	1,212,284	2.36
318,045	Clipper Logistics	1,132,240	2.20
75,000	Diploma	855,000	1.66
23,427	Ferguson	1,253,345	2.44
150,000	Midwich*	817,500	1.59
200,000	Restore*	1,076,000	2.10
120,000	Smart Metering Systems*	879,600	1.71
		7,225,969	14.06
	Automobiles & Parts 0.00% (0.91%)		
	Food Producers 0.00% (1.92%)		
	Leisure Goods 2.62% (2.82%)		
103,415	Frontier Developments*	1,344,395	2.62
	Personal Goods 1.85% (1.99%)		
500,000	Warpaint London*	950,000	1.85
	Food & Drug Retailers 0.00% (1.90%)		
400,000	Conviviality*^	0	0.00

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
General Retailers 2.20% (5.23%)			
289,099	B&M European Value Retail	1,131,244	2.20
Media 4.50% (4.70%)			
78,937	4imprint	1,243,258	2.42
740,525	ITV	1,067,467	2.08
Travel & Leisure 8.92% (3.36%)			
504,359	Cineworld	1,188,270	2.31
593,824	City Pub*	991,686	1.93
545,638	Hollywood Bowl	1,080,363	2.11
216,053	SSP	1,321,164	2.57
Fixed Line Telecommunications 0.89% (1.95%)			
37,481	Telecom Plus	457,268	0.89
Banks 2.26% (2.20%)			
64,455	Secure Trust Bank	1,160,190	2.26
Real Estate Investment & Services 1.83% (1.92%)			
325,000	Grainger	938,600	1.83
Real Estate Investment Trusts 2.04% (1.76%)			
589,334	LondonMetric Property	1,050,193	2.04
Financial Services 5.62% (3.22%)			
235,332	Alpha FX*	1,153,127	2.25
209,064	Integrafin	537,294	1.05
690,448	Xafinity	1,194,475	2.32
Software & Computer Services 20.76% (23.04%)			
69,523	Accesso Technology*	1,571,220	3.06
860,000	dotDigital*	713,800	1.39
3,036,218	Eckoh*	1,214,487	2.36
90,000	FDM	909,000	1.77
52,909	First Derivatives*	1,931,179	3.76
414,973	GB*	1,668,191	3.25
348,980	Iomart*	1,273,777	2.48
60,940	Micro Focus International	601,356	1.17
11,000,000	Shearwater*	302,500	0.59
600,000	Tax Systems*	480,000	0.93
		10,665,510	20.76

Portfolio Statement

continued

 Holding	 Security	 Market value £	 % of total net assets 2018
	Technology Hardware & Equipment 2.33% (2.85%)		
603,427	Amino Technologies*	1,194,785	2.33
	Investment assets	48,283,152	94.00
	Net other assets	3,080,166	6.00
	Net assets	51,363,318	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

^This is a suspended security and has been valued at the Manager's best assessment of its fair value.

*Quoted on the Alternative Investment Market.

Total purchases for the period: £26,871,517

Total sales for the period: £8,667,142

Comparative Tables

Change in net assets per share

	A Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	574.17	441.78	405.18	383.25
Return before operating charges [^]	7.68	145.35	47.35	28.37
Operating charges	-9.86	-8.62	-7.18	-6.44
Return after operating charges [^]	-2.18	136.73	40.17	21.93
Distributions	0.00	-4.34	-3.57	0.00
Closing net asset value per share	571.99	574.17	441.78	405.18
[^] After direct transaction costs of	-1.81	-2.26	-1.28	-1.25
Performance				
Return after charges	-0.38%	30.95%	9.91%	5.72%
Other information				
Closing net asset value	£4,581,420	£4,392,290	£3,694,327	£4,204,103
Closing number of shares	800,963	764,974	836,236	1,037,601
Operating charges	1.63%	1.68%	1.74%	1.70%
Ongoing operating charges*	1.62%	1.64%	—	—
Direct transaction costs	0.30%	0.44%	0.31%	0.33%
Prices				
Highest share price	631.70	586.27	448.77	411.05
Lowest share price	571.76	426.72	371.04	356.80

	B Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	575.19	443.25	405.93	383.33
Return before operating charges [^]	5.44	144.94	48.11	28.31
Operating charges	-5.34	-4.80	-4.11	-3.61
Return after operating charges [^]	0.10	140.14	44.00	24.70
Distributions	0.00	-8.20	-6.68	-2.10
Closing net asset value per share	575.29	575.19	443.25	405.93
[^] After direct transaction costs of	-1.82	-2.27	-1.28	-1.26
Performance				
Return after charges	0.02%	31.62%	10.84%	6.44%
Other information				
Closing net asset value	£46,457,748	£29,000,737	£14,179,020	£12,678,221
Closing number of shares	8,075,587	5,041,920	3,198,847	3,123,291
Operating charges	0.88%	0.93%	0.99%	0.95%
Ongoing operating charges*	0.87%	0.89%	—	—
Direct transaction costs	0.30%	0.44%	0.31%	0.33%
Prices				
Highest share price	634.07	590.93	452.66	413.53
Lowest share price	574.94	427.84	374.06	358.26

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	133.37	102.84	94.22	88.98
Return before operating charges [^]	1.79	33.64	11.14	6.74
Operating charges	-2.29	-2.00	-1.67	-1.50
Return after operating charges [^]	-0.50	31.64	9.47	5.24
Distributions	0.00	-1.11	-0.85	0.00
Closing net asset value per share	132.87	133.37	102.84	94.22
[^] After direct transaction costs of	-0.42	-0.52	-0.30	-0.29
Performance				
Return after charges	-0.37%	30.77%	10.05%	5.89%
Other information				
Closing net asset value	£324,150	£58,714	£45,760	£50,091
Closing number of shares	243,954	44,024	44,497	53,162
Operating charges	1.63%	1.68%	1.74%	1.70%
Ongoing operating charges*	1.62%	1.64%	—	—
Direct transaction costs	0.30%	0.44%	0.31%	0.33%
Prices				
Highest share price	146.73	136.28	104.36	95.59
Lowest share price	132.82	99.19	86.29	82.96

*The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

Risk and reward profile

The risk and reward Indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The level of targeted income is not guaranteed and may not be achieved.
- This Sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- Smaller company shares can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of larger companies.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital (losses)/gains		(1,315,940)		2,333,008
Revenue	401,404		145,794	
Expenses	(214,773)		(101,291)	
Interest payable and similar charges	–		–	
Net revenue before taxation	186,631		44,503	
Taxation	(8,846)		(4,511)	
Net revenue after taxation		177,785		39,992
Total return before distributions		(1,138,155)		2,373,000
Distributions		29,399		2,630
Change in net assets attributable to Shareholders from investment activities		(1,108,756)		2,375,630

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		33,451,741		17,919,107
Amounts receivable on issue of shares	27,930,334		3,294,251	
Less: Amounts payable on cancellation of shares	(8,910,038)		(2,978,114)	
		19,020,296		316,137
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(1,108,756)		2,375,630
Unclaimed distributions		37		–
Closing net assets attributable to Shareholders		51,363,318		20,610,874

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		48,283,152		31,373,533
Current Assets				
Debtors	666,359		471,644	
Cash and bank balances	3,887,216		2,230,439	
Total current assets		4,553,575		2,702,083
Total assets		52,836,727		34,075,616
LIABILITIES				
Investment liabilities		–		–
Creditors				
Distribution payable	–		(447,143)	
Other creditors	(1,473,409)		(176,732)	
Total creditors		(1,473,409)		(623,875)
Total liabilities		(1,473,409)		(623,875)
Net assets attributable to Shareholders		51,363,318		33,451,741

Investment Objective and Policy

The Unicorn Mastertrust Fund aims to achieve long term capital growth by investing in a wide range of listed investments companies.

The Sub-fund has issued A Income, B Income and Overseas Income shares.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

For the six month period ending 31 March 2018 Unicorn Mastertrust's Institutional (B) shares produced a return of 1.3%. Over the same period the overall UK equity market fell by 2.4% and the average return achieved by Investment Companies was 0.7% (Source: Financial Express, Bid to Bid, Total Returns). The Sub-fund was invested in 54 companies at the period end.

Significant positive contributions to performance came from a broad range of portfolio investments. Despite on-going Brexit related concerns and apparent disinterest in the domestic equity market, UK smaller companies trusts fared relatively well, led by BlackRock Throgmorton Trust (+8.6%) and Henderson Smaller Companies (+6.8%). Fidelity Special Values, which is largely invested in UK mid and small capitalization companies, advanced by 7.3% while Independent Investment Trust benefitted from strong net asset value growth and a significant re-rating leading to a share price gain of 21.7%. Elsewhere there were useful contributions from Baillie Gifford Japan Trust (+13.0%), Monks Investment Trust (+8.3%), TR Property Investment Trust (+5.4%) and ICG Enterprise Trust (+5.1%). The greatest detractors from performance were Marwyn Value Investors II (-25.2%), Biotech Growth Trust (-14.9%) and Gabelli Value Plus + Trust (-10.0%).

Portfolio activity during the period under review featured the acquisition of three new investments and two outright sales. The holdings in Templeton Emerging Markets Investment Trust and Baillie Gifford Shin Nippon were sold and respectively replaced by investments in JPMorgan Emerging Markets Investment Trust and Atlantis Japan Growth Fund while a new position was established in Riverstone Energy, which invests in the global energy industry. Additional shares were acquired in existing portfolio investments in Fidelity Special Values, TR Property Trust, Hansa Trust, BlackRock Throgmorton Trust, Aberforth Smaller Companies Trust, Artemis Alpha Trust, Gabelli Value Plus + Trust, BH Global, Biotech Growth Trust, The Alliance Trust, Acorn Income Fund, Gresham House Strategic, Invesco Asia Trust and Law Debenture. Corporate activity impacted on Aberdeen Private Equity Fund which is currently in the process of returning capital to shareholders at close to net asset value and Pantheon International which completed the reorganisation of its share capital.

Global equity markets continued to rise during the first four months of the period under review but have subsequently fallen back from the record levels seen towards the end of January 2018. Volatility, risk aversion and Bond yields have all increased while investors have questioned the sustainability of strong global economic growth as monetary policy continues to tighten in the United States. While monetary policy elsewhere in the developed world is expected to remain relatively accommodative, the performance of the US market will continue to be an important driver of global equity returns. As highlighted within the last annual report, the Sub-Fund started the period with a relatively high weighting in cash, reflecting both a cautious approach towards equity markets and a lack of compelling investment opportunities in the investment companies universe, rather than a prediction of an impending stock market correction. Although the cash weighting remained at a relatively high level at the end of the period, the recent uncertainty in markets has been accompanied by widening discounts such that more attractive opportunities are expected to become available in the coming months.

One of Mastertrust's portfolio holdings, Foreign & Colonial Investment Trust, recently celebrated its 150th anniversary. The fact that the world's oldest collective investment fund is still going strong, with current assets of more than £3.6bn, is a testimony to the benefits of the investment company structure, which is well suited to long term investment in risk assets. Those benefits more often than not translate into superior long term returns for investors in the investment companies sector when compared to open-ended funds and it is encouraging that this message is increasingly getting through to a wider audience, both through intermediaries and to self-directed investors. While investors may well face greater challenges in the coming quarters the long term attractions of a diversified portfolio of investment companies remain as compelling as ever.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
Equity investment instrument 81.46% (82.31%)			
400,000	Aberdeen Latin American Income Fund	277,600	0.40
500,000	Aberdeen New Dawn Investment Trust	1,140,000	1.64
600,000	Aberdeen Private Equity Fund	822,000	1.18
120,000	Aberforth Smaller Companies Trust	1,550,400	2.23
23,500	Aberforth Split Level Trust^	0	0.00
310,000	Acorn Income Fund ^^	1,308,200	1.88
271,344	Apax Global Alpha	352,747	0.51
443,000	Artemis Alpha Trust	1,311,280	1.89
650,000	Atlantis Japan Growth Fund	1,456,000	2.10
105,000	Baillie Gifford Japan Trust	849,450	1.22
170,531	Better Capital	102,319	0.15
92,939	BH Global	1,273,264	1.83
156,280	Biotech Growth Trust	1,090,834	1.57
307,000	BlackRock Throgmorton Trust	1,455,180	2.10
385,500	BlackRock World Mining Trust	1,422,495	2.05
221,500	British Empire Trust	1,539,425	2.22
58,600	Caledonia Investment	1,549,970	2.23
81,500	Candover Investments	91,280	0.13
535,000	City Natural Resources High Yield Trust	601,875	0.87
260,000	Edinburgh Dragon Trust	943,800	1.36
157,791	Fidelity Asian Values	602,762	0.87
652,500	Fidelity European Values	1,363,725	1.96
530,000	Fidelity Special Values	1,367,400	1.97
282,000	Foreign & Colonial Investment Trust	1,759,680	2.53
1,150,000	Gabelli Value Plus +	1,322,500	1.90
167,536	Gresham House Strategic*	1,365,418	1.96
140,000	Hansa Trust	1,358,000	1.95
113,000	HarbourVest Glob Private Equity	1,344,700	1.93
162,000	Henderson Smaller Companies	1,367,280	1.97
129,600	Herald Investment Trust	1,464,480	2.11
162,500	ICG Enterprise Trust	1,277,250	1.84
160,000	Independent Investment Trust	1,136,000	1.63
512,100	Invesco Asia Trust	1,408,275	2.03
150,000	JPMorgan Emerging Markets Trust	1,275,000	1.83
348,845	JPMorgan EUR Smaller Companies Trust	1,395,380	2.01
263,500	Law Debenture Corporation	1,480,870	2.13
63,439	LMS Capital	32,354	0.05
500,000	Marwyn Value Investors II	620,000	0.89
180,000	Monks Investment Trust	1,368,000	1.97
105,000	Montanaro UK Smaller Cos Investment Trust	581,700	0.84
86,591	New Star Investment Trust	91,786	0.13
50,000	North Atlantic Smaller Cos Investment Trust	1,310,000	1.88
65,000	Pantheon International Participations	1,228,500	1.77
1,010,000	Polar Capital Global Financials Trust	1,343,300	1.93
46,011	RENN Universal Growth Investment Trust^	0	0.00
25,000	RIT Capital Partners	474,000	0.68

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
Equity Investment Instruments (continued)			
63,781	Riverstone Energy	760,270	1.09
320,000	Schroder Asian Total Return Investment Trust	1,132,800	1.63
355,000	Schroder UK Growth Fund	594,625	0.86
300,000	Seneca Global Income & Growth Trust	505,500	0.73
450,000	Standard Life Private Equity Trust	1,462,500	2.10
559,434	Strategic Equity Capital	1,253,132	1.80
266,000	The Alliance Trust	1,856,680	2.67
412,000	TR Property Investment Trust	1,571,780	2.26
		56,613,766	81.46
Investment assets		56,613,766	81.46
Net other assets		12,887,128	18.54
Net assets		69,500,894	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

^These are delisted securities and have been valued at the Manager's best assessment of their fair value.

^^Represents investment into a related party of the Investment Manager.

*Quoted on the Alternative Investment Market.

Total purchases for the period: £13,828,407

Total sales for the period: £2,513,692

Comparative Tables

Change in net assets per share

	A Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	489.93	411.83	346.36	340.13
Return before operating charges [^]	18.17	86.64	72.70	12.31
Operating charges	-14.27	-7.35	-6.03	-5.84
Return after operating charges [^]	3.90	79.29	66.67	6.47
Distributions	0.00	-1.19	-1.20	-0.24
Closing net asset value per share	493.83	489.93	411.83	346.36
[^] After direct transaction costs of	-0.59	-0.50	-0.59	-0.75
Performance				
Return after charges	0.80%	19.25%	19.25%	1.90%
Other information				
Closing net asset value	£4,941,476	£4,776,681	£3,340,490	£3,938,281
Closing number of shares	1,000,652	974,971	811,137	1,137,042
Operating charges	2.88% [†]	1.60%	1.63%	1.64%
Direct transaction costs	0.12%	0.11%	0.16%	0.21%
Prices				
Highest share price	524.33	496.39	415.48	374.51
Lowest share price	456.03	411.97	337.26	326.11

	B Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	438.57	368.65	310.04	304.52
Return before operating charges [^]	14.68	77.56	65.10	11.02
Operating charges	-9.49	-3.51	-2.93	-2.85
Return after operating charges [^]	5.19	74.05	62.17	8.17
Distributions	0.00	-4.13	-3.56	-2.65
Closing net asset value per share	443.76	438.57	368.65	310.04
[^] After direct transaction costs of	-0.53	-0.45	-0.53	-0.67
Performance				
Return after charges	1.18%	20.09%	20.05%	2.68%
Other information				
Closing net asset value	£64,071,056	£50,090,128	£32,594,940	£21,039,335
Closing number of shares	14,438,353	11,421,364	8,841,787	6,785,923
Operating charges	2.13% [†]	0.85%	0.88%	0.89%
Direct transaction costs	0.12%	0.11%	0.16%	0.21%
Prices				
Highest share price	470.42	447.17	374.39	336.87
Lowest share price	409.68	369.07	302.79	292.09

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	143.99	121.03	101.80	99.97
Return before operating charges [^]	5.37	25.48	21.36	3.62
Operating charges	-4.20	-2.16	-1.77	-1.72
Return after operating charges [^]	1.17	23.32	19.59	1.90
Distributions	0.00	-0.36	-0.36	-0.07
Closing net asset value per share	145.16	143.99	121.03	101.80
[^] After direct transaction costs of	-0.17	-0.15	-0.17	-0.22
Performance				
Return after charges	0.81%	19.27%	19.24%	1.90%
Other information				
Closing net asset value	£488,362	£105,472	£46,357	£55,781
Closing number of shares	336,422	73,247	38,301	54,797
Operating charges	2.88% [†]	1.60%	1.63%	1.64%
Direct transaction costs	0.12%	0.11%	0.16%	0.21%
Prices				
Highest share price	154.12	145.90	122.11	110.07
Lowest share price	134.03	121.08	99.13	95.85

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

[†] The Sub-fund invests in Investment Trusts, the expenses incurred by these schemes for this period in relation to the Sub-fund (synthetic ongoing charge) are included within the operating charges.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the open net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average net asset value for the accounting period.

Comparative Tables

continued

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Changes in currency exchange rates may cause the value of investments to decrease or increase.
- The price of investment trusts may not reflect the value of the assets they hold. This can result in wide price changes of the investment trust shares.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital gains		48,325		3,823,043
Revenue	493,041		372,461	
Expenses	(287,117)		(184,462)	
Interest payable and similar charges	—		—	
Net revenue before taxation	205,924		187,999	
Taxation	—		—	
Net revenue after taxation		205,924		187,999
Total return before distributions		254,249		4,011,042
Distributions		15,876		9,881
Change in net assets attributable to Shareholders from investment activities		270,125		4,020,923

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		54,972,281		35,981,787
Amounts receivable on issue of shares	20,141,556		9,851,523	
Less: Amounts payable on cancellation of shares	(5,883,068)		(5,379,391)	
		14,258,488		4,472,132
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		270,125		4,020,923
Closing net assets attributable to Shareholders		69,500,894		44,474,842

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		56,613,766		45,250,126
Current Assets				
Debtors	804,771		240,978	
Cash and bank balances	12,313,356		10,151,892	
Total current assets		13,118,127		10,392,870
Total assets		69,731,893		55,642,996
LIABILITIES				
Investment liabilities		–		–
Creditors				
Distribution payable	–		(483,465)	
Other creditors	(230,999)		(187,250)	
Total creditors		(230,999)		(670,715)
Total liabilities		(230,999)		(670,715)
Net assets attributable to Shareholders		69,500,894		54,972,281

Investment Objective and Policy

The Unicorn UK Smaller Companies Fund aims to achieve long-term capital growth by investing predominantly in shares in smaller UK companies, where a smaller company is defined as a constituent of the Numis Smaller Companies Index. In addition, the Fund may invest up to 20% of the portfolio value in companies not included in the above, including those listed on the Alternative Investment Market. The Fund has issued Retail (A), Institutional (B), and Overseas (O) shares.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

For the six months ended 31 March 2018, the Sub-fund's Institutional (B) shares delivered a positive total return of 0.92% or 92 basis points (bps) (Source: Financial Express, Bid to Bid, Total Returns). This performance compares favourably with a negative total return from the benchmark, the Numis Smaller Companies Index (Ex IT), of -3.07% over the same period.

As at 31 March 2018, the Sub-fund held investments in 43 companies.

Equity markets endured a turbulent end to the period under review, as investor confidence waned and volatility increased. Worries over the valuations of technology stocks, combined with an increased possibility of a punishing trade war between the US and China resulted in a rapid and quite severe sell-off in the US equity market.

In the UK, interest rates were increased for the first time in over 10 years (from 0.25 to 0.5%) and Sterling strengthened accordingly. Higher inflation remains an issue domestically, because wage growth remains stubbornly low and is failing to keep pace with a general increase in the cost of living.

The Sub-fund remains focused on smaller quoted companies and the portfolio of investee companies ended the period with an average market capitalisation of under £500m, which is considerably lower than many of the competing funds that operate in the UK small-cap sector. The Sub-fund is also managed along high conviction lines, which helps ensure that the focus remains on those companies capable of delivering strong and sustainable growth. Periods of volatility in equity markets tend to lead to higher levels of activity in the Sub-fund as the Manager seeks to take advantage of potential mispricing by purchasing more shares in companies that may have been irrationally oversold.

The Fund's performance was robust over the period, especially given that it faced one significant stock specific issue, whereby Conviviality had to be written down to zero value. This write-down detracted 255bps from overall performance in the period. Despite this major setback the Sub-fund still managed to deliver a positive total return in the period under review. The circumstances surrounding the failure of Conviviality is discussed below together with detail on other, more positive stories.

Conviviality (-255bps), a distributor and retailer of alcohol, was the primary detractor from performance during the period. Following a series of extremely disappointing updates in March, the shares were suspended and written down to zero-value within the Sub-fund. The issues faced by Conviviality occurred primarily within the Conviviality Direct Division, a division created following the acquisition of Matthew Clarke, a drinks distribution business. A lack of internal controls over pricing and budgeting, was exacerbated by poor working capital disciplines and inadequate management of cashflow. The combination of these factors resulted in the company being unable to meet its financial obligations to its suppliers and HMRC, which led to the share suspension and subsequent collapse of the business following a failed attempt to raise emergency funds.

The decision to invest in Conviviality revolved around a belief that its 'one-stop shop' model would ultimately provide a strong platform for market consolidation, which in turn would generate significant earnings growth as the benefits of scale came to the fore. Regardless of size and market position, day to day operational excellence is key in a competitive market and it has since become clear that crucial operational and financial controls were absent during a period of rapid, acquisitive growth. We are naturally disappointed by the destruction in value caused by Conviviality's demise, particularly since we believe that most of the company's problems were self-inflicted.

The key positive contributors to the Sub-fund's performance over the six months to 31 March 2018 were as follows:-

Somero Enterprises (+198 bps), a manufacturer of laser guided concrete spreading and levelling equipment, produced another period of strong operational performance, which has allowed management to increase the company's dividend payout ratio to 50% and declare a further special dividend.

Investment Manager's Report

continued

DiscoverIE (formerly Acal) (+127bps), a specialist electronic components designer and manufacturer, posted strong organic growth in sales, primarily driven by organic growth within its Design and Manufacturing division and the positive impact of cross-selling. As a result of the growth within the higher margin Design and Manufacturing, the gross margin for the Group also improved significantly.

Avon Rubber (+110bps), a specialist developer and manufacturer of rubber products operating in the defence and dairy markets, produced a strong set of results showing growth in revenue, profits and forward order books.

Frontier Developments (+107bps), a developer of computer games, continued to announce positive updates concerning sales of existing games and also set a date for the release of its highly anticipated Jurassic World franchise.

Corporate activity remained a feature in the period under review, with two of the Sub-fund's investee companies being bid for; Servelec, a software and hardware company, and Fenner, a manufacturer of industrial belts. Both of these companies received bids at significant premia to the prevailing share prices at the time. While it is a shame to lose high quality companies from the portfolio, the Manager continues to see consider numerous potential replacements, all of which are well-run, profitable and cash generative businesses.

We anticipate that volatility will continue to be a feature in equity market performance for the remainder of the Sub-fund's financial year. The negotiations over Britain's exit from the European Union are complex and may yet unravel. There are also concerns surrounding the stability of Theresa May's government. A lack of tangible and positive progress on Brexit will inevitably increase the pressure on the Prime Minister. Meanwhile, UK economic growth remains lacklustre and forecast growth rates have recently been reduced.

In spite of the uncertain outlook, we remain confident about the growth prospects for our underlying investee companies.

The Manager invests in companies that demonstrate a competitive advantage in growing or robust end markets. Niche businesses, such as these, tend to demonstrate long term, sustainable profitability and are typically significantly cash generative, thereby supporting the payment of regular dividends. A continued focus on such companies gives the Manager confidence the Sub-fund can continue to deliver outperformance over the longer-term.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
	Chemicals 2.44% (1.69%)		
250,000	Zotefoams	1,340,000	2.44
	Forestry & Paper 1.37% (1.69%)		
51,000	James Cropper*	752,250	1.37
	Construction & Materials 7.03% (9.17%)		
700,000	Alumasc	868,000	1.58
340,000	Marshalls	1,420,520	2.59
300,000	Tyman	894,000	1.63
800,000	Van Elle*	672,000	1.23
		3,854,520	7.03
	Aerospace & Defence 3.70% (3.05%)		
160,000	Avon Rubber	2,032,000	3.70
	General Industrials 7.35% (8.71%)		
2,000,000	Coats	1,530,000	2.79
1,900,000	Low & Bonar	1,045,000	1.90
250,000	Vesuvius	1,457,500	2.66
		4,032,500	7.35
	Electronic & Electrical Equipment 5.97% (5.65%)		
600,000	DiscoverIE	2,472,000	4.50
250,000	Xaar	805,000	1.47
		3,277,000	5.97
	Industrial Engineering 20.54% (13.67%)		
253,293	Castings	1,071,429	1.95
250,000	Fenner	1,522,500	2.78
90,000	Goodwin	1,440,000	2.62
100,000	Hill & Smith Holdings	1,329,000	2.42
200,000	Porvair	946,000	1.72
1,800,000	Severfield	1,296,000	2.36
637,504	Somero Enterprises*	2,390,640	4.36
500,000	Trifast	1,275,000	2.33
		11,270,569	20.54
	Industrial Transportation 5.71% (6.99%)		
350,000	Braemar Shipping Services	882,000	1.61
100,000	Ocean Wilsons	1,070,000	1.95
540,000	Wincanton	1,182,600	2.15
		3,134,600	5.71
	Support Services 4.58% (5.23%)		
320,000	Clipper Logistics	1,139,200.00	2.08
150,000	Ricardo	1,374,000	2.50
		2,513,200.00	4.58

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
	Automobiles & Parts 1.47% (1.39%)		
950,000	Autins*	807,500	1.47
	Food Producers 2.33% (2.94%)		
250,000	Dairy Crest	1,280,000	2.33
	Leisure Goods 3.55% (4.03%)		
150,000	Frontier Developments*	1,950,000	3.55
	Food & Drug Retailers 0.00% (0.00%)		
600,000	Conviviality*	–	0.00
	General Retailers 3.49% (3.50%)		
600,000	Card Factory	1,134,600	2.07
1,000,000	Topps Tiles	780,000	1.42
		1,914,600	3.49
	Media 4.62% (6.35%)		
105,500	4imprint	1,661,625	3.03
300,000	Tarsus	873,000	1.59
		2,534,625	4.62
	Travel & Leisure 3.52% (3.83%)		
300,000	Domino's Pizza	990,900	1.80
200,000	Greene King	942,400	1.72
		1,933,300	3.52
	Banks 2.48% (2.38%)		
75,585	Secure Trust Bank	1,360,530	2.48
	Financial Services 9.93% (9.10%)		
292,108	Alpha FX	1,431,329	2.61
159,585	Integrafin	410,133	0.75
350,000	Numis	1,275,750	2.32
347,367	River & Mercantile	1,118,522	2.04
700,000	Xafinity	1,211,000	2.21
		5,446,734	9.93

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
	Software & Computer Services 5.15% (8.04%)		
135,000	FDM	1,363,500	2.49
40,000	First Derivatives*	1,460,000	2.66
		2,823,500	5.15
	Technology Hardware & Equipment 0.00% (1.17%)		
	Investment assets	52,257,428	95.23
	Net other assets	2,620,226	4.77
	Net assets	54,877,654	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

^This is a suspended security and has been valued at the Manager's best assessment of its fair value.

*Quoted on the Alternative Investment Market.

Total purchases for the period: £8,583,884

Total sales for the period: £7,479,180

Comparative Tables

Change in net assets per share

	A Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	549.84	443.63	434.02	390.52
Return before operating charges [^]	9.73	120.85	22.02	51.44
Operating charges	-9.13	-8.12	-6.89	-6.57
Return after operating charges [^]	0.60	112.73	15.13	44.87
Distributions	0.00	-6.52	-5.52	-1.37
Closing net asset value per share	550.44	549.84	443.63	434.02
[^] After direct transaction costs of	-0.52	-1.72	-1.20	-1.16
Performance				
Return after charges	0.11%	25.41%	3.49%	11.49%
Other information				
Closing net asset value	£5,255,540	£5,381,587	£5,994,469	£9,681,541
Closing number of shares	954,790	978,758	1,351,219	2,230,948
Operating charges	1.59%	1.61%	1.61%	1.59%
Direct transaction costs	0.09%	0.34%	0.28%	0.28%
Prices				
Highest share price	603.27	567.07	455.88	457.15
Lowest share price	554.46	420.34	383.63	367.82

	B Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	536.70	433.03	423.67	381.56
Return before operating charges [^]	7.40	117.96	21.54	50.23
Operating charges	-4.72	-4.24	-3.60	-3.40
Return after operating charges [^]	2.68	113.72	17.94	46.83
Distributions	0.00	-10.05	-8.58	-4.72
Closing net asset value per share	539.38	536.70	433.03	423.67
[^] After direct transaction costs of	-0.51	-1.68	-1.18	-1.14
Performance				
Return after charges	0.50%	26.26%	4.23%	12.27%
Other information				
Closing net asset value	£49,477,982	£46,600,233	£39,660,373	£49,101,057
Closing number of shares	9,173,180	8,682,715	9,158,712	11,589,408
Operating charges	0.84%	0.86%	0.86%	0.84%
Direct transaction costs	0.09%	0.34%	0.28%	0.28%
Prices				
Highest share price	590.07	556.95	448.16	449.25
Lowest share price	541.87	410.64	376.85	359.52

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	130.69	105.45	103.28	93.02
Return before operating charges [^]	2.31	28.73	5.24	12.23
Operating charges	-2.17	-1.93	-1.64	-1.56
Return after operating charges [^]	0.14	26.80	3.60	10.67
Distributions	0.00	-1.56	-1.43	-0.41
Closing net asset value per share	130.83	130.69	105.45	103.28
[^] After direct transaction costs of	-0.12	-0.41	-0.29	-0.28
Performance				
Return after charges	0.11%	25.41%	3.48%	11.47%
Other information				
Closing net asset value	£144,132	£147,537	£47,909	£15,330
Closing number of shares	110,171	112,895	45,432	14,843
Operating charges	1.59%	1.61%	1.61%	1.58%
Direct transaction costs	0.09%	0.34%	0.28%	0.28%
Prices				
Highest share price	143.38	134.79	108.48	108.87
Lowest share price	131.78	99.90	91.30	87.61

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital (losses)/gains		(237,265)		4,526,016
Revenue	701,294		421,287	
Expenses	(261,982)		(205,804)	
Interest payable and similar charges	—		—	
Net revenue before taxation	439,312		215,483	
Taxation	(13,986)		(9,729)	
Net revenue after taxation		425,326		205,754
Total return before distributions		188,061		4,731,770
Distributions		5,501		(8,564)
Change in net assets attributable to Shareholders from investment activities		193,562		4,723,206

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		52,129,357		45,702,751
Amounts receivable on issue of shares	10,035,523		7,293,979	
Less: Amounts payable on cancellation of shares	(7,480,788)		(12,620,016)	
		2,554,735		(5,326,037)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		193,562		4,723,206
Closing net assets attributable to Shareholders		54,877,654		45,099,920

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		52,257,428		51,389,195
Current Assets				
Debtors	638,952		423,179	
Cash and bank balances	2,324,802		1,495,892	
Total current assets		2,963,754		1,919,071
Total assets		55,221,182		53,308,266
LIABILITIES				
Investment liabilities		–		–
Creditors				
Distribution payable	–		(938,600)	
Other creditors	(343,528)		(240,309)	
Total creditors		(343,528)		(1,178,909)
Total liabilities		(343,528)		(1,178,909)
Net assets attributable to Shareholders		54,877,654		52,129,357

Investment Objective and Policy

The Unicorn UK Income Fund aims to provide a high and rising income from a portfolio of UK equities. The ACD may also invest at its discretion in other transferable securities, money market instruments, deposits, cash and near-cash and collective investment schemes. The Sub-fund has issued Retail (A), Institutional (B), Euro (B), US Dollar (B), Overseas (O) shares.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

For the six month period ended 31 March 2018, the Sub-fund's Institutional (B Income) shares produced a total return of -6.20% or 620 basis points (620 bps) (Source: Financial Express, Bid to Bid, Total Returns). This compares to an average total return of -3.24% from funds in the UK Equity Income sector.

As at 31 March 2018, the Sub-fund held investments in 48 companies.

The Sub-fund performed broadly in line with the UK Equity Income peer group during the period, however performance was held back significantly by two holdings, Conviviality, which cost the Sub-fund 394 bps in performance terms and Microfocus International, which cost the Sub-fund 111 bps in performance terms. Shares in Conviviality, an alcohol distribution business were suspended during the period and written down to zero within the Sub-fund as a series of disappointing market updates led to a rapid decline in the equity value of this investment and, ultimately saw the business enter into administration. Unfortunately, the impact of this disappointing investment was significant and more than offset the gains achieved from the remainder of the portfolio, in what proved to be a robust reporting season for our investee companies.

We continue to follow a clearly defined and disciplined investment strategy aimed at delivering a high quality, diversified and sustainable income stream for our investors from a portfolio of investee companies, sourced predominantly from outside the large cap index. At the end of the period under review, investment in the UK's largest 100 quoted companies amounted to less than 5% of the portfolio by value. The Sub-fund also maintains a high conviction approach to investing maintaining a portfolio of between 40 and 50 holdings. The Sub-fund ended the period with 48 holdings – a net increase of four positions during the period. Given this high conviction approach, and a focus on smaller companies, it is unsurprising that the active share of the Sub-fund remains high, while its correlation with the peer group is low.

Details of the two main detractors from performance in the period under review follow:-

- **Conviviality** (-394 bps), the UK's largest independent distributor of alcohol products surprised the market in March with a trading update downgrading full year profit expectations due to issues in its distribution division. The cause was twofold – a spreadsheet error in forecasts and an absence of adequate mechanisms in place to control the use of discounting. A squeeze on short term financing, exacerbated by a reduction in the availability of supplier credit insurance then left the firm unable to make a regular, scheduled monthly payment to HMRC. At this point, the shares were suspended, our holding was written down to zero and any remaining credit insurance all but disappeared. A rescue fund raise then fell short of management's stated target and the business was forced to enter into administration.

This was a hugely disappointing and rapid deterioration in the prospects of a business that we had held in the Sub-fund since its IPO in 2013. During the time we were shareholders in Conviviality, our total cost of purchases was £19.1m and our total disposal proceeds were £10.8m. In addition, total dividends received, during the period of our investment in Conviviality, amounted to £2.7m, which ultimately produced an overall loss on investment of £5.6m. Clearly, a loss of this magnitude is very disappointing, but the overall impact on the Sub-fund has been mitigated by our active portfolio management discipline of locking in profits in strongly performing shares which have suffered yield compression. Conviviality had performed strongly in prior periods, with a contribution over the previous 24 month period of 236 bps.

- **Micro Focus International** (-111 bps), a software company, also performed poorly during the period as the integration of the recently acquired HP software assets impacted negatively on the performance of the sales team. This was a disappointing development and highlights the complexities associated with this ambitious transaction. The HP deal, which was announced in September 2016, is sizeable and will take time to bed down, but it remains potentially transformational for Micro Focus, and the holding has therefore been retained in the portfolio, in the expectation that value creation will arise in due course.

These disappointing performances masked the strong progress being made elsewhere in the portfolio, with notable contributions from Numis (+69 bps), DiscoverIE (formerly Acal, +54 bps), Somero Enterprises (+46 bps), BBA Aviation (+39 bps), Telecom Plus (+36 bps), Polar Capital (+33 bps) and Victrex (+29 bps).

Investment Manager's Report

continued

The Sub-fund ended the first half with 48 holdings, as 6 positions were initiated during the period, 1 stock was exited in full and Conviviality Retail was written down to zero value.

The 6 positions initiated were; Integrafina, the company behind the Transact investment platform; Sabre Insurance, a car insurance company specialising in higher risk underwriting; Regional REIT, a property group with exposure to higher yielding UK regional commercial property; Bodycote, a global provider of heat treatment services; Smith (DS), a leading manufacturer of cardboard products and Tyman, a supplier of door and window furniture with a significant presence in North America. The one major disposal during the period was Pendragon, a car retailer.

In addition to the new holdings, a significant follow on investment was made in Cineworld, as the company raised money to fund the acquisition of Regal Entertainment, a US cinema group.

We remain positive on the long term prospects for the constituents of the portfolio, but are also mindful of a number of nearer term challenges. We expect volatility to remain a feature in equity and currency markets as the complex negotiations surrounding the UK's exit from the EU continue to progress. Pressure on the domestic consumer should start to ease a little, with wages rising and inflation subsiding, thereby producing a positive real wage growth environment. Challenges within the consumer market may however, take a while to work through the system. Despite the recent issues we have encountered with Conviviality we remain confident in the long term operational and dividend paying prospects of our investee companies.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
	Chemicals 1.64% (2.61%)		
400,000	Victrex	10,264,000	1.64
	Construction & Materials 6.92% (7.02%)		
6,947,273	Epwin*	5,356,347	0.86
3,100,000	James Halstead*	12,865,000	2.06
3,700,000	Marshalls	15,458,600	2.47
3,200,000	Tyman	9,536,000	1.53
		43,215,947	6.92
	General Industrials 5.75% (4.82%)		
16,269,715	Low & Bonar	8,948,343	1.43
2,000,000	Smith (DS)	9,412,000	1.51
3,015,000	Vesuvius	17,577,450	2.81
		35,937,793	5.75
	Electronic & Electrical Equipment 2.18% (1.65%)		
3,300,000	DicoverIE	13,596,000	2.18
	Industrial Engineering 7.93% (5.84%)		
1,104,796	Bodycote	9,882,400	1.58
2,065,553	Castings	8,737,289	1.40
1,600,000	Hill & Smith	21,264,000	3.40
2,589,587	Somero Enterprises*	9,710,951	1.55
		49,594,640	7.93
	Industrial Transportation 6.40% (6.56%)		
9,750,000	BBA Aviation	31,239,000	5.00
4,000,000	Wincanton	8,760,000	1.40
		39,999,000	6.40
	Support Services 5.93% (6.07%)		
3,835,715	Clipper Logistics	13,655,145	2.19
4,600,000	Gateley*	7,590,000	1.21
6,200,000	RPS	15,810,000	2.53
		37,055,145	5.93
	Food Producers 1.68% (1.99%)		
2,055,743	Dairy Crest	10,525,404	1.68
	Household Goods & Home Construction 1.66% (2.45%)		
2,337,371	Headlam	10,401,301	1.66

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
	Food & Drug Retailers 0.00% (3.56%)		
7,000,000	Conviviality Retail*^	0	0.00
	General Retailers 2.82% (5.03%)		
5,446,954	Card Factory	10,300,190	1.65
6,500,000	Pendragon	7,332,000	1.17
		17,632,190	2.82
	Media 4.03% (4.22%)		
797,000	4imprint	12,552,750	2.01
8,750,000	ITV	12,613,125	2.02
		25,165,875	4.03
	Travel & Leisure 8.21% (7.37%)		
13,100,000	Cineworld	30,863,600	4.94
1,800,000	Greene King	8,481,600	1.36
3,131,135	Hostelworld	11,960,936	1.91
		51,306,136	8.21
	Fixed Line Telecommunications 4.40% (4.24%)		
5,400,000	Manx Telecom*	9,720,000	1.55
1,458,565	Telecom Plus	17,794,493	2.85
		27,514,493	4.40
	Banks 2.61% (2.52%)		
905,000	Secure Trust Bank	16,290,000	2.61
	Non-life Insurance 1.71% (0.00%)		
4,350,000	Sabre Insurance	10,657,500	1.71
	Life Insurance 2.57% (2.26%)		
2,100,000	Phoenix	16,033,500	2.57
	Real Estate Investment & Services 1.15% (0.68%)		
2,227,779	Palace Capital*	7,173,448	1.15
	Real Estate Investment Trusts 10.74% (9.36%)		
9,000,000	London Metric Property	16,038,000	2.56
3,146,430	Mucklow (A&J)	16,109,722	2.58
23,000,000	Primary Health Properties	25,346,000	4.06
9,750,000	Regional	9,633,000	1.54
		67,126,722	10.74

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
Financial Services 13.52% (11.75%)			
837,021	Alpha FX*	4,101,403	0.66
3,475,000	Brewin Dolphin	11,974,850	1.92
1,880,835	Integrafin	4,833,746	0.77
4,748,994	Numis*	17,310,083	2.77
9,100,000	Park*	7,007,000	1.12
2,950,000	Polar Capital*	15,104,000	2.42
3,865,477	River & Mercantile	12,446,836	1.99
6,764,132	Xafinity	11,701,948	1.87
		84,479,866	13.52
Software & Computer Services 4.16% (6.35%)			
1,950,000	FDM	19,695,000	3.15
637,500	Micro Focus International	6,290,850	1.01
		25,985,850	4.16
	Investment assets	599,954,810	96.01
	Net other assets	24,912,020	3.99
	Net assets	624,866,830	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

^This is a suspended security and has been valued at the Manager's best assessment of its fair value.

*Quoted on the Alternative Investment Market.

Total purchases for the period: £111,817,033

Total sales for the period: £68,665,031

Comparative Tables

Change in net assets per share

	A Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	258.62	224.43	231.23	217.38
Return before operating charges [^]	-14.60	47.86	6.67	25.89
Operating charges	-3.99	-3.77	-3.53	-3.58
Return after operating charges [^]	-18.59	44.09	3.14	22.31
Distributions	-3.84	-9.90	-9.94	-8.46
Closing net asset value per share	236.19	258.62	224.43	231.23
[^] After direct transaction costs of	-0.18	-0.39	-0.59	-0.60
Performance				
Return after charges	-7.19%	19.65%	1.36%	10.26%
Other information				
Closing net asset value	£43,693,186	£48,559,181	£60,076,334	£90,910,942
Closing number of shares	18,499,382	18,776,330	26,768,465	39,316,548
Operating charges	1.55%	1.55%	1.56%	1.56%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	266.33	267.32	240.97	243.34
Lowest share price	235.71	215.63	194.94	204.46

	A Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	313.83	261.70	257.76	233.61
Return before operating charges [^]	-17.93	56.59	7.94	28.05
Operating charges	-4.87	-4.46	-4.00	-3.90
Return after operating charges [^]	-22.80	52.13	3.94	24.15
Distributions	-4.67	-11.72	-11.26	-9.21
Retained distributions on accumulation shares	4.67	11.72	11.26	9.21
Closing net asset value per share	291.03	313.83	261.70	257.76
[^] After direct transaction costs of	-0.22	-0.46	-0.67	-0.65
Performance				
Return after charges	-7.27%	19.92%	1.53%	10.34%
Other information				
Closing net asset value	£9,151,479	£10,899,582	£11,425,335	£16,306,715
Closing number of shares	3,144,559	3,473,060	4,365,803	6,326,419
Operating charges	1.55%	1.55%	1.56%	1.56%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	325.67	316.12	268.60	268.55
Lowest share price	288.42	251.45	224.89	219.73

Comparative Tables

continued

Change in net assets per share

	B Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	278.59	239.95	245.36	228.93
Return before operating charges [^]	-16.84	51.36	7.14	27.35
Operating charges	-2.22	-2.08	-1.95	-1.97
Return after operating charges [^]	-19.06	49.28	5.19	25.38
Distributions	-4.14	-10.64	-10.60	-8.95
Closing net asset value per share	255.39	278.59	239.95	245.36
[^] After direct transaction costs of	-0.19	-0.42	-0.63	-0.63
Performance				
Return after charges	-6.84%	20.54%	2.11%	11.09%
Other information				
Closing net asset value	£334,177,066	£353,710,832	£375,822,939	£338,350,392
Closing number of shares	130,849,275	126,962,899	156,622,650	137,897,017
Operating charges	0.80%	0.80%	0.81%	0.81%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	287.32	287.24	256.17	257.98
Lowest share price	254.83	230.74	208.06	215.39

	B Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	337.91	279.66	273.38	245.92
Return before operating charges [^]	-20.66	60.72	8.49	29.60
Operating charges	-2.71	-2.47	-2.21	-2.14
Return after operating charges [^]	-23.37	58.25	6.28	27.46
Distributions	-5.04	-12.58	-12.00	-9.74
Retained distributions on accumulation shares	5.04	12.58	12.00	9.74
Closing net asset value per share	314.54	337.91	279.66	273.38
[^] After direct transaction costs of	-0.24	-0.49	-0.71	-0.68
Performance				
Return after charges	-6.92%	20.83%	2.30%	11.17%
Other information				
Closing net asset value	£231,248,245	£213,948,450	£223,056,348	£144,434,351
Closing number of shares	73,520,301	63,316,056	79,758,661	52,832,160
Operating charges	0.80%	0.80%	0.81%	0.81%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	351.39	339.51	285.41	284.57
Lowest share price	311.65	268.93	239.90	231.37

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	107.36	93.17	95.99	90.22
Return before operating charges [^]	-6.06	19.87	2.77	10.77
Operating charges	-1.66	-1.57	-1.46	-1.49
Return after operating charges [^]	-7.72	18.30	1.31	9.28
Distributions	-1.59	-4.11	-4.13	-3.51
Closing net asset value per share	98.05	107.36	93.17	95.99
[^] After direct transaction costs of	-0.07	-0.16	-0.24	-0.25
Performance				
Return after charges	-7.19%	19.64%	1.36%	10.29%
Other information				
Closing net asset value	£4,170,746	£4,705,729	£4,254,729	£4,333,448
Closing number of shares	4,253,576	4,383,003	4,566,823	4,514,636
Operating charges	1.55%	1.55%	1.56%	1.56%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	110.57	110.98	100.03	101.01
Lowest share price	97.85	89.52	80.93	84.86

	Overseas Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	125.55	104.69	103.12	93.44
Return before operating charges [^]	-7.17	22.64	3.17	11.24
Operating charges	-1.95	-1.78	-1.60	-1.56
Return after operating charges [^]	-9.12	20.86	1.57	9.68
Distributions	-1.87	-4.69	-4.51	-3.68
Retained distributions on accumulation shares	1.87	4.69	4.51	3.68
Closing net asset value per share	116.43	125.55	104.69	103.12
[^] After direct transaction costs of	-0.09	-0.18	-0.27	-0.26
Performance				
Return after charges	-7.26%	19.93%	1.52%	10.36%
Other information				
Closing net asset value	£2,426,108	£2,724,952	£2,564,205	£2,027,569
Closing number of shares	2,083,721	2,170,362	2,449,376	1,966,307
Operating charges	1.55%	1.55%	1.56%	1.56%
Direct transaction costs	0.07%	0.16%	0.26%	0.26%
Prices				
Highest share price	130.29	126.47	107.45	107.43
Lowest share price	115.39	100.59	89.97	87.90

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital (losses)/gains		(54,614,176)		49,954,253
Revenue	10,298,529		9,479,337	
Expenses	(2,915,631)		(2,838,447)	
Interest payable and similar charges	—		—	
Net revenue before taxation	7,382,898		6,640,890	
Taxation	(47,267)		(27,478)	
Net revenue after taxation		7,335,631		6,613,412
Total return before distributions		(47,278,545)		56,567,665
Distributions		(9,844,666)		(9,173,087)
Change in net assets attributable to Shareholders from investment activities		(57,123,211)		47,394,578

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		634,548,726		677,199,980
Amounts receivable on issue of shares	129,021,157		73,431,028	
Less: Amounts payable on cancellation of shares	(85,356,117)		(185,704,056)	
		43,665,040		(112,273,028)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(57,123,211)		47,394,578
Retained distributions on accumulation shares		3,776,275		3,064,742
Closing net assets attributable to Shareholders		624,866,830		615,386,272

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		599,954,810		611,414,779
Current Assets				
Debtors	10,204,343		12,842,846	
Cash and bank balances	20,533,511		23,241,720	
Total current assets		30,737,854		36,084,566
Total assets		630,692,664		647,499,345
LIABILITIES				
Investment liabilities		–		–
Creditors				
Distribution payable	(2,680,143)		(4,543,034)	
Other creditors	(3,145,691)		(8,407,585)	
Total creditors		(5,825,834)		(12,950,619)
Total liabilities		(5,825,834)		(12,950,619)
Net assets attributable to Shareholders		624,866,830		634,548,726

Distribution Tables

for the period ended 31 March 2018

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2018 p	Distribution paid 2017 p
A	First interim	Group 1	2.1799	–	2.1799	1.8946
		Group 2	1.0214	1.1585	2.1799	1.8946
	Second interim	Group 1	1.6579	–	1.6579	1.3780
		Group 2	1.1971	0.4608	1.6579	1.3780
B	First interim	Group 1	2.3509	–	2.3509	2.0272
		Group 2	1.2467	1.1042	2.3509	2.0272
	Second interim	Group 1	1.7915	–	1.7915	1.4794
		Group 2	1.0648	0.7267	1.7915	1.4794
Overseas	First interim	Group 1	0.9050	–	0.9050	0.7865
		Group 2	0.5054	0.3996	0.9050	0.7865
	Second interim	Group 1	0.6883	–	0.6883	0.5732
		Group 2	0.5273	0.1610	0.6883	0.5732

Accumulation Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2018 p	Amount reinvested 2017 p
A	First interim	Group 1	2.6456	–	2.6456	2.2092
		Group 2	1.3808	1.2648	2.6456	2.2092
	Second interim	Group 1	2.0287	–	2.0287	1.6217
		Group 2	1.2506	0.7781	2.0287	1.6217
B	First interim	Group 1	2.8521	–	2.8521	2.3628
		Group 2	1.3240	1.5281	2.8521	2.3628
	Second interim	Group 1	2.1907	–	2.1907	1.7377
		Group 2	1.2605	0.9302	2.1907	1.7377
Overseas	First interim	Group 1	1.0583	–	1.0583	0.8837
		Group 2	0.4842	0.5741	1.0583	0.8837
	Second interim	Group 1	0.8117	–	0.8117	0.6474
		Group 2	0.6190	0.1927	0.8117	0.6474

First interim period: 01.10.17 - 31.12.17

Second interim period: 01.01.18 - 31.03.18

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The Unicorn Outstanding British Companies Fund aims to achieve the highest predictable annual compounding rate of return over the long-term, where long-term is defined as being not less than five years, by investing in a collection of outstanding British companies, either fully listed or quoted on the Alternative Investment Market, with the least amount of economic, as distinct, from market price risk. Outstanding companies are those whose economics and risks are well understood, whose revenues, earnings and cash flows are predictable to a high degree of certainty, which sell products and services into growing markets, which have market leadership positions and lasting competitive strength, which generate high average and incremental returns on invested capital, which convert a high proportion of their earnings into free, distributable cash, which can show a consistent track record of operating performance, which are run by decent, experienced individuals, who manage their businesses with the goal of maximising owner value, which operate with low core debt, which are not predominantly acquisition led, and which produce clean, intelligible financial statements. Up to 25% of the Fund will be invested in smaller, faster growing companies with the remainder in more established businesses. The Fund has issued Retail (A), Institutional (B) and Overseas (O) shares.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

The Outstanding British Companies Fund's Institutional 'B' shares registered a total return of +1.15% or 115 basis points (bps) (Source: Financial Express, Bid to Bid, Total Returns) for the six month period to 31 March 2018, outperforming the average return for IA UK All Companies sector of -2.1% over the same period.

As at 31 March 2018, the Sub-fund held investments in 32 companies.

The period under review was one of distinct contrast. In the first three months, the performance of the Sub-fund trailed that of the UK equity market, which experienced a particularly strong end to 2017. The underperformance of the Sub-fund during this period was principally due to an investment in Saga, which warned that its full year profits would be below expectations due to challenging trading in its insurance business, together with a one-off cost of £2m in its travel division caused by the collapse of Monarch Airlines. The profit warning from Saga, cost the Sub-fund almost 1% in relative performance terms. In keeping with the Sub-fund's strict investment criteria, the holding in Saga was exited in full during the period.

The relative performance of the Sub-fund was also adversely affected by lack of exposure to the Oil & Gas, Mining and Banking sectors, all of which performed strongly towards the end of 2017. In aggregate, these three sectors contributed +273 bps to the total return of the benchmark index over the final quarter of 2017. We do not invest in these sectors, since the companies concerned regularly fail to meet our basic investment criteria.

By contrast, the second quarter of the period under review saw UK equity markets decline sharply in January, buffeted by a sell-off in US equities, followed by further falls in February and March, as investors became increasingly risk-averse in the face of rising levels of volatility. The sell-off in equities was primarily driven by investor concern that interest rates would rise faster than anticipated in North America. The growing threat of a trade war between the US and China, resulting from the introduction of US import tariffs, exacerbated market volatility. In these conditions, the Sub-fund benefitted from its lack of exposure to the Oil & Gas, Mining and Banking sectors, delivering +240 bps of relative outperformance over the three month period.

Economic conditions in the UK have remained broadly supportive over the past six months, with UK GDP increasing by 0.4% in the final quarter of 2017 and by 1.4% for the year as a whole. While overall economic growth has slowed somewhat since the Brexit result, this masks a strong performance from the UK manufacturing sector which grew at an increasing rate of 1.3% in the fourth quarter (+1.1% in Q3 2017). In November 2017 however, with inflation threatening to accelerate, the Monetary Policy Committee of the Bank of England voted to increase the base rate by 0.25% to 0.50%. Since this increase, central bank lending rates have been kept on hold as the rate of inflation in the UK has begun to fall back towards the Government target of 2%. Of course, further rate rises may well be required in the near future, especially since wage growth has finally begun to re-emerge after a decade of stagnating labour costs.

In keeping with the Sub-fund's long-term approach to investment, the level of trading activity remained low in the period under review. Four new holdings were added to the portfolio; City Pub, Integrafina, Keystone Law and ULS Technology. City Pub, an owner and operator of pubs in the south of England and ULS Technology, a provider of online software platforms for the conveyancing and online financial intermediary markets, have been long-term investments within the Unicorn AIM VCT portfolio and have successfully delivered growth in revenues, profits and cash flows over a number of years. The Sub-fund

Investment Manager's Report

continued

also participated in the Initial Public Offerings (IPOs) of Integrafin and Keystone Law. Integrafin operates a leading UK investment platform, called Transact, which is used by financial advisors and is consistently rated a top platform in recognition of the high quality of service it provides. Keystone Law is a full-service, mid-market law firm which uses a proprietary technology platform to attract and retain a growing number of lawyers, driving efficient and profitable growth in billings. The company is well placed to disrupt the legal market place and is currently the fifth fastest growing firm in the Legal Top 100.

Two investments were disposed of in full; Saga and Dignity. As detailed earlier, the holding in Saga was sold following a profit warning in December. The Sub-fund's long-term holding in Dignity was also fully exited for similar reasons, with the company warning that competitive pressure in the funeral market will result in future profitability being significantly lower than anticipated.

Notwithstanding these two disappointments, the companies held in the Sub-fund continued to deliver strong operational and financial performance. Of the thirteen investee companies which have a December year-end, 11 have reported earnings ahead of consensus expectations. Furthermore, the outlook for the current year is encouraging, with 29 of the total 32 companies held at the period end forecast to deliver growth in adjusted earnings in their current financial year.

A number of investments delivered strong total returns over the six month period. The top 5 contributors to performance were Dechra Pharmaceuticals (+106 bps), Abcam (+84 bps), Keystone Law (+66 bps), RWS (+47 bps) and Victrex (+45 bps).

A small number of investee companies meaningfully detracted from Fund performance during the period under review, due to company specific trading issues. As discussed above, Saga (-93 bps), was the primary detractor from performance due to its profit warning in December. The next largest detractors were Mears (-79 bps), Dignity (-52 bps), Gooch & Housego (-37 bps) and Babcock (-36 bps).

The short-term headwinds facing the UK economy have been widely discussed and are well understood. We are confident however, that prospects for our investee companies remain positive. The Sub-fund is managed with the principal objective of achieving superior total returns over the long term, through prudent management of a portfolio of outstanding British companies. We believe that this approach can continue to serve long term investors well, and that the Sub-fund will perform resiliently during periods of heightened market volatility.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
	Chemicals 6.63% (6.97%)		
43,117	Johnson Matthey	1,310,757	2.70
74,355	Victrex	1,907,949	3.93
		3,218,706	6.63
	Electronic & Electrical Equipment 6.29% (7.55%)		
125,000	Gooch & Housego*	1,575,000	3.24
32,915	Renishaw	1,482,492	3.05
		3,057,492	6.29
	Industrial Engineering 3.21% (3.32%)		
27,105	Spirax-Sarco Engineering	1,559,893	3.21
	Industrial Transportation 3.05% (2.87%)		
94,402	Fisher (James) & Sons	1,483,999	3.05
	Support Services 15.00% (14.21%)		
125,000	Babcock International	835,750	1.72
510,000	Keystone Law*	1,152,600	2.37
275,480	Mears	914,594	1.88
218,000	Murgitroyd*	1,100,900	2.27
443,524	RWS*	1,960,376	4.03
162,000	Vp	1,328,400	2.73
		7,292,620	15.00
	Beverages 2.11% (2.41%)		
42,425	Diageo	1,023,291	2.11
	Personal Goods 2.50% (2.53%)		
48,708	Ted Baker	1,215,752	2.50
	Tobacco 1.99% (2.51%)		
23,393	British American Tobacco	966,365	1.99
	Health Care Equipment & Services 8.49% (8.37%)		
600,000	Advanced Medical Solutions*	1,890,000	3.89
98,756	Smith & Nephew	1,313,949	2.70
440,895	Spire Healthcare	922,352	1.90
		4,126,301	8.49
	Pharmaceuticals & Biotechnology 14.57% (13.17%)		
160,000	Abcam*	1,980,800	4.07
432,882	Anpario*	1,818,104	3.74
91,160	Dechra Pharmaceuticals	2,392,038	4.92
24,981	Shire	891,947	1.84
		7,082,889	14.57

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
	General Retailers 0.00% (5.47%)		
	Media 4.26% (2.39%)		
800,000	ULS Technology*	1,240,000	2.55
73,566	WPP	832,767	1.71
		2,072,767	4.26
	Travel & Leisure 2.75% (0.00%)		
800,000	City Pub*	1,336,000	2.75
	Real Estate Investment Trusts 3.30% (3.25%)		
163,407	Shaftesbury	1,603,840	3.30
	Financial Services 10.67% (8.16%)		
100,394	Arbuthnot Banking*	1,325,201	2.73
480,000	Curtis Banks*	1,555,200	3.20
364,767	Integrafin	937,451	1.93
186,000	Mattioli Woods*	1,367,100	2.81
		5,184,952	10.67
	Software & Computer Services 5.60% (4.90%)		
202,452	Sage	1,293,668	2.66
280,500	Tracsis*	1,430,550	2.94
		2,724,218	5.60
	Investment assets	43,949,085	90.42
	Net other assets	4,658,042	9.58
	Net assets	48,607,127	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

*Quoted on Alternative Investment Market.

Total purchases for the period: £4,568,681

Total sales for the period: £5,445,109

Comparative Tables

Change in net assets per share

	A Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	292.07	275.58	235.23	208.43
Return before operating charges [^]	4.58	20.98	44.49	30.63
Operating charges	-4.76	-4.49	-4.14	-3.83
Return after operating charges [^]	-0.18	16.49	40.35	26.80
Distributions	0.00	-2.29	-0.67	-1.50
Retained distributions on accumulation shares	0.00	2.29	0.67	1.50
Closing net asset value per share	291.89	292.07	275.58	235.23
[^] After direct transaction costs of	-0.09	-0.31	-0.80	-0.14
Performance				
Return after charges	-0.06%	5.98%	17.15%	12.86%
Other information				
Closing net asset value	£7,749,333	£8,310,595	£7,763,432	£7,568,339
Closing number of shares	2,654,842	2,845,452	2,817,131	3,217,478
Operating charges	1.60%	1.60%	1.61%	1.64%
Direct transaction costs	0.03%	0.11%	0.31%	0.06%
Prices				
Highest share price	305.45	295.48	278.87	252.63
Lowest share price	289.59	261.46	238.42	199.20

	B Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	309.14	289.61	245.50	215.95
Return before operating charges [^]	3.68	22.04	46.43	31.71
Operating charges	-2.68	-2.51	-2.32	-2.16
Return after operating charges [^]	1.00	19.53	44.11	29.55
Distributions	0.00	-4.61	-2.72	-3.37
Retained distributions on accumulation shares	0.00	4.61	2.72	3.37
Closing net asset value per share	310.14	309.14	289.61	245.50
[^] After direct transaction costs of	-0.09	-0.33	-0.83	-0.15
Performance				
Return after charges	0.32%	6.74%	17.96%	13.68%
Other information				
Closing net asset value	£40,830,219	£42,588,945	£28,245,360	£13,700,577
Closing number of shares	13,165,111	13,776,713	9,752,736	5,580,597
Operating charges	0.85%	0.85%	0.86%	0.89%
Direct transaction costs	0.03%	0.11%	0.31%	0.06%
Prices				
Highest share price	323.55	312.11	292.99	262.90
Lowest share price	307.35	275.13	248.91	206.43

Comparative Tables

continued

Change in net assets per share

	Overseas Accumulation			
	31.03.18 p	30.09.17 p	30.09.16 p	30.09.15 p
Opening net asset value per share	125.01	118.03	100.73	89.25
Return before operating charges [^]	1.96	8.90	19.07	13.12
Operating charges	-2.04	-1.92	-1.77	-1.64
Return after operating charges [^]	-0.08	6.98	17.30	11.48
Distributions	0.00	-0.97	-0.31	-0.65
Retained distributions on accumulation shares	0.00	0.97	0.31	0.65
Closing net asset value per share	124.93	125.01	118.03	100.73
[^] After direct transaction costs of	-0.04	-0.13	-0.34	-0.06
Performance				
Return after charges	-0.06%	5.91%	17.17%	12.86%
Other information				
Closing net asset value	£27,575	£27,590	£188,384	£13,534
Closing number of shares	22,071	22,071	159,614	13,436
Operating charges	1.60%	1.60%	1.61%	1.64%
Direct transaction costs	0.03%	0.11%	0.31%	0.06%
Prices				
Highest share price	130.73	126.47	119.43	108.17
Lowest share price	123.95	111.98	102.09	85.30

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares, including AIM companies, can be riskier as they may be more difficult to buy and sell and their share prices may fluctuate more than that of a larger company
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital losses		(31,244)		(37,235)
Revenue	433,279		543,449	
Expenses	(236,248)		(204,045)	
Interest payable and similar charges	—		—	
Net revenue before taxation	197,031		339,404	
Taxation	—		—	
Net revenue after taxation		197,031		339,404
Total return before distributions		165,787		302,169
Distributions		(1,374)		67,028
Change in net assets attributable to Shareholders from investment activities		164,413		369,197

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		50,927,130		36,197,176
Amounts receivable on issue of shares	8,211,678		17,934,962	
Less: Amounts payable on cancellation of shares	(10,696,094)		(8,838,066)	
		(2,484,416)		9,096,896
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		164,413		369,197
Closing net assets attributable to Shareholders		48,607,127		45,663,269

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		43,949,085		44,856,337
Current Assets				
Debtors	453,282		134,392	
Cash and bank balances	4,731,652		6,380,132	
Total current assets		5,184,934		6,514,524
Total assets		49,134,019		51,370,861
LIABILITIES				
Investment liabilities		–		–
Creditors				
Other creditors	(526,892)		(443,731)	
Total creditors		(526,892)		(443,731)
Total liabilities		(526,892)		(443,731)
Net assets attributable to Shareholders		48,607,127		50,927,130

Investment Objective and Policy

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 treated as those which are incorporated or domiciled in the UK, or derive a significant amount of their business from 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.

The Sub-fund may also invest, at its discretion, in other transferable securities, money market instruments, deposits, cash and near cash and collective investment schemes. The Sub-fund may also enter into certain derivative and forward transactions for Hedging purposes.

The Sub-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. There is no guarantee that the target return will be achieved over a 3 year, or any other period, and investors should note that capital is at risk. The Sub-fund may invest in a relatively small number of companies giving rise to a greater degree of risk than in funds with a more widely diversified portfolio.

Investment Manager's Report

for the period 01 October 2017 to 31 March 2018

For the six month period ended 31 March 2018, the Sub-fund's Institutional (B Income) shares produced a total return of -2.91% or 291 basis points (bps) (Source: Financial Express, Bid to Bid, Total Returns). This compares to an average total return of -3.24% from funds in the UK Equity Income sector.

As at 31 March 2018, the Sub-fund held investments in 39 companies.

The Sub-fund delivered superior performance relative to the UK Equity Income peer group during the period, as a robust reporting season from our investee companies offset the weakness experienced in equity markets generally. The period under review was typified by extreme market reactions to company news flow, with any negative news typically being severely punished.

The Unicorn UK Ethical Income Fund is an ethically screened version of the Unicorn UK Income Fund. As such, its universe of stocks is sourced directly from the UK Income Fund and an external service is then used to screen out companies that generate revenues from prohibited sectors or those with environmental, social or governance concerns. In addition to these screens, which are performed by MSCI, there is an additional internal assessment undertaken by Unicorn Asset Management. This process reduces the number of holdings from 47 in the UK Income Fund to 39 in the UK Ethical Income Fund.

The correlation of returns between the UK Ethical Income Fund and UK Income Fund has been high ever since the Ethical Fund's launch in April 2016, however short term differences in performance can appear for a variety of reasons. The UK Ethical Income Fund outperformed the UK Income Fund by 330 bps during the period under review, largely due to the exclusion of Conviviality, an alcohol distribution business, whose equity value finally fell to zero as it entered administration in April 2018. Conviviality did not qualify for inclusion in the UK Ethical Fund, because its main activity was the distribution and sale of alcohol products.

The outlook for UK economic growth remains subdued. Although unemployment is at historically low levels, and GDP growth is exceeding most post-referendum forecasts, there is little evidence to support an argument for an imminent return to strong economic growth. Uncertainty surrounding the economic consequences of BREXIT, combined with the considerable challenges still being faced by the consumer, has created an environment in which the 'feel-good' factor is notably absent.

At the end of the period under review the only holding that was a constituent of the FTSE 100 was Micro Focus International. The Sub-fund also maintains a high conviction approach to investing, maintaining a portfolio of between 40 and 50 holdings. The Sub-fund ended the period with 39 holdings – a net increase of three positions during the period. Given this high conviction approach, and a focus on smaller companies, it is unsurprising that the active share of the Sub-fund remains high, while its correlation with the peer group is low.

The Sub-fund ended the period with 39 holdings – a net increase of three positions during the period. Given this high conviction approach and a focus further down the market cap scale it is unsurprising that the active share of the Sub-fund remains high and the correlation with the peer group remains low.

Investment Manager's Report

continued

The portfolio delivered a total return of -3.52% during the period under review, with the following positions being particularly worthy of mention:-

- **Somero Enterprises** (+96 bps) a manufacturer of laser guided concrete spreading and levelling equipment, produced another period of strong operational performance. The company's highly cash generative nature, and continued operational performance, has allowed management to further increase the company's dividend pay-out ratio to 50% and declare another special dividend in the period.
- **Micro Focus International** (-134 bps), a software company, performed poorly during the period as the integration of recently acquired HP software assets impacted negatively on the performance of the sales team. This was a disappointing development and highlights the complexities associated with this ambitious transaction. The HP deal, which was announced in September 2016, is sizeable and will take time to bed down, but it remains potentially transformational for Micro Focus, and the holding has therefore been retained in the portfolio, in the expectation that value creation will arise in due course.
- **Card Factory** (-93 bps), a vertically integrated producer and retailer of greetings cards and gifts, suffered as the market took a dim view of the prospects of the High Street as a whole. Companies with exposure to the UK consumer spending have been heavily de-rated in recent months as inflation and sluggish wage growth combined to create a difficult trading environment for British retailer. We continue to regard Card Factory as a disrupter in its sector, with a proven business model and industry leading margins and, as such, we chose to increase the size of our position during this period of share price weakness.

The 4 positions initiated during the period were; Integrafina, a company behind the Transact investment platform; Sabre Insurance, a car insurance company specialising in higher risk underwriting; Regional REIT, a property group with exposure to higher yielding UK regional commercial property and Tyman, a supplier of door and window furniture with a significant presence in North America. The only major disposal during the period was the car retailer Pendragon.

In addition to the new holdings, a significant follow on investment was made in Cineworld, as the company raised money to fund the acquisition of Regal Entertainment, a US cinema group.

We remain positive on the long term prospects for the constituents of the portfolio, but are also mindful of a number of nearer term challenges. We expect volatility to remain a feature in equity and currency markets as the complex negotiations surrounding the UK's exit from the EU continue to progress. Pressure on the domestic consumer should start to ease a little, with wages rising and inflation subsiding, thereby producing a positive real wage growth environment. Challenges within the consumer market may however, take a while to work through the system. Despite the recent issues we have encountered with Conviviality we remain confident in the long term operational and dividend paying prospects of our investee companies.

Portfolio Statement

as at 31 March 2018

Holding	Security	Market value £	% of total net assets 2018
Construction & Materials 8.25% (7.30%)			
314,503	Epwin*	242,482	1.50
83,574	James Halstead*	346,832	2.15
87,324	Marshalls	364,840	2.26
126,628	Tyman	377,351	2.34
		1,331,505	8.25
General Industrials 4.83% (6.43%)			
499,276	Low & Bonar	274,602	1.70
86,554	Vesuvius	504,610	3.13
		779,212	4.83
Industrial Engineering 8.51% (8.96%)			
89,263	Castings	377,582	2.34
38,265	Hill & Smith	508,542	3.15
130,000	Somero Enterprises*	487,500	3.02
		1,373,624	8.51
Industrial Transportation 2.17% (1.50%)			
160,000	Wincanton	350,400	2.17
Support Services 5.17% (4.35%)			
196,000	Gateley*	323,400	2.01
200,000	RPS	510,000	3.16
		833,400	5.17
Food Producers 2.44% (3.12%)			
76,774	Dairy Crest	393,083	2.44
Household Goods & Home Construction 1.14% (2.71%)			
41,160	Headlam	183,162	1.14
General Retailers 3.07% (6.52%)			
151,342	Card Factory	286,188	1.77
185,000	Saga	208,680	1.30
		494,868	3.07
Media 2.79% (2.65%)			
28,553	4imprint	449,710	2.79
Travel & Leisure 6.34% (5.65%)			
300,000	Cineworld	706,800	4.38
82,587	Hostelworld	315,482	1.96
		1,022,282	6.34
Fixed Line Telecommunications 5.36% (6.05%)			
214,676	Manx Telecom*	386,417	2.40
39,152	Telecom Plus	477,654	2.96
		864,071	5.36

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2018
	Banks 2.89% (3.02%)		
25,898	Secure Trust Bank	466,164	2.89
	Non-life Insurance 1.96% (0.00%)		
129,124	Sabre Insurance	316,354	1.96
	Life Insurance 2.51% (2.52%)		
53,000	Phoenix	404,655	2.51
	Real Estate Investment & Services 2.57% (2.81%)		
128,654	Palace Capital*	414,266	2.57
	Real Estate Investment Trusts 10.34% (9.54%)		
267,906	Londonmetric Property	477,408	2.96
97,329	Mucklow (A&J)	498,324	3.09
394,718	Primary Health Properties	434,979	2.70
260,000	Regional REIT	256,880	1.59
		1,667,591	10.34
	Financial Services 18.24% (19.34%)		
52,048	Alpha FX*	255,035	1.58
72,802	Brewin Dolphin	250,876	1.56
45,595	Integrafin	117,179	0.73
130,204	Numis*	474,594	2.94
547,589	Park*	421,644	2.62
99,884	Polar Capital*	511,406	3.17
114,353	River & Mercantile	368,217	2.28
312,809	Xafinity	541,160	3.36
		2,940,111	18.24
	Software & Computer Services 3.93% (5.11%)		
44,674	FDM	451,207	2.80
18,401	Micro Focus International	181,581	1.13
		632,788	3.93
	Investment assets	14,917,246	92.51
	Net other assets	1,207,340	7.49
	Net assets	16,124,586	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.17.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the Unicorn Investment Funds.

*Quoted on the Alternative Investment Market.

Total purchases for the period: £6,680,974

Total sales for the period: £837,314

Comparative Tables

Change in net assets per share

	A Incomet		
	31.03.18 p	30.09.17 p	30.09.16^^ p
Opening net asset value per share	113.69	100.20	100.00
Return before operating charges^	-2.91	19.94	2.19
Operating charges	-1.76	-1.70	-1.57
Return after operating charges^	-4.67	18.24	0.62
Distributions	-1.89	-4.75	-0.42
Closing net asset value per share	107.13	113.69	100.20
^After direct transaction costs of	-0.29	-0.95	-1.05
Performance			
Return after charges	-4.11%	18.20%	0.62%
Other information			
Closing net asset value	£30,345	£29,616	£10,020
Closing number of shares	28,326	26,048	10,000
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.26%	0.87%	1.04%
Prices			
Highest share price	116.64	119.18	101.45
Lowest share price	107.44	96.70	99.57

^^A Income share class launched on 06 September 2016.

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 1.56% of the average net asset value of the Sub-fund.

	A Accumulation†		
	31.03.18 p	30.09.17 p	30.09.16^^ p
Opening net asset value per share	119.16	100.62	100.00
Return before operating charges^	-3.11	20.27	2.19
Operating charges	-1.85	-1.73	-1.57
Return after operating charges^	-4.96	18.54	0.62
Distributions	-1.98	-4.85	-0.42
Retained distributions on accumulation shares	1.98	4.85	0.42
Closing net asset value per share	114.20	119.16	100.62
^After direct transaction costs of	-0.31	-0.96	-1.05
Performance			
Return after charges	-4.16%	18.43%	0.62%
Other information			
Closing net asset value	£29,658	£30,904	£10,062
Closing number of shares	25,971	25,934	10,000
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.26%	0.87%	1.04%
Prices			
Highest share price	122.24	121.67	101.45
Lowest share price	113.69	97.20	99.58

^^A Accumulation share class launched on 06 September 2016.

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 1.56% of the average net asset value of the Sub-fund.

Comparative Tables

continued

	B Income†		
	31.03.18 p	30.09.17 p	30.09.16^^ p
Opening net asset value per share	111.55	97.60	100.00
Return before operating charges^	-3.28	19.44	1.08
Operating charges	-0.90	-0.86	-0.77
Return after operating charges^	-4.18	18.58	0.31
Distributions	-1.86	-4.63	-2.71
Closing net asset value per share	105.51	111.55	97.60
^After direct transaction costs of	-0.29	-0.93	-1.00
Performance			
Return after charges	-3.75%	19.04%	0.31%
Other information			
Closing net asset value	£5,091,152	£2,943,419	£936,211
Closing number of shares	4,825,116	2,638,555	959,253
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.26%	0.87%	1.04%
Prices			
Highest share price	114.48	116.65	100.30
Lowest share price	105.70	94.25	84.68

^^B Income share class launched on 01 April 2016.

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 0.81% of the average net asset value of the Sub-fund.

	B Accumulation†		
	31.03.18 p	30.09.17 p	30.09.16^^ p
Opening net asset value per share	119.94	100.52	100.00
Return before operating charges^	-3.59	20.32	1.30
Operating charges	-0.97	-0.90	-0.78
Return after operating charges^	-4.56	19.42	0.52
Distributions	-2.00	-4.86	-2.76
Retained distributions on accumulation shares	2.00	4.86	2.76
Closing net asset value per share	115.38	119.94	100.52
^After direct transaction costs of	-0.31	-0.97	-1.00
Performance			
Return after charges	-3.80%	19.32%	0.52%
Other information			
Closing net asset value	£10,973,431	£7,166,322	£1,942,253
Closing number of shares	9,510,348	5,974,788	1,932,203
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.26%	0.87%	1.04%
Prices			
Highest share price	123.09	122.16	101.32
Lowest share price	114.74	97.21	86.14

^^B Accumulation share class launched on 01 April 2016.

†The Investment Manager rebates the Sub-fund's operating charges in order for them not to exceed 0.81% of the average net asset value of the Sub-fund.

Comparative Tables

continued

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within these tables have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within these tables have been calculated against the average Net Asset Value for the accounting period.

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The level of targeted income is not guaranteed and may not be achieved.
- This Sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Sub-fund's value than if it held a larger number of investments.
- Smaller company shares can be riskier as they may be more difficult to buy and sell and their share price may fluctuate more than that of larger companies.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Income				
Net capital (losses)/gains		(857,984)		361,365
Revenue	246,410		70,029	
Expenses	(50,563)		(11,362)	
Interest payable and similar charges	—		—	
Net revenue before taxation	195,847		58,667	
Taxation	(2,561)		(733)	
Net revenue after taxation		193,286		57,934
Total return before distributions		(664,698)		419,299
Distributions		(242,584)		(71,608)
Change in net assets attributable to Shareholders from investment activities		(907,282)		347,691

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2018

	31.03.18		31.03.17	
	£	£	£	£
Opening net assets attributable to Shareholders		10,170,260		2,898,546
Amounts receivable on issue of shares	8,398,646		4,484,806	
Less: Amounts payable on cancellation of shares	(1,718,683)		(1,103,527)	
		6,679,963		3,381,279
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(907,282)		347,691
Retained distributions on accumulation shares		181,645		53,594
Closing net assets attributable to Shareholders		16,124,586		6,681,110

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 March 2018

	31.03.18		30.09.17	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		14,917,246		9,923,753
Current Assets				
Debtors	288,360		408,075	
Cash and bank balances	1,257,160		324,536	
Total current assets		1,545,520		732,611
Total assets		16,462,766		10,656,364
LIABILITIES				
Investment liabilities		–		–
Creditors				
Distribution payable	(38,103)		(37,233)	
Other creditors	(300,077)		(448,871)	
Total creditors		(338,180)		(486,104)
Total liabilities		(338,180)		(486,104)
Net assets attributable to Shareholders		16,124,586		10,170,260

Distribution Tables

for the period ended 31 March 2018

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2018 p	Distribution paid 2017 p
A	First interim	Group 1	1.0898	–	1.0898	0.9510
		Group 2	0.7999	0.2899	1.0898	0.9510
	Second interim	Group 1	0.7973	–	0.7973	0.7962
		Group 2	0.5678	0.2295	0.7973	0.7962
B	First interim	Group 1	1.0732	–	1.0732	0.9099
		Group 2	0.6417	0.4315	1.0732	0.9099
	Second interim	Group 1	0.7850	–	0.7850	0.7692
		Group 2	0.5430	0.2420	0.7850	0.7692

Accumulation Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2018 p	Amount reinvested 2017 p
A	First interim	Group 1	1.1407	–	1.1407	0.9572
		Group 2	0.2752	0.8655	1.1407	0.9572
	Second interim	Group 1	0.8437	–	0.8437	0.7816
		Group 2	0.6126	0.2311	0.8437	0.7816
B	First interim	Group 1	1.1531	–	1.1531	0.9515
		Group 2	0.6813	0.4718	1.1531	0.9515
	Second interim	Group 1	0.8518	–	0.8518	0.8049
		Group 2	0.5822	0.2696	0.8518	0.8049

First interim period: 01.10.17 - 31.12.17

Second interim period: 01.01.18 - 31.03.18

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

Authorised Status

Unicorn Investment Funds (the “Company”) is structured as an Investment Company with Variable Capital (“ICVC”), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”) as a UCITS Retail Scheme and “Umbrella Company” under the COLL Sourcebook.

The Company was incorporated in England and Wales on 21 December 2001 under registration number IC000143. The Shareholders are not liable for the debts of the Company.

The Company currently has 6 Sub-funds, which are detailed below:

- Unicorn UK Growth Fund
- Unicorn Mastertrust Fund
- Unicorn UK Smaller Companies Fund
- Unicorn UK Income Fund
- Unicorn Outstanding British Companies Fund
- Unicorn UK Ethical Income Fund

Head Office

First Floor Office, Preacher’s Court, The Charterhouse, Charterhouse Square, London EC1M 6AU.

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the Sub-funds.

Classes of Shares

The Instrument of Incorporation allows each Sub-fund to issue different classes of shares in respect of any Sub-fund.

The Sub-funds currently have the following classes of shares available for investment:

Sub-fund	Share class					
	A		B		Overseas	
	Inc	Acc	Inc	Acc	Inc	Acc
Unicorn UK Growth Fund	✓	–	✓	–	✓	–
Unicorn Mastertrust Fund	✓	–	✓	–	✓	–
Unicorn UK Smaller Companies Fund	✓	–	✓	–	✓	–
Unicorn UK Income Fund	✓	✓	✓	✓	✓	✓
Unicorn Outstanding British Companies Fund	–	✓	–	✓	–	✓
Unicorn UK Ethical Income Fund	✓	✓	✓	✓	–	–

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

General Information

continued

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 10:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Company or any Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Maitland Institutional Services Ltd
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Or by telephone to:
0345 026 4287

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on the Investment Association website at www.fundlistings.com and on the Financial Times website at <http://funds.ft.com/uk/>. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company, of which copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD. In the event that a Shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Risk Warning

An investment in an Investment Company with Variable Capital should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

