

Unicorn Asset Management Limited (Unicorn) is an independent, specialist fund management group, established in July 2000.

Unicorn focuses on long term, long only, investment in UK quoted companies and aims to achieve superior absolute returns through the application of traditional, fundamental principles of investment.

**Fund Objective**

The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income as well as capital gains generated by the portfolio.

It is also an objective that the Company should continue to qualify as a Venture Capital Trust, so that Shareholders benefit from the taxation advantages that this brings. To achieve this at least 70% of the Company's total assets are to be invested in qualifying investments of which 30% by VCT value (70% for funds raised after 6 April 2011) must be in ordinary shares carrying no preferential rights (save as permitted under VCT rules) to dividends or return of capital and no rights to redemption.

**Fund Commentary**

The Company has prepared this factsheet for the three month period ended 30 June 2018 with information from the Half Yearly Report, together with relevant information up to the date of publication.

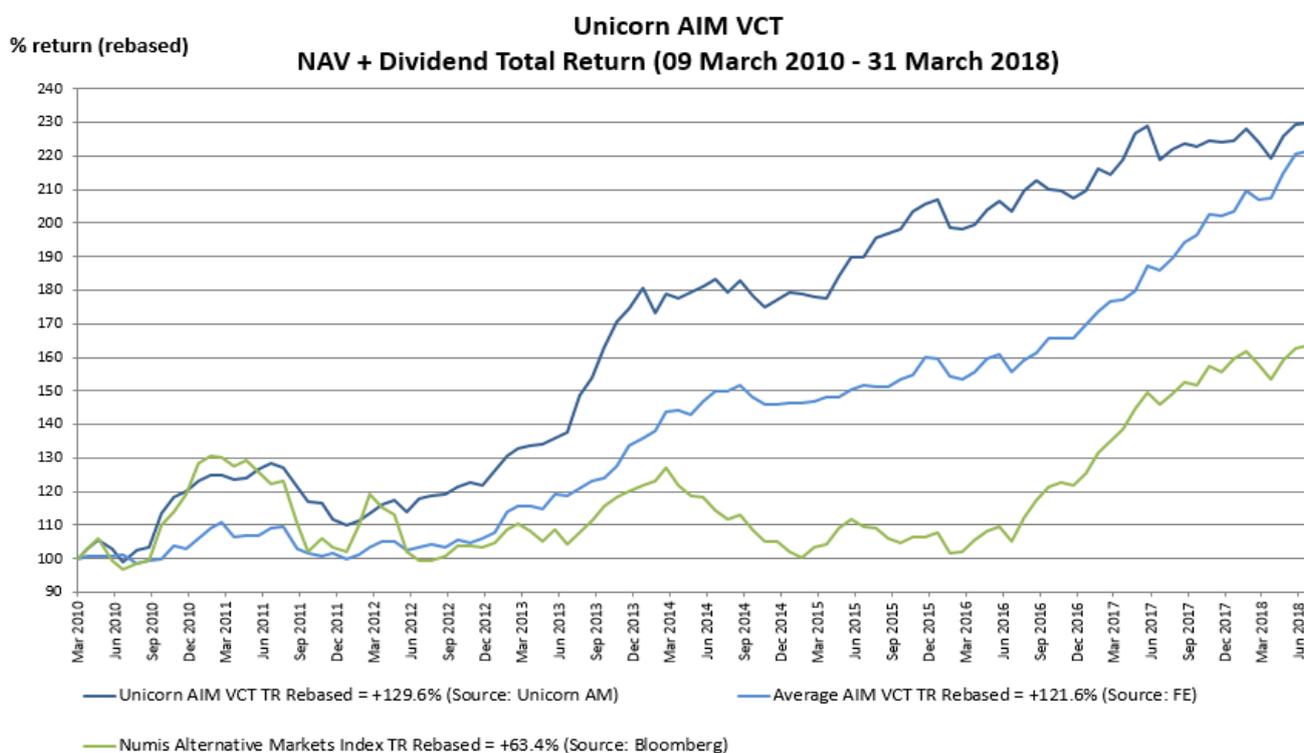
**Performance**

Following a difficult first quarter of 2018, UK equity markets recovered strongly during the three month period to the end of June.

The FTSE All Share Index recorded a total return of +9.2% during the second quarter of 2018, while the FTSE AIM All Share Index ended the quarter up by +7.2%, on the same total return basis.

The performance of UK equity indices was surprisingly resilient during the quarter under review, despite an increasingly weak and unstable political backdrop. The negotiations with Brussels regarding Britain's exit from the European Union rumble on, while members of the UK's governing Conservative Party appear content to continue fighting amongst themselves. This lack of unity inevitably means it will be more difficult for the government to act decisively to resolve key issues such as immigration and trade between the UK and the remaining EU Member States. As a consequence, it is now generally accepted that the outlook for continued UK economic growth has become less positive, which may well impact on the performance of the UK equity market in due course. In the meantime, after a sustained rally during 2017, the value of Sterling has again started to weaken when compared to the US Dollar, which should have a beneficial effect on those British businesses that export the majority of their goods and services. This currency tailwind is almost certainly helping to support the valuation of the UK equity market and this is most evident in the FTSE 100 Index, which is mainly composed of large UK businesses that are typically global in scope.

The Company's performance was also positive during the period under review, with Net Asset Value per share increasing by 5.9%. Having started the period at 156.4 pence per share, the unaudited NAV per share as at 30 June 2018 was 165.7 pence per share.



Source: Unicorn Asset Management/Financial Express, 30 June 2018, (since merger with Unicorn AIM VCT II on 9 March 2010).  
 Past performance of Unicorn AIM VCT is not a guide to future performance.