

Investment Objective

The Unicorn UK Ethical Income Fund aims to provide an income by investing in UK companies which meet the ACD's ethical guidelines. For this purpose, UK companies are defined as those which are incorporated or domiciled in the UK, or have a significant part of their operations in the UK. Selection of such ethical equities will be undertaken on the basis of thorough company analysis, with ethical and socially responsible criteria reviewed at the point of investment and quarterly thereafter.

Investment Policy/Strategy

The Fund may also invest, at its discretion, in other transferable securities, deposits and cash. The Fund may also enter into certain derivative and forward transactions for hedging purposes. The Fund invests at least 80% in UK quoted companies with a bias towards small and medium sized companies (those with a market value of less than £4 billion). Some of the companies may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies. There is no guarantee that the target return will be achieved over a 3 year, or any other period, and investors should note that their capital is always at risk.

Manager

Fraser Mackersie
Simon Moon

Fund Commentary

The UK Ethical Income Fund recorded a total return of +13.2% in November, compared to the average total return of +15.7% from the IA UK Equity Income sector over the same period.

Global equity markets reacted very positively to news that a vaccine for COVID-19 had delivered effective results in trials and was expected to progress rapidly to regulatory approval. Share prices of companies in sectors most likely to benefit from a loosening of economic lockdown restrictions performed very strongly, led by large-cap companies in the oil & gas, banking, natural resources and leisure sectors.

The primary contributors to Fund performance during the month were those stocks trading on lowly valuations, which enjoyed a strong recovery following the vaccine news. The primary contributors were; Epwin and Polar Capital, which both added 0.7% to overall Fund performance. Other notable contributors included; Secure Trust Bank and Sabre Insurance, which both added 0.6% to overall performance.

There were no material detractors from Fund performance during the period under review.

A position in Emis was initiated during the month. Emis is a clear market leader in the provision of software products to the UK healthcare sector. Its share price remains depressed in the year to date and, as such, presented a rare opportunity to buy a stake in a high quality software business on a dividend yield in excess of 3%. Emis is a high quality software business, which owns valuable intellectual property and delivers high levels of recurring revenue. The business also has a strong balance sheet and a long track record of delivering dividend growth.

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

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



Cumulative Performance

	YTD	6 Month	1 Year	3 Year	Since Launch
UK Ethical Income (B-Shares)	-17.4%	12.4%	-10.9%	-4.5%	14.2%
Rank	65/86	16/86	44/86	36/84	39/78
Sector Average	-13.9%	8.9%	-10.5%	-5.3%	15.0%

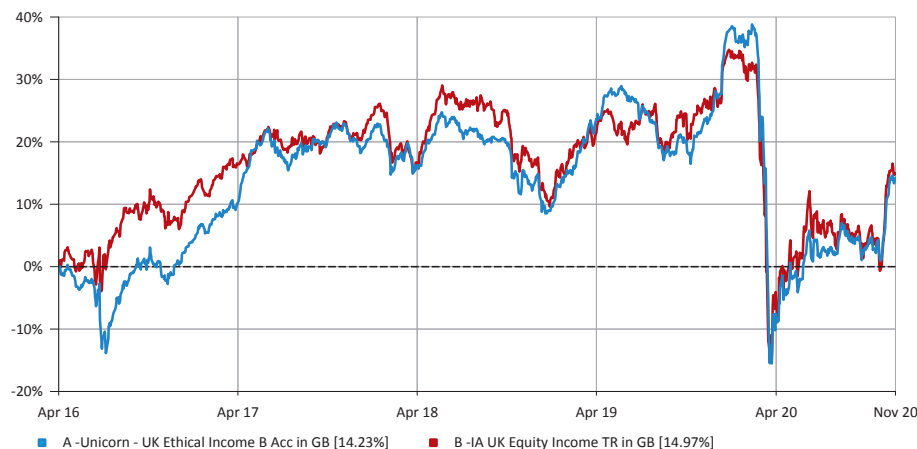
Source: Financial Express (Using bid to bid market value, total return)

Discrete Performance

	2019	2018	2017
UK Ethical Income (B-Shares)	25.7%	-9.6%	16.8%
Rank	17/86	33/84	12/79
Sector Average	20.1%	-10.5%	11.3%

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

Past Performance - Since Launch



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

Top 10 Holdings	
Londonmetric Property	5.8%
Telecom Plus	5.6%
Sabre Insurance	5.0%
Phoenix Group	4.9%
B&M European Value	4.7%
Primary Health Properties	4.6%
Hill & Smith Holdings	4.4%
Brewin Dolphin Holdings	3.7%
Polar Capital Holdings	3.6%
XPS Pensions	3.2%
Total	45.5%

Top 10 Sectors	
Financial Services	19.8%
Property	14.4%
Engineering	12.9%
Building & Construction	10.6%
Insurance	9.9%
Communications	5.6%
Cash	5.3%
Consumer Retail	4.7%
Software & Computer Services	4.6%
Marketing	2.8%
Total	90.6%

Fund Facts	
Fund Managers	Fraser Mackersie Simon Moon
Fund Size	£61 m
Launch Date	31 March 2016
Fund Sector	UK Equity Income
Number of Holdings	35
Pricing	10:00 Daily
ISAs/JISAs	Available
Dividend Dates	Ex-Div: 31/3, 30/6, 30/9, 31/12 Payment: 31/5, 31/8, 30/11, 28/2

Share Class Information		
	Retail 'A'	Institutional 'B'
Initial Charge	5.50%	2.50%
On Going Charge	1.56%	0.81%
Historic Yield	3.25%	3.24%
ISIN Code - Income	GB00BDHLG082	GB00BYP2Y515
- Accumulation	GB00BDHLG207	GB00BYQCS257
Sedol Code - Income	BDHLG20	BYP2Y51
- Accumulation	BDHLG20	BYQCS25
Bloomberg - Income	UNIUEAI	UNIUEBI
- Accumulation	UNIUEAA	UNIUEBA
MEX ID - Income	U2XXA	U2XAB
- Accumulation	U2XXB	U2XAA
Initial Investment	£2,500	£100,000

Risk Ratios	1yr	3yr
Volatility	29.53	18.42
Alpha	-1.75	0.10
Beta	0.97	0.92
Sharpe	-0.04	-0.01
Information Ratio	-0.18	0.00

How to buy the Fund: The fund is available through a number of distributors including	
7IM	HL Vantage
Aegon	Hubwise
Alliance Trust	James Hay
Ascentric/Funds Direct	Novia
Aviva	Nucleus
Bestinvest	Pershing Nexus Funds
Charles Stanley Direct	Standard Life Fundzone
Cofunds	Transact
Fidelity Funds Network	Zurich
Standard Life Elevate	Old Mutual Wealth

All figures within this factsheet have been calculated with reference to 30 November 2020 with exception to the on going charge figure which is based on the interim accounts for the 6 months ended 31 March 2020

- Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the full amount of their original investment
- Unicorn Asset Management do not give out investment advice, we recommend that you contact a financial advisor if you are unsure whether to invest
- Investors should also read the Prospectus and KIID document of the fund before making an investment
- Equities are subject to greater degrees of market risk than other types of investment, such as bonds or money market instruments. You should not invest unless you are prepared to accept a higher degree of risk
- Investing in smaller companies, including AIM companies, can carry greater risks than those usually associated with large capitalisation companies. Smaller companies are likely to be less established and may not have access to the financial resources available to their larger counterparts. The shares of smaller companies are relatively illiquid and under-researched.
- Taxation levels, benefits and reliefs may all vary depending on individual circumstances and are subject to change
- Opinions expressed in this factsheet are subject to change without notice.
- A key objective of the Fund is to provide income, therefore, some or all of the annual management charge is taken from capital rather than income. This can reduce the potential for capital growth.
- Unicorn Asset Management Limited are authorised and regulated by the Financial Conduct Authority.

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