

Unicorn Investment Funds

Interim Report 31 March 2021

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Directory

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Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

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 2020.

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.

27 May 2021



Investment Objective and Policy

The Unicorn UK Growth Fund aims to achieve long term capital growth through investment in a portfolio of UK Companies. UK Companies are defined as those which are incorporated or domiciled in the UK or have a significant part of their operations in the UK.

The Sub-fund may also invest in smaller companies including companies quoted on the AIM stock exchange. AIM is the London Stock Exchange's international market for smaller, growing companies.

The Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the period ended 31 March 2021

For the six month period ending 31 March 2021, the Fund's B Income Shares produced a total return of +25.9%, which compares to the UK All Companies sector average total return of +22.0%.

The period under review was once again dominated by news developments surrounding Covid-19. Tragically many thousands more lives were lost within the UK, millions across the globe, to second waves of the virus, which once again threaten to overwhelm health services. There was however cause for optimism as excellent progress has been made in developing and subsequently rolling out successful vaccines, which is nothing short of a remarkable feat of scientific achievement. We must however be mindful and sympathetic to those countries who have not enjoyed the same access to vaccines and are currently (as at 23 April 2021) battling rising case numbers once again.

Equity markets recovered strongly during the period supported by the roll-out of Covid-19 vaccines and news of further US fiscal stimulus. Those sectors which are most sensitive to an economic rebound led the gains, namely banks, travel & leisure and resource-based stocks.

The outperformance of the Sub-fund versus the sector was particularly pleasing in the context of "value" stocks delivering stronger returns than "growth" during the period. We attribute the Sub-fund outperformance to a number of factors: companies reporting robust trading activity; strong performance of new additions and active portfolio management. We explore these factors in greater detail below.

At the stock level, all but four of the underlying investee companies made positive contributions to performance during the six month period. Share prices responded favourably to the welcome news surrounding the vaccines. Further support was provided by the broad based recovery in trading activity reported by many companies.

The primary contributor to Sub-fund performance was Codemasters, a developer of computer games, which added 2.8%. The company received two takeover approaches during the period under review: an initial offer from Take Two Interactive, at a modest premium to Codemaster's market value, was superseded by a bid from Electronic Arts, which valued the business at a 14% premium to the Take-Two offer. A counter bid from Take Two Interactive was not forthcoming, which allowed the Electronic Arts bid to progress and complete in March 2021. The position was exited in January ahead of the completion of the transaction and the proceeds redeployed.

The next largest contributor was Aptitude Software, which added 1.3% in overall performance terms. The company is a specialist provider of financial management software which it sells to large blue chip organisations. Aptitude released final results in March which reported a strong outturn for the year ended 31 December 2020, delivering 11% growth in annual recurring revenues despite the initial disruption to a number of its key markets in the second and third quarter of 2020.

Another strong performer was Alpha FX, which contributed 1.3% to Sub-fund performance. The company released strong final results in March, which covered the year ended 31 December 2020, posting a 31% increase in group revenues and a 27% increase in reported profit before tax.

Investment Manager's Report

continued

Other notable contributors during the period were City Pub Group and Fulham Shore, which collectively added 2.0% to Sub-fund performance. City Pub Group owns and operates high quality pubs and Fulham Shore is the owner/operator of the restaurant brands "Franco Manca" and "The Real Greek". Clearly both companies have faced significant disruption throughout the majority 2020 and the early months of 2021 as lockdown measures have severely restricted trade. Notwithstanding these challenges, both businesses have been managed exceptionally well throughout the period with particular focus on reducing discretionary spend and cash burn to a minimum. These actions, combined with raising of additional funds through equity placings, have helped to preserve strong capital positions within both businesses and consequently both are well-placed to resume growth investment when economic conditions permit. We significantly increased the positions in both companies during the six month period, more than trebling the fund's shareholding in City Pub Group and nearly doubling the holding in Fulham Shore, both at average price levels significantly below the current share prices.

The one notable detractor was First Derivatives, which cost the Sub-fund 0.5% in overall performance terms. The stock performed well in the third quarter of calendar year 2020 but gave up some of these gains in the subsequent six month period despite releasing interim results, which reported on a robust trading performance for the six month period ended 31 August 2020.

The period was relatively active in terms of portfolio activity. In total five positions were exited and eleven new positions were initiated. Ongoing volatility in equity prices presented some compelling opportunities to initiate positions in stocks which have long appeared on our proprietary idea generation screen but have rarely presented an attractive entry point. The additions to the portfolio represent a wide range of different sectors and market capitalisations. The smallest addition was Gresham Technologies valued at a market capitalisation of £119 million, whilst the largest addition was London Stock Exchange which has a market capitalisation of over £42 billion. This demonstrates the true flexibility of the stock picking approach adopted by the managers.

After a prolonged period of subdued activity in new issues the IPO market has reopened with vigour and two of the additions to the portfolio came through this channel (Virgin Wines and Bytes Technology). As with all additions we approach new issues with selectivity.

All new positions have delivered gains since being added to the portfolio, contributing a combined 2.1% in Sub-fund performance terms albeit over a short holding period.

The high conviction approach to investing has been maintained with the portfolio ending the period with 43 holdings. Whilst the focus on growth naturally draws the managers further down the market capitalisation scale, the multi cap approach does not discriminate against larger companies in the stock selection process and in fact 15 companies (30% by value) of the portfolio as at 31 March 2021 had a market capitalisation in excess of £1 billion. The portfolio remains very well capitalised with 29 companies (62% of the portfolio by value) with a balance sheet position of net cash. This has not only provided us with comfort that the investee companies would continue to operate as a going concern throughout the most challenging periods of the pandemic but, equally as importantly, it provides the means to accelerate growth investment as conditions improve.

Without making any bets on the outlook for inflation we are mindful of its potential risks for equity markets and growth stocks in particular. The disciplined stock selection process, specifically with regards to pricing power, and controlled approach to valuation gives us comfort that the investment case for each portfolio company will remain attractive regardless of the rate of inflation.

We are positive on the outlook for the Fund. The companies are in a strong financial position and are exposed to long term structural growth trends, some of which have accelerated as a result of the pandemic. In addition, UK equities continue to offer attractive value relative to other developed markets and the discount is particularly pronounced within growth stocks.

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
Software and Computer Services 22.13% (19.61%)			
410,000	Aptitude Software	2,853,600	2.63
600,000	Bytes Technology	2,395,200	2.20
3,982,500	Eckoh*	2,747,925	2.53
240,000	EMIS*	2,640,000	2.43
100,000	First Derivatives*	2,655,000	2.44
200,000	GB*	1,696,000	1.56
1,200,000	Gresham Technologies	1,884,000	1.73
1,055,000	Iomart*	3,296,875	3.03
140,000	Kainos	2,086,000	1.92
700,000	NCC	1,806,000	1.66
		24,060,600	22.13
Technology Hardware and Equipment 2.47% (3.72%)			
400,000	discoverIE	2,680,000	2.47
Telecommunications Service Providers 1.80% (5.68%)			
120,000	Gamma Communications*	1,962,000	1.80
Medical Equipment and Services 2.14% (0.00%)			
1,000,000	Advanced Medical Solutions*	2,330,000	2.14
Banks 1.92% (0.65%)			
180,000	Secure Trust Bank	2,088,000	1.92
Finance and Credit Services 1.72% (0.00%)			
27,000	London Stock Exchange	1,873,260	1.72
Investment Banking and Brokerage Services 11.65% (12.67%)			
130,000	3i	1,499,550	1.38
390,350	Alpha FX*	4,996,480	4.60
768,606	Curtis Banks*	1,936,887	1.78
150,000	Liontrust Asset Management	2,130,000	1.96
7,000,000	Mercia Asset Management*	2,100,000	1.93
		12,662,917	11.65
Open End and Miscellaneous Investment Vehicles 1.92% (0.00%)			
1,900,000	AdvancedAdvT	2,090,000	1.92
Household Goods and Home Construction 2.25% (1.79%)			
165,000	Churchill China*	2,442,000	2.25
Leisure Goods 6.59% (11.01%)			
183,058	Frontier Developments*	4,979,178	4.58
22,000	Games Workshop	2,190,100	2.01
		7,169,278	6.59
Personal Goods 0.00% (0.64%)			
Media 1.91% (1.67%)			
84,805	4imprint	2,077,723	1.91
Retailers 4.82% (6.79%)			
350,000	B&M European Value Retail	1,847,300	1.70
195,439	JD Sports Fashion	1,611,199	1.48

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Retailers (continued)		
800,000	Virgin Wines UK*	1,784,000	1.64
		5,242,499	4.82
	Travel & Leisure 7.02% (4.83%)		
2,399,851	City Pub*	3,239,799	2.98
130,000	Jet2*	1,645,800	1.51
19,615,685	The Fulham Shore*	2,746,196	2.53
		7,631,795	7.02
	Food Producers 1.98% (0.00%)		
200,000	Hilton Food	2,148,000	1.98
	Personal Care, Drug and Grocery stores (0.00%)		
400,000	Conviviality^	–	0.00
	Construction and Materials 3.00% (3.52%)		
3,500,000	Breedon*	3,262,000	3.00
	Electronic and Electrical Equipment 1.99% (0.00%)		
65,000	Spectris	2,162,550	1.99
	General Industrials 2.82% (2.84%)		
3,069,500	Macfarlane	3,069,500	2.82
	Industrial Engineering 1.62% (1.68%)		
470,000	Somero Enterprises*	1,762,500	1.62
	Industrial Support Services 13.73% (14.03%)		
1,257,500	Alpha Financial Markets Consulting*	3,168,900	2.92
491,690	Clipper Logistics	2,910,805	2.68
160,000	FDM	1,612,800	1.49
350,000	Keystone Law*	2,135,000	1.96
825,000	Restore*	2,887,500	2.66
360,000	RWS*	2,192,400	2.02
		14,907,405	13.73
	Industrial Materials 2.74% (2.54%)		
283,775	James Cropper*	2,979,638	2.74
	Investment assets	104,601,665	96.22
	Net other assets	4,106,341	3.78
	Net assets	108,708,006	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 30.09.20.

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

*Quoted on AIM.

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

Total purchases for the period: £33,768,070

Total sales for the period: £35,513,399

Comparative Tables

Change in net assets per share

	A Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	554.84	569.47	635.42	574.17
Return before operating charges [^]	151.62	-5.83	-50.26	75.06
Operating charges	-10.11	-8.80	-9.20	-10.03
Return after operating charges [^]	141.51	-14.63	-59.46	65.03
Distributions	0.00	0.00	-6.49	-3.78
Closing net asset value per share	696.35	554.84	569.47	635.42
[^] After direct transaction costs of	-0.96	-1.18	-1.03	-2.59
Performance				
Return after charges	25.50%	-2.57%	-9.36%	11.33%
Other information				
Closing net asset value	£3,805,363	£3,243,300	£3,774,189	£5,291,163
Closing number of shares	546,471	584,542	662,752	832,702
Operating charges	1.58%	1.57%	1.61%	1.62%
Direct transaction costs	0.15%	0.21%	0.18%	0.42%
Prices				
Highest share price	706.30	685.35	641.94	652.77
Lowest share price	553.02	398.83	509.14	571.76

	B Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	558.10	570.44	636.54	575.19
Return before operating charges [^]	150.06	-5.88	-50.32	75.21
Operating charges	-5.36	-4.62	-4.95	-5.43
Return after operating charges [^]	144.70	-10.50	-55.27	69.78
Distributions	0.00	-1.84	-10.83	-8.43
Closing net asset value per share	702.80	558.10	570.44	636.54
[^] After direct transaction costs of	-0.97	-1.18	-1.03	-2.61
Performance				
Return after charges	25.93%	-1.84%	-8.68%	12.13%
Other information				
Closing net asset value	£61,733,114	£51,458,689	£55,131,665	£67,744,194
Closing number of shares	8,783,834	9,220,255	9,664,807	10,642,541
Operating charges	0.83%	0.82%	0.86%	0.87%
Direct transaction costs	0.15%	0.21%	0.18%	0.42%
Prices				
Highest share price	712.79	688.35	643.05	657.14
Lowest share price	556.61	401.68	511.04	574.94

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	128.80	132.20	147.53	133.37
Return before operating charges [^]	35.20	-1.36	-11.67	17.43
Operating charges	-2.35	-2.04	-2.14	-2.33
Return after operating charges [^]	32.85	-3.40	-13.81	15.10
Distributions	0.00	0.00	-1.52	-0.94
Closing net asset value per share	161.65	128.80	132.20	147.53
[^] After direct transaction costs of	-0.22	-0.27	-0.24	-0.60
Performance				
Return after charges	25.50%	-2.57%	-9.36%	11.32%
Other information				
Closing net asset value	£88,420	£65,875	£91,547	£96,237
Closing number of shares	54,699	51,146	69,248	65,233
Operating charges	1.58%	1.57%	1.61%	1.62%
Direct transaction costs	0.15%	0.21%	0.18%	0.42%
Prices				
Highest share price	163.96	159.10	149.04	151.62
Lowest share price	128.38	92.58	118.21	132.82

	C Accumulation*	
	31.03.21 p	30.09.20 p
Opening net asset value per share	117.07	100.00 [†]
Return before operating charges [^]	31.27	17.64
Operating charges	-0.72	-0.57
Return after operating charges [^]	30.55	17.07
Distributions	0.00	-0.42
Retained distributions on accumulation shares	0.00	0.42
Closing net asset value per share	147.62	117.07
[^] After direct transaction costs of	-0.20	-0.23
Performance		
Return after charges	26.10%	17.07%
Other information		
Closing net asset value	£43,081,109	£34,762,883
Closing number of shares	29,184,455	29,694,579
Operating charges	0.53%	0.52%
Direct transaction costs	0.15%	0.21%
Prices		
Highest share price	149.71	118.52
Lowest share price	116.78	98.29

*C Accumulation launched on 7 May 2020.

[†]Launch price

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Comparative Tables

continued

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.

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 6 because funds of this type have experienced high 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 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		22,485,106		(15,472,203)
Revenue	734,957		349,394	
Expenses	(370,921)		(285,369)	
Net revenue before taxation	364,036		64,025	
Taxation	(53,872)		(5,464)	
Net revenue after taxation		310,164		58,561
Total return before distributions		22,795,270		(15,413,642)
Distributions		(8,793)		842
Change in net assets attributable to Shareholders from investment activities		22,786,477		(15,412,800)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		89,530,746		58,997,401
Amounts receivable on issue of shares	9,328,711		14,365,989	
Less: Amounts payable on cancellation of shares	(12,937,989)		(13,324,256)	
		(3,609,278)		1,041,733
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		22,786,477		(15,412,800)
Unclaimed distributions		61		66
Closing net assets attributable to Shareholders		108,708,006		44,626,400

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.

Unicorn Investment Funds - UK Growth Fund

Balance Sheet

as at 31 March 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		104,601,665		83,859,444
Current Assets				
Debtors	1,567,721		429,829	
Cash and bank balances	4,780,669		5,649,506	
Total current assets		6,348,390		6,079,335
Total assets		110,950,055		89,938,779
LIABILITIES				
Creditors				
Distribution payable	–		(169,229)	
Other creditors	(2,242,049)		(238,804)	
Total creditors		(2,242,049)		(408,033)
Total liabilities		(2,242,049)		(408,033)
Net assets attributable to Shareholders		108,708,006		89,530,746

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 investment companies themselves invest around the world. Investment companies are companies that can invest in a portfolio of assets. Their shares are listed on a stock exchange, in the same way as a normal company. The Sub-fund will choose investment companies which the Manager believes have good potential to grow and which are attractively priced

The Sub-fund may also invest, at its discretion, in other transferable securities, deposits, cash and near cash and units of eligible collective investment schemes.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the period ended 31 March 2021

For the six month period ending 31 March 2021, Unicorn Mastertrust's B Income Shares produced a return of +25.3%. Over the same period the overall UK equity market (excluding Investment Companies) appreciated by 18.6% and the average share price return achieved by Investment Companies was 16.6% (source: Financial Express Bid to Bid Total Returns). The Sub-fund was invested in 57 companies at the period end.

As anticipated within the Investment Managers Report for the year ended 30 September 2020, discount ratings for investment companies continued to recover during the period under review. For Unicorn Mastertrust's portfolio the size weighted average discount narrowed from 15.5% as at 30 September 2020 to 9.5% as at 31 March 2021. Sentiment towards global equity markets improved significantly on news of the successful development of Covid-19 vaccines and was further bolstered by the accelerating vaccine deployment.

The most significant positive contributions to performance were attributable to a broad range of holdings whereas the only meaningful negative contribution came from Allied Minds, where the share price retreated by 40.9%. Mastertrust's investments in smaller companies trusts benefitted from a recovery in net asset values and improved discount ratings, led by Aberforth Smaller Companies Trust (share price total return +82.8%), Henderson Smaller Companies Investment Trust (+56.3%) and Gresham House Securities (+45.8%). Recovery prospects combined with expectations of increasing demand for mined materials driven by decarbonisation led to a 46.3% share price total return for BlackRock World Mining Trust while there were useful contributions from Law Debenture (+47.2%) and Artemis Alpha Trust (+50.5%).

Activity within the portfolio featured the acquisition of a new holding in Round Hill Music Royalty Fund which invests in royalty producing intellectual property related to music by acquiring rights from songwriters and other third party rights holders. Additional shares were purchased at attractive discounts in Pershing Square, RIT Capital Partners and Apax Global Alpha. There were four disposals in the period under review, namely Seneca Global Income & Growth, Riverstone Energy, Marwyn Value Investors and Montanaro UK Smaller Companies.

The gyrations seen in global equity markets since the outbreak of Covid-19 have served to reinforce the benefits of diversification and the importance of adopting a long term investment strategy. At the time of writing there are grounds for optimism that the pandemic will be consigned to history in the foreseeable future and it is to be hoped that governments and health services will be better prepared for future challenges. Expectations of a strong economic recovery driven by government stimuli and consumer spending may prove to be correct in the short term but ultimately the fiscal largesse of governments will have to be addressed and an extended era of financial repression seems likely. Your managers believe that investing in a well diversified portfolio of carefully selected Investment Companies is an appropriate way to navigate challenging markets and continues to offer the prospect of strong long term capital growth.

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
Closed End Investments 95.57% (94.95%)			
400,000	Aberdeen Latin American Income Fund	208,800	0.18
900,000	Aberdeen New Dawn Investment Trust	2,826,000	2.39
184,500	Aberforth Smaller Companies Trust	2,756,430	2.34
575,700	Acorn Income Fund^^	1,824,969	1.55
421,344	Apax Global Alpha	800,554	0.68
643,000	Artemis Alpha Trust	2,623,440	2.22
174,934	Asia Dragon Trust	899,161	0.76
887,419	Atlantis Japan Growth Fund	2,076,560	1.76
327,873	AVI Global Trust	3,095,121	2.62
2,000,000	AVI Japan Opportunity Trust	2,220,000	1.88
117,000	Baillie Gifford Japan Trust	1,244,880	1.05
1,110,000	Baillie Gifford UK Growth Fund	2,575,200	2.18
307,000	BlackRock Throgmorton Trust	2,456,000	2.08
655,400	BlackRock World Mining Trust	3,742,334	3.17
200,000	BMO Private Equity Trust	744,000	0.63
78,925	Caledonia Investment	2,075,728	1.76
81,500	Candover Investments^	2,038	0.00
535,000	CQS Natural Resources Growth and Income	751,675	0.64
1,850,000	Crystal Amber Fund*	1,998,000	1.69
366,500	Edinburgh Investment Trust	2,188,005	1.85
282,000	F&C Investment Trust	2,258,820	1.91
783,800	Fidelity European Trust	2,182,883	1.85
570,000	Fidelity Special Values	1,533,300	1.30
1,535,000	Gabelli Value Plus+ Trust	2,425,300	2.05
350,000	Genesis Emerging Markets Fund	3,115,000	2.64
217,528	Gresham House Strategic*	3,045,392	2.58
976,000	Hansa Investment Company	1,903,200	1.61
156,500	HarbourVest Global Private Equity	3,123,740	2.65
251,168	Henderson Smaller Companies Investment Trust	2,913,549	2.47
168,100	Herald Investment Trust	3,462,860	2.93
1,950,000	Hipgnosis Songs Fund	2,437,500	2.07
237,700	ICG Enterprise Trust	2,388,885	2.02
712,100	Invesco Asia Trust	2,770,069	2.35
1,735,000	JPMorgan Emerging Markets Investment Trust	2,245,090	1.90
578,845	JPMorgan European Smaller Companies Trust	2,651,110	2.25
740,000	Keystone Positive Change Investment Trust	2,101,600	1.78
382,300	Law Debenture	2,764,029	2.34
86,591	New Star Investment Trust	107,373	0.09
74,500	North Atlantic Smaller Companies Investment Trust	2,853,350	2.42
101,000	Pantheon International	2,631,050	2.23
100,000	Pershing Square	2,560,000	2.17
125,000	Polar Capital Global Financials Trust	195,625	0.17
46,011	RENN Universal Growth Investment Trust^	–	0.00
35,000	RIT Capital Partners	836,500	0.71
65,438	River & Mercantile UK Micro Cap Investment	170,139	0.15
2,000,000	Round Hill Music Royalty Fund	1,493,078	1.26

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
Closed End Investments (continued)			
320,000	Schroder Asian Total Return Investment	1,612,800	1.37
6,250,000	Schroder UK Public Private Trust	2,312,500	1.96
735,000	Standard Life Private Equity Trust	3,145,800	2.67
1,039,434	Strategic Equity Capital	2,744,106	2.32
379,300	The Alliance Trust	3,519,904	2.98
200,000	The Biotech Growth Trust	2,852,000	2.42
160,000	The Independent Investment Trust	848,000	0.72
155,000	The Monks Investment Trust	2,092,500	1.77
614,100	TR Property Investment Trust	2,394,990	2.03
		112,800,937	95.57
Investment Banking and Brokerage Services 3.06% (3.79%)			
3,000,000	Allied Minds	663,000	0.56
1,000,000	Oakley Capital Investments	2,950,000	2.50
		3,613,000	3.06
Investment assets		116,413,937	98.63
Net other assets		1,621,850	1.37
Net assets		118,035,787	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 30.09.20.

^This is a delisted security and have been valued at the Manager's best assessment of their fair value.

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

*Quoted on AIM.

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

Total purchases for the period: £3,852,552

Total sales for the period: £3,902,333

Comparative Tables
Change in net assets per share

	A Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	490.34	513.05	521.27	489.93
Return before operating charges [^]	131.01	-12.15	1.30	39.51
Operating charges	-9.08	-7.80	-8.06	-8.17
Return after operating charges [^]	121.93	-19.95	-6.76	31.34
Distributions	0.00	-2.76	-1.46	0.00
Closing net asset value per share	612.27	490.34	513.05	521.27
[^] After direct transaction costs of	-0.06	-0.35	-0.56	-0.87
Performance				
Return after charges	24.87%	-3.89%	-1.30%	6.40%
Other information				
Closing net asset value	£3,354,529	£3,096,676	£4,005,278	£5,220,199
Closing number of shares	547,884	631,541	780,678	1,001,434
Operating charges	1.57%	1.58%	1.58%	1.59%
Ongoing operating charges*	1.57%	1.58%	1.58%	1.57%
Direct transaction costs	0.01%	0.07%	11.00%	0.17%
Prices				
Highest share price	629.60	564.66	534.21	529.67
Lowest share price	493.42	350.28	473.24	492.28

	B Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	439.41	459.76	467.15	438.57
Return before operating charges [^]	115.46	-10.88	1.16	35.38
Operating charges	-4.27	-3.69	-3.82	-3.88
Return after operating charges [^]	111.19	-14.56	-2.66	31.50
Distributions	0.00	-5.79	-4.73	-2.92
Closing net asset value per share	550.60	439.41	459.76	467.15
[^] After direct transaction costs of	-0.05	-0.31	-0.50	-0.79
Performance				
Return after charges	25.30%	-3.17%	-0.57%	7.18%
Other information				
Closing net asset value	£114,484,174	£91,747,479	£89,899,421	£80,217,883
Closing number of shares	20,792,461	20,879,798	19,553,364	17,171,884
Operating charges	0.82%	0.83%	0.83%	0.84%
Ongoing operating charges*	0.82%	0.83%	0.83%	0.82%
Direct transaction costs	0.01%	0.07%	0.11%	0.17%
Prices				
Highest share price	565.64	507.09	481.54	477.07
Lowest share price	442.18	315.55	424.94	440.97

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	144.15	150.83	153.22	143.99
Return before operating charges [^]	38.52	-4.39	0.38	11.63
Operating charges	-2.67	-2.29	-2.37	-2.40
Return after operating charges [^]	35.85	-6.68	-1.99	9.23
Distributions	0.00	-0.81	-0.40	0.00
Closing net asset value per share	180.00	144.15	150.83	153.22
[^] After direct transaction costs of	-0.02	-0.10	-0.16	-0.26
Performance				
Return after charges	24.87%	-4.43%	-1.30%	6.41%
Other information				
Closing net asset value	£197,083	£161,999	£184,280	£325,221
Closing number of shares	109,492	112,382	122,179	212,258
Operating charges	1.57%	1.58%	1.58%	1.59%
Ongoing operating charges*	1.57%	1.58%	1.58%	1.57%
Direct transaction costs	0.01%	0.07%	0.11%	0.14%
Prices				
Highest share price	185.09	166.00	157.02	155.69
Lowest share price	145.06	102.98	139.10	144.71

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.

In addition to the operating charges above, managers charge fees within the closed end investments held. We have estimated that, based on market values at the period end and ongoing charge fee rates per fund (excluding performance fees), these represent an additional 1.23% of average net assets.

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

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

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.

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 5 because funds of this type have experienced medium to high 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 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		23,264,618		(22,454,281)
Revenue	1,156,655		1,049,123	
Expenses	(470,625)		(413,860)	
Net revenue before and after taxation	686,030		635,263	
Total return before distributions		23,950,648		(21,819,018)
Distributions		(1,674)		29,011
Change in net assets attributable to Shareholders from investment activities		23,948,974		(21,790,007)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		95,006,154		94,088,979
Amounts receivable on issue of shares	18,086,938		20,042,083	
Less: Amounts payable on cancellation of shares	(19,006,349)		(14,250,348)	
		(919,411)		5,791,735
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		23,948,974		(21,790,007)
Unclaimed distributions		70		–
Closing net assets attributable to Shareholders		118,035,787		78,090,707

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 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		116,413,937		93,813,104
Current Assets				
Debtors	983,820		441,768	
Cash and bank balances	1,415,622		2,434,003	
Total current assets		2,399,442		2,875,771
Total assets		118,813,379		96,688,875
LIABILITIES				
Creditors				
Distribution payable	–		(1,226,401)	
Other creditors	(777,592)		(456,320)	
Total creditors		(777,592)		(1,682,721)
Total liabilities		(777,592)		(1,682,721)
Net assets attributable to Shareholders		118,035,787		95,006,154

Investment Objective and Policy

The Unicorn UK Smaller Companies Fund aims to achieve long term capital growth by investing primarily in UK companies included within the UK Numis Smaller Companies plus AIM Index. For this purpose, UK companies are defined as those which are incorporated or domiciled in the UK, or have a significant part of their operations in the UK. The Index covers the bottom tenth by value of the main UK equity market plus AIM stocks that meet the same size limit.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

The investment approach is to identify individual companies for investment and therefore the portfolio may not be representative of the index.

AIM is the London Stock Exchange's International Market for smaller growing companies.

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

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved over any period. Investors should note that their capital is always at risk.

Investment Manager's Report

for the period ended 31 March 2021

For the six-month period ended 31 March 2021, the Unicorn UK Smaller Companies Fund's B Income Shares generated a total return of 28.7%. This performance compares with a total return from the benchmark Numis Smaller Companies Index (Ex IT) plus AIM, of 33.5% over the same period.

As at 31 March 2021, the Sub-fund held investments in 47 companies.

In the period under review Covid-19 has continued to take its terrible toll across the nation and the globe. Against this tragic backdrop it is important to look forward and focus on the progress made in responding to the pandemic. Huge leaps forward have been made, namely in the exceptionally speedy development of not just one but several highly effective vaccines against the virus. In the UK specifically the vaccine roll out has been an overwhelming success.

The Sub-fund's returns over the six months were significant but ultimately lagged the benchmark and this requires explanation: the announcement in November of the first effective vaccine against COVID-19 saw equity markets rally significantly. This announcement spurred a recovery in some of the market names that had fallen the hardest in the sell-off of March. Many of these names had seen their revenues cut to zero and balance sheets left in tatters by the pandemic. The UK Smaller Companies Fund tries to identify well-financed, cash generative companies that are trading at a discount to their historic valuations. Whilst some of the companies that enjoyed the largest upside in the rally were undoubtedly trading at a low valuation, they were neither cash generative nor well financed. The Sub-fund demonstrated a sustained performance that was driven by an operational V-shaped recovery from most investee companies which was evident even before the vaccine announcement. These businesses went into the crisis with healthy balance sheets, and this enabled them to resume operations quickly when demand returned.

Focusing on stock specific drivers of returns: Codemasters, a developer of computer games focussed on motor racing simulation, gave the largest contribution to Sub-fund performance (2.7%) following takeover approaches from two competitors. Electronic Arts was ultimately successful and bought the company for a significant premium. Somero Enterprises, the manufacturer of specialist concrete screeding machinery, was the next highest contributor, adding 2.1%. The company had a strong end to the year driven by demand in North America and paid a supplementary dividend. Looking at sectors, Construction & Materials was the most significant for the Sub-fund with three holdings contributing over 1% each to Sub-fund performance (Severfield, Breedon, and Alumasc).

It was a busy period from a trading perspective as the volatility and subsequent uneven recovery in share prices gave rise to opportunities to acquire mispriced assets. The Sub-fund bought 11 new and sold 3 positions. The vast majority of these new additions made a positive contribution to return.

Investment Manager's Report

continued

Three of the new positions were via IPO activity. This market had been quiet since the start of the pandemic, so it was pleasing to see several interesting businesses looking to list. All three IPOs contributed positively to performance, one was subsequently sold, but two (Virgin Wines UK and Bytes Technology) are retained.

The Sub-fund continues to operate in the same vein by identifying well-financed, cash generative companies with robust business models that are trading at attractive valuations. This approach has ensured the Sub-fund is populated by resilient companies that are able to quickly respond to changing economic conditions.

As for the outlook for the UK, the government's extraordinarily successful vaccine rollout is positioning the country well to quickly recover from the pandemic. UK household savings are at their highest level since records began, fuelling further optimism of a strong rebound. The UK-EU trade deal struck at the 'eleventh hour' on Christmas Eve removed the uncertain spectre of a no-deal Brexit which has hung over UK equities for the last 5 years. Against the tragic backdrop of the pandemic there is reason for optimism.

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
TECHNOLOGY 6.56% (5.01%)			
Software and Computer Services 3.31% (3.75%)			
200,000	Bytes Technology	798,400	1.48
90,000	EMIS*	990,000	1.83
		1,788,400	3.31
Technology Hardware and Equipment 3.25% (1.26%)			
50,000	Gooch & Housego*	585,000	1.08
2,000,000	IQE*	1,173,000	2.17
		1,758,000	3.25
HEALTH CARE 1.94% (0.00%)			
Medical Equipment and Services 1.94% (0.00%)			
450,000	Advanced Medical Solutions*	1,048,500	1.94
FINANCIALS 18.36% (18.82%)			
Banks 3.68% (3.35%)			
59,522	Arbuthnot Banking*	482,128	0.89
130,000	Secure Trust Bank	1,508,000	2.79
		1,990,128	3.68
Investment Banking and Brokerage Services 14.68% (15.47%)			
164,190	Alpha FX*	2,101,632	3.89
406,909	Curtis Banks*	1,025,411	1.90
4,000,000	Mercia Asset Management*	1,200,000	2.22
450,000	Numis*	1,696,500	3.14
150,000	Polar Capital*	1,044,000	1.93
400,000	River & Mercantile	864,000	1.60
		7,931,543	14.68
CONSUMER DISCRETIONARY 20.99% (22.08%)			
Automobiles and Parts 0.62% (0.67%)			
1,769,806	Autins*	336,263	0.62
Household Goods and Home Construction 1.51% (0.00%)			
130,000	Redrow	815,750	1.51
Leisure Goods 4.02% (10.70%)			
80,000	Frontier Developments*	2,176,000	4.02
Personal Goods 1.87% (1.34%)			
1,100,000	Warpaint London*	1,012,000	1.87
Media 4.21% (4.61%)			
55,000	4imprint	1,347,500	2.49
275,000	STV	929,500	1.72
		2,277,000	4.21

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Retailers 3.84% (2.15%)		
1,800,000	Topps Tiles	1,184,400	2.19
400,000	Virgin Wines UK*	892,000	1.65
		2,076,400	3.84
	Travel and Leisure 4.92% (2.61%)		
1,400,000	Hostelworld	1,083,600	2.00
11,292,122	The Fulham Shore*	1,580,897	2.92
		2,664,497	4.92
	CONSUMER STAPLES 2.14% (0.00%)		
	Food Producers 2.14% (0.00%)		
600,000	Devro	1,158,000	2.14
	Personal Care, Drug and Grocery Stores 0.00% (0.00%)		
600,000	Conviviality Retail^	–	0.00
	INDUSTRIALS 38.48% (41.12%)		
	Construction and Materials 14.12% (13.72%)		
505,556	Alumasc*	849,334	1.57
1,850,000	Breedon*	1,724,200	3.19
750,000	Epwin*	705,000	1.30
80,000	Marshalls	547,600	1.01
233,500	Ricardo	1,001,715	1.85
2,750,000	Severfield	2,156,000	3.99
175,000	Tyman	651,875	1.21
		7,635,724	14.12
	Aerospace and Defense 2.63% (4.81%)		
45,000	Avon Rubber	1,422,000	2.63
	Electronic and Electrical Equipment 1.27% (0.00%)		
220,000	Morgan Advanced Materials	685,300	1.27
	General Industrials 4.79% (6.82%)		
850,000	Coats Group	482,800	0.89
73,500	Goodwin	2,109,450	3.90
		2,592,250	4.79
	Industrial Engineering 7.51% (8.31%)		
285,000	Castings	1,060,200	1.96
800,000	Somero Enterprises*	3,000,000	5.55
		4,060,200	7.51
	Industrial Support Services 2.63% (3.06%)		
100,000	Clipper Logistics	592,000	1.09
575,000	Johnson Service*	833,750	1.54
		1,425,750	2.63

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Industrial Transportation 5.53% (4.40%)		
750,000	Braemar Shipping Services	1,500,000	2.77
70,000	Fisher (James) & Sons	737,800	1.36
90,000	Ocean Wilsons	756,000	1.40
		2,993,800	5.53
	BASIC MATERIALS 7.13% (7.15%)		
	Industrial Materials 2.22% (2.27%)		
114,500	James Cropper*	1,202,250	2.22
	Industrial Metals and Mining 4.91% (4.88%)		
100,000	Bodycote	826,000	1.53
50,000	Hill & Smith	735,000	1.36
750,000	Trifast	1,095,000	2.02
		2,656,000	4.91
	ENERGY 1.65% (2.11%)		
	Oil, Gas and Coal 1.65% (2.11%)		
1,425,000	Tekmar*	890,625	1.65
	Investment assets	52,596,380	97.25
	Net other assets	1,489,497	2.75
	Net assets	54,085,877	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 30.09.20.

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

*Quoted on AIM.

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

Total purchases for the period: £11,497,074

Total sales for the period: £8,822,457

Comparative Tables
Change in net assets per share

	A Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	509.67	525.37	550.83	549.84
Return before operating charges [^]	153.35	-6.51	-7.24	17.24
Operating charges	-9.59	-8.54	-8.69	-9.16
Return after operating charges [^]	143.76	-15.05	-15.93	8.08
Distributions	0.00	-0.65	-9.53	-7.09
Closing net asset value per share	653.43	509.67	525.37	550.83
[^] After direct transaction costs of	-0.60	-0.90	-0.86	-1.15
Performance				
Return after charges	28.21%	-2.86%	-2.89%	1.47%
Other information				
Closing net asset value	£3,678,175	£3,165,302	£3,885,497	£4,788,970
Closing number of shares	562,902	621,048	739,577	869,410
Operating charges	1.59%	1.62%	1.62%	1.59%
Ongoing operating charges*	1.60%	1.62%	1.62%	1.59%
Direct transaction costs	0.10%	0.17%	0.16%	0.20%
Prices				
Highest share price	504.96	638.64	583.17	607.62
Lowest share price	674.03	379.86	477.70	554.46

	B Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	497.13	512.81	537.67	536.70
Return before operating charges [^]	147.37	-6.33	-7.08	16.84
Operating charges	-4.95	-4.49	-4.57	-4.74
Return after operating charges [^]	142.42	-10.82	-11.65	12.10
Distributions	0.00	-4.86	-13.21	-11.13
Closing net asset value per share	639.55	497.13	512.81	537.67
[^] After direct transaction costs of	-0.59	-0.88	-0.84	-1.13
Performance				
Return after charges	28.65%	-2.11%	-2.17%	2.25%
Other information				
Closing net asset value	£50,375,411	£38,603,099	£39,369,654	£49,830,008
Closing number of shares	7,876,721	7,362,898	7,677,275	9,267,733
Operating charges	0.84%	0.87%	0.87%	0.84%
Ongoing operating charges*	0.85%	0.87%	0.87%	0.84%
Direct transaction costs	0.10%	0.17%	0.16%	0.20%
Prices				
Highest share price	659.41	372.77	571.67	595.80
Lowest share price	492.84	624.70	467.19	541.87

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	121.03	124.86	130.92	130.69
Return before operating charges [^]	36.42	-1.55	-1.74	4.09
Operating charges	-2.28	-2.03	-2.06	-2.18
Return after operating charges [^]	34.14	-3.58	-3.80	1.91
Distributions	0.00	-0.25	-2.26	-1.68
Closing net asset value per share	155.17	121.03	124.86	130.92
[^] After direct transaction costs of	-0.14	-0.21	-0.20	-0.27
Performance				
Return after charges	28.21%	-2.87%	-2.90%	1.46%
Other information				
Closing net asset value	£32,291	£25,164	£25,747	£77,799
Closing number of shares	20,809	20,791	20,620	59,425
Operating charges	1.59%	1.62%	1.62%	1.59%
Ongoing operating charges*	1.60%	1.62%	1.62%	1.59%
Direct transaction costs	0.10%	0.17%	0.16%	0.20%
Prices				
Highest share price	160.07	151.78	138.60	144.42
Lowest share price	119.92	90.28	113.54	131.78

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 net asset value of the Sub-fund has increased by more than 10% if compared to the average net asset values for the year. Taking an average of the daily Net Asset Values for the last month of the year has the effect of increasing the operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

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.

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 6 because funds of this type have experienced high 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 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		11,605,327		(11,544,307)
Revenue	288,412		347,354	
Expenses	(221,357)		(228,843)	
Net revenue before taxation	67,055		118,511	
Taxation	810		(3,658)	
Net revenue after taxation		67,865		114,853
Total return before distributions		11,673,192		(11,429,454)
Distributions		1,280		12,096
Change in net assets attributable to Shareholders from investment activities		11,674,472		(11,417,358)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		39,793,565		43,280,898
Amounts receivable on issue of shares	11,383,380		13,715,089	
Less: Amounts payable on cancellation of shares	(8,765,551)		(10,871,234)	
		2,617,829		2,843,855
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		11,674,472		(11,417,358)
Unclaimed distributions		11		–
Closing net assets attributable to Shareholders		54,085,877		34,707,395

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 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		52,596,380		38,315,296
Current Assets				
Debtors	552,662		682,904	
Cash and bank balances	1,127,628		1,299,274	
Total current assets		1,680,290		1,982,178
Total assets		54,276,670		40,297,474
LIABILITIES				
Creditors				
Distribution payable	–		(362,015)	
Other creditors	(190,793)		(141,894)	
Total creditors		(190,793)		(503,909)
Total liabilities		(190,793)		(503,909)
Net assets attributable to Shareholders		54,085,877		39,793,565

Investment Objective and Policy

The Unicorn UK Income Fund aims to provide an income by investing in UK companies. UK companies are defined as those which are incorporated or domiciled in the UK, or have a significant part of their operations in the UK.

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

The Sub-fund invests at least 80% in UK companies which are 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 in which the Sub-fund invests may be quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

Investment Manager's Report

for the period ended 31 March 2021

The Unicorn UK Income Fund B Accumulation Shares delivered a total return of 20.6% during the six month period ended 31 March 2021, which resulted in modest underperformance when compared with the average total return of 23.4% generated by the UK Equity Income peer group. During the twelve month period ended 31 March 2021 the portfolio delivered a total return of 39.0%, ahead of the UK Equity Income peer group which generated a return of 32.6%.

Pleasingly the period under review showed a continuation of the recovery in equity markets which started in the second half of the prior year. Positive news regarding the development and roll out of the Covid-19 vaccine provided a welcome boost to markets during the period. The trade agreement between the UK and the EU, eventually struck on Christmas Eve, also finally provided clarity on the shape of our future trading relationship. Both points are supportive of our positive stance on UK equities and the in particular smaller quoted UK companies. Despite these significant positive developments the country was in lockdown for a significant proportion of the period under review, which continued to present a number of challenges for our investee companies.

At the time of writing (26th April 2021) Covid-19 case numbers, hospitalisations and deaths continue to fall sharply in the UK thanks to the combined impact of lockdown and the vaccine programme. The speed of the vaccine roll out in the UK has been hugely impressive and is key to unlocking those areas of the economy most acutely impacted by the pandemic, enabling us to return to a more normal way of life. The successful roll out of the vaccine is in stark contrast to other parts of the world which continue to struggle to contain the virus. The unprecedented level of Government support for both businesses and individuals during the pandemic has also ensured household finances remain in solid shape as the economy starts to reopen. As a domestically focussed Small and Mid-Cap Income Fund we believe these conditions remain very supportive to the current positioning of the Sub-fund.

The portfolio ended the period with 39 holdings, following the disposal of four holdings and the introduction of three new names. There was a noticeable increase in corporate activity during the period as both M&A and IPO activity started to pick up. During the period Signature Aviation, the leading global operator of private jet airports was subject to a number of bid approaches and this long term position was exited in full following a 70% increase in the share price. We also participated in the IPO of Conduit, the first IPO undertaken in the Sub-fund for a number of years. Conduit is a reinsurance business which raised a significant amount of capital to participate in a market enjoying a firm pricing environment, without any legacy claim risk.

The two further additions to the portfolio were Emis Group, which provides software to the domestic healthcare sector and Dunelm Group, the home furnishing retailer. Emis is a company we've admired for a number of years, with the volatile market conditions presenting an attractive and rare entry point from a dividend yield perspective. Dunelm has traded well during lockdown, despite the enforced closure of its store estate. We feel the company is well placed to benefit from the domestic recovery as non-essential retail is allowed to open and consumers continue to spend on home improvements. Dunelm has a strong balance sheet and an excellent track record of returning excess cash to shareholders.

Investment Manager's Report

continued

The three further disposals were all sold as a result of yield compression – the core sell discipline within the portfolio. NCC Group, DiscoverIE and Alpha FX have all delivered excellent capital growth for the portfolio over a number of years however as a result the dividend yields of all three have reduced significantly. We continue to retain holdings in all three companies in our other more growth orientated funds but they were no longer suitable for inclusion in a high conviction income fund.

There were a number of strong share price performances during the period. The largest individual contributor to performance was Polar Capital, the specialist Asset Manager, which continued to see assets under management grow during the period. The shares generated a total return of 50% during the period, adding 185 bps to performance. Long term holding Wincanton, a provider of logistics services in the UK, also performed well during the period as a recovery in its core business and growth in the e-fulfilment division, driven by a strong online retail market generated a share price total return of 96% during the period – adding 160bps to performance. Other notable contributors to performance included Brewin Dolphin 135bps, Signature Aviation 127bps, Hill & Smith 97bps and Secure Trust Bank 88bps. The positive contributions were spread across a wide range of names - in total 31 companies registered double digit total returns during the period, of which 25 generated returns in excess of 20%. There were no significant detractors from performance during the period.

The resumption in dividend payments during the period was pronounced – with the vast majority of investee companies now paying cash dividends. The two quarterly dividend payments generated during the period reflected this trend – with the first quarter payment (October to December) at a similar level to the same period in both prior years. The second quarter payment (January to March), which has significantly impacted last year in the early stages of the pandemic, has also returned to a level similar to 2019. Overall we anticipate a strong recovery in dividend payments for the full year – although we do not anticipate a recovery to 2019 levels in the current financial year. This recovery in dividends is currently showing a far more attractive trajectory than the broader UK market, which is expected to take a number of years to recover to 2019 levels.

The broader outlook for the portfolio remains positive. Our preference for well capitalised, well run, market leading companies remains unchanged. We are encouraged by the strong recovery in the financial performance of our investee companies during the period. Levels of debt remain low, which ensures these businesses will remain very much on the front foot as we enter a period of economic recovery. With the virus still far from under control in many parts of the world the global outlook remains challenging, however the prospects domestically are far more encouraging, which bodes well for our high conviction portfolio of domestically focussed, high quality companies.

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
	Software and Computer Services 1.41% (1.87%)		
750,000	EMIS*	8,250,000	1.41
	Telecommunications Service Providers 4.96% (5.33%)		
2,280,000	Telecom Plus	28,956,000	4.96
	Banks 1.77% (1.02%)		
890,000	Secure Trust Bank	10,324,000	1.77
	Finance and Credit Services 0.53% (0.43%)		
9,100,000	Appreciate*	3,112,200	0.53
	Investment Banking and Brokerage Services 18.09% (16.48%)		
1,075,000	3i	12,400,125	2.12
8,400,000	Brewin Dolphin	26,040,000	4.46
4,997,763	Numis*	18,841,567	3.22
4,000,000	Polar Capital*	27,840,000	4.77
4,065,000	River & Mercantile	8,780,400	1.50
9,850,000	XPS Pensions	11,820,000	2.02
		105,722,092	18.09
	Life Insurance 5.02% (5.49%)		
4,000,000	Phoenix	29,360,000	5.02
	Non-life Insurance 6.55% (4.98%)		
2,000,000	Conduit Holdings	10,300,000	1.76
11,060,000	Sabre Insurance	27,981,800	4.79
		38,281,800	6.55
	Real Estate Investment and Services Development 2.68% (2.62%)		
5,900,000	Boot (Henry)	15,635,000	2.68
	Real Estate Investment Trusts 12.51% (13.81%)		
13,000,000	Londonmetric Property	27,768,000	4.75
2,180,000	Palace Capital	4,926,800	0.84
18,000,000	Primary Health Properties	26,676,000	4.57
17,550,000	Regional REIT	13,759,200	2.35
		73,130,000	12.51
	Media 2.49% (1.99%)		
595,000	4imprint	14,577,500	2.49
	Retailers 4.06% (4.33%)		
3,200,000	B&M European Value Retail	16,889,600	2.89
525,000	Dunelm	6,814,500	1.17
		23,704,100	4.06
	Travel and Leisure 2.31% (1.60%)		
4,000,000	Hollywood Bowl	9,120,000	1.56
5,629,183	Hostelworld	4,356,988	0.75
		13,476,988	2.31

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Beverages 1.19% (1.10%)		
300,000	Coca-Cola HBC	6,930,000	1.19
	Food Producers 1.98% (1.47%)		
6,000,000	Devro	11,580,000	1.98
	Personal Care, Drug and Grocery Stores 0.00% (0.00%)		
7,000,000	Conviviality^	–	0.00
	Construction and Materials 7.80% (7.79%)		
6,700,000	Epwin*	6,298,000	1.08
2,780,000	James Halstead*	13,844,400	2.37
1,511,087	Marshalls	10,343,391	1.77
14,500,000	Severfield	11,368,000	1.94
1,000,000	Tyman	3,725,000	0.64
		45,578,791	7.80
	Electronic and Electrical Equipment 0.00% (2.45%)		
	Industrial Engineering 6.24% (4.83%)		
2,095,000	Castings	7,793,400	1.33
2,760,000	Somero Enterprises*	10,350,000	1.77
3,400,000	Vesuvius	18,326,000	3.14
		36,469,400	6.24
	Industrial Support Services 7.76% (8.16%)		
3,255,644	Clipper Logistics	19,273,412	3.30
1,650,000	FDM	16,632,000	2.84
5,500,000	Gateley*	9,460,000	1.62
		45,365,412	7.76
	Industrial Transportation 2.80% (3.73%)		
4,200,000	Wincanton	16,338,000	2.80
	Industrial Metals and Mining 5.64% (6.60%)		
1,500,000	Bodycote	12,390,000	2.12
1,400,000	Hill & Smith	20,580,000	3.52
		32,970,000	5.64
	Investment assets	559,761,283	95.79
	Net other assets	24,613,080	4.21
	Net assets	584,374,363	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 30.09.20.

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

*Quoted on AIM.

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

Total purchases for the period: £31,572,935

Total sales for the period: £115,027,683

Comparative Tables
Change in net assets per share

	A Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	193.50	231.77	235.96	258.62
Return before operating charges [^]	42.37	-28.24	10.35	-8.55
Operating charges	-3.39	-3.37	-3.62	-3.94
Return after operating charges [^]	38.98	-31.61	6.73	-12.49
Distributions	-2.96	-6.66	-10.92	-10.17
Closing net asset value per share	229.52	193.50	231.77	235.96
[^] After direct transaction costs of	-0.09	-0.52	-0.51	-0.38
Performance				
Return after charges	20.14%	-13.64%	2.85%	-4.83%
Other information				
Closing net asset value	£22,638,652	£20,777,037	£28,281,948	£39,012,215
Closing number of shares	9,863,347	10,737,409	12,202,541	16,533,728
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	231.86	266.76	250.16	266.33
Lowest share price	190.78	157.03	211.48	235.71

	A Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	264.82	307.14	298.38	313.83
Return before operating charges [^]	58.06	-37.82	13.40	-10.60
Operating charges	-4.66	-4.50	-4.64	-4.85
Return after operating charges [^]	53.40	-42.32	8.76	-15.45
Distributions	-4.06	-8.91	-14.03	-12.53
Retained distributions on accumulation shares	4.06	8.91	14.03	12.53
Closing net asset value per share	318.22	264.82	307.14	298.38
[^] After direct transaction costs of	-0.12	-0.69	-0.65	-0.47
Performance				
Return after charges	20.16%	-13.78%	2.94%	-4.92%
Other information				
Closing net asset value	£5,497,948	£5,014,047	£6,280,960	£8,026,574
Closing number of shares	1,727,711	1,893,381	2,044,996	2,690,050
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	319.81	354.39	320.62	325.67
Lowest share price	261.08	209.54	267.40	288.42

Comparative Tables

continued

Change in net assets per share

	B Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	213.22	253.46	256.10	278.59
Return before operating charges [^]	45.85	-31.01	11.31	-9.27
Operating charges	-1.94	-1.92	-2.05	-2.21
Return after operating charges [^]	43.91	-32.93	9.26	-11.48
Distributions	-3.27	-7.31	-11.90	-11.01
Closing net asset value per share	253.86	213.22	253.46	256.10
[^] After direct transaction costs of	-0.10	-0.57	-0.56	-0.41
Performance				
Return after charges	20.59%	-12.99%	3.62%	-4.12%
Other information				
Closing net asset value	£202,644,313	£205,619,495	£256,185,108	£260,319,754
Closing number of shares	79,825,407	96,435,849	101,073,339	101,647,294
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	256.36	292.27	272.70	287.32
Lowest share price	210.34	172.33	229.91	254.83

	B Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	291.64	335.71	323.70	337.91
Return before operating charges [^]	62.79	-41.51	14.63	-11.49
Operating charges	-2.67	-2.56	-2.62	-2.72
Return after operating charges [^]	60.12	-44.07	12.01	-14.21
Distributions	-4.48	-9.78	-15.29	-13.55
Retained distributions on accumulation shares	4.48	9.78	15.29	13.55
Closing net asset value per share	351.76	291.64	335.71	323.70
[^] After direct transaction costs of	-0.13	-0.76	-0.71	-0.50
Performance				
Return after charges	20.61%	-13.13%	3.71%	-4.21%
Other information				
Closing net asset value	£348,508,562	£327,402,587	£317,275,880	£234,604,872
Closing number of shares	99,075,502	112,261,395	94,508,656	72,477,039
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	353.40	388.10	349.33	351.39
Lowest share price	287.69	229.83	290.56	311.65

Comparative Tables

continued

Change in net assets per share

	Overseas Income			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	80.33	96.22	97.96	107.36
Return before operating charges [^]	17.60	-11.73	4.29	-3.54
Operating charges	-1.41	-1.40	-1.50	-1.64
Return after operating charges [^]	16.19	-13.13	2.79	-5.18
Distributions	-1.23	-2.76	-4.53	-4.22
Closing net asset value per share	95.29	80.33	96.22	97.96
[^] After direct transaction costs of	-0.04	-0.22	-0.21	-0.16
Performance				
Return after charges	20.15%	-13.64%	2.86%	-4.82%
Other information				
Closing net asset value	£4,123,048	£3,352,177	£3,715,615	4,072,743
Closing number of shares	4,326,878	4,172,798	3,861,559	4,157,688
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	96.26	110.75	103.85	110.57
Lowest share price	79.20	65.19	87.80	97.85

	Overseas Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	105.95	122.88	119.37	125.55
Return before operating charges [^]	23.22	-15.13	5.37	-4.24
Operating charges	-1.86	-1.80	-1.86	-1.94
Return after operating charges [^]	21.36	-16.93	3.51	-6.18
Distributions	-1.62	-3.57	-5.61	-5.01
Retained distributions on accumulation shares	1.62	3.57	5.61	5.01
Closing net asset value per share	127.31	105.95	122.88	119.37
[^] After direct transaction costs of	-0.05	-0.28	-0.26	-0.19
Performance				
Return after charges	20.16%	-13.78%	2.94%	-4.92%
Other information				
Closing net asset value	£961,840	£911,657	£1,262,446	1,512,444
Closing number of shares	755,487	860,456	1,027,360	1,267,010
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.04%	0.24%	0.22%	0.15%
Prices				
Highest share price	127.95	141.79	128.27	130.29
Lowest share price	104.45	83.83	106.98	115.39

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

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.

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 6 because funds of this type have experienced high 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 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		102,192,324		(162,753,175)
Revenue	8,803,399		7,652,551	
Expenses	(2,476,034)		(2,757,093)	
Net revenue before taxation	6,327,365		4,895,458	
Taxation	(322,627)		(29,634)	
Net revenue after taxation		6,004,738		4,865,824
Total return before distributions		108,197,062		(157,887,351)
Distributions		(8,002,368)		(6,817,747)
Change in net assets attributable to Shareholders from investment activities		100,194,694		(164,705,098)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		563,077,000		613,001,957
Amounts receivable on issue of shares	69,130,334		158,927,901	
Less: Amounts payable on cancellation of shares	(152,675,825)		(124,701,244)	
		(83,545,491)		34,226,657
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		100,194,694		(164,705,098)
Retained distributions on accumulation shares		4,647,875		3,684,289
Unclaimed distributions		285		298
Closing net assets attributable to Shareholders		584,374,363		486,208,103

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.

Unicorn Investment Funds - UK Income Fund

Balance Sheet

as at 31 March 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		559,761,283		541,020,706
Current Assets				
Debtors	3,734,195		3,832,354	
Cash and bank balances	24,884,459		23,705,404	
Total current assets		28,618,654		27,537,758
Total assets		588,379,937		568,558,464
LIABILITIES				
Creditors				
Distribution payable	(1,180,031)		(3,277,935)	
Other creditors	(2,825,543)		(2,203,529)	
Total creditors		(4,005,574)		(5,481,464)
Total liabilities		(4,005,574)		(5,481,464)
Net assets attributable to Shareholders		584,374,363		563,077,000

Distribution Tables

for the period ended 31 March 2021

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2021 p	Distribution paid 2020 p
A	First interim	Group 1	1.7763	–	1.7763	1.8334
		Group 2	0.7147	1.0616	1.7763	1.8334
	Second interim	Group 1	1.1821	–	1.1821	0.7517
		Group 2	0.2234	0.9587	1.1821	0.7517
B	First interim	Group 1	1.9595	–	1.9595	2.0067
		Group 2	1.0025	0.9570	1.9595	2.0067
	Second interim	Group 1	1.3056	–	1.3056	0.8241
		Group 2	0.2891	1.0165	1.3056	0.8241
Overseas	First interim	Group 1	0.7374	–	0.7374	0.7612
		Group 2	0.2684	0.4690	0.7374	0.7612
	Second interim	Group 1	0.4908	–	0.4908	0.3121
		Group 2	0.1264	0.3644	0.4908	0.3121

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2021 p	Amount reinvested 2020 p
A	First interim	Group 1	2.4307	–	2.4307	2.4302
		Group 2	0.8583	1.5724	2.4307	2.4302
	Second interim	Group 1	1.6307	–	1.6307	1.0030
		Group 2	0.5613	1.0694	1.6307	1.0030
B	First interim	Group 1	2.6794	–	2.6794	2.6580
		Group 2	1.5638	1.1156	2.6794	2.6580
	Second interim	Group 1	1.7999	–	1.7999	1.0991
		Group 2	0.3813	1.4186	1.7999	1.0991
Overseas	First interim	Group 1	0.9724	–	0.9724	0.9722
		Group 2	0.9724	–	0.9724	0.9722
	Second interim	Group 1	0.6525	–	0.6525	0.4014
		Group 2	0.6525	–	0.6525	0.4014

First interim period: 01.10.20 - 31.12.20

Second interim period: 01.01.21 - 31.03.21

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 long term capital growth by investing in a portfolio of outstanding British companies by taking a long term view of not less than five years.

British companies are defined as those which are incorporated or domiciled in the UK or have a significant part of their operations in the UK.

At least 80% of the companies that the Sub-fund invests into will be British companies. The Sub-fund can also invest into companies that are not otherwise British companies but are listed on stock exchanges in the UK.

Outstanding companies are defined as those whose economics and risks are well understood, whose revenues, earnings and cash flows are predictable to a reasonable 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.

The Sub-fund may also invest in smaller companies, including companies quoted on AIM. AIM is the London Stock Exchange's international market for smaller, growing companies.

The Sub-fund may also invest, at its discretion, in other transferable securities and deposits and cash.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-fund may have a concentrated portfolio.

The Sub-fund invests for the long term and there is no guarantee that any particular return will be achieved, over any period, and investors should note that their capital is always at risk.

Investment Manager's Report

for the period ended 31 March 2021

For the six month period ended 31 March 2021, the Outstanding British Companies Fund's B Accumulation Shares recorded a total return of +9.4%, which compares to the IA UK All Companies sector average total return of +22.0% over the same period. As at 31 March 2020, the Sub-fund held investments in twenty-five companies.

The UK equity market performed strongly during the period under review, rallying sharply during the final calendar quarter of 2020 following the announcements of successful COVID-19 vaccine trials by leading global pharmaceutical companies including Pfizer in the United States and AstraZeneca in the United Kingdom. This news led to a sustained and broad-based rally in share prices as a consequence of the strengthening outlook for economic growth. Lowly rated 'value' shares which had lagged 'growth' shares in performance terms during earlier stages of the Coronavirus pandemic reversed this trend of underperformance during the final quarter of 2020. Specifically, large cap banks and oil & gas companies were in the vanguard of the recovery and were the two largest contributors in sector terms to the wider stock market performance.

Domestically exposed areas of the market also performed strongly during the six month period as a whole. Share prices of pub companies, 'bricks and mortar' shops and leisure companies rallied strongly in response to the success of the UK Governments' ongoing COVID-19 vaccine roll-out. The domestic UK economy now appears to be well positioned to benefit from high levels of pent-up consumer demand as economic lockdown measures are expected to be gradually eased over the spring and summer months of 2021.

By contrast, more defensive areas of the market which had performed well in the first six months of the pandemic, such as technology, software and consumer staples companies underperformed more cyclical sectors during the period under review. A key factor of this underperformance can be attributed to the increase in long-term bond yields; the ten-year Gilt yield rose from its near record low level of below 0.2% at the start of January to over 0.8% at the end of March. Whilst low in absolute terms, the rise still represents a four-fold increase in the long-term 'risk-free' interest rate. The consequences of higher bond yields are typically more pronounced on the valuation of growth shares, which are expected to deliver a greater proportion of their earnings and cash flows in future years in comparison to cyclical and recovery stocks.

Investment Manager's Report

continued

Notwithstanding a number of positive contributors to portfolio performance over the six month period, the Sub-fund as a whole struggled to keep pace with the average total return recorded by its peers in the IA UK All Companies Sector, as well as the wider UK equity market. Whilst it is frustrating to report on a challenging period of performance for the Sub-fund, it is important not to lose sight of our un-withering commitment to the Sub-fund's investment strategy which we continue to believe will deliver superior total returns over the medium to long-term. This principally takes the form of investing in a concentrated portfolio of high-quality companies which demonstrate leadership in niche and growing market sectors, have strong barriers to entry and can sustain high returns on capital employed.

Tristel was the largest contributor over the six month period, adding +1.7% in Sub-fund performance terms. The company manufactures infection prevention and contamination control products which are primarily used in hospitals and healthcare facilities in the UK and overseas. Interim results reported a robust financial and operational performance. Sales were not immune to COVID-19 disruption, which resulted in lower demand for medical device disinfectants in hospitals, however management are confident in a return to normal levels of demand during 2021 which underpins the company's outlook for further growth.

The second largest contributor was Keystone Law, which added +1.2% to Sub-fund performance. The challenger law firm reported that profit for the year ended 31 January 2021 was expected to be materially ahead of market expectations. Strong client activity levels had continued throughout the second half of its financial year and the firm's lawyers were able to effectively work from home thanks to the company's long standing investment in technology.

The third largest contributor was Curtis Banks, which added +0.7% to Sub-fund performance. The group is one of the country's leading providers of Self Invested Personal Pensions (SIPPs) with over £32 billion of assets under administration. A robust operational and financial performance in 2020 reflected the resilient nature of the company's income from SIPP administration fees. The group continues to invest for future growth, including upgrades to its technology platform as well bolt-on acquisitions which add scale and complementary technology to the business.

The primary detractor over the six month period under review was Sage, which cost -0.4% in total Sub-fund returns. Despite announcing robust full year results, the company's share price fell due to managements' comments that its ongoing transition to cloud native solutions would be accelerated. In the short-term this necessitates higher levels of investment in product research & development, as well as additional sales and marketing expenditure, which are expected to temporarily depress profit margins. However, the benefit of these proactive measures should result in higher levels of recurring revenues, faster growth in new customer numbers and deliver significant improvements in future profitability and cash generation.

Three investments were fully exited from the portfolio during the six month period; Shaftesbury, City Pub Group and ULS Technology. The decision to exit Shaftesbury was taken as a result of the worsening outlook for central London property valuations due to the impact of COVID-19 on commercial and office tenants. Whilst restaurants and bars may eventually recover, uncertainty over the route to recovery in valuations across its portfolio resulted in our decision to cut losses on the holding. City Pub Group and ULS Technology were both gradually exited in order to reduce the Sub-fund's exposure to smaller and less liquid AIM shares which have a market capitalisation below £100 million. This decision reflects growth in the Sub-fund's size in recent years, as well as our ongoing assessment of liquidity risk across the portfolio.

Proceeds from disposals, together with net positive subscriptions during the period, were deployed across the existing portfolio of holdings. The Managers' have a high level of confidence in the long-term investment case for each of these companies, which have made encouraging financial and operational progress in recent months, despite the wider economic headwinds. No new holdings were added to the Sub-fund in the period under review. Whilst the Sub-fund has endured a prolonged period of subdued activity, the Managers believe that the UK equity market continues to offer highly attractive investment opportunities to which a carefully considered stock-selection approach is best placed to exploit.

The strategy of the Sub-fund remains unchanged. The objective is to deliver superior, long-term total returns through investment in a concentrated portfolio of high quality companies. The Managers continue to focus on identifying businesses that demonstrate leadership in niche and growing market sectors, have strong barriers to entry and can sustain high returns on capital employed. The Managers believe that a Sub-fund composed of investments in such businesses offers investors defensive resilience during periods of stock market weakness, while providing the potential for strong capital growth over the medium to long term.

Unicorn Investment Funds - Outstanding British Companies Fund

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
	Software and Computer Services 7.60% (6.83%)		
843,000	Sage	5,164,218	3.99
730,000	Tracsis*	4,672,000	3.61
		9,836,218	7.60
	Technology Hardware and Equipment 2.41% (1.99%)		
266,539	Gooch & Housego *	3,118,506	2.41
	Health Care Providers 6.33% (5.22%)		
1,300,000	Tristel	8,190,000	6.33
	Medical Equipment and Services 9.21% (6.53%)		
2,240,000	Abingdon Health*	1,836,800	1.42
2,215,000	Advanced Medical Solutions*	5,160,950	3.99
357,000	Smith & Nephew	4,919,460	3.80
		11,917,210	9.21
	Pharmaceuticals and Biotechnology 9.84% (8.58%)		
300,000	Abcam*	4,170,000	3.22
560,000	Anpario*	3,080,000	2.38
160,000	Dechra Pharmaceuticals	5,488,000	4.24
		12,738,000	9.84
	Banks 6.67% (5.83%)		
425,000	Arbuthnot Banking*	3,442,500	2.66
2,060,000	Curtis Banks*	5,191,200	4.01
		8,633,700	6.67
	Investment Banking and Brokerage Services 7.60% (6.98%)		
1,002,000	Integratin	5,070,120	3.92
706,000	Mattioli Woods*	4,765,500	3.68
		9,835,620	7.60
	Real Estate Investment Trusts 3.97% (6.69%)		
3,469,000	Primary Health Properties	5,141,058	3.97
	Media 0.00% (0.63%)		
	Travel and Leisure 0.00% (1.34%)		
	Beverages 3.94% (3.67%)		
170,500	Diageo	5,097,098	3.94
	Tobacco 4.07% (3.76%)		
190,000	British American Tobacco	5,269,650	4.07
	Construction and Materials 3.21% (3.00%)		
835,000	James Halstead*	4,158,300	3.21
	Electronic and Electrical Equipment 4.45% (4.27%)		
90,000	Renishaw	5,764,500	4.45

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Industrial Engineering 3.88% (3.74%)		
44,000	Spirax-Sarco Engineering	5,016,000	3.88
	Industrial Support Services 9.25% (7.87%)		
1,075,000	Keystone Law*	6,557,500	5.06
890,000	RWS*	5,420,100	4.19
		11,977,600	9.25
	Industrial Transportation 6.73% (4.77%)		
460,000	Fisher (James) & Sons	4,848,400	3.74
475,000	VP	3,866,500	2.99
		8,714,900	6.73
	Chemicals 3.79% (2.63%)		
222,000	Victrex	4,906,200	3.79
	Investment assets	120,314,560	92.95
	Net other assets	9,121,175	7.05
	Net assets	129,435,735	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 30.09.20.

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

*Quoted on AIM.

Total purchases for the period: £16,351,129

Total sales for the period: £6,013,144

Comparative Tables
Change in net assets per share

	A Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	274.58	304.15	325.17	292.07
Return before operating charges [^]	29.21	-24.92	-16.20	37.99
Operating charges	-4.58	-4.65	-4.82	-4.89
Return after operating charges [^]	24.63	-29.57	-21.02	33.10
Distributions	0.00	-0.44	-1.89	-0.31
Retained distributions on accumulation shares	0.00	0.44	1.89	0.31
Closing net asset value per share	299.21	274.58	304.15	325.17
[^] After direct transaction costs of	-0.15	-0.15	-0.67	-0.37
Performance				
Return after charges	8.97%	-9.72%	-6.46%	11.33%
Other information				
Closing net asset value	£9,046,224	£8,543,143	£8,739,599	£9,199,256
Closing number of shares	3,023,324	3,111,370	2,873,425	2,829,021
Operating charges	1.57%	1.57%	1.59%	1.59%
Direct transaction costs	0.05%	0.05%	0.22%	0.12%
Prices				
Highest share price	309.80	338.58	327.82	330.22
Lowest share price	269.80	236.46	274.86	289.59

	B Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	297.22	326.62	346.62	309.14
Return before operating charges [^]	30.41	-26.78	-17.28	40.23
Operating charges	-2.59	-2.62	-2.72	-2.75
Return after operating charges [^]	27.82	-29.40	-20.00	37.48
Distributions	0.00	-2.85	-4.43	-2.76
Retained distributions on accumulation shares	0.00	2.85	4.43	2.76
Closing net asset value per share	325.04	297.22	326.62	346.62
[^] After direct transaction costs of	-0.16	-0.16	-0.71	-0.39
Performance				
Return after charges	9.36%	-9.00%	-5.77%	12.12%
Other information				
Closing net asset value	£120,346,635	£109,719,077	£106,635,724	£58,778,046
Closing number of shares	37,025,204	36,915,586	32,648,344	16,957,574
Operating charges	0.82%	0.89%	0.84%	0.84%
Direct transaction costs	0.05%	0.05%	0.22%	0.12%
Prices				
Highest share price	336.20	364.25	349.41	351.43
Lowest share price	292.23	255.09	293.57	307.35

Comparative Tables

continued

Change in net assets per share

	Overseas Accumulation			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	117.51	130.17	139.17	125.01
Return before operating charges [^]	12.50	-10.67	-6.94	16.25
Operating charges	-1.96	-1.99	-2.06	-2.09
Return after operating charges [^]	10.54	-12.66	-9.00	14.16
Distributions	0.00	-0.19	-0.82	-0.13
Retained distributions on accumulation shares	0.00	0.19	0.82	0.13
Closing net asset value per share	128.05	117.51	130.17	139.17
[^] After direct transaction costs of	-0.06	-0.06	-0.29	-0.16
Performance				
Return after charges	8.97%	-9.73%	-6.47%	11.33%
Other information				
Closing net asset value	£42,876	£39,347	£28,729	£30,717
Closing number of shares	33,484	33,484	22,071	22,071
Operating charges	1.57%	1.57%	1.59%	1.59%
Direct transaction costs	0.05%	0.05%	0.22%	0.12%
Prices				
Highest share price	132.58	144.90	140.30	141.34
Lowest share price	115.46	101.19	117.64	123.95

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

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 year. The figures used within the table 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 5 because funds of this type have experienced medium to high 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 Sub-fund may hold a limited number of investments. If one of these investment 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, 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.

Unicorn Investment Funds - Outstanding British Companies Fund

Statement of Total Return

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		10,217,514		(20,355,708)
Revenue	1,259,096		1,407,192	
Expenses	(543,416)		(561,807)	
Net revenue before and after taxation	715,680		845,385	
Total return before distributions		10,933,194		(19,510,323)
Distributions		5,890		17,559
Change in net assets attributable to Shareholders from investment activities		10,939,084		(19,492,764)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		118,301,567		115,404,052
Amounts receivable on issue of shares	31,009,051		38,068,337	
Less: Amounts payable on cancellation of shares	(30,813,967)		(28,935,009)	
		195,084		9,133,328
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		10,939,084		(19,492,764)
Closing net assets attributable to Shareholders		129,435,735		105,044,616

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.

Unicorn Investment Funds - Outstanding British Companies Fund

Balance Sheet

as at 31 March 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		120,314,560		99,757,891
Current Assets				
Debtors	1,322,998		501,446	
Cash and bank balances	8,751,346		18,431,097	
Total current assets		10,074,344		18,932,543
Total assets		130,388,904		118,690,434
LIABILITIES				
Creditors				
Other creditors	(953,169)		(388,867)	
Total creditors		(953,169)		(388,867)
Total liabilities		(953,169)		(388,867)
Net assets attributable to Shareholders		129,435,735		118,301,567

Investment Objective and Policy

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.

The Sub-fund may also invest, at its discretion, in other transferable securities, deposits and cash.

The Sub-fund may also enter into certain derivative and forward transactions for hedging purposes.

The Sub-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.

Investment Manager's Report

for the period ended 31 March 2021

The Unicorn UK Ethical Income Fund B Accumulation Shares delivered a total return of 20.7% during the six month period ended 31 March 2021, which resulted in modest underperformance when compared with the average total return of 23.4% generated by the UK Equity Income peer group. During the twelve month period ended 31 March 2021, the portfolio delivered a total return of 34.1%, ahead of the UK Equity Income peer group which generated a return of 32.6%.

Pleasingly the period under review showed a continuation of the recovery which started in the second half of the prior year. Positive news regarding the development and roll out of the Covid-19 vaccine provided a welcome boost to markets during the period. The agreement with the EU, struck on Christmas Eve, also finally some provided clarity around the shape of our future trading relationship. Both points are supportive of our positive stance on UK equities and the in particular UK Smaller Quoted companies. Despite these material positive developments the country was in lockdown for a significant proportion of the period under review, which continued to present a number of challenges for our investee companies.

The Unicorn UK Ethical Income Fund provides investors exposure to a differentiated, high-conviction portfolio of companies capable of delivering an attractive combination of growth and income whilst also adhering to a strict ethical framework. There have been no changes to the Sub-fund's disciplined investment process or rigorous approach to applying the stated ethical criteria. Engagement continues to form a crucial part of our investment approach, made possible by the excellent corporate access we have to the key decision makers within companies at both senior management and board level. We have engaged with companies on various issues throughout the period despite the lack of face-to-face interaction. These have included: broad discussions on new ESG initiatives, policies and targets; discussing remuneration policies with boards; and engagements with third party ratings agencies to further their understanding of some of our investee companies to name a few examples.

At the time of writing (26th April 2021) Covid-19 case numbers, hospitalisations and deaths continue to fall sharply in the UK thanks to the combined impact of lockdown and the vaccine roll out. The speed of the vaccine roll out in the UK has been hugely impressive and is key to unlocking those areas of the economy most acutely impacted by the pandemic and enabling us to return to a more normal way of life. The successful roll out of the vaccine is in stark contrast to other parts of the world which continue to struggle to contain the virus. The unprecedented level of Government support for both businesses and individuals during the pandemic has also ensured household finances remain in solid shape as the economy starts to reopen. As a domestically focussed Small and Mid-Cap Income Fund we believe these conditions remain very supportive of the current positioning of the Sub-fund.

The Sub-fund ended the period with 36 holdings, following the disposal of two holdings and the introduction of three new names. There has been a noticeable increase in corporate activity during the period as both the M&A and IPO markets opened up. In December we participated in the IPO of Conduit Holdings, the first IPO undertaken in the Sub-fund for a number of years. Conduit Holdings is a reinsurance business which raised a significant amount of capital to take advantage of the strengthening pricing environment, without any legacy claim risk.

Investment Manager's Report

continued

The two further additions to the portfolio were EMIS, which provides software to the healthcare market and Dunelm, the home furnishing retailer. EMIS is a company we've admired for a number of years – with recent volatile market conditions presenting an attractive entry point. Dunelm has traded well during lockdown, despite the enforced closure of its store estate. We feel the company is well placed to benefit from the domestic recovery as non-essential retail is allowed to open and consumers continue to spend on home improvements. Dunelm has a strong balance sheet and an excellent track record of returning excess cash to shareholders.

The two disposals were both sold as a result of yield compression – the core sell discipline within the portfolio. NCC Group and Alpha FX have both delivered excellent capital growth to the portfolio over a number of years however as a result the dividend yields of both stocks have reduced significantly. We continue to retain holdings in both companies in our other more growth orientated Sub-funds but they were no longer suitable for inclusion in a high conviction income fund.

There were a number of strong share price performances during the period. The largest individual contributor was Secure Trust Bank, which added 1.9% in Sub-fund performance terms. The challenger bank released final results during the period, which were ahead of expectations and reported that the robust performance of 2020 had continued into the early months of 2021. Secure Trust Bank also reinstated its dividend, declaring a 44p final dividend. Long term holding Wincanton, a provider of logistics services in the UK, also performed well during the period as a recovery in its core business and growth in the e-fulfilment division, driven by a strong online retail market generated a share price total return of 96% during the period – adding 160bps to performance. Another notable contributor was Polar Capital, the specialist Asset Manager, which continued to see assets under management grow during the period. The shares delivered a total return of 50% during the period, adding 155 bps to performance. Other notable contributors to performance included Somero Enterprises 118bps, Brewin Dolphin 126bps, Hill & Smith 96bps and Severfield 92bps. The positive contributions were spread across a wide range of names - in total 25 companies registered double digit total returns during the period, of which 20 generated returns in excess of 20%. There were no significant detractors from performance during the period.

The resumption in dividend payments during the period was pronounced – with the vast majority of investee companies now paying cash dividends. The two quarterly dividend payments generated during the period reflected this trend – with the first quarter (October to December) at a similar level to the same period in both prior years. The second quarter payment (January to March), which was significantly impacted last year in the early stages of the pandemic, has also returned to a level similar to 2019. Overall we anticipate a strong recovery in dividend payments for the full year – although we do not anticipate a recovery to 2019 levels in the current financial year. This recovery in dividends is currently showing a far more attractive trajectory than the broader UK market, which is expected to take a number of years to recover to 2019 levels.

The broader outlook for the portfolio remains positive. Our preference for well capitalised, well run, cash generative, profitable, market leading companies remains unchanged. We are encouraged by the strong recovery in the financial performance of our investee companies during the period. Levels of debt remain low, which ensures our investee companies will remain very much on the front foot as we enter a period of economic recovery. With the virus still far from under control in many parts of the world the global outlook remains challenging, however the prospects domestically are far more encouraging, which bodes well for our high conviction portfolio of domestically focussed, quality companies.

Portfolio Statement

as at 31 March 2021

Holding	Security	Market value £	% of total net assets 2021
	Software & Computer Services 1.54% (1.58%)		
95,000	EMIS*	1,045,000	1.54
	Telecommunications Service Providers 4.67% (5.81%)		
250,000	Telecom Plus	3,175,000	4.67
	Banks 3.58% (1.77%)		
210,000	Secure Trust Bank	2,436,000	3.58
	Finance & Credit Services 1.28% (1.25%)		
2,550,000	Appreciate*	872,100	1.28
	Investment Banking & Brokerage Services 18.42% (18.48%)		
105,000	3i	1,211,175	1.78
850,000	Brewin Dolphin	2,635,000	3.87
609,776	Numis*	2,298,856	3.38
375,000	Polar Capital*	2,610,000	3.83
945,000	River & Mercantile	2,041,200	3.00
1,450,000	XPS Pensions	1,740,000	2.56
		12,536,231	18.42
	Life Insurance 4.85% (5.08%)		
450,000	Phoenix	3,303,000	4.85
	Non-life Insurance 5.91% (4.91%)		
240,000	Conduit Holdings	1,236,000	1.82
1,100,000	Sabre Insurance	2,783,000	4.09
		4,019,000	5.91
	Real Estate Investment & Services Development 2.73% (2.81%)		
700,000	Boot (Henry)	1,855,000	2.73
	Real Estate Investment Trusts 12.39% (14.35%)		
1,450,000	LondonMetric Property	3,097,200	4.55
600,000	Palace Capital	1,356,000	1.99
1,600,000	Primary Health Properties	2,371,200	3.49
2,050,000	Regional REIT	1,607,200	2.36
		8,431,600	12.39
	Media 2.52% (2.48%)		
70,000	4imprint	1,715,000	2.52
	Retailers 3.62% (4.48%)		
320,000	B&M European Value Retail	1,688,960	2.48
60,000	Dunelm	778,800	1.14
		2,467,760	3.62
	Travel and Leisure 1.36% (0.85%)		
1,200,000	Hostelworld	928,800	1.36
	Beverages 1.56% (1.45%)		
46,000	Coca-Cola HBC	1,062,600	1.56

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2021
	Food Producers 2.06% (1.45%)		
725,000	Devro	1,399,250	2.06
	Construction & Materials 10.10% (9.99%)		
1,850,000	Epwin*	1,739,000	2.56
270,000	James Halstead*	1,344,600	1.98
191,663	Marshalls	1,311,933	1.93
2,300,000	Severfield	1,803,200	2.65
180,000	Tyman	670,500	0.98
		6,869,233	10.10
	Industrial Engineering 8.64% (7.26%)		
355,000	Castings	1,320,600	1.94
640,000	Somero Enterprises*	2,400,000	3.53
400,000	Vesuvius	2,156,000	3.17
		5,876,600	8.64
	Industrial Support Services 3.94% (4.94%)		
155,000	FDM	1,562,400	2.30
650,000	Gateley*	1,118,000	1.64
		2,680,400	3.94
	Industrial Transportation 2.80% (2.11%)		
490,000	Wincanton	1,906,100	2.80
	Industrial Metals & Mining 3.02% (4.98%)		
140,000	Hill & Smith	2,058,000	3.02
	Investment assets	64,636,674	94.99
	Net other assets	3,411,727	5.01
	Net assets	68,048,401	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 30.09.20.

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

*Quoted on AIM.

Total purchases for the period: £10,414,662

Total sales for the period: £7,366,680

Comparative Tables

Change in net assets per share

	A Income†			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	83.34	101.81	107.01	113.69
Return before operating charges [^]	18.30	-13.95	1.67	-0.26
Operating charges	-1.46	-1.49	-1.65	-1.75
Return after operating charges [^]	16.84	-15.44	0.02	-2.01
Distributions	-1.28	-3.03	-5.22	-4.67
Closing net asset value per share	98.90	83.34	101.81	107.01
[^] After direct transaction costs of	-0.07	-0.47	-0.43	-0.41
Performance				
Return after charges	20.21%	-15.17%	0.02%	-1.77%
Other information				
Closing net asset value	£46,228	£39,350	£43,605	£29,337
Closing number of shares	46,744	47,216	42,830	27,414
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.08%	0.49%	0.40%	0.36%
Prices				
Highest share price	100.18	117.50	114.10	116.64
Lowest share price	82.46	71.22	97.72	107.44

	A Accumulation†			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	99.05	117.05	117.02	119.16
Return before operating charges [^]	21.78	-16.28	1.86	-0.28
Operating charges	-1.74	-1.72	-1.83	-1.86
Return after operating charges [^]	20.04	-18.00	0.03	-2.14
Distributions	-1.53	-3.52	-5.81	-4.97
Retained distributions on accumulation shares	1.53	3.52	5.81	4.97
Closing net asset value per share	119.09	99.05	117.05	117.02
[^] After direct transaction costs of	-0.09	-0.54	-0.47	-0.44
Performance				
Return after charges	20.23%	-15.38%	0.03%	-1.80%
Other information				
Closing net asset value	£83,031	£71,923	£75,926	£30,480
Closing number of shares	69,721	72,612	64,866	26,046
Operating charges	1.56%	1.56%	1.56%	1.56%
Direct transaction costs	0.08%	0.49%	0.40%	0.36%
Prices				
Highest share price	120.01	135.50	126.53	123.33
Lowest share price	98.02	82.40	106.84	113.69

†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

Change in net assets per share

	B Incomet			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	83.64	101.41	105.80	111.55
Return before operating charges [^]	18.04	-13.97	1.66	-0.23
Operating charges	-0.76	-0.77	-0.85	-0.90
Return after operating charges [^]	17.28	-14.74	0.81	-1.13
Distributions	-1.29	-3.03	-5.20	-4.62
Closing net asset value per share	99.63	83.64	101.41	105.80
[^] After direct transaction costs of	-0.08	-0.47	-0.42	-0.40
Performance				
Return after charges	20.66%	-14.54%	0.77%	-1.01%
Other information				
Closing net asset value	£29,848,054	£24,072,917	£13,770,818	£5,776,694
Closing number of shares	29,959,943	28,781,795	13,579,722	5,460,121
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.08%	0.49%	0.40%	0.36%
Prices				
Highest share price	100.92	117.26	113.34	114.48
Lowest share price	82.81	71.19	96.76	105.70

	B Accumulationt			
	31.03.21 p	30.09.20 p	30.09.19 p	30.09.18 p
Opening net asset value per share	101.96	119.53	118.69	119.94
Return before operating charges [^]	22.02	-16.65	1.81	-0.27
Operating charges	-0.93	-0.92	-0.97	-0.98
Return after operating charges [^]	21.09	-17.57	0.84	-1.25
Distributions	-1.58	-3.61	-5.91	-5.04
Retained distributions on accumulation shares	1.58	3.61	5.91	5.04
Closing net asset value per share	123.05	101.96	119.53	118.69
[^] After direct transaction costs of	-0.09	-0.55	-0.48	-0.44
Performance				
Return after charges	20.68%	-14.70%	0.71%	-1.04%
Other information				
Closing net asset value	£38,071,088	£28,567,252	£15,506,851	£12,251,942
Closing number of shares	30,939,766	28,019,031	12,973,067	10,322,777
Operating charges	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.08%	0.49%	0.40%	0.36%
Prices				
Highest share price	123.99	138.82	128.93	124.74
Lowest share price	100.95	84.49	108.53	114.74

†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.

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. The basis of valuation of investments used to calculate net asset value per share complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 10:00 mid prices.

Comparative Tables

continued

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.

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 6 because funds of this type have experienced high 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, 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 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 2021

	31.03.21		31.03.20	
	£	£	£	£
Income				
Net capital gains/(losses)		10,930,300		(10,696,555)
Revenue	943,572		381,714	
Expenses	(250,391)		(139,822)	
Net revenue before taxation	693,181		241,892	
Taxation	(32,132)		(2,481)	
Net revenue after taxation		661,049		239,411
Total return before distributions		11,591,349		(10,457,144)
Distributions		(861,719)		(356,356)
Change in net assets attributable to Shareholders from investment activities		10,729,630		(10,813,500)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2021

	31.03.21		31.03.20	
	£	£	£	£
Opening net assets attributable to Shareholders		52,751,442		29,397,200
Amounts receivable on issue of shares	19,871,900		20,904,844	
Less: Amounts payable on cancellation of shares	(15,788,941)		(7,056,506)	
		4,082,959		13,848,338
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		10,729,630		(10,813,500)
Retained distributions on accumulation shares		484,370		219,332
Closing net assets attributable to Shareholders		68,048,401		32,651,370

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.

Unicorn Investment Funds - UK Ethical Income Fund

Balance Sheet

as at 31 March 2021

	31.03.21		30.09.20	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		64,636,674		50,655,947
Current Assets				
Debtors	928,239		568,798	
Cash and bank balances	3,594,961		3,196,480	
Total current assets		4,523,200		3,765,278
Total assets		69,159,874		54,421,225
LIABILITIES				
Creditors				
Distribution payable	(156,123)		(372,787)	
Other creditors	(955,350)		(1,296,996)	
Total creditors		(1,111,473)		(1,669,783)
Total liabilities		(1,111,473)		(1,669,783)
Net assets attributable to Shareholders		68,048,401		52,751,442

Distribution Tables

for the period ended 31 March 2021

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2021 p	Distribution paid 2020 p
A	First interim	Group 1	0.7664	–	0.7664	0.7995
		Group 2	0.2912	0.4752	0.7664	0.7995
	Second interim	Group 1	0.5173	–	0.5173	0.3385
		Group 2	0.1468	0.3705	0.5173	0.3385
B	First interim	Group 1	0.7676	–	0.7676	0.8000
		Group 2	0.5306	0.2370	0.7676	0.8000
	Second interim	Group 1	0.5203	–	0.5203	0.3386
		Group 2	0.1848	0.3355	0.5203	0.3386

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2021 p	Amount reinvested 2020 p
A	First interim	Group 1	0.9113	–	0.9113	0.9179
		Group 2	0.9053	0.0060	0.9113	0.9179
	Second interim	Group 1	0.6196	–	0.6196	0.3919
		Group 2	–	0.6196	0.6196	0.3919
B	First interim	Group 1	0.9390	–	0.9390	0.9415
		Group 2	0.6657	0.2733	0.9390	0.9415
	Second interim	Group 1	0.6393	–	0.6393	0.4022
		Group 2	0.1750	0.4643	0.6393	0.4022

First interim period: 01.10.20 - 31.12.20

Second interim period: 01.01.21 - 31.03.21

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		C
	Inc	Acc	Inc	Acc	Inc	Acc	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	✓	✓	✓	✓	–	–	–

*C Accumulation Shares launched on 6 April 2021.

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 annual accounting period in the currency of the relevant share class.

General Information

continued

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.

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
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
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 www.ft.com. 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.

ACD Statement Regarding COVID-19

Notwithstanding the challenges arising from the impact of the COVID-19 virus, the ACD continues to operate, administer and price the Sub-funds in accordance with FCA regulatory requirements and in accordance with relevant accounting standards. At the time of writing, investment markets are experiencing high levels of daily volatility and it is likely that this volatility will continue for the foreseeable future.

The ACD will continue to monitor fund liquidity and market volatility to ensure the Sub-fund are managed in the best interests of shareholders and to ensure that the Sub-funds remains a going concern. Where appropriate the ACD will value assets on a "fair value" basis in accordance with the Regulations.

As stated in the Prospectus, the Sub-funds should be considered as a long-term investment and the ACD emphasises the importance for investors to seek professional advice when considering their investment in the Sub-funds.

General Information

continued

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.

