



# Unicorn Investment Funds

Annual Report 30 September 2023

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\* These collectively comprise the Authorised Corporate Director's Report.

## Directory

### Authorised Corporate Director (ACD) & Investment Manager

Unicorn Asset Management Limited  
First Floor Office  
Preacher's Court  
The Charterhouse  
Charterhouse Square  
London EC1M 6AU  
Website: [www.unicornam.com](http://www.unicornam.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Investment Advisor

Unicorn Mastertrust Fund  
Peter John Walls  
Hunter House  
150 Hutton Road  
Shenfield  
Essex CM15 8NL

### Administrator and Registrar

Apex Fundrock Limited (formerly Maitland Institutional Services Limited)  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.fundrock.com](http://www.fundrock.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Apex Fundrock Limited  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 026 4287  
Fax: 0845 280 2415  
Email: [unicorn@maitlandgroup.com](mailto:unicorn@maitlandgroup.com)

### Depositary

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

### Auditor

Grant Thornton UK LLP  
Statutory Auditors, Chartered Accountants  
30 Finsbury Square  
London EC2A 1AG

# Unicorn Investment Funds

## Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ('ACD') is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expenses and of the net gains/losses on the property of the Company for that year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, including Financial Reporting Standard 102 'The financial reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017, subject to any material departures, which are required to be disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to Auditors

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Certification of the Annual Report by the Authorised Corporate Director

In accordance with the requirements of the Regulations and the COLL Sourcebook, we hereby certify the Report on behalf of the ACD, Unicorn Asset Management Limited.

Directors  
Unicorn Asset Management Limited  
26 January 2024

## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Unicorn Investment Funds ("the Company") for the Year Ended 30 September 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interest of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the ACD'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**HSBC Bank plc**

26 January 2024

# Unicorn Investment Funds

## Independent Auditor's report to the Shareholders of Unicorn Investment Funds

### Opinion

We have audited the financial statements of Unicorn Investment Funds (the 'Company') for the year ended 30 September 2023. These financial statements comprise together the statement of accounting policies and risk management policies and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

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

The individual financial statements for each of the Company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to Shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 and amended in June 2017.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 30 September 2023 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 and amended in June 2017, the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the risks associated with the Company and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern for a period of at least twelve-months from when the financial statements are authorised for issue.

## Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section of this report.

### Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report (which comprises the Directory, the Authorised Status and for each of the Sub-funds the Investment Objective and Policy, the Investment Manager's report, Portfolio Statement and Risk and Rewards Profile) is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



# Unicorn Investment Funds

## Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates. We determined that the following laws and regulations were most significant: Collective Investment Schemes Sourcebook, Investment Association Statement of Recommended Practice and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- We enquired of management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
  - the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud; and
  - checking the completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year end for financial statements preparation.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.

## Independent Auditor's report to the Shareholders of Unicorn Investment Funds

continued

### Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

26 January 2024

# Unicorn Investment Funds

## Accounting Policies and Risk Management Policies

for the year ended 30 September 2023

The financial statements for Unicorn Investment Funds comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in 2017.

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

The Authorised Status and head office of the Sub-funds can be found within the general information starting on page 120.

The Certification of the Annual Report by the Authorised Corporate Director can be found on page 2.

#### (b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an accrual basis.

Derivative returns have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes and Sub-funds

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the ACD's management charge which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

#### (f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

## Accounting Policies and Risk Management Policies

continued

### 1. Accounting Policies (continued)

#### (g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

At the year end, there were no items of a capital nature.

Unicorn UK Income and Unicorn Ethical Income Sub-funds distribute quarterly.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

For the purpose of enhancing revenue entitlement, the annual management fee payable to the ACD is allocated to capital in accordance with the Prospectus on Unicorn UK Income and Unicorn UK Ethical Income Sub-funds. This will reduce the capital growth of the Sub-funds. All other expenses (except for those relating to the purchase and sale of investments), are charged against revenue for the year.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

#### (h) Basis of valuation of investments

Quoted investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unquoted or suspended investments are valued by the ACD taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The fair value of open forward foreign currency contracts is calculated with reference to the changes in the spot rate, changes in interest rate differential and the reduced term left to maturity.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for an identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.
- Level 3 – Valuation techniques using unobservable inputs.

#### (i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

#### (j) Dilution levy

The ACD may charge a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where over a dealing period a Sub-fund has experienced a large level of net sales or redemptions relative to its size, on 'large deals' (being a deal worth 5% or more of the size of the Sub-fund) where a Sub-fund is in continual decline or increase or in any other case where the ACD is of the opinion that the interest of the Shareholders require the imposition of a dilution levy.

# Unicorn Investment Funds

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies and Disclosures

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creation and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price and interest rate risk in relation to the investment portfolio.

The Sub-funds may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition, the Sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-funds in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-funds will be exposed.

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-funds portfolios.

#### Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

#### Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings or unquoted securities and the ACD considers that the Sub-funds have little exposure to credit risk.

Stress testing and scenario analysis is carried out on a regular basis.

#### Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-funds may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. In addition, the Manager monitors market liquidity of all securities, seeking to ensure the Unicorn Investment Funds maintains sufficient liquidity to meet known and potential redemption activity. Unicorn cash balances are monitored daily by the ACD. All of the Unicorn Investment Funds financial liabilities are payable on demand or in less than one year.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies and Disclosures (continued)

#### **Counterparty risk**

Counterparty risk is the risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-funds suffering a loss. The ACD minimises the risk by conducting trades through only the most reputable counterparties.

#### **Derivatives**

The Sub-funds may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes. The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the ACD there is no sophisticated derivative use within the Sub-funds and accordingly a sensitivity analysis is not presented.

#### **Fair value of financial assets and liabilities**

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

# Unicorn UK Growth Fund

## 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 year ended 30 September 2023

For the twelve-month period to 30 September 2023, the Sub-fund's Income B shares produced a total return of +0.79%, which compares to the UK All Companies sector average total return of +12.8%. (Source: Financial Express Bid to Bid, Total Returns).

The financial year ended 30 September 2023, posed significant challenges for investors in listed growth companies. Throughout the year Central Banks continued to deploy an aggressive approach to curbing inflation, by regularly increasing interest rates. Fortunately, these efforts have started to yield the desired outcome with the rate of inflation in developed economies beginning a downward trend from the peak rates reached in late 2022. The period under review witnessed the UK's sharpest monetary 'tightening' cycle for several decades and, while this action has curbed inflation, it also raises the prospect of an economic recession caused by possible 'over-tightening' of monetary policy. Against this economic backdrop, it was unsurprising that the share prices of many UK listed growth companies suffered, since they typically have greater exposure to the domestic economy.

Surprisingly, economic activity has displayed some resilience despite the backdrop of cost inflation and rising interest rates. The much-debated global recession has not yet materialised, and some economists still hold hope for a 'soft landing' in the developed world. Nonetheless, the full impact of the current tightening cycle will take time to fully emerge. In a positive turn of events, recent upward revisions to GDP forecasts for the UK have come as a pleasant surprise, placing the UK in a slightly more favourable position within the G7 in the post-pandemic era. Nevertheless, the prevailing consensus suggests that the UK is more likely than not to experience a recession in the coming months.

The uncertain climate is proving particularly demanding for smaller publicly traded companies. Decision-making processes for fund-raising projects have often been significantly delayed, IPO's have been cancelled and listed companies with expectations to deliver high growth have experienced severe downward pressure on their valuations.

The Sub-fund's significant exposure to small-and mid-cap stocks proved a significant absolute and relative performance headwind during the period under review, especially given the material outperformance of large cap stocks. Sector exposures also had a considerable impact on performance. The Sub-fund's overweight position in Software & Computer Services (average sector exposure during the period was 20%) cost -5.7% in absolute performance, while the lack of exposure to commodities and large banks provided a relative performance headwind of approximately -5.4%.

At a stock level, the majority of the Sub-fund's holdings delivered positive total returns during the year, but performance was held back by three stocks that were particularly disappointing, namely; GB, NCC and Frontier Developments. As previously noted, technology stocks experienced a material de-rating during the period which, when combined with underwhelming trading performances, resulted in a significant share price correction for all three of these material holdings in the Sub-fund.

GB Group share price suffered further significant declines in the period under review, delivering a negative total return of -64.3%. GB Group released interim results early in the Sub-fund's financial year, which confirmed that customer demand was considerably softer than anticipated and that organic growth would therefore be much lower than originally forecast. During the year, GB Group attracted interest from a private equity firm, GTCR, which ultimately failed to translate into a formal bid approach, adding further pressure to an already depressed share price. GB Group's share price has retreated dramatically since reaching a peak in late 2020. As a consequence, the shares were valued on a multiple of 13x forward earnings at the end of the period, the lowest rating the stock has traded on since 2012.

## Investment Manager's Report

continued

NCC also delivered disappointing trading results in the period, which resulted in material downgrades to current year profit forecasts. The position in NCC cost -2.2% in overall Sub-fund performance terms. The damage to profitability was mainly experienced in the Assurance division, where the US business has been impacted by deferred spending by its big technology customers. The Sub-fund's position in NCC was exited shortly after the update on concerns that these negative trends were likely to persist.

The position in Frontier Developments cost the Sub-fund -2.2%. Frontier, a video game developer, released full year results in the period, which were broadly in line with expectations, but were impacted by a non-cash intangible asset impairment charge of £29m resulting from the closure of an operating subsidiary, Foundry, and a prudent re-assessment of the potential future performance of Frontier's important F1 Manager franchise. The sales figures for recently released computer games has also been disappointing and while the impairment helps to reduce future balance sheet risk, it will take some time and considerably improved performance in order to regain confidence in both the business model and the management team.

The strongest performer during the period was 3i, which delivered a total return of +94.1%. 3i continued to benefit from continued strong underlying trading by its most important investment, the discount retailer Action, which now represents 69% of 3i's total net assets.

Another notable performer was The Fulham Shore, which announced that an agreement had been reached on the terms of a recommended all-cash offer by the global food company, Toridoll Holdings, valuing the business at £93.4 million.

Other positive performances were delivered by 4imprint (+54.3% total return), and Ashtead Technology (+41.8%), each of which reported strong growth in revenues and profits during the period.

It was a busy period in terms of portfolio activity. In aggregate, this activity resulted in the number of holdings rising from 38 to 41, while also helping to increase sector diversification within the portfolio. The allocation to Software & Computer Services, while remaining significant, fell from 26% at the start of the financial year, to 15% at the end of the period. There were modest increases in allocation to the financial, construction, and telecommunication sectors.

The Investment Manager continues to favour well capitalised companies. This is deemed to be especially important in the current environment of heightened economic uncertainty and elevated interest rates. By the end of the period, 60% of our portfolio companies had reported that they held net cash on their balance sheets. Of those companies operating with net debt, the average level of gearing (as measured by net debt to EBITDA) was a modest 1.2x.

The growth outlook for the portfolio remains attractive and is in line with historic trends. The Investment Manager takes comfort from the long-term structural growth drivers that underpin the earnings growth anticipated for many of the portfolio's holdings. When taken in conjunction with currently depressed valuations, this provides considerable scope for material value creation over a longer-term investment horizon. Many of our portfolio holdings are trading on valuations that are at significant discounts to their long-term averages. The average discount was 27% at the end of the period. When investor sentiment improves, the Investment Manager is therefore confident that the current portfolio will deliver significant positive total returns.

The outlook for global economies remains uncertain. Interest rates and inflation appear to have peaked, and hopefully this will start to create a more favourable environment for stock markets. UK-listed companies now represent a compelling value proposition when compared both to their international counterparts and to their historic average valuations. Predicting the short-term catalysts that could unlock this value opportunity is currently not easy. However, as inflation and interest rates begin to return to more normal long-term levels and as awareness grows regarding the need for market reforms in the UK to enhance the appeal of its equity markets, there are tentative signs of optimism. In the interim, foreign investors continue to acquire undervalued UK assets, providing some level of support to valuations.

We remain invested in companies that we believe will continue to benefit from enduring, structural growth trends, which help to underpin their prospect for long term earnings growth. In combination with the deeply discounted valuations across the portfolio holdings, the Managers are increasingly confident and excited about the long term returns potential from the current juncture.



# Unicorn UK Growth Fund

## Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
<b>TECHNOLOGY 15.48% (26.25%)</b>			
<b>Software and Computer Services 15.48% (26.25%)</b>			
500,000	Alfa Financial Software	917,500	2.88
1,300,000	Eckoh*	494,000	1.55
62,500	FD Technologies*	915,000	2.87
374,245	GB *	806,124	2.53
530,500	Gresham Technologies	742,700	2.33
960,000	Microlise*	1,056,000	3.32
		<hr/>	
		4,931,324	15.48
<b>TELECOMMUNICATIONS 5.72% (2.22%)</b>			
<b>Telecommunications Service Providers 5.72% (2.22%)</b>			
85,000	Gamma Communications*	928,200	2.91
60,000	Telecom Plus	894,000	2.81
		<hr/>	
		1,822,200	5.72
<b>HEALTH CARE 0.00% (2.62%)</b>			
<b>Medical Equipment and Services 0.00% (2.62%)</b>			
<b>FINANCIALS 23.83% (16.73%)</b>			
<b>Finance and Credit Services 2.33% (3.50%)</b>			
9,000	London Stock Exchange	740,880	2.33
		<hr/>	
<b>Investment Banking and Brokerage Services 16.23% (11.33%)</b>			
35,000	3i	725,550	2.28
350,000	Aj Bell	960,400	3.02
58,137	Alpha FX*	1,087,162	3.41
220,000	Foresight	946,000	2.97
100,000	JTC	730,000	2.29
3,000,000	Mercia Asset Management*	720,000	2.26
		<hr/>	
		5,169,112	16.23
<b>Open-End and Miscellaneous Investment Vehicles 5.27% (1.90%)</b>			
2,100,000	AdvancedAdvT	1,680,000	5.27
<b>INSURANCE 4.94% (0.00%)</b>			
<b>Nonlife Insurance 4.94% (0.00%)</b>			
210,000	Conduit	967,050	3.04
400,000	Sabre Insurance	605,600	1.90
		<hr/>	
		1,572,650	4.94
<b>REAL ESTATE 2.43% (2.29%)</b>			
<b>Real Estate Investment Trusts 2.43% (2.29%)</b>			
450,000	LondonMetric Property	774,000	2.43
<b>CONSUMER DISCRETIONARY 3.08% (7.59%)</b>			
<b>Leisure Goods 0.62% (2.37%)</b>			
88,983	Frontier Developments*	197,097	0.62

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Media 0.00% (2.00%)</b>		
	<b>Travel and Leisure 2.46% (3.22%)</b>		
900,000	City Pub*	783,000	2.46
	<b>CONSUMER STAPLES 4.02% (1.40%)</b>		
	<b>Food Producers 4.02% (1.40%)</b>		
100,000	Hilton Food	717,000	2.25
470,386	Premier Foods	563,522	1.77
		1,280,522	4.02
	<b>INDUSTRIALS 33.62% (31.00%)</b>		
	<b>Construction and Materials 5.66% (2.45%)</b>		
200,000	Breedon	657,000	2.06
200,000	Marshalls	505,200	1.59
90,000	Renew*	641,700	2.01
		1,803,900	5.66
	<b>Aerospace and Defense 4.11% (2.17%)</b>		
160,000	Melrose Industries	750,560	2.36
175,000	Qinetiq	557,900	1.75
		1,308,460	4.11
	<b>Electronic and Electrical Equipment 7.54% (6.42%)</b>		
72,781	discoverIE	492,727	1.55
35,595	IMI	558,130	1.75
145,000	Porvair	841,000	2.64
15,000	Spectris	509,100	1.60
		2,400,957	7.54
	<b>General Industrials 2.90% (1.93%)</b>		
850,000	Macfarlane	922,250	2.90
	<b>Industrial Support Services 10.28% (15.61%)</b>		
175,000	Alpha Financial Markets Consulting*	603,750	1.90
20,000	Experian	538,200	1.69
100,000	FDM	519,000	1.63
450,000	Restore*	1,035,000	3.25
241,111	RWS *	577,702	1.81
		3,273,652	10.28
	<b>Industrial Transportation 3.13% (2.42%)</b>		
36,470	Clarkson	997,455	3.13
	<b>BASIC MATERIALS 2.39% (1.87%)</b>		
	<b>Industrial Materials 2.39% (1.87%)</b>		
100,000	James Cropper*	760,000	2.39

# Unicorn UK Growth Fund

## Portfolio Statement

continued

		Market value £	% of total net assets 2023
<b>Holding</b>	<b>Security</b>		
	<b>ENERGY 1.37% (0.00%)</b>		
	<b>Oil, Gas and Coal 1.37% (0.00%)</b>		
100,000	Ashtead Technology*	437,000	1.37
<b>Investment assets</b>		<b>30,854,459</b>	<b>96.88</b>
<b>Net other assets</b>		<b>994,555</b>	<b>3.12</b>
<b>Net assets</b>		<b>31,849,014</b>	<b>100.00</b>

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 30.09.22.

\*Quoted on AIM.

## Comparative Tables

### Change in net assets per share

<b>A Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	562.86	800.83	554.84
Return before operating charges <sup>^</sup>	9.78	-225.35	257.66
Operating charges	-9.46	-10.54	-11.13
Return after operating charges <sup>^</sup>	0.32	-235.89	246.53
Distributions	-5.31	-2.08	-0.54
<b>Closing net asset value per share</b>	<b>557.87</b>	<b>562.86</b>	<b>800.83</b>
<sup>^</sup> After direct transaction costs of	-0.76	-1.48	-2.20
<b>Performance</b>			
Return after charges	0.06%	-29.46%	44.43%
<b>Other information</b>			
Closing net asset value	£1,471,772	£2,705,550	£4,282,579
Closing number of shares	263,821	480,679	534,765
Operating charges	1.61%	1.57%	1.57%
Ongoing operating charges*	1.64%	1.59%	1.57%
Direct transaction costs	0.13%	0.22%	0.31%
<b>Prices</b>			
Highest share price	618.79	797.57	844.42
Lowest share price	544.20	564.90	553.02

<b>B Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	565.37	805.44	558.10
Return before operating charges <sup>^</sup>	9.54	-227.17	259.10
Operating charges	-5.10	-5.56	-5.87
Return after operating charges <sup>^</sup>	4.44	-232.73	253.23
Distributions	-9.74	-7.34	-5.89
<b>Closing net asset value per share</b>	<b>560.07</b>	<b>565.37</b>	<b>805.44</b>
<sup>^</sup> After direct transaction costs of	-0.77	-1.49	-2.22
<b>Performance</b>			
Return after charges	0.79%	-28.89%	45.37%
<b>Other information</b>			
Closing net asset value	£29,875,471	£52,903,107	£91,163,012
Closing number of shares	5,334,235	9,357,199	11,318,368
Operating charges	0.86%	0.82%	0.82%
Ongoing operating charges*	0.89%	0.84%	0.82%
Direct transaction costs	0.13%	0.22%	0.31%
<b>Prices</b>			
Highest share price	624.89	803.38	854.35
Lowest share price	546.77	572.67	556.61

# Unicorn UK Growth Fund

## Comparative Tables

continued

### Change in net assets per share

<b>B Accumulation<sup>^^</sup></b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>
<b>Opening net asset value per share</b>	73.43	100.00 <sup>†</sup>
Return before operating charges <sup>^</sup>	1.55	-26.13
Operating charges	-0.66	-0.44
Return after operating charges <sup>^</sup>	0.89	-26.57
Distributions	-1.17	-0.75
Retained distributions on accumulation shares	1.17	0.75
<b>Closing net asset value per share</b>	<b>74.32</b>	<b>73.43</b>
<sup>^</sup> After direct transaction costs of	-0.10	-0.18
<b>Performance</b>		
Return after charges	1.21%	-26.57%
<b>Other information</b>		
Closing net asset value	£442,763	£122,607
Closing number of shares	595,727	166,964
Operating charges	0.86%	0.52%
Ongoing operating charges*	0.89%	0.54%
Direct transaction costs	0.13%	0.22%
<b>Prices</b>		
Highest share price	81.17	103.24
Lowest share price	71.01	73.43

<sup>^^</sup>B Accumulation launched on 10 December 2021

<sup>†</sup>Launch price

<b>C Accumulation<sup>^^^</sup></b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	121.68	170.63	117.07
Return before operating charges <sup>^</sup>	4.75	-48.20	54.34
Operating charges	-0.63	-0.75	-0.78
Return after operating charges <sup>^</sup>	4.12	-48.95	53.56
Redemption payment	-125.80	-	-
Distributions	0.00	-1.99	-1.68
Retained distributions on accumulation shares	0.00	1.99	1.68
<b>Closing net asset value per share</b>	<b>0.00</b>	<b>121.68</b>	<b>170.63</b>
<sup>^</sup> After direct transaction costs of	-0.15	-0.32	-0.47
<b>Performance</b>			
Return after charges	3.39%	-28.69%	45.75%
<b>Other information</b>			
Closing net asset value	£0	£20,391,909	£50,521,294
Closing number of shares	0	16,758,636	29,608,029
Operating charges	0.56%	0.52%	0.52%
Ongoing operating charges*	0.00%	0.54%	0.52%
Direct transaction costs	0.13%	0.22%	0.31%
<b>Prices</b>			
Highest share price	134.77	170.29	179.62
Lowest share price	117.68	121.67	116.78

<sup>^^^</sup>C Accumulation share class fully redeemed on 16 August 2023

## Comparative Tables

continued

### Change in net assets per share

Overseas Income	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	130.76	185.90	128.80
Return before operating charges <sup>^</sup>	2.54	-52.30	59.81
Operating charges	-2.20	-2.45	-2.58
Return after operating charges <sup>^</sup>	0.34	-54.75	57.23
Distributions on income shares	-1.18	-0.39	-0.13
<b>Closing net asset value per share</b>	<b>129.92</b>	<b>130.76</b>	<b>185.90</b>
<sup>^</sup> After direct transaction costs of	-0.18	-0.34	-0.51
<b>Performance</b>			
Return after charges	0.26%	-29.45%	44.43%
<b>Other information</b>			
Closing net asset value	£59,008	£60,266	£128,877
Closing number of shares	45,420	46,089	69,327
Operating charges	1.61%	1.57%	1.57%
Ongoing operating charges*	1.64%	1.59%	1.57%
Direct transaction costs	0.13%	0.22%	0.31%
<b>Prices</b>			
Highest share price	143.77	185.14	196.02
Lowest share price	126.42	131.14	128.38

\*The Net Asset Value of the Sub-fund has decreased 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 ongoing operating charges by 0.03%. The ACD believes this to be more representative of the charges going forward.

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

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 is described in notes to the Financial Statements 1h), and 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 year.

# Unicorn UK Growth Fund

## 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 those 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 year ended 30 September 2023

	Note	£	30.09.23 £	30.09.22 £
Income				
Net capital gains/(losses)	2		1,180,625	(42,318,514)
Revenue	3	1,409,177		2,226,647
Expenses	4	(494,632)		(910,921)
Net revenue before taxation		914,545		1,315,726
Taxation	5	–		(57,891)
Net revenue after taxation			914,545	1,257,835
<b>Total return before distributions</b>			<b>2,095,170</b>	<b>(41,060,679)</b>
Distributions	6		(914,555)	(1,257,835)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>1,180,615</b>	<b>(42,318,514)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>76,183,439</b>	<b>146,095,762</b>
Amounts receivable on issue of shares	4,987,435		32,355,686
Dilution levy	100,858		–
Less: Amounts payable on cancellation of shares	(50,610,279)		(60,284,445)
		(45,521,986)	(27,928,759)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,180,615	(42,318,514)
Retained distributions on accumulation shares		6,946	334,856
Unclaimed distributions		–	94
<b>Closing net assets attributable to Shareholders</b>		<b>31,849,014</b>	<b>76,183,439</b>

The notes on pages 23 to 29 form an integral part of these Financial Statements.



# Unicorn UK Growth Fund

## Balance Sheet

as at 30 September 2023

	Note	£	30.09.23	£	30.09.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			30,854,459		70,064,346	
<b>Current Assets</b>						
Debtors	7	502,284		310,583		
Cash and bank balances	9	1,302,751		6,957,006		
<b>Total current assets</b>			<b>1,805,035</b>		<b>7,267,589</b>	
<b>Total assets</b>			<b>32,659,494</b>		<b>77,331,935</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Distribution payable		(534,061)		(697,292)		
Other creditors	8	(276,419)		(451,204)		
<b>Total creditors</b>			<b>(810,480)</b>		<b>(1,148,496)</b>	
<b>Total liabilities</b>			<b>(810,480)</b>		<b>(1,148,496)</b>	
<b>Net assets attributable to Shareholders</b>			<b>31,849,014</b>		<b>76,183,439</b>	

The notes on pages 23 to 29 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

<b>2. Net capital Gains/(Losses)</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	1,183,855	(42,307,740)
Currency gains/(losses)	955	(3,097)
Transaction charges	(4,185)	(7,677)
<b>Net capital gains/(losses)</b>	<b>1,180,625</b>	<b>(42,318,514)</b>

<b>3. Revenue</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
UK dividends: Ordinary	1,274,125	1,808,741
Overseas dividends	–	385,099
Property income distributions	71,550	17,764
Bank interest	63,502	15,043
<b>Total revenue</b>	<b>1,409,177</b>	<b>2,226,647</b>

<b>4. Expenses</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	430,432	818,106
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	36,140	65,102
Safe custody and other bank charges	3,217	6,364
	39,357	71,466
Auditor's remuneration*:		
Audit fee	14,564	11,015
Other expenses:		
Legal fees	3,570	3,203
Listing fees	3,062	3,054
Printing costs	3,647	4,077
	10,279	10,334
<b>Expenses</b>	<b>494,632</b>	<b>910,921</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

# Unicorn UK Growth Fund

## Notes to the Financial Statements

continued

### 5. Taxation

	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	–	57,891
<b>Total tax charge (note 5b)</b>	<b>–</b>	<b>57,891</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	914,545	1,315,726
Corporation tax at 20%	182,909	263,145
Effects of:		
UK dividends	(254,825)	(361,748)
Movement in surplus management expenses	71,916	175,623
Overseas tax expensed	–	57,891
Non-taxable overseas earnings	–	(77,020)
<b>Total tax charge (note 5a)</b>	<b>–</b>	<b>57,891</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,412,423 (2022: £1,340,507) in relation to surplus management expenses of £7,062,115 (2022: £6,702,534). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
Final distribution	30.09.23	541,007	1,032,148
Revenue deducted on cancellation of shares		390,772	258,765
Revenue received on issue of shares		(17,224)	(33,078)
<b>Distributions</b>		<b>914,555</b>	<b>1,257,835</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	914,545	1,257,835
Undistributed revenue brought forward	12	12
Undistributed revenue carried forward	(2)	(12)
<b>Distributions</b>	<b>914,555</b>	<b>1,257,835</b>

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	4,636	25,730
Sales awaiting settlement	351,242	99,616
Accrued income:		
Dividends receivable	144,230	183,079
Prepaid expenses:		
Legal fees	242	279
Listing fees	1,934	1,879
<b>Total debtors</b>	<b>502,284</b>	<b>310,583</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	229,929	172,108
Purchases awaiting settlement	–	205,384
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	21,631	48,172
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	4,585	8,604
Safe custody and other bank charges	3,096	1,931
	7,681	10,535
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	2,290	2,290
Printing costs	1,606	1,700
	3,896	3,990
<b>Total other creditors</b>	<b>276,419</b>	<b>451,204</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	1,302,751	6,957,006
<b>Cash and bank balances</b>	<b>1,302,751</b>	<b>6,957,006</b>

# Unicorn UK Growth Fund

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>A Income Shares</b>			
Philip John - Finance and Operations Director	2,572	-	2,572
<b>B Income Shares</b>			
Colin Howell - Ex-chairman*	54,100	-	54,100
Jean Howell - Ex-chairman's wife	3,600	-	3,600
<b>B Accumulation Shares</b>			
Unicorn Asset Management Ltd	100,000	100,000	-
<b>Overseas Income Shares</b>			
Unicorn Asset Management Ltd	10,379	29	10,350

\*died 19 July 2023

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £3,085,446 (2022: £7,006,435).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2022: none).

## Notes to the Financial Statements

continued

## 12. Risk Management Policies and Disclosures (continued)

## Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.23

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	1,302,751	31,356,743	32,659,494
	<b>1,302,751</b>	<b>31,356,743</b>	<b>32,659,494</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	810,480	810,480
	<b>810,480</b>	<b>810,480</b>

30.09.22

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	6,957,006	70,374,929	77,331,935
	<b>6,957,006</b>	<b>70,374,929</b>	<b>77,331,935</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,148,496	1,148,496
	<b>1,148,496</b>	<b>1,148,496</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non-interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest bearing assets at the balance sheet date consists of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

# Unicorn UK Growth Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.09.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	27,482,597	26,202	0.10	87,714	0.32	27,368,681
<b>Total purchases after commissions and tax</b>	<b>27,482,597</b>					

  

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	67,876,339	68,754	0.10	433	0.00	67,945,526
<b>Total sales after commissions and tax</b>	<b>67,876,339</b>					

Commission as a % of the average net assets 0.15%

Taxes as a % of the average net assets 0.14%

30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	41,946,941	35,701	0.09	138,268	0.33	41,772,972
<b>Total purchases after commissions and tax</b>	<b>41,946,941</b>					

  

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	70,437,505	78,445	0.11	281	0.00	70,516,231
Corporate actions	4,557,043	–	0.00	–	0.00	4,557,043
<b>Total sales after commissions and tax</b>	<b>74,994,548</b>					

Commission as a % of the average net assets 0.10%

Taxes as a % of the average net assets 0.12%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 17 to 19. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.76% (2022: 1.88%).

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	30,854,459	–	70,064,346	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>30,854,459</b>	<b>–</b>	<b>70,064,346</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	B Income	B Accumulation
Opening number of shares	480,679	9,357,199	166,964
Shares issued	6,399	759,231	604,800
Shares cancelled	(68,359)	(4,935,268)	(179,206)
Shares converted	(154,898)	153,073	3,169
<b>Closing number of shares</b>	<b>263,821</b>	<b>5,334,235</b>	<b>595,727</b>

  

	C Accumulation	Overseas Income
Opening number of shares	16,758,636	46,089
Shares issued	8,546	20,913
Shares cancelled	(16,767,182)	(21,582)
Shares converted	–	–
<b>Closing number of shares</b>	<b>–</b>	<b>45,420</b>



# Unicorn UK Growth Fund

## Distribution Tables

for the year ended 30 September 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	Final	Group 1	5.3141	–	5.3141	2.0826
		Group 2	3.5472	1.7669	5.3141	2.0826
B	Final	Group 1	9.7391	–	9.7391	7.3430
		Group 2	7.1914	2.5477	9.7391	7.3430
Overseas	Final	Group 1	1.1766	–	1.1766	0.3947
		Group 2	1.0469	0.1297	1.1766	0.3947

### Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
B	Final	Group 1	1.1660	–	1.1660	0.7543
		Group 2	0.3976	0.7684	1.1660	0.7543
C*	Final	Group 1	N/A	N/A	N/A	1.9906
		Group 2	N/A	N/A	N/A	1.9906

\*C Accumulation share class fully redeemed on 16 August 20123 so no distribution.

Final period: 01.10.22 - 30.09.23

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 Mastertrust Fund aims to achieve long term capital growth by primarily investing in a range of listed investment 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 year ended 30 September 2023

For the twelve-month period ended 30 September 2023, Unicorn Mastertrust's B Income shares produced a total return of +8.3%. Over the same period, the average return achieved by Investment Companies was +0.9% and the average return in the Flexible Investment fund peer group was 4.3%. The overall UK equity market, excluding Investment Companies, appreciated by +14.8% on a total return basis. (Source: Financial Express Bid to Bid, Total Returns). The Sub-fund was invested in 50 companies at the period end.

As noted within the interim report, Equity investors have faced many challenges following the Covid pandemic and subsequent invasion of Ukraine, events that have contributed towards the significant increase in global interest rates. Sentiment barely improved during the second half of the period under review, although many economists now believe that the period of fiscal tightening is at or close to an end. Investment company discount ratings remained under pressure with the size weighted average discount for the Sub-fund moving from 20.8% as at 30 September 2022 to 19.0% as at 30 September 2023.

During the period under review some of the most significant positive contributions to performance were attributable to the Sub-fund's Listed Private Equity ('LPE') trusts, in particular Oakley Capital Investments (share price total return +19.8%), ICG Enterprise (+23.5%), Pantheon International (+21.6%) and CT Private Equity Trust (+27.4%). Despite such strong performance LPE trusts continue to trade at wide discounts both in absolute terms and relative to historic levels. Elsewhere there were useful contributions from Law Debenture (+25.0%), Fidelity European Trust (+26.7%), Edinburgh Investment Trust (+25.7%) and Rockwood Strategic (+25.4%). The most significant detractors from performance were The Biotech Growth Trust (-21.9%) and Golden Prospect Precious Metals (-27.1%).

Activity within the portfolio featured the acquisition of two new holdings, namely, Aberforth Split Level Income Trust and RTW Biotech Opportunities, in each case at generous discounts to their underlying net asset values. The Sub-fund's investments in Keystone Positive Change Investment Trust and Baillie Gifford UK Growth Fund were sold. Corporate activity saw the realisation of The Independent Investment Trust in full at close to net asset value and the realisation of Round Hill Music Royalty Fund following a bid from Concord at a 67% premium to the then prevailing market price. Partial returns of capital were also announced by Atlantis Japan Growth Fund and Aberdeen New Dawn Investment Trust.

With discounts remaining wide, many investment company boards of directors are focusing on their capital allocation policies, discussing the most appropriate uses of shareholders' funds. The options range from making new investments in line with the existing investment policy, buying shares back for cancellation, reducing debt, conducting a tender offer or distributing a percentage of realised gains on an on-going basis. Within the Sub-fund's portfolio the most prominent example of this process thus far was Pantheon International which launched a £150m tender offer and a £50m share buy-back for the trust's current financial period together with additional undertakings thereafter. Meanwhile, wide discounts inevitably attract predators, and we anticipate that pressure to address such discounts will intensify in the coming year.

# Unicorn Mastertrust Fund

## Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
<b>FINANCIALS 99.96% (97.66%)</b>			
<b>Closed End Investments 95.76% (93.95%)</b>			
900,000	Aberdeen New Dawn Investment Trust	2,232,000	2.12
735,000	Aberdeen Private Equity Opportunities Trust	3,241,350	3.08
234,500	Aberforth Smaller Companies Trust	2,884,350	2.74
1,225,000	Aberforth Split Level Income Trust	835,450	0.79
1,000,000	Apax Global Alpha	1,624,000	1.54
643,000	Artemis Alpha Trust	1,851,840	1.76
652,419	Atlantis Japan Growth Fund	1,122,161	1.07
1,384,365	AVI Global Trust	2,796,417	2.66
2,500,000	AVI Japan Opportunity Trust	2,875,000	2.74
137,000	Baillie Gifford Japan Trust	952,150	0.91
307,000	BlackRock Throgmorton Trust	1,759,110	1.67
630,400	BlackRock World Mining Trust	3,719,360	3.54
85,925	Caledonia Investment	2,887,080	2.75
742,500	CQS Natural Resources Growth & Income	1,329,075	1.27
1,850,000	Crystal Amber Fund*	1,165,500	1.11
525,000	CT Private Equity Trust	2,441,250	2.32
311,500	Edinburgh Investment Trust	2,074,590	1.97
282,000	F&C Investment Trust	2,490,060	2.37
353,317	Fidelity Emerging Markets	2,103,296	2.00
783,800	Fidelity European Trust	2,629,649	2.50
570,000	Fidelity Special Values	1,553,250	1.48
1,535,000	Gabelli Value Plus+ Trust^	15,350	0.02
3,850,000	Golden Prospect Precious Metals	885,500	0.84
1,226,000	Hansa Investment Company 'A' Class	2,219,060	2.11
156,500	HarbourVest Global Private Equity	3,583,850	3.41
251,168	Henderson Smaller Companies Investment Trust	1,790,828	1.70
168,100	Herald Investment Trust	2,881,234	2.74
2,400,000	Hipgnosis Songs Fund	1,924,800	1.83
287,700	ICG Enterprise Trust	3,423,630	3.26
950,000	Invesco Asia Trust	2,935,500	2.79
1,735,000	JPMorgan Emerging Markets Investment Trust	1,780,110	1.69
578,845	JPMorgan European Discovery Trust	2,135,938	2.03
350,000	Law Debenture	2,828,000	2.69
74,500	North Atlantic Smaller Companies Investment Trust	2,682,000	2.55
1,010,000	Pantheon International	2,949,200	2.81
115,000	Pershing Square	3,427,000	3.26
100,000	RIT Capital Partners	1,928,000	1.83
136,706	Rockwood Strategic	2,419,696	2.30
500,000	Round Hill Music Royalty Fund	462,925	0.44
1,400,000	RTW Biotech Opportunities	1,387,956	1.32
545,000	Schroder Asian Total Return Investment	2,212,700	2.11
6,250,000	Schroder Capital Global Innovation Trust	925,000	0.88
906,118	Strategic Equity Capital	2,763,660	2.63
200,000	The Alliance Trust	2,072,000	1.97
200,000	The Biotech Growth Trust	1,552,000	1.48
205,000	The Monks Investment Trust	1,931,100	1.84
614,100	TR Property Investment Trust	1,722,550	1.64
800,000	Weiss Korea Opportunity Fund*	1,256,000	1.20
		<b>100,662,525</b>	<b>95.76</b>

## Portfolio Statement

continued

<b> Holding</b>	<b> Security</b>	<b> Market value</b>	<b> % of total net assets</b>
		<b> £</b>	<b> 2023</b>
	<b>Investment Banking and Brokerage Services 4.20% (3.71%)</b>		
3,000,000	Allied Minds <sup>^</sup>	415,500	0.39
900,000	Oakley Capital Investments	4,005,000	3.81
		<hr/>	<hr/>
		4,420,500	4.20
		<hr/>	<hr/>
	<b>Investment assets</b>	<b>105,083,025</b>	<b>99.96</b>
	<b>Net other assets</b>	<b>47,059</b>	<b>0.04</b>
		<hr/>	<hr/>
	<b>Net assets</b>	<b>105,130,084</b>	<b>100.00</b>

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 30.09.22.

<sup>^</sup>These are delisted securities and have been valued at the ACD's best assessment of their fair value.

\*Quoted on AIM.

# Unicorn Mastertrust Fund

## Comparative Tables

### Change in net assets per share

<b>A Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	535.43	657.93	490.34
Return before operating charges <sup>^</sup>	49.36	-107.90	179.94
Operating charges	-9.10	-9.71	-9.65
Return after operating charges <sup>^</sup>	40.26	-117.61	170.29
Distributions	-8.05	-4.89	-2.70
<b>Closing net asset value per share</b>	<b>567.64</b>	<b>535.43</b>	<b>657.93</b>
<sup>^</sup> After direct transaction costs of	-0.12	-0.43	-0.06
<b>Performance</b>			
Return after charges	7.52%	-17.88%	34.73%
<b>Other information</b>			
Closing net asset value	£1,891,654	£2,649,440	£3,583,365
Closing number of shares	333,246	494,825	544,640
Operating charges	1.57%	1.57%	1.57%
Direct transaction costs	0.02%	0.07%	0.01%
<b>Prices</b>			
Highest share price	618.95	693.36	679.81
Lowest share price	528.89	539.90	493.42

<b>B Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	479.30	589.59	439.41
Return before operating charges <sup>^</sup>	44.20	-97.13	161.25
Operating charges	-4.27	-4.56	-4.53
Return after operating charges <sup>^</sup>	39.93	-101.69	156.72
Distributions	-11.17	-8.60	-6.54
<b>Closing net asset value per share</b>	<b>508.06</b>	<b>479.30</b>	<b>589.59</b>
<sup>^</sup> After direct transaction costs of	-0.10	-0.39	-0.06
<b>Performance</b>			
Return after charges	8.33%	-17.25%	35.67%
<b>Other information</b>			
Closing net asset value	£103,081,595	£106,818,650	£127,061,711
Closing number of shares	20,289,082	22,286,307	21,550,747
Operating charges	0.82%	0.82%	0.82%
Direct transaction costs	0.02%	0.07%	0.01%
<b>Prices</b>			
Highest share price	555.49	622.53	613.01
Lowest share price	473.55	487.54	442.18

## Comparative Tables

continued

### Change in net assets per share

Overseas Income	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	157.40	193.42	144.15
Return before operating charges <sup>^</sup>	14.53	-31.73	52.90
Operating charges	-2.67	-2.85	-2.84
Return after operating charges <sup>^</sup>	11.86	-34.58	50.06
Distributions	-2.39	-1.44	-0.79
<b>Closing net asset value per share</b>	<b>166.87</b>	<b>157.40</b>	<b>193.42</b>
<sup>^</sup> After direct transaction costs of	-0.03	-0.13	-0.02
<b>Performance</b>			
Return after charges	7.53%	-17.88%	34.73%
<b>Other information</b>			
Closing net asset value	£156,835	£161,483	£155,256
Closing number of shares	93,989	102,596	80,269
Operating charges	1.57%	1.57%	1.57%
Direct transaction costs	0.02%	0.07%	0.01%
<b>Prices</b>			
Highest share price	181.97	203.84	199.85
Lowest share price	155.47	158.73	145.05

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 against the average Net Asset Value for the accounting year.

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 0.95% (2022: 1.08%; 2021: 1.18%) of average net assets.

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 is described in notes to the Financial Statements 1h) and 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 year.

# Unicorn Mastertrust Fund

## 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.



This 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:

- 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 year ended 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
Income					
Net capital gains/(losses)	2		6,893,452		(25,306,559)
Revenue	3	3,396,603		3,003,554	
Expenses	4	(966,320)		(1,073,811)	
Net revenue before taxation		2,430,283		1,929,743	
Taxation	5	-		-	
Net revenue after taxation			2,430,283		1,929,743
<b>Total return before distributions</b>			<b>9,323,735</b>		<b>(23,376,816)</b>
Distributions	6		(2,430,276)		(1,929,758)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>6,893,459</b>		<b>(25,306,574)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	£	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>109,629,573</b>		<b>130,800,332</b>
Amounts receivable on issue of shares	17,400,300		26,807,066	
Breach Compensation	-		715	
Less: Amounts payable on cancellation of shares	(28,793,253)		(22,671,966)	
		(11,392,953)		4,153,815
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		6,893,459		(25,306,574)
Unclaimed distributions		5		-
<b>Closing net assets attributable to Shareholders</b>		<b>105,130,084</b>		<b>109,629,573</b>

The notes on pages 39 to 45 form an integral part of these Financial Statements.



# Unicorn Mastertrust Fund

## Balance Sheet

as at 30 September 2023

	Note	£	30.09.23 £	30.09.22 £
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments			105,083,025	107,062,443
<b>Current Assets</b>				
Debtors	7	345,270		395,957
Cash and bank balances	9	2,348,308		4,496,133
<b>Total current assets</b>			<b>2,693,578</b>	<b>4,892,090</b>
<b>Total assets</b>			<b>107,776,603</b>	<b>111,954,533</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Distribution payable		(2,295,533)		(1,943,127)
Other creditors	8	(350,986)		(381,833)
<b>Total creditors</b>			<b>(2,646,519)</b>	<b>(2,324,960)</b>
<b>Total liabilities</b>			<b>(2,646,519)</b>	<b>(2,324,960)</b>
<b>Net assets attributable to Shareholders</b>			<b>105,130,084</b>	<b>109,629,573</b>

The notes on pages 39 to 45 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

<b>2. Net Capital Gains/(Losses)</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	6,891,385	(25,305,620)
Currency gains/(losses)	2,233	(222)
Transaction charges	(166)	(717)
<b>Net capital gains/(losses)</b>	<b>6,893,452</b>	<b>(25,306,559)</b>

<b>3. Revenue</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
UK dividends: Ordinary	2,883,190	2,796,611
Overseas dividends	468,724	196,595
Bank interest	44,689	10,348
<b>Total revenue</b>	<b>3,396,603</b>	<b>3,003,554</b>

<b>4. Expenses</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	877,689	981,393
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	60,140	67,032
Safe custody and other bank charges	5,705	6,209
	65,845	73,241
Auditor's remuneration*:		
Audit fee	14,564	11,015
Other expenses:		
Legal fees	2,014	1,952
Listing fees	3,055	3,062
Printing costs	3,153	3,148
	8,222	8,162
<b>Total expenses</b>	<b>966,320</b>	<b>1,073,811</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

# Unicorn Mastertrust Fund

## Notes to the Financial Statements

continued

### 5. Taxation

	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year	-	-
<b>Total tax charge (note 5b)</b>	<b>-</b>	<b>-</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	2,430,283	1,929,743
Corporation tax at 20%	486,057	385,949
Effects of:		
UK dividends	(576,638)	(559,322)
Movement in surplus management expenses	184,326	212,692
Non-taxable overseas earnings	(93,745)	(39,319)
<b>Total tax charge (note 5a)</b>	<b>-</b>	<b>-</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,470,241 (2022: £1,285,915) in relation to surplus management expenses of £7,351,205 (2022: £6,429,579). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
Final distribution	30.09.23	2,295,533	1,943,127
Revenue deducted on cancellation of shares		304,116	162,022
Revenue received on issue of shares		(169,373)	(175,391)
<b>Distributions</b>		<b>2,430,276</b>	<b>1,929,758</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	2,430,283	1,929,743
Undistributed revenue brought forward	4	19
Undistributed revenue carried forward	(11)	(4)
<b>Distributions</b>	<b>2,430,276</b>	<b>1,929,758</b>

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	50,021	180,494
Sales awaiting settlement	25,729	25,729
Accrued income:		
Dividends receivable	268,371	188,627
Prepaid expenses:		
Legal fees	1,149	1,107
<b>Total debtors</b>	<b>345,270</b>	<b>395,957</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	250,834	279,703
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	68,540	74,647
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	9,748	10,658
Safe custody and other bank charges	4,892	2,034
	14,640	12,692
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	2,290	2,299
Printing costs	1,400	1,477
	3,690	3,776
<b>Total other creditors</b>	<b>350,986</b>	<b>381,833</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	2,348,308	4,496,133
<b>Cash and bank balances</b>	<b>2,348,308</b>	<b>4,496,133</b>

# Unicorn Mastertrust Fund

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>B Income Shares</b>			
Philip John - Finance and Operations Director	7,078	115	6,963
<b>Overseas Income Shares</b>			
Unicorn Asset Management Ltd	10,262	85	10,177

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £10,508,303 (2022: £10,706,244).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material direct foreign currency exposure in the Sub-fund (2022: none).

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures (continued)

#### Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.23

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	2,348,308	103,577,414	105,925,722
United States dollar	–	1,850,881	1,850,881
	<b>2,348,308</b>	<b>105,428,295</b>	<b>107,776,603</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	2,646,519	2,646,519
	<b>2,646,519</b>	<b>2,646,519</b>

30.09.22

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	4,496,133	105,962,118	110,458,251
United States dollar	–	1,496,282	1,496,282
	<b>4,496,133</b>	<b>107,458,400</b>	<b>111,954,533</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	2,324,960	2,324,960
	<b>2,324,960</b>	<b>2,324,960</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non-interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest bearing assets at the balance sheet date consists of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

# Unicorn Mastertrust Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.09.23

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	2,327,218	3,479	0.15	4,416	0.19	2,319,323
<b>Total purchases after commissions and tax</b>	<b>2,327,218</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	10,118,145	15,200	0.15	19	0.00	10,133,364
Corporate actions	1,079,875	–	0.00	–	0.00	1,079,875
<b>Total sales after commissions and tax</b>	<b>11,198,020</b>					
Commission as a % of the average net assets	0.02%					
Taxes as a % of the average net assets	0.00%					

30.09.22

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	18,051,317	25,847	0.15	56,895	0.33	17,968,575
<b>Total purchases after commissions and tax</b>	<b>18,051,317</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	7,999,532	4,620	0.06	12	0.00	8,004,164
Corporate actions	654,940	–	0.00	–	0.00	654,940
<b>Total sales after commissions and tax</b>	<b>8,654,472</b>					
Commission as a % of the average net assets	0.02%					
Taxes as a % of the average net assets	0.05%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 34 and 35. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.44% (2022: 1.19%).

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets	Liabilities	Assets	Liabilities
Level 1 <sup>^</sup>	104,652,175	–	107,047,093	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	430,850	–	15,350	–
	<b>105,083,025</b>	<b>–</b>	<b>107,062,443</b>	<b>–</b>

A reconciliation of fair value measurements in Level 3 is set out in the following table.

	30.09.23	30.09.22
Opening Balance	15,350	–
Purchases	–	–
Sales	–	–
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	–
- on assets held at year end - Stock delisted in the year	415,500	15,350
	<b>430,850</b>	<b>15,350</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	B Income	Overseas Income
Opening number of shares	494,825	22,286,307	102,596
Shares issued	5,453	3,381,390	510
Shares cancelled	(61,826)	(5,495,573)	(9,117)
Shares converted	(105,206)	116,958	–
<b>Closing number of shares</b>	<b>333,246</b>	<b>20,289,082</b>	<b>93,989</b>



# Unicorn Mastertrust Fund

## Distribution Table

for the year ended 30 September 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	Final	Group 1	8.0515	–	8.0515	4.8870
		Group 2	5.5461	2.5054	8.0515	4.8870
B	Final	Group 1	11.1708	–	11.1708	8.6038
		Group 2	6.0377	5.1331	11.1708	8.6038
Overseas	Final	Group 1	2.3925	–	2.3925	1.4381
		Group 2	1.6851	0.7074	2.3925	1.4381

Final period: 01.10.22 - 30.09.23

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 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 year ended 30 September 2023

During the twelve-month period ended 30 September 2023, the Unicorn UK Smaller Companies Sub-fund's Income B shares generated a total return of +4.0%. This performance compares with a total return from the benchmark Numis Smaller Companies Index plus AIM excluding Investment Companies, of +3.3% over the same time period. (Source: Financial Express Bid to Bid, Total Returns).

As at 30 September 2023, the Sub-fund held investments in 48 companies.

The financial year began with the UK in a state of political and economic turmoil. Liz Truss' brief tenure as Prime Minister created extreme volatility in the UK Bond market, which rapidly led to her resignation and replacement by Rishi Sunak. The new Prime Minister appears to have restored a semblance of economic stability, however significant challenges remain; with high inflation, rising interest rates, and recession risks all weighing on the UK's economic outlook.

Globally, the war in Ukraine continued to disrupt energy and food supplies, keeping inflation elevated. Tightening monetary policy triggered fears of a global economic recession. Against this uncertain backdrop, international investors maintained their cautious stance on UK equities. It is worth noting that the tightening interest rate cycle appears to have done its intended job; inflation is now falling and there is a reasonable chance that the rate hiking cycle may finally have peaked.

By contrast, positive adjustments to the Brexit Agreement and new post-Brexit trade deals signed in the period offer some encouragement. Trade flows continue to adapt to the changed relationship with the EU, while visa programmes have helped to address labour shortages in key sectors. New trade agreements, including accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ('CPTPP'), should also enable the UK to compete internationally without the negative impacts of tariffs and other barriers, thereby opening up new markets to entire sectors of the economy. Many serious headwinds to UK economic growth clearly remain, but these positive developments could help support an economic recovery.

Although market volatility has stabilised somewhat from the extreme levels reached in 2022, smaller companies remained thoroughly unloved throughout the period under review. Company valuations have become disconnected from normal investment fundamentals and this situation has persisted, despite the robust underlying trading being delivered by our investee companies. This negative dynamic has, at least, enabled the Investment Manager to establish new holdings in high quality, cash generative, well financed businesses, run by experienced and capable management teams, at compelling valuations. In aggregate, there were 14 additions and 10 disposals over the period.

Corporate activity remained an important factor in the Sub-fund's turnover with bid approaches being received by three of the portfolio's significant and long-term holdings.

Having been one of the weakest performers in the previous financial year, the Investment Manager's faith in The Fulham Shore (which added +1.1% to performance), owner and operator of the Franco Manca pizza chain, was rewarded, as the group was acquired by a Japanese food company at a 35% premium to the previous closing price.

# Unicorn UK Smaller Companies Fund

## Investment Manager's Report

continued

Devro (+1.9%), a market leading sausage skin manufacturer, was acquired by a food manufacturing conglomerate at a 65% premium.

Numis (+1.2%), a specialist UK small to mid-cap focused investment bank, was acquired by Deutsche Bank at a 72% premium.

Other positive contributions were delivered by:

Goodwin (+4.3%), an engineering components manufacturer that benefited from exposure to resilient industrial end markets.

Ashtead Technology (+1.9%), an equipment rental firm with a focus on underwater services that experienced increased demand for its products as offshore oil activity picked up.

Severfield (+1.4%), a provider of structural steels that maintained strong margins and enjoyed healthy order intake.

The key detractors from performance in the period were:

Tortilla Mexican Grill (-1.6%), a restaurant chain that suffered from declining diner numbers and cost inflation pressures.

NCC (-1.8%), a cybersecurity firm whose growth stalled leading to a large share price decline.

GB (-1.9%), an identity data specialist that faced increased investment needs weighing on profitability.

Frontier Developments (-2.3%), a video game developer that was impacted by project delays and rising costs.

Avon Protection (-1.0%), a protective equipment manufacturer that saw profits slip on supply chain issues.

While challenges remain, falling inflation and a more stable political environment could support an equity market recovery following two very tough years for UK listed smaller companies.

The Sub-fund remains invested in businesses that are predominantly well-financed and cash generative. These companies typically sell specialist products and/or services, and are run by high calibre management teams. Our unrelenting focus on high quality companies that operate with robust balance sheets means that we are confident that they can successfully navigate their way through the currently challenging economic landscape.

## Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
	<b>TECHNOLOGY 9.39% (13.45%)</b>		
	<b>Software and Computer Services 6.09% (9.15%)</b>		
423,720	Alpha Financial Software	777,526	2.48
250,000	GB*	538,500	1.72
540,000	Microlise*	594,000	1.89
		<hr/>	
		1,910,026	6.09
	<b>Technology Hardware and Equipment 3.30% (4.30%)</b>		
120,000	Gooch & Housego*	570,000	1.82
2,656,977	IQE*	464,440	1.48
		<hr/>	
		1,034,440	3.30
	<b>TELECOMMUNICATIONS 2.82% (2.02%)</b>		
	<b>Telecommunications Equipment 0.91% (2.02%)</b>		
243,500	Calnex Solutions*	284,895	0.91
	<b>Telecommunications Service Providers 1.91% (0.00%)</b>		
55,000	Gamma Communications*	600,600	1.91
	<b>HEALTH CARE 1.59% (1.83%)</b>		
	<b>Medical Equipment and Services 1.59% (1.83%)</b>		
250,000	Advanced Medical Solutions*	499,500	1.59
	<b>FINANCIALS 16.80% (8.83%)</b>		
	<b>Banks 1.51% (0.23%)</b>		
75,000	Secure Trust Bank	472,500	1.51
	<b>Investment Banking and Brokerage Services 15.29% (8.60%)</b>		
38,363	Alpha FX*	717,388	2.29
120,000	Foresight	516,000	1.65
300,000	Integrafin	711,600	2.27
105,000	JTC	766,500	2.44
3,228,000	Mercia Asset Management*	774,720	2.47
900,000	Peel Hunt*	729,000	2.32
125,000	Polar Capital*	581,250	1.85
		<hr/>	
		4,796,458	15.29
	<b>REAL ESTATE 1.19% (0.00%)</b>		
	<b>Real Estate Investment and Services Development 1.19% (0.00%)</b>		
400,000	Primary Health Properties	372,000	1.19
	<b>CONSUMER DISCRETIONARY 10.13% (17.11%)</b>		
	<b>Automobiles and Parts 0.00% (0.93%)</b>		
	<b>Leisure Goods 0.53% (3.02%)</b>		
75,000	Frontier Developments*	166,125	0.53
	<b>Personal Goods 0.00% (1.90%)</b>		
	<b>Media 5.22% (4.94%)</b>		
10,000	4imprint	525,000	1.68
300,000	STV	537,000	1.71
618,249	The Pebble*	574,972	1.83
		<hr/>	
		1,636,972	5.22

# Unicorn UK Smaller Companies Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Retailers 1.04% (1.03%)</b>		
711,203	Virgin Wines UK*	327,153	1.04
	<b>Travel and Leisure 3.34% (5.29%)</b>		
225,000	Hollywood Bowl	556,875	1.78
700,000	Tortilla Mexican Grill*	490,000	1.56
		1,046,875	3.34
	<b>CONSUMER STAPLES 4.27% (5.03%)</b>		
	<b>Food Producers 4.27% (5.03%)</b>		
100,000	Hilton Food	717,000	2.28
520,000	Premier Foods	622,960	1.99
		1,339,960	4.27
	<b>INDUSTRIALS 22.24% (44.74%)</b>		
	<b>Construction and Materials 12.78% (13.76%)</b>		
200,000	Breedon	657,000	2.09
300,000	James Halstead*	612,000	1.95
148,754	Marshalls	375,753	1.20
110,000	Ricardo	548,900	1.75
2,500,000	Severfield	1,540,000	4.91
296,890	Stelrad	274,623	0.88
		4,008,276	12.78
	<b>Aerospace and Defense 4.29% (4.72%)</b>		
80,000	Avon Protection	494,400	1.58
173,000	Cohort*	851,160	2.71
		1,345,560	4.29
	<b>Electronic and Electrical Equipment 4.22% (3.74%)</b>		
315,000	Morgan Advanced Materials	771,750	2.46
95,000	Porvair	551,000	1.76
		1,322,750	4.22
	<b>General Industrials 5.98% (5.86%)</b>		
36,500	Goodwin	1,876,100	5.98
	<b>Industrial Engineering 7.57% (8.93%)</b>		
200,000	Castings	664,000	2.12
350,000	Somero Enterprises*	927,500	2.96
180,000	Vesuvius	781,560	2.49
		2,373,060	7.57
	<b>Industrial Support Services 6.69% (3.16%)</b>		
99,000	FDM	513,810	1.64
350,000	Franchise Brands*	553,000	1.76
75,000	Smart Metering Systems*	465,750	1.49
690,000	Trifast	565,800	1.80
		2,098,360	6.69

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Industrial Transportation 5.39% (4.57%)</b>		
250,000	Braemar Shipping Services^	582,500	1.86
114,620	Ocean Wilsons	1,107,229	3.53
		<hr/>	<hr/>
		1,689,729	5.39
	<b>BASIC MATERIALS 1.21% (2.07%)</b>		
	<b>Industrial Materials 1.21% (2.07%)</b>		
50,000	James Cropper*	380,000	1.21
	<b>ENERGY 1.74% (2.24%)</b>		
	<b>Oil, Gas and Coal 1.74% (2.24%)</b>		
125,000	Ashtead Technology	546,250	1.74
		<hr/>	<hr/>
	<b>Investment assets</b>	<b>30,127,589</b>	<b>96.06</b>
	<b>Net other assets</b>	<b>1,234,537</b>	<b>3.94</b>
		<hr/>	<hr/>
	<b>Net assets</b>	<b>31,362,126</b>	<b>100.00</b>

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 30.09.22.

\*Quoted on AIM.

^This is a suspended security as at 30.09.23 and has been valued at the ACD's best assessment of its fair value, (re-listed 21.11.23).

# Unicorn UK Smaller Companies Fund

## Comparative Tables

### Change in net assets per share

<b>A Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	539.62	750.13	509.67
Return before operating charges <sup>^</sup>	26.05	-192.95	255.24
Operating charges	-9.61	-10.51	-10.56
Return after operating charges <sup>^</sup>	16.44	-203.46	244.68
Distributions	-8.82	-7.05	-4.22
<b>Closing net asset value per share</b>	<b>547.24</b>	<b>539.62</b>	<b>750.13</b>
<sup>^</sup> After direct transaction costs of	1.22	-0.97	-1.14
<b>Performance</b>			
Return after charges	3.04%	-27.12%	48.01%
<b>Other information</b>			
Closing net asset value	£975,742	£2,764,081	£4,127,048
Closing number of shares	178,304	512,226	550,176
Operating charges	1.65%	1.63%	1.58%
Direct transaction costs	-0.21%	0.15%	0.17%
<b>Prices</b>			
Highest share price	619.20	750.87	784.83
Lowest share price	533.95	545.94	504.96

<b>B Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	525.59	731.57	497.13
Return before operating charges <sup>^</sup>	26.08	-188.73	248.90
Operating charges	-5.12	-5.55	-5.43
Return after operating charges <sup>^</sup>	20.96	-194.28	243.47
Distributions	-13.31	-11.70	-9.03
<b>Closing net asset value per share</b>	<b>533.24</b>	<b>525.59</b>	<b>731.57</b>
<sup>^</sup> After direct transaction costs of	1.20	-0.95	-1.11
<b>Performance</b>			
Return after charges	3.99%	-26.56%	48.98%
<b>Other information</b>			
Closing net asset value	£27,188,229	£26,172,331	£44,045,323
Closing number of shares	5,098,656	4,979,577	6,020,666
Operating charges	0.90%	0.88%	0.83%
Direct transaction costs	-0.21%	0.15%	0.17%
<b>Prices</b>			
Highest share price	604.40	732.30	770.05
Lowest share price	520.19	536.58	492.84

## Comparative Tables

continued

### Change in net assets per share

C Income	30.09.23 p	30.09.22 p	30.09.21 <sup>^</sup> p
<b>Opening net asset value per share</b>	80.09	111.53	100.00 <sup>†</sup>
Return before operating charges <sup>^</sup>	3.89	-28.45	13.55
Operating charges	-0.56	-0.96	-0.64
Return after operating charges <sup>^</sup>	3.33	-29.41	12.91
Distributions	-2.25	-2.03	-1.38
<b>Closing net asset value per share</b>	<b>81.17</b>	<b>80.09</b>	<b>111.53</b>
<sup>^</sup> After direct transaction costs of	-0.18	-0.23	-0.19
<b>Performance</b>			
Return after charges	4.16%	-26.37%	12.91%
<b>Other information</b>			
Closing net asset value	£3,184,055	£4,245,253	£11,883,027
Closing number of shares	3,922,605	5,300,383	10,654,484
Operating charges	0.65%	0.63%	0.58%
Direct transaction costs	-0.21%	0.15%	0.17%
<b>Prices</b>			
Highest share price	92.17	111.64	117.38
Lowest share price	79.28	82.02	100.00

<sup>^</sup>C Income share class launched 6 April 2021.

<sup>†</sup>Launch price

Overseas Income	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	128.18	178.13	121.03
Return before operating charges <sup>^</sup>	6.28	-46.76	60.63
Operating charges	-2.28	-1.57	-2.51
Return after operating charges <sup>^</sup>	4.00	-48.33	58.12
Distributions	-2.19	-1.62	-1.02
<b>Closing net asset value per share</b>	<b>129.99</b>	<b>128.18</b>	<b>178.13</b>
<sup>^</sup> After direct transaction costs of	-0.29	-0.14	-0.27
<b>Performance</b>			
Return after charges	3.11%	-27.13%	48.02%
<b>Other information</b>			
Closing net asset value	£14,100	£13,746	£37,067
Closing number of shares	10,847	10,724	20,809
Operating charges	1.65%	1.63%	1.58%
Direct transaction costs	-0.21%	0.15%	0.17%
<b>Prices</b>			
Highest share price	147.08	178.30	186.38
Lowest share price	126.83	129.62	119.92

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 against the average Net Asset Value for the accounting year.

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 is described in notes to the Financial Statements 1h) and 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 year.



# Unicorn UK Smaller Companies Fund

## 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 year ended 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
Income					
Net capital gains/(losses)	2		527,096		(14,349,846)
Revenue	3	1,182,991		1,224,677	
Expenses	4	(325,798)		(402,228)	
Net revenue before taxation		857,193		822,449	
Taxation	5	(17,867)		(33,120)	
Net revenue after taxation			839,326		789,329
<b>Total return before distributions</b>			<b>1,366,422</b>		<b>(13,560,517)</b>
Distributions	6		(839,331)		(789,333)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>527,091</b>		<b>(14,349,850)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	£	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>33,195,411</b>		<b>60,092,465</b>
Amounts receivable on issue of shares	15,940,452		7,738,320	
Dilution levy	27,984		–	
Less: Amounts payable on cancellation of shares	(18,328,812)		(20,285,524)	
		(2,360,376)		(12,547,204)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		527,091		(14,349,850)
<b>Closing net assets attributable to Shareholders</b>		<b>31,362,126</b>		<b>33,195,411</b>

The notes on pages 57 to 63 form an integral part of these Financial Statements.

# Unicorn UK Smaller Companies Fund

## Balance Sheet

as at 30 September 2023

	Note	£	30.09.23	£	30.09.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			30,127,589		32,306,398	
<b>Current Assets</b>						
Debtors	7	471,745		940,831		
Cash and bank balances	9	1,659,799		1,229,877		
<b>Total current assets</b>			<b>2,131,544</b>		<b>2,170,708</b>	
<b>Total assets</b>			<b>32,259,133</b>		<b>34,477,106</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Distribution payable		(782,552)		(726,805)		
Other creditors	8	(114,455)		(554,890)		
<b>Total creditors</b>			<b>(897,007)</b>		<b>(1,281,695)</b>	
<b>Total liabilities</b>			<b>(897,007)</b>		<b>(1,281,695)</b>	
<b>Net assets attributable to Shareholders</b>			<b>31,362,126</b>		<b>33,195,411</b>	

The notes on pages 57 to 63 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

<b>2. Net Capital Gains/(Losses)</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	530,820	(14,344,715)
Currency losses	(826)	(322)
Transaction charges	(2,898)	(4,809)
<b>Net capital gains/(losses)</b>	<b>527,096</b>	<b>(14,349,846)</b>

<b>3. Revenue</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
UK dividends: Ordinary	954,819	947,723
Overseas dividends	187,627	273,531
Bank interest	40,545	3,423
<b>Total revenue</b>	<b>1,182,991</b>	<b>1,224,677</b>

<b>4. Expenses</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	277,720	351,564
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	22,859	27,894
Safe custody and other bank charges	1,682	2,357
	24,541	30,251
Auditor's remuneration*:		
Audit fee	14,564	11,015
Other expenses:		
Legal fees	3,140	3,354
Listing fees	3,062	3,062
Printing costs	2,771	2,982
	8,973	9,398
<b>Total expenses</b>	<b>325,798</b>	<b>402,228</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

# Unicorn UK Smaller Companies Fund

## Notes to the Financial Statements

continued

### 5. Taxation

	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	17,867	33,120
<b>Total tax charge (note 5b)</b>	<b>17,867</b>	<b>33,120</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	857,193	822,449
Corporation tax at 20%	171,439	164,490
Effects of:		
UK dividends	(190,964)	(189,545)
Movement in surplus management expenses	57,051	79,761
Overseas tax expensed	17,867	33,120
Non-taxable overseas earnings	(37,526)	(54,706)
<b>Total tax charge (note 5a)</b>	<b>17,867</b>	<b>33,120</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,276,225 (2022: 1,219,174) in relation to surplus management expenses of £6,381,125 (2022: 6,095,870). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
Final distribution	30.09.23	782,552	726,805
Revenue deducted on cancellation of shares		175,303	114,099
Revenue received on issue of shares		(118,524)	(51,571)
<b>Distributions</b>		<b>839,331</b>	<b>789,333</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	839,326	789,329
Undistributed revenue brought forward	8	12
Undistributed revenue carried forward	(3)	(8)
<b>Distributions</b>	<b>839,331</b>	<b>789,333</b>

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	248,607	644,222
Sales awaiting settlement	–	40,260
Accrued income:		
Dividends receivable	221,284	254,513
Prepaid expenses:		
Legal fees	1,854	1,836
<b>Total debtors</b>	<b>471,745</b>	<b>940,831</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	72,381	512,631
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	20,109	23,049
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,583	3,912
Safe custody and other bank charges	1,532	702
	5,115	4,614
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	2,290	2,291
Printing costs	1,278	1,290
	3,568	3,581
<b>Total other creditors</b>	<b>114,455</b>	<b>554,890</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	1,659,799	1,229,877
<b>Cash and bank balances</b>	<b>1,659,799</b>	<b>1,229,877</b>

# Unicorn UK Smaller Companies Fund

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>B Income Shares</b>			
Colin Howell - Ex-chairman*	54,100	–	54,100
Jean Howell - Ex-chairman's wife	3,600	–	3,600
Philip John - Finance and Operations Director	6,015	120	5,895
<b>Overseas Income Shares</b>			
Unicorn Asset Management Ltd	10,847	123	10,724

\*died 19 July 2023.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £3,012,759 (2022: £3,230,640).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2022: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.23

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	1,659,799	30,574,959	32,234,758
United States dollar	–	24,375	24,375
	<b>1,659,799</b>	<b>30,599,334</b>	<b>32,259,133</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	897,007	897,007
	<b>897,007</b>	<b>897,007</b>

30.09.22

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	1,229,877	33,215,243	34,445,120
United States dollar	–	31,986	31,986
	<b>1,229,877</b>	<b>33,247,229</b>	<b>34,477,106</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,281,695	1,281,695
	<b>1,281,695</b>	<b>1,281,695</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.



# Unicorn UK Smaller Companies Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.09.23

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	16,982,500	19,331	0.11	33,371	0.20	16,929,798
<b>Total purchases after commissions and tax</b>	<b>16,982,500</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	19,430,865	24,847	0.13	177	0.00	19,455,889
Corporate Actions	261,264	–	0.00	–	0.00	261,264
<b>Total sales after commissions and tax</b>	<b>19,692,129</b>					
Commission as a % of the average net assets			0.12%			
Taxes as a % of the average net assets			0.09%			

30.09.22

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	10,392,815	10,842	0.10	22,425	0.22	10,359,548
<b>Total purchases after commissions and tax</b>	<b>10,392,815</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	22,684,849	31,908	0.14	197	0.00	22,716,954
<b>Total sales after commissions and tax</b>	<b>22,684,849</b>					
Commission as a % of the average net assets			0.10%			
Taxes as a % of the average net assets			0.05%			

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 52 and 53. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.82% (2022: 2.91%).

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	29,545,089	–	32,306,398	–
Level 2 <sup>^^</sup>	582,500	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>30,127,589</b>	<b>–</b>	<b>32,306,398</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	B Income	C Income	Overseas Income
Opening number of shares	512,226	4,979,577	5,300,383	10,724
Shares issued	5,415	2,715,970	525,963	123
Shares cancelled	(47,992)	(2,869,103)	(2,071,523)	–
Shares converted	(291,345)	272,212	167,782	–
<b>Closing number of shares</b>	<b>178,304</b>	<b>5,098,656</b>	<b>3,922,605</b>	<b>10,847</b>

# Unicorn UK Smaller Companies Fund

## Distribution Table

for the year ended 30 September 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	Final	Group 1	8.8198	–	8.8198	7.0460
		Group 2	6.5675	2.2523	8.8198	7.0460
B	Final	Group 1	13.3070	–	13.3070	11.7038
		Group 2	6.7308	6.5762	13.3070	11.7038
C	Final	Group 1	2.2462	–	2.2462	2.0327
		Group 2	0.9251	1.3211	2.2462	2.0327
Overseas	Final	Group 1	2.1922	–	2.1922	1.6155
		Group 2 <sup>^</sup>	2.1922	–	2.1922	1.6155

<sup>^</sup>No equalisation applicable for these Group 2 shares.

Final period: 01.10.22 - 30.09.23

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 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 year ended 30 September 2023

The Unicorn UK Income Fund B accumulation shares recorded a total return of +12.88% during the year ended 30 September 2023, marginally outperforming the 13.6% return delivered by the UK Equity Income peer group. (Source: Financial Express Bid to Bid, Total Returns).

The financial year under review was another challenging period for investors to navigate, with interest rates rising sharply as Central Banks attempted to tame inflation. The Government's approach to monetary policy does finally appear to be working, with inflation ending the period significantly lower than its peak levels reached in late 2022, but still a long way off the 2% target level. The challenge investors now face is in trying to predict how long inflationary pressures will persist. The performance of long term bonds, that reached yields of almost 5% towards the end of the period under review, suggests that financial markets are expecting interest rates to remain higher for longer.

Given the very uncertain macroeconomic backdrop, it is no surprise that market conditions were again more favourable for investors in larger quoted companies and much less supportive for investors in smaller companies. Given the requirement of the Sub-fund to hold at least 80% of its assets in UK Small and Mid-Caps, the performance during the year in exceeding the returns of the broader peer group was relatively pleasing. The Sub-fund also outperformed the Mid-Cap Index and Numis Smaller Companies Index (NSCI) during the period.

The dividend yield of the Sub-fund continues to exceed that of its benchmark index, the FTSE All-Share Index. Dividend payments in the portfolio have recovered strongly since the end of the Covid pandemic. The level of dividend receipts in the twelve-month period under review were at approximately the same level as the prior year and also in line with the pre-pandemic peak recorded in 2019. In contrast, the UK equity market, as a whole, currently offers a significantly lower dividend yield that still remains well below pre-pandemic levels. This is a powerful endorsement of the financial strength of our investee companies and a clear indicator of value within the portfolio.

The operational and financial performance of the investee companies during the period was again pleasing and provided strong support for the dividend. The current backdrop of rising interest rates and heightened inflation is a challenging environment to operate in, and our investee companies have performed commendably during the period. The near record level of dividend paid during the period also speaks to the sound financial strength of these companies.

Portfolio turnover during the period was slightly higher than normal, with Merger & Acquisitions ('M&A') activity again remaining a feature of performance. Two of the Sub-fund's larger holdings were acquired during the period by overseas buyers, as the double discount of low valuations and weaker sterling ensured that UK equities remained particularly attractive to foreign buyers. The current interest rate hiking cycle has led to a particularly severe derating of growth companies, which has created a number of opportunities to add high quality businesses at unusually attractive relative dividend yields.

During the period, seven new positions were initiated and ten were exited in full. The Sub-fund ended the period with 39 holdings. Two of the exits were a result of M&A activity. Devro, a manufacturer of sausage skins, was acquired by the German group Saria for £540m during the period. The shares generated a total return of 83% during the period prior to disposal, making it the top contributor to Sub-fund performance. The Sub-fund's long-standing position in Numis was also subject to a successful £410m bid approach from Deutsche Bank during the period, delivering a total return of 52% prior to disposal. Other notable disposals during the period were; Alumasc, Smith & Nephew, Epwin, Victrex and Gateley. Hill & Smith was also exited following a sharp recovery in its share price, delivering a total return of 95% since the holding was re-introduced to the portfolio in the prior year. Synthomer was also exited in full due to concerns around its elevated level of debt, while Alpha Financial Markets Consulting was exited following a relatively strong period of share price performance. Unusually for the Sub-fund, this holding was reintroduced later in the year following a period of share price weakness post disposal.

# Unicorn UK Income Fund

## Investment Manager's Report

continued

Seven new additions were made to the Sub-fund as we looked to take advantage of volatile market conditions. Alfa Financial Software, a provider of software to the asset finance market, was added to the portfolio on share price weakness, following the termination of takeover talks with a potential private equity acquirer. Hilton Food, a global food services business, was also opportunistically added on share price weakness, following short term challenges in its seafood business. Cranswick, a UK food producer, which has delivered 33 years of unbroken dividend growth and Clarkson, which has delivered 20 years of consecutive dividend growth, were also introduced to the portfolio. Howden Joinery and Morgan Advanced Materials complete the list of new holdings.

It was pleasing to see a number of shares deliver positive returns following the challenging prior period. Of the 48 companies held during the period, 29 delivered positive contributions to performance. The largest individual contribution came from Devro, which added 2.2% to overall Sub-fund performance following its bid approach. 3i, a private equity firm, also continued to perform strongly, generating a total return of +96% and adding 2.1% to performance. Promotional products group, 4imprint also performed well during the period, as the company continued to take market share in its core US market. 4imprint's shares delivered a total return +65% during the year, adding 1.6% to Sub-fund performance. Numis contributed 1.6% to returns following a successful bid approach from Deutsche Bank. Other notable contributors included; Vesuvius, Sabre Insurance and Conduit, which generated total returns of +48%, +59% and +41% respectively.

The largest negative contributor to performance was Regional REIT, the owner of regional commercial property with a focus on office space outside of London, which generated a negative total return of -49% and reduced overall Sub-fund performance by 1.0%. Regional REIT has faced a number of challenges in recent years, with ever increasing numbers of tenants allowing their employees to work from home following the pandemic, resulting in lower demand for office space. Rapidly rising interest rates also reduced property valuations, which increases future refinancing risk. Regional REIT continues to pay a healthy quarterly dividend and currently trades at a significant discount to its underlying net asset value. Two smaller companies with exposure to the construction industry, Somero Enterprises and Stelrad, also faced weaker end markets, with each costing the Sub-fund -0.7% in overall performance terms.

The global economic outlook remains clouded in uncertainty. Interest rates and inflation appear to have peaked, and this may just provide a more supportive backdrop for equities. UK listed companies continue to offer compelling value compared to both their global peers and to long-term, historic, average valuations. The portfolio's dividend yield remains firmly at the upper end of its historic range, supported by a high-quality collection of well-capitalised, cash generative companies. The near-term catalysts for a possible realisation of this value opportunity are difficult to predict, but with the rate of inflation and interest rate rises beginning to normalise and an increasing realisation that reform of markets is required in order to increase the attractiveness of UK equities, there are growing reasons for optimism. In the meantime, overseas buyers continue to acquire undervalued UK assets, providing valuation support, albeit on a selective basis. The operational performance of our investee companies remains pleasing and the long-term opportunity for further income generation and strong capital growth remains significant.

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
	<b>TECHNOLOGY 1.39% (0.00%)</b>		
	<b>Software and Computer Services 1.39% (0.00%)</b>		
2,000,000	Alfa Financial Software	3,670,000	1.39
	<b>TELECOMMUNICATIONS 5.85% (6.34%)</b>		
	<b>Telecommunications Service Providers 5.85% (6.34%)</b>		
1,036,958	Telecom Plus	15,450,674	5.85
	<b>HEALTH CARE 0.00% (1.32%)</b>		
	<b>FINANCIALS 16.66% (17.04%)</b>		
	<b>Banks 2.01% (1.87%)</b>		
842,630	Secure Trust Bank	5,308,569	2.01
	<b>Investment Banking and Brokerage Services 12.69% (13.06%)</b>		
400,000	3i	8,292,000	3.14
2,000,000	Aj Bell	5,488,000	2.08
114,165	Liontrust Asset Management	692,982	0.26
3,367,388	Peel Hunt*	2,727,584	1.03
2,550,000	Polar Capital*	11,857,500	4.49
1,100,000	Schroders	4,479,200	1.69
		33,537,266	12.69
	<b>Closed End Investments 1.96% (2.11%)</b>		
3,700,000	Greencoat UK Wind	5,180,000	1.96
	<b>INSURANCE 14.37% (10.99%)</b>		
	<b>Life Insurance 6.57% (6.29%)</b>		
3,600,000	Phoenix	17,355,600	6.57
	<b>Nonlife Insurance 7.80% (4.70%)</b>		
2,500,000	Conduit	11,512,500	4.36
6,000,000	Sabre Insurance	9,084,000	3.44
		20,596,500	7.80
	<b>REAL ESTATE 11.39% (11.72%)</b>		
	<b>Real Estate Investment Trusts 11.39% (11.72%)</b>		
9,500,000	LondonMetric Property	16,340,000	6.18
11,741,744	Primary Health Properties	10,919,822	4.13
10,000,000	Regional REIT	2,850,000	1.08
		30,109,822	11.39
	<b>CONSUMER DISCRETIONARY 4.50% (3.68%)</b>		
	<b>Media 3.52% (3.68%)</b>		
140,000	4imprint	7,350,000	2.78
1,100,000	STV	1,969,000	0.74
		9,319,000	3.52
	<b>Retailers 0.98% (0.00%)</b>		
350,000	Howden Joinery	2,577,400	0.98

# Unicorn UK Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>CONSUMER STAPLES 2.84% (2.74%)</b>		
	<b>Food Producers 2.84% (2.74%)</b>		
110,000	Cranswick	3,907,200	1.48
500,000	Hilton Food	3,585,000	1.36
		<b>7,492,200</b>	<b>2.84</b>
	<b>INDUSTRIALS 37.22% (36.55%)</b>		
	<b>Construction and Materials 12.70% (13.08%)</b>		
1,700,000	Breedon	5,584,500	2.11
5,600,000	James Halstead*	11,424,000	4.32
1,500,000	Marshalls	3,789,000	1.43
15,213,000	Severfield	9,371,208	3.55
3,678,172	Stelrad	3,402,309	1.29
		<b>33,571,017</b>	<b>12.70</b>
	<b>Electronic and Electrical Equipment 4.28% (4.80%)</b>		
1,500,000	Morgan Advanced Materials	3,675,000	1.39
1,300,000	Rotork	4,061,200	1.54
105,000	Spectris	3,563,700	1.35
		<b>11,299,900</b>	<b>4.28</b>
	<b>Industrial Engineering 8.81% (7.22%)</b>		
2,077,000	Castings	6,895,640	2.61
2,000,000	Somero Enterprises*	5,300,000	2.01
2,550,000	Vesuvius	11,072,100	4.19
		<b>23,267,740</b>	<b>8.81</b>
	<b>Industrial Support Services 6.03% (7.65%)</b>		
1,317,763	Alpha Financial Markets Consulting*	4,546,282	1.72
1,465,000	FDM	7,603,350	2.88
1,573,333	RWS*	3,769,706	1.43
		<b>15,919,338</b>	<b>6.03</b>
	<b>Industrial Transportation 5.40% (3.80%)</b>		
121,436	Clarkson	3,321,275	1.26
565,528	Ocean Wilsons	5,463,000	2.07
2,000,000	Wincanton	5,480,000	2.07
		<b>14,264,275</b>	<b>5.40</b>
	<b>BASIC MATERIALS 2.35% (1.90%)</b>		
	<b>Industrial Metals and Mining 2.35% (1.90%)</b>		
950,000	Bodycote	6,198,750	2.35
	<b>CHEMICALS 0.00% (2.16%)</b>		
	<b>Chemicals 0.00% (2.16%)</b>		
	<b>Investment assets</b>	<b>255,118,051</b>	<b>96.57</b>
	<b>Net other assets</b>	<b>9,072,718</b>	<b>3.43</b>
	<b>Net assets</b>	<b>264,190,769</b>	<b>100.00</b>

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 30.09.22.

\*Quoted on AIM.

## Comparative Tables

### Change in net assets per share

A Income	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	181.66	243.92	193.50
Return before operating charges <sup>^</sup>	25.36	-47.97	62.93
Operating charges	-3.18	-3.52	-3.61
Return after operating charges <sup>^</sup>	22.18	-51.49	59.32
Distributions	-11.13	-10.77	-8.90
<b>Closing net asset value per share</b>	<b>192.71</b>	<b>181.66</b>	<b>243.92</b>
<sup>^</sup> After direct transaction costs of	-0.22	-0.38	-0.21
<b>Performance</b>			
Return after charges	12.21%	-21.11%	30.66%
<b>Other information</b>			
Closing net asset value	£8,059,937	£15,502,260	£22,908,381
Closing number of shares	4,182,418	8,533,681	9,391,838
Operating charges	1.56%	1.56%	1.56%
Ongoing operating charges*	1.57%	1.56%	1.56%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	218.18	248.53	253.43
Lowest share price	178.16	184.43	190.78

A Accumulation	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	271.58	346.52	264.82
Return before operating charges <sup>^</sup>	37.77	-69.86	86.70
Operating charges	-4.83	-5.08	-5.00
Return after operating charges <sup>^</sup>	32.94	-74.94	81.70
Distributions	-18.03	-15.51	-12.35
Retained distributions on accumulation shares	18.03	15.51	12.35
<b>Closing net asset value per share</b>	<b>304.52</b>	<b>271.58</b>	<b>346.52</b>
<sup>^</sup> After direct transaction costs of	-0.34	-0.55	-0.29
<b>Performance</b>			
Return after charges	12.13%	-21.63%	30.85%
<b>Other information</b>			
Closing net asset value	£1,247,582	£3,888,548	£5,609,489
Closing number of shares	409,689	1,431,836	1,618,825
Operating charges	1.56%	1.56%	1.56%
Ongoing operating charges*	1.57%	1.56%	1.56%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	328.68	356.08	355.46
Lowest share price	266.30	270.80	261.08



# Unicorn UK Income Fund

## Comparative Tables

continued

### Change in net assets per share

<b>B Income</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	203.21	270.80	213.22
Return before operating charges <sup>^</sup>	28.24	-53.56	69.50
Operating charges	-1.86	-2.04	-2.07
Return after operating charges <sup>^</sup>	26.38	-55.60	67.43
Distributions	-12.01	-11.99	-9.85
<b>Closing net asset value per share</b>	<b>217.58</b>	<b>203.21</b>	<b>270.80</b>
<sup>^</sup> After direct transaction costs of	-0.25	-0.43	-0.23
<b>Performance</b>			
Return after charges	12.98%	-20.53%	31.62%
<b>Other information</b>			
Closing net asset value	£117,814,580	£139,545,314	£214,681,809
Closing number of shares	54,147,170	68,669,501	79,275,813
Operating charges	0.81%	0.81%	0.81%
Ongoing operating charges*	0.82%	0.81%	0.81%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	244.72	276.48	281.32
Lowest share price	199.34	206.28	210.34

<b>B Accumulation</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	303.61	384.47	291.64
Return before operating charges <sup>^</sup>	41.92	-77.92	95.70
Operating charges	-2.81	-2.94	-2.87
Return after operating charges <sup>^</sup>	39.11	-80.86	92.83
Distributions	-18.12	-17.47	-13.66
Retained distributions on accumulation shares	18.12	17.47	13.66
<b>Closing net asset value per share</b>	<b>342.72</b>	<b>303.61</b>	<b>384.47</b>
<sup>^</sup> After direct transaction costs of	-0.38	-0.62	-0.32
<b>Performance</b>			
Return after charges	12.88%	-21.03%	31.83%
<b>Other information</b>			
Closing net asset value	£117,818,772	£139,262,917	£260,389,426
Closing number of shares	34,377,126	45,869,665	67,726,011
Operating charges	0.81%	0.81%	0.81%
Ongoing operating charges*	0.82%	0.81%	0.81%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	368.41	395.86	394.34
Lowest share price	297.77	302.73	287.69

## Comparative Tables

continued

## Change in net assets per share

C Income	30.09.23 p	30.09.22^^ p
<b>Opening net asset value per share</b>	307.28	411.71 <sup>†</sup>
Return before operating charges <sup>^</sup>	42.55	-86.42
Operating charges	-2.81	-0.22
Return after operating charges <sup>^</sup>	39.74	-86.64
Distributions	-17.03	-17.79
<b>Closing net asset value per share</b>	<b>329.99</b>	<b>307.28</b>
<sup>^</sup> After direct transaction costs of	-0.38	-0.64
<b>Performance</b>		
Return after charges	12.93%	-21.04%
<b>Other information</b>		
Closing net asset value	£16,131,695	£17,969,585
Closing number of shares	4,888,573	5,847,975
Operating charges <sup>##</sup>	0.81%	0.06%
Ongoing operating charges <sup>*</sup>	0.82%	0.06%
Direct transaction costs	0.11%	0.17%
<b>Prices</b>		
Highest share price	370.33	416.37
Lowest share price	301.46	312.17

^^C Income launched on 15 November 2021 due to an in specie transfer from Acorn Income Fund

<sup>†</sup>launch price<sup>##</sup>Annual management fee 0.75% on C Income waived until 15 November 2022

Overseas Income	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	75.44	101.26	80.33
Return before operating charges <sup>^</sup>	10.50	-19.92	26.12
Operating charges	-1.32	-1.46	-1.50
Return after operating charges <sup>^</sup>	9.18	-21.38	24.62
Distributions	-4.45	-4.44	-3.69
<b>Closing net asset value per share</b>	<b>80.17</b>	<b>75.44</b>	<b>101.26</b>
<sup>^</sup> After direct transaction costs of	-0.09	-0.16	-0.09
<b>Performance</b>			
Return after charges	12.17%	-21.11%	30.65%
<b>Other information</b>			
Closing net asset value	£2,535,702	£2,443,335	£2,939,671
Closing number of shares	3,162,823	3,238,872	2,903,118
Operating charges	1.56%	1.56%	1.56%
Ongoing operating charges <sup>*</sup>	1.57%	1.56%	1.56%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	90.60	103.18	105.21
Lowest share price	73.98	76.56	79.20

# Unicorn UK Income Fund

## Comparative Tables

continued

### Change in net assets per share

Overseas Accumulation	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	108.58	138.63	105.95
Return before operating charges <sup>^</sup>	15.09	-28.02	34.68
Operating charges	-1.93	-2.03	-2.00
Return after operating charges <sup>^</sup>	13.16	-30.05	32.68
Distributions	-6.40	-6.19	-4.94
Retained distributions on accumulation shares	6.40	6.19	4.94
<b>Closing net asset value per share</b>	<b>121.74</b>	<b>108.58</b>	<b>138.63</b>
<sup>^</sup> After direct transaction costs of	-0.14	-0.22	-0.12
<b>Performance</b>			
Return after charges	12.12%	-21.68%	30.84%
<b>Other information</b>			
Closing net asset value	£582,501	£565,337	£866,248
Closing number of shares	478,482	520,678	624,843
Operating charges	1.56%	1.56%	1.56%
Ongoing operating charges*	1.57%	1.56%	1.56%
Direct transaction costs	0.11%	0.17%	0.09%
<b>Prices</b>			
Highest share price	131.48	142.46	142.21
Lowest share price	106.46	108.27	104.45

\*The Net Asset Value of the Sub-fund has decreased 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 Ongoing Operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

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

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 is described in notes to the Financial Statements 1h) and 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 year.

## 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.

# Unicorn UK Income Fund

## Statement of Total Return

for the year ended 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
Income					
Net capital gains/(losses)	2		27,874,314		(109,853,286)
Revenue	3	17,132,377		21,913,294	
Expenses	4	(2,770,349)		(3,699,024)	
Net revenue before taxation		14,362,028		18,214,270	
Taxation	5	(84,873)		(327,441)	
Net revenue after taxation			14,277,155		17,886,829
<b>Total return before distributions</b>			<b>42,151,469</b>		<b>(91,966,457)</b>
Distributions	6		(16,378,976)		(20,898,385)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>25,772,493</b>		<b>(112,864,842)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	£	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>319,177,296</b>		<b>507,395,024</b>
Amounts receivable on issue of shares	28,734,517		99,981,405	
Dilution levy	14,530		–	
Less: Amounts payable on cancellation of shares	(116,394,782)		(184,945,079)	
		(87,645,735)		(84,963,674)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		25,772,493		(112,864,842)
Retained distributions on accumulation shares		6,886,140		9,610,735
Unclaimed distributions		575		53
<b>Closing net assets attributable to Shareholders</b>		<b>264,190,769</b>		<b>319,177,296</b>

The notes on pages 76 to 82 form an integral part of these Financial Statements.

**Balance Sheet**

as at 30 September 2023

	Note	£	30.09.23	£	30.09.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			255,118,051		301,435,307	
<b>Current Assets</b>						
Debtors	7	3,257,747		5,604,707		
Cash and bank balances	9	10,310,507		16,898,697		
<b>Total current assets</b>			<b>13,568,254</b>		<b>22,503,404</b>	
<b>Total assets</b>			<b>268,686,305</b>		<b>323,938,711</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Distribution payable		(2,735,257)		(3,181,305)		
Other creditors	8	(1,760,279)		(1,580,110)		
<b>Total creditors</b>			<b>(4,495,536)</b>		<b>(4,761,415)</b>	
<b>Total liabilities</b>			<b>(4,495,536)</b>		<b>(4,761,415)</b>	
<b>Net assets attributable to Shareholders</b>			<b>264,190,769</b>		<b>319,177,296</b>	

The notes on pages 76 to 82 form an integral part of these Financial Statements.

# Unicorn UK Income Fund

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

### 2. Net Capital Gains/(Losses)

	30.09.23	30.09.22
	£	£
Non-derivative securities	27,881,732	(109,816,550)
Currency losses	(1,922)	(29,548)
Transaction charges	(5,496)	(7,188)
<b>Net capital gains/(losses)</b>	<b>27,874,314</b>	<b>(109,853,286)</b>

### 3. Revenue

	30.09.23	30.09.22
	£	£
UK dividends: Ordinary	14,105,194	17,099,171
Overseas dividends	565,821	2,542,021
Property income distributions	2,172,387	2,234,538
Bank interest	288,975	37,564
<b>Total revenue</b>	<b>17,132,377</b>	<b>21,913,294</b>

### 4. Expenses

	30.09.23	30.09.22
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	2,550,049	3,407,623
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	161,090	225,143
Safe custody and other bank charges	14,058	22,467
	175,148	247,610
Auditor's remuneration*:		
Audit fee	14,564	11,015
Other expenses:		
Legal fees	6,975	6,340
Listing fees	6,112	6,138
Printing costs	17,501	20,298
	30,588	32,776
<b>Total expenses</b>	<b>2,770,349</b>	<b>3,699,024</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

## Notes to the Financial Statements

continued

5. Taxation	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	84,873	327,441
<b>Total tax charge (note 5b)</b>	<b>84,873</b>	<b>327,441</b>

(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	14,362,028	18,214,270
Corporation tax at 20%	2,872,406	3,642,854
Effects of:		
UK dividends	(2,821,039)	(3,419,834)
Movement in surplus management expenses	61,797	285,384
Overseas tax expensed	84,873	327,441
Non-taxable overseas earnings	(113,164)	(508,404)
<b>Total tax charge (note 5a)</b>	<b>84,873</b>	<b>327,441</b>

## (c) Deferred tax

At the year end there is a potential deferred tax asset of £6,678,757 (2022: £6,616,960) in relation to surplus management expenses of £33,393,785 (2022: £33,084,800). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
First interim distribution	31.12.22	2,668,457	4,407,965
Second interim distribution	31.03.23	3,109,728	3,095,860
Third interim distribution	30.06.23	5,045,473	6,962,079
Final distribution	30.09.23	4,937,855	5,797,685
		15,761,513	20,263,589
Revenue deducted on cancellation of shares		963,649	917,521
Revenue received on issue of shares		(346,186)	(282,725)
<b>Distributions</b>		<b>16,378,976</b>	<b>20,898,385</b>

## Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	14,277,155	17,886,829
Expenses allocated to capital	2,550,049	3,407,623
Relief on expenses allocated to capital	(448,212)	(396,140)
Undistributed revenue brought forward	33	106
Undistributed revenue carried forward	(49)	(33)
<b>Distributions</b>	<b>16,378,976</b>	<b>20,898,385</b>



# Unicorn UK Income Fund

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	462,649	612,415
Sales awaiting settlement	663,176	3,529,397
Accrued income:		
Dividends receivable	2,126,710	1,458,520
UK income tax recoverable	920	–
Prepaid expenses:		
Legal fees	4,292	4,375
<b>Total debtors</b>	<b>3,257,747</b>	<b>5,604,707</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	1,515,473	1,021,450
Purchases awaiting settlement	–	279,902
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	184,297	218,486
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	25,059	31,689
Safe custody and other bank charges	12,841	7,186
	37,900	38,875
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	4,581	4,594
Printing costs	4,746	5,788
	9,327	10,382
<b>Total other creditors</b>	<b>1,760,279</b>	<b>1,580,110</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	10,310,507	16,898,697
<b>Cash and bank balances</b>	<b>10,310,507</b>	<b>16,898,697</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>A Accumulation Shares</b>			
Unicorn Asset Management Ltd	5,023	–	5,023
<b>B Income Shares</b>			
Colin Howell - Ex-chairman*	34,000	–	34,000
Jean Howell - Ex-Chairman's wife	9,600	–	9,600
<b>B Accumulation Shares</b>			
Unicorn Asset Management Ltd	4,819	–	4,819
<b>C Income Shares</b>			
Philip John - Finance and Operations Director	5,040	–	5,040
Susan John - Finance and Operations Director's Wife	9,880	–	9,880
<b>Overseas Income Shares</b>			
Unicorn Asset Management Ltd	14,814	711	14,103
<b>Overseas Accumulation Shares</b>			
Unicorn Asset Management Ltd	10,000	–	10,000

\*died 19 July 2023.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £25,511,805 (2022: £30,143,531).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2022: none).

# Unicorn UK Income Fund

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures (continued)

#### Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

**30.09.23**

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	10,310,507	258,236,511	268,547,018
United States dollar	–	139,287	139,287
	<b>10,310,507</b>	<b>258,375,798</b>	<b>268,686,305</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	4,495,536	4,495,536
	<b>4,495,536</b>	<b>4,495,536</b>

**30.09.22**

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	16,898,697	306,887,698	323,786,395
United States dollar	–	152,316	152,316
	<b>16,898,697</b>	<b>307,040,014</b>	<b>323,938,711</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	4,761,415	4,761,415
	<b>4,761,415</b>	<b>4,761,415</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non-interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest bearing assets at the balance sheet date consists of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

## Notes to the Financial Statements

continued

## 13. Portfolio Transaction Costs

## 30.09.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	47,721,049	48,840	0.10	184,843	0.39	47,487,366
<b>Total purchases after commissions and tax</b>	<b>47,721,049</b>					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	121,920,037	131,421	0.11	255	0.00	122,051,713
<b>Total sales after commissions and tax</b>	<b>121,920,037</b>					
Commission as a % of the average net assets	0.06%					
Taxes as a % of the average net assets	0.06%					

## 30.09.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	147,695,561	94,682	0.06	394,127	0.27	147,206,752
<b>Total purchases after commissions and tax</b>	<b>147,695,561</b>					
Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	215,551,091	250,538	0.12	361	0.00	215,801,990
Corporate actions	5,697,704	–	0.00	–	0.00	5,697,704
<b>Total sales after commissions and tax</b>	<b>221,248,795</b>					
Commission as a % of the average net assets	0.08%					
Taxes as a % of the average net assets	0.09%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 69 and 72. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

## 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.76% (2022: 0.56%).

# Unicorn UK Income Fund

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	255,118,051	–	301,435,307	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>255,118,051</b>	<b>–</b>	<b>301,435,307</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	8,533,681	1,431,836	68,669,501	45,869,665
Shares issued	194,989	22,707	7,250,670	3,304,102
Shares cancelled	(1,457,000)	(115,484)	(24,620,790)	(15,620,042)
Shares converted	(3,089,252)	(929,370)	2,847,789	823,401
<b>Closing number of shares</b>	<b>4,182,418</b>	<b>409,689</b>	<b>54,147,170</b>	<b>34,377,126</b>

  

	C Income	Overseas Income	Overseas Accumulation
Opening number of shares	5,847,975	3,238,872	520,678
Shares issued	21,343	195,560	46,628
Shares cancelled	(937,097)	(198,232)	(88,824)
Shares converted	(43,648)	(73,377)	–
<b>Closing number of shares</b>	<b>4,888,573</b>	<b>3,162,823</b>	<b>478,482</b>

## Distribution Tables

for the year ended 30 September 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	1.6322	–	1.6322	2.1224
		Group 2	0.7280	0.9042	1.6322	2.1224
	Second interim	Group 1	2.0023	–	2.0023	1.5409
		Group 2	1.1567	0.8456	2.0023	1.5409
	Third interim	Group 1	3.3724	–	3.3724	3.8078
		Group 2	1.1972	2.1752	3.3724	3.8078
	Final	Group 1	4.1199	–	4.1199	3.2996
		Group 2	2.0526	2.0673	4.1199	3.2996
B	First interim	Group 1	1.8191	–	1.8191	2.3592
		Group 2	1.1006	0.7185	1.8191	2.3592
	Second interim	Group 1	2.2234	–	2.2234	1.7162
		Group 2	1.5016	0.7218	2.2234	1.7162
	Third interim	Group 1	3.7915	–	3.7915	4.2491
		Group 2	–	3.7915	3.7915	4.2491
	Final	Group 1	4.1757	–	4.1757	3.6643
		Group 2	1.8783	2.2974	4.1757	3.6643
C	First interim	Group 1	2.7512	–	2.7512	2.9948
		Group 2 <sup>^</sup>	2.7512	–	2.7512	2.9948
	Second interim	Group 1	3.3678	–	3.3678	2.5874
		Group 2 <sup>^</sup>	3.3678	–	3.3678	2.5874
	Third interim	Group 1	5.7352	–	5.7352	6.3895
		Group 2	3.4439	2.2913	5.7352	6.3895
	Final	Group 1	5.1752	–	5.1752	5.8133
		Group 2	2.6782	2.4970	5.1752	5.8133
Overseas	First interim	Group 1	0.6777	–	0.6777	0.8808
		Group 2	0.1986	0.4791	0.6777	0.8808
	Second interim	Group 1	0.8297	–	0.8297	0.6400
		Group 2	0.5691	0.2606	0.8297	0.6400
	Third interim	Group 1	1.3998	–	1.3998	1.5802
		Group 2	0.7282	0.6716	1.3998	1.5802
	Final	Group 1	1.5470	–	1.5470	1.3434
		Group 2	0.6471	0.8999	1.5470	1.3434

# Unicorn UK Income Fund

## Distribution Tables

continued

### Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	2.4397	–	2.4397	3.0147
		Group 2	1.3124	1.1273	2.4397	3.0147
	Second interim	Group 1	3.0139	–	3.0139	2.2079
		Group 2	1.7578	1.2561	3.0139	2.2079
	Third interim	Group 1	5.1470	–	5.1470	5.4819
		Group 2	2.7728	2.3742	5.1470	5.4819
	Final	Group 1	7.4279	–	7.4279	4.8058
		Group 2	3.8254	3.6025	7.4279	4.8058
B	First interim	Group 1	2.7185	–	2.7185	3.3489
		Group 2	1.9134	0.8051	2.7185	3.3489
	Second interim	Group 1	3.3542	–	3.3542	2.4575
		Group 2	2.0507	1.3035	3.3542	2.4575
	Third interim	Group 1	5.7569	–	5.7569	6.1347
		Group 2	–	5.7569	5.7569	6.1347
	Final	Group 1	6.2883	–	6.2883	5.5323
		Group 2	3.0029	3.2854	6.2883	5.5323
Overseas	First interim	Group 1	0.9706	–	0.9706	1.2060
		Group 2	0.7287	0.2419	0.9706	1.2060
	Second interim	Group 1	1.1952	–	1.1952	0.8834
		Group 2	0.6754	0.5198	1.1952	0.8834
	Third interim	Group 1	2.0570	–	2.0570	2.1946
		Group 2	0.5796	1.4774	2.0570	2.1946
	Final	Group 1	2.1797	–	2.1797	1.9055
		Group 2	0.3894	1.7903	2.1797	1.9055

^No equalisation applicable for these Group 2 shares.

First interim period: 01.10.22 - 31.12.22

Second interim period: 01.01.23 - 31.03.23

Third interim period: 01.04.23 - 30.06.23

Final period: 01.07.23 - 30.09.23

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.

# Unicorn Outstanding British Companies Fund

## 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 year ended 30 September 2023

For the twelve-month period ended 30 September 2023, the Sub-fund's Institutional 'B' Shares registered a total return of +0.98%. In comparison, the IA UK All Companies sector recorded an average total return of +12.8% over the same period. (Source: Financial Express Bid to Bid, Total Returns).

The UK equity market experienced diverging performance during the financial year under review. The FTSE 100 Index registered a total return of +14.7%. The positive performance of the FTSE 100 Index was largely due to its significant weighting in the Banking and Oil & Gas sectors, which were the two largest contributors to the index's total return during the period under review. Investors also sought the perceived safe haven of larger, internationally diversified businesses, at the expense of smaller, higher growth companies. Constituents of the FTSE 250 Mid-Cap and FTSE AIM All-Share Indices remained largely out of favour and many experienced substantial share price declines during the financial year period. This was most evident in the performance of the FTSE AIM All-Share Index which recorded a total return of -8.3%, thereby significantly under-performing the FTSE 100 Index in relative total return terms.

The divergence between large-cap and small-cap equities largely reflects the challenging economic conditions experienced during the past year. UK inflation, as measured by the Consumer Price Index (CPI) was +10.1% at the start of the financial year period, and while it had moderated to +6.7% by September 2023, it remained high in comparison to historic average levels. During the twelve-month period under review, the Bank of England took steps to curb inflation by raising interest rates on seven successive occasions from 2.25% in September 2022 to 5.25% in September 2023. The period under review witnessed the UK's sharpest monetary 'tightening' cycle for several decades and, while this action has curbed inflation, it also raises the prospect of an economic recession caused by possible 'over-tightening' of monetary policy. Against this economic backdrop, it was unsurprising that the share prices of many UK listed growth companies suffered, since they typically have greater exposure to the domestic economy.

The financial year under review was also a challenging period for the Sub-fund, primarily due to its focus on smaller, high quality growth stocks. As discussed above, small and mid-cap companies underperformed large caps during the period under review. Equity valuations came under pressure as a result of the rise in interest rates and higher government bond yields. The intrinsic value of a share can be derived from the present value of its future cash flows. Therefore, companies which are expected to derive the majority of their profits in future years tend to experience significant share price underperformance during a period of rising interest rates.



# Unicorn Outstanding British Companies Fund

## Investment Manager's Report

continued

The Sub-fund's performance in comparison to its peers in the IA UK All Companies sector was also disappointing and was attributable to a combination of the Sub-fund's relative overweight exposure to small and mid-cap companies as well as some specific stock selection issues. The concentrated nature of the Sub-fund's portfolio meant that poor performance from a small number of investee companies weighed heavily on the overall performance of the Sub-fund in the period under review.

In comparison to the FTSE All-Share index, the largest relative detractor in performance attribution terms was the Sub-fund's exposure to the Software sector, which cost -2.3%. The majority of this underperformance was attributable to a holding in NCC Group. Unfortunately, NCC issued an unexpected and serious profit warning in March 2023. As a consequence of this disappointing trading update, the holding was fully exited from the portfolio. The Sub-fund's holding in Tracsis also weighed on relative performance within the Software sector, as its share price drifted lower during July and August 2023 in the absence of any meaningful newsflow. Tracsis is a profitable business with a strong balance sheet and exciting prospects for continued growth, both domestically and increasingly on an international basis.

The second largest detractor in relative performance attribution terms was the Sub-fund's exposure to the Industrial Transportation sector. The largest detractor in this sector was VP, which cost -1.8% in relative performance attribution terms. VP is a specialist provider of rental equipment for the construction industry, which suffered a sharp decline in its share price over the financial year as investors became increasingly concerned about the company's exposure to a cyclical downturn in the construction industry.

The third largest detractor in attribution terms was the Sub-fund's weighting in the Medical Equipment sector, the majority of which was attributable to a holding in Advanced Medical Solutions ('AMS'). AMS issued a disappointing trading update in September 2023, warning that its current year profits would be lower than expected due to destocking issues with one of its key wound care products in the North American market. The holding in AMS was fully exited from the portfolio as a result of this trading update.

On a more positive note, the Sub-fund's relative performance did benefit from its zero weighting in the Tobacco sector, which contributed +1.1% in attribution terms.

In absolute terms, the top two contributors to the sub-fund's performance were the holdings in Dechra Pharmaceuticals (+1.7%) and Sage (+1.5%). Dechra Pharmaceuticals received a takeover offer from a private equity consortium, led by EQT, which valued the company at a 44% premium to its market value prior to the commencement of the takeover offer period. The holding in Dechra Pharmaceutical was subsequently disposed in the market, thereby locking in the capital gain on investment. Sage's share price performed strongly during the period under review as the company reported strong levels of growth in recurring software revenue.

Portfolio activity was higher than normal during the financial year under review; both as a consequence of takeover activity and due to the disposal of investments which failed to meet expectations. In total, eleven holdings were fully exited from the portfolio. The full disposals included; Aveva, Curtis Banks, Dechra Pharmaceuticals and Euromoney Institutional Investor, all of which received takeover offers. Separately, holdings in; Advanced Medical Solutions, Anpario, Integrafina, Fisher (James) & Sons, NCC, RWS and Spirent Communications were fully exited following disappointing negative contributions to performance.

Seven new holdings were added to the portfolio during the financial year including; AG Barr, AJ Bell, Cranswick, Experian, Kainos, Reckitt Benckiser and Young & Co's Brewery. The Investment Manager believes that these new investments have significant potential to contribute positively to the Sub-fund's performance over the medium term. The Sub-fund therefore ended the period under review with a portfolio consisting of twenty-nine holdings.

Despite the Sub-fund's disappointing relative and absolute performance over the financial year period, the Investment Manager remains committed to investing in high quality companies, which generate reasonably predictable growth in revenues, profits and cash flows and can deliver superior total returns over the Fund's long-term investment horizon. Historically, this approach has been particularly compelling during periods of economic turbulence, when low quality companies, which typically operate with weak balance sheets and compete in highly competitive industries, often experience a rapid deterioration in their financial performance and suffer a disproportionately large decline in their market valuations.

The investment 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 Investment Manager continues to focus on identifying businesses that are clear market leaders in niche and growing sectors, which have strong barriers to entry and can generate sustainably high returns on their invested capital. We believe that a Sub-fund composed of investments in such businesses should provide defensive characteristics during periods of stock market turbulence, while also offering the potential for strong capital growth over the long-term.

# Unicorn Outstanding British Companies Fund

## Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
	<b>TECHNOLOGY 10.28% (16.06%)</b>		
	<b>Software and Computer Services 8.42% (14.27%)</b>		
100,000	Kainos	1,149,000	2.25
170,000	Sage	1,681,300	3.28
185,000	Tracsis*	1,480,000	2.89
		<hr/>	
		4,310,300	8.42
	<b>Technology Hardware and Equipment 1.86% (1.79%)</b>		
200,000	Gooch & Housego*	950,000	1.86
	<b>TELECOMMUNICATIONS 0.00% (3.35%)</b>		
	<b>Telecommunications Equipment 0.00% (3.35%)</b>		
	<b>HEALTH CARE 13.20% (15.91%)</b>		
	<b>Health Care Providers 2.58% (1.49%)</b>		
300,000	Tristel*	1,320,000	2.58
	<b>Medical Equipment and Services 4.00% (7.12%)</b>		
200,000	Smith & Nephew	2,045,000	4.00
	<b>Pharmaceuticals and Biotechnology 6.62% (7.30%)</b>		
115,000	Abcam ADR	2,132,282	4.17
60,000	Genus	1,256,400	2.45
		<hr/>	
		3,388,682	6.62
	<b>FINANCIALS 16.36% (14.30%)</b>		
	<b>Banks 3.71% (2.86%)</b>		
200,000	Arbuthnot Banking*	1,900,000	3.71
	<b>Finance and Credit Services 3.22% (3.66%)</b>		
20,000	London Stock Exchange	1,646,400	3.22
	<b>Investment Banking and Brokerage Services 9.43% (7.78%)</b>		
475,000	AJ Bell	1,303,400	2.55
600,000	Nucleus (formerly Curtis Banks)^	2,100,000	4.10
250,000	Mattioli Woods*	1,425,000	2.78
		<hr/>	
		4,828,400	9.43
	<b>REAL ESTATE 3.27% (3.08%)</b>		
	<b>Real Estate Investment Trusts 3.27% (3.08%)</b>		
1,800,000	Primary Health Properties	1,674,000	3.27
	<b>CONSUMER DISCRETIONARY 2.61% (0.00%)</b>		
	<b>Travel and Leisure 2.61% (0.00%)</b>		
125,000	Young & Co's Brewery*	1,337,500	2.61
	<b>CONSUMER STAPLES 21.72% (11.65%)</b>		
	<b>Beverages 6.97% (4.26%)</b>		
325,000	AG Barr	1,595,750	3.12
65,000	Diageo	1,972,100	3.85
		<hr/>	
		3,567,850	6.97

# Unicorn Outstanding British Companies Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Food Producers 6.82% (3.58%)</b>		
50,000	Cranswick	1,776,000	3.47
250,000	Tate & Lyle	1,713,750	3.35
		<b>3,489,750</b>	<b>6.82</b>
	<b>Personal Care, Drug and Grocery Stores 7.93% (3.81%)</b>		
35,000	Reckitt Benckiser	2,027,200	3.96
50,000	Unilever	2,030,750	3.97
		<b>4,057,950</b>	<b>7.93</b>
	<b>INDUSTRIALS 22.11% (27.58%)</b>		
	<b>Construction and Materials 3.03% (2.40%)</b>		
760,000	James Halstead*	1,550,400	3.03
	<b>Electronic and Electrical Equipment 6.41% (6.17%)</b>		
40,000	Renishaw	1,408,800	2.75
600,000	Rotork	1,874,400	3.66
		<b>3,283,200</b>	<b>6.41</b>
	<b>Industrial Engineering 3.16% (3.66%)</b>		
17,000	Spirax-Sarco Engineering	1,619,420	3.16
	<b>Industrial Support Services 6.74% (10.07%)</b>		
60,000	Experian	1,614,600	3.15
375,000	Keystone Law*	1,837,500	3.59
		<b>3,452,100</b>	<b>6.74</b>
	<b>Industrial Transportation 2.77% (5.28%)</b>		
275,000	VP	1,416,250	2.77
	<b>BASIC MATERIALS 2.20% (3.34%)</b>		
	<b>Chemicals 2.20% (3.34%)</b>		
80,000	Victrex	1,124,000	2.20
	<b>Investment assets</b>	<b>46,961,202</b>	<b>91.75</b>
	<b>Net other assets</b>	<b>4,223,058</b>	<b>8.25</b>
	<b>Net assets</b>	<b>51,184,260</b>	<b>100.00</b>

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 30.09.22.

\*Quoted on AIM.

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

# Unicorn Outstanding British Companies Fund

## Comparative Tables

### Change in net assets per share

<b>A Accumulation</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	260.96	323.21	274.58
Return before operating charges <sup>^</sup>	4.79	-57.60	53.47
Operating charges	-4.30	-4.65	-4.84
Return after operating charges <sup>^</sup>	0.49	-62.25	48.63
Distributions	-2.79	-1.76	-1.33
Retained distributions on accumulation shares	2.79	1.76	1.33
<b>Closing net asset value per share</b>	<b>261.45</b>	<b>260.96</b>	<b>323.21</b>
<sup>^</sup> After direct transaction costs of	-0.38	-0.44	-0.40
<b>Performance</b>			
Return after charges	0.19%	-19.26%	17.71%
<b>Other information</b>			
Closing net asset value	£1,433,335	£5,282,562	£8,288,338
Closing number of shares	548,223	2,024,306	2,564,350
Operating charges	1.59%	1.59%	1.57%
Ongoing operating charges*	1.60%	1.59%	1.57%
Direct transaction costs	0.14%	0.15%	0.13%
<b>Prices</b>			
Highest share price	283.27	327.00	341.66
Lowest share price	254.67	258.94	269.80

<b>B Accumulation</b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	286.65	352.34	297.22
Return before operating charges <sup>^</sup>	5.32	-63.00	57.87
Operating charges	-2.51	-2.69	-2.75
Return after operating charges <sup>^</sup>	2.81	-65.69	55.12
Distributions	-5.41	-4.34	-3.93
Retained distributions on accumulation shares	5.41	4.34	3.93
<b>Closing net asset value per share</b>	<b>289.46</b>	<b>286.65</b>	<b>352.34</b>
<sup>^</sup> After direct transaction costs of	-0.42	-0.48	-0.44
<b>Performance</b>			
Return after charges	0.98%	-18.64%	18.55%
<b>Other information</b>			
Closing net asset value	£49,727,607	£57,233,629	£104,322,594
Closing number of shares	17,179,410	19,966,429	29,608,538
Operating charges	0.84%	0.84%	0.82%
Ongoing operating charges*	0.85%	0.84%	0.82%
Direct transaction costs	0.14%	0.15%	0.13%
<b>Prices</b>			
Highest share price	311.86	356.58	372.10
Lowest share price	279.80	284.44	292.23

# Unicorn Outstanding British Companies Fund

## Comparative Tables

continued

### Change in net assets per share

Overseas Accumulation	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	111.68	138.32	117.51
Return before operating charges <sup>^</sup>	2.08	-24.65	22.88
Operating charges	-1.84	-1.99	-2.07
Return after operating charges <sup>^</sup>	0.24	-26.64	20.81
Distributions	-1.23	-0.76	-0.56
Retained distributions on accumulation shares	1.23	0.76	0.56
<b>Closing net asset value per share</b>	<b>111.92</b>	<b>111.68</b>	<b>138.32</b>
<sup>^</sup> After direct transaction costs of	-0.16	-0.19	-0.17
<b>Performance</b>			
Return after charges	0.21%	-19.26%	17.71%
<b>Other information</b>			
Closing net asset value	£23,318	£24,649	£30,528
Closing number of shares	20,834	22,071	22,071
Operating charges	1.59%	1.59%	1.57%
Ongoing operating charges*	1.60%	1.59%	1.57%
Direct transaction costs	0.14%	0.15%	0.13%
<b>Prices</b>			
Highest share price	121.23	139.94	146.21
Lowest share price	108.98	110.81	115.46

\*The Net Asset Value of the Sub-fund has decreased 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 Ongoing Operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

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

The return after charges is calculated as the closing Net Asset Value per share 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 is described in notes to the Financial Statements 1h) and 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 year.

# Unicorn Outstanding British Companies Fund

## 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 Outstanding British Companies Fund

## Statement of Total Return

for the year ended 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
Income					
Net capital losses	2		(66,462)		(16,935,528)
Revenue	3	1,573,905		1,706,626	
Expenses	4	(533,993)		(712,296)	
Net revenue before taxation		1,039,912		994,330	
Taxation	5	-		-	
Net revenue after taxation			1,039,912		994,330
<b>Total return before distributions</b>			<b>973,450</b>		<b>(15,941,198)</b>
Distributions	6		(1,039,917)		(994,338)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(66,467)</b>		<b>(16,935,536)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	£	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>62,540,840</b>		<b>112,641,460</b>
Amounts receivable on issue of shares	2,035,492		5,467,991	
Less: Amounts payable on cancellation of shares	(14,270,729)		(39,534,645)	
		(12,235,237)		(34,066,654)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(66,467)		(16,935,536)
Retained distributions on accumulation shares		945,124		901,570
<b>Closing net assets attributable to Shareholders</b>		<b>51,184,260</b>		<b>62,540,840</b>

The notes on pages 94 to 100 form an integral part of these Financial Statements.

# Unicorn Outstanding British Companies Fund

## Balance Sheet

as at 30 September 2023

	Note	£	30.09.23	£	30.09.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			46,961,202		59,579,947	
<b>Current Assets</b>						
Debtors	7	161,272		167,073		
Cash and bank balances	9	4,630,641		2,952,468		
<b>Total current assets</b>			<b>4,791,913</b>		<b>3,119,541</b>	
<b>Total assets</b>			<b>51,753,115</b>		<b>62,699,488</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Other creditors	8	(568,855)		(158,648)		
<b>Total creditors</b>			<b>(568,855)</b>		<b>(158,648)</b>	
<b>Total liabilities</b>			<b>(568,855)</b>		<b>(158,648)</b>	
<b>Net assets attributable to Shareholders</b>			<b>51,184,260</b>		<b>62,540,840</b>	

The notes on pages 94 to 100 form an integral part of these Financial Statements.



# Unicorn Outstanding British Companies Fund

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

### 2. Net Capital Losses

	30.09.23	30.09.22
	£	£
Non-derivative securities	(65,664)	(16,929,550)
Currency gains/(losses)	1,257	(460)
Transaction charges	(2,055)	(5,518)
<b>Net capital losses</b>	<b>(66,462)</b>	<b>(16,935,528)</b>

### 3. Revenue

	30.09.23	30.09.22
	£	£
UK dividends: Ordinary	1,415,729	1,651,155
Property income distributions	74,570	50,025
Bank interest	83,606	5,446
<b>Total revenue</b>	<b>1,573,905</b>	<b>1,706,626</b>

### 4. Expenses

	30.09.23	30.09.22
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	475,008	644,724
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	34,064	44,666
Safe custody and other bank charges	2,811	3,981
	36,875	48,647
Auditor's remuneration*:		
Audit fee	14,565	11,015
Other expenses:		
Legal fees	2,014	1,953
Listing fees	3,064	3,052
Printing costs	2,467	2,905
	7,545	7,910
<b>Total expenses</b>	<b>533,993</b>	<b>712,296</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

## Notes to the Financial Statements

continued

### 5. Taxation

	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year	-	-
<b>Total tax charge (note 5b)</b>	<b>-</b>	<b>-</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	1,039,912	994,330
Corporation tax at 20%	207,982	198,866
Effects of:		
UK dividends	(283,146)	(330,231)
Movement in surplus management expenses	75,164	131,365
<b>Total tax charge (note 5a)</b>	<b>-</b>	<b>-</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,237,011 (2022: £1,161,847) in relation to surplus management expenses of £6,185,055 (2022: £5,809,237). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
Final distribution	30.09.23	945,124	901,570
Revenue deducted on cancellation of shares		124,637	115,932
Revenue received on issue of shares		(29,844)	(23,164)
<b>Distributions</b>		<b>1,039,917</b>	<b>994,338</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	1,039,912	994,330
Undistributed revenue brought forward	16	24
Undistributed revenue carried forward	(11)	(16)
<b>Distributions</b>	<b>1,039,917</b>	<b>994,338</b>

# Unicorn Outstanding British Companies Fund

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	4,921	38,354
Accrued income:		
Dividends receivable	155,202	127,612
Prepaid expenses:		
Legal fees	1,149	1,107
<b>Total debtors</b>	<b>161,272</b>	<b>167,073</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	70,783	92,723
Purchases awaiting settlement	440,492	–
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	33,134	43,714
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	5,264	6,428
Safe custody and other bank charges	2,460	1,208
	7,724	7,636
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	2,290	2,289
Printing costs	1,150	1,271
	3,440	3,560
<b>Total other creditors</b>	<b>568,855</b>	<b>158,648</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	4,630,641	2,952,468
<b>Cash and bank balances</b>	<b>4,630,641</b>	<b>2,952,468</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>B Accumulation Shares</b>			
Jean Howell - Ex-Chairman's wife	9,800	–	9,800
Philip John - Finance and Operations Director	8,886	–	8,886
Chris Hutchinson - Director	13,323	4,033	9,290
<b>Overseas Accumulation Shares</b>			
Unicorn Asset Management Ltd	10,000	–	10,000

No rebate has been accrued for in this cross investment.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £4,696,120 (2022: £5,957,995).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2022: none).

# Unicorn Outstanding British Companies Fund

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures (continued)

#### Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

**30.09.23**

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	4,630,641	44,990,192	49,620,833
United States dollar	–	2,132,282	2,132,282
	<b>4,630,641</b>	<b>47,122,474</b>	<b>51,753,115</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	568,855	568,855
	<b>568,855</b>	<b>568,855</b>

**30.09.22**

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	2,952,468	59,714,482	62,666,950
United States dollar	–	32,538	32,538
	<b>2,952,468</b>	<b>59,747,020</b>	<b>62,699,488</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	158,648	158,648
	<b>158,648</b>	<b>158,648</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non-interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest bearing assets at the balance sheet date consists of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.09.23

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	15,081,227	11,933	0.08	54,885	0.36	15,014,409
<b>Total purchases after commissions and tax</b>	<b>15,081,227</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	21,563,058	19,003	0.09	111	0.00	21,582,172
Corporate actions	6,071,837	–	0.00	–	0.00	6,071,837
<b>Total sales after commissions and tax</b>	<b>27,634,895</b>					
Commission as a % of the average net assets	0.05%					
Taxes as a % of the average net assets	0.09%					

30.09.22

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	13,937,601	9,342	0.07	66,764	0.48	13,861,495
<b>Total purchases after commissions and tax</b>	<b>13,937,601</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	41,884,385	43,653	0.10	258	0.00	41,928,296
Corporate actions	454,756	–	0.00	–	0.00	454,756
<b>Total sales after commissions and tax</b>	<b>42,339,141</b>					
Commission as a % of the average net assets	0.07%					
Taxes as a % of the average net assets	0.08%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 89 and 90. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.91% (2022: 1.29%).

# Unicorn Outstanding British Companies Fund

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	44,861,202	–	59,579,947	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	2,100,000	–	–	–
	<b>46,961,202</b>	<b>–</b>	<b>59,579,947</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

A reconciliation of fair value measurements in Level 3 is set out in the following table.

	30.09.23	30.09.22
Opening Balance	–	–
Purchases	–	–
Sales	–	–
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	–
- on assets held at year end, stock delisted in the year	2,100,000	–
	<b>2,100,000</b>	<b>–</b>

### 17. Shares in Issue

	A Accumulation	B Accumulation	Overseas Accumulation
Opening number of shares	2,024,306	19,966,429	22,071
Shares issued	26,188	668,436	–
Shares cancelled	(295,496)	(4,548,955)	(1,237)
Shares converted	(1,206,775)	1,093,500	–
<b>Closing number of shares</b>	<b>548,223</b>	<b>17,179,410</b>	<b>20,834</b>

# Unicorn Outstanding British Companies Fund

## Distribution Table

for the year ended 30 September 2023

### Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	Final	Group 1	2.7923	–	2.7923	1.7556
		Group 2	0.5483	2.2440	2.7923	1.7556
B	Final	Group 1	5.4109	–	5.4109	4.3366
		Group 2	–	5.4109	5.4109	4.3366
Overseas	Final	Group 1	1.2250	–	1.2250	0.7567
		Group 2 <sup>^</sup>	1.2250	–	1.2250	0.7567

<sup>^</sup>No equalisation applicable for these Group 2 shares.

Final period: 01.10.22 - 30.09.23

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.



# Unicorn UK Ethical Income Fund

## 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 year ended 30 September 2023

The Unicorn UK Ethical Income Fund B accumulation shares recorded a total return of +12.05% during the year ended 30 September 2023, slightly lagging the 13.6% return delivered by the UK Equity Income peer group. (Source: Financial Express Bid to Bid, Total Returns).

The financial year under review was another challenging period for investors to navigate, with interest rates rising sharply as Central Banks attempted to tame inflation. The Government's approach to monetary policy does finally appear to be working, with inflation ending the period significantly lower than its peak levels reached in late 2022, but still a long way off the 2% target level. The challenge investors now face is in trying to predict how long inflationary pressures will persist. The performance of long-term bonds, which reached yields of almost 5% towards the end of the period under review, suggests that financial markets are expecting interest rates to remain higher for longer.

Given the very uncertain macroeconomic backdrop, it is no surprise that market conditions were again more favourable for investors in larger quoted companies and much less supportive for investors in smaller companies. Given the requirement of the Sub-fund to hold at least 80% of its assets in UK Small and Mid-Caps, the performance during the year in exceeding the returns of the broader peer group was relatively pleasing. The Sub-fund also outperformed the Mid-Cap Index and Numis Smaller Companies Index ('NSCI') during the period.

The dividend yield of the Sub-fund continues to exceed that of its benchmark index, the FTSE All-Share Index. Dividend payments in the portfolio have recovered strongly since the end of the Covid pandemic. The level of dividend receipts in the twelve-month period under review were at approximately the same level as the prior year and in also line with the pre-pandemic peak recorded in 2019. In contrast, the UK equity market, as a whole, currently offers a significantly lower dividend yield that still remains well below pre-pandemic levels. This is a powerful endorsement of the financial strength of our investee companies and a clear indicator of value within the portfolio.

The operational and financial performance of the investee companies during the period was again pleasing and provided strong support for the dividend. The current backdrop of rising interest rates and heightened inflation is a challenging environment to operate in, and our investee companies have performed commendably during the period. The near record level of dividend paid during the period also speaks to the sound financial strength of these companies.

Portfolio turnover during the period was slightly higher than normal, with Mergers & Acquisitions ('M&A') activity again remaining a feature of performance. Two of the Sub-fund's larger holdings were acquired during the period by overseas buyers, as the double discount of low valuations and weaker sterling ensured that UK equities remained particularly attractive to foreign buyers. The current interest rate hiking cycle has led to a particularly severe derating of growth companies, which has created a number of opportunities to add high quality businesses at unusually attractive relative dividend yields.

During the period six new positions were initiated and six were exited in full, the Sub-fund ended the period with 37 holdings. Two of the exits were a result of M&A activity. Devro, a manufacturer of sausage skins, was acquired by the German group Saria for £540m during the period. The shares generated a total return of 83% during the period prior to disposal, making it the top contributor to Sub-fund performance. The Sub-fund's long-standing position in Numis was also subject to a successful £410m bid approach from Deutsche Bank during the period, delivering a total return of 52% prior to disposal. Other notable disposals during the period were; Alumasc, Epwin and Gateley. Hill & Smith was also exited following a sharp recovery in its share price, delivering a total return of 95% since the holding was re-introduced to the portfolio in the prior year.

## Investment Manager's Report

continued

Six new high-quality additions were made to the Sub-fund as we looked to take advantage of volatile market conditions. Alfa Financial Software, a provider of software to the asset finance market, was added to the portfolio on share price weakness, following the termination of takeover talks with a potential private equity acquirer. Hilton Food, a global food services business, was also opportunistically added on share price weakness, following short term challenges in its seafood business. Cranswick, a UK food producer, which has delivered 33 years of unbroken dividend growth and Clarkson, which has delivered 20 years of consecutive dividend growth, were also introduced to the portfolio. Howden Joinery and Morgan Advanced Materials complete the list of new holdings.

It was pleasing to see a number of shares deliver positive returns following the challenging prior period. Of the 44 companies held during the period, 29 delivered positive contributions to performance. The largest individual contribution came from Devro, which added 2.2% to overall Sub-fund performance following its bid approach. 3i, a private equity firm, also continued to perform strongly, generating a total return of +96% and adding 2.0% to performance. Promotional products group, 4imprint also performed well during the period, as the company continued to take market share in its core US market. 4imprint's shares delivered a total return +60% during the year, adding 1.4% to Sub-fund performance. Numis contributed 1.0% to returns following a successful bid approach from Deutsche Bank. Other notable contributors included; Vesuvius, Sabre Insurance and Conduit, which generated total returns of +48%, +58% and +41% respectively.

The largest negative contributor to performance was Stelrad, a manufacturer of steel panel radiators, which generated a negative total return of -36% and reduced overall Sub-fund performance by 0.7%. Stelrad has experienced challenging market conditions over the period, with volumes under pressure given the wider economic woes, which continue to create uncertainty within the Group's end markets. Stelrad continues to pay a healthy dividend and maintains a strong market position in its key European markets. Other notable negative contributors to performance were Somero Enterprises and Regional REIT, each costing the Sub-fund -0.7% in overall performance terms.

The global economic outlook remains clouded in uncertainty. Interest rates and inflation appear to have peaked, and this may just provide a more supportive backdrop for equities. UK listed companies continue to offer compelling value compared to both their global peers and to long-term, historic, average valuations. The portfolio's dividend yield remains firmly at the upper end of its historic range, supported by a high-quality collection of well-capitalised, cash generative companies. The near-term catalysts for a possible realisation of this value opportunity are difficult to predict, but with the rate of inflation and interest rate rises beginning to normalise and an increasing realisation that reform of markets is required in order to increase the attractiveness of UK equities, there are growing reasons for optimism. In the meantime, overseas buyers continue to acquire undervalued UK assets, providing valuation support, albeit on a selective basis. The operational performance of our investee companies remains pleasing and the long-term opportunity for further income generation and strong capital growth remains significant.

With regard to recent developments in our approach to Environmental, Social & Governance ('ESG'), these include an update to our UK Ethical Income Fund Responsible Investment Policy. An additional level of prudence continues to be applied to companies that derive strategic revenue from meaningful involvement with excluded business practices. This additional level of prudence is achieved through Unicorn's detailed understanding of our investee companies underlying business exposures, combined with an additional level of dedicated internal resourcing when analysing a potential new investment, and meaningful access to senior management teams. Effective assessment of sustainability considerations remains a priority, and helps to highlight potential unrealised financial risks while also helping to ensure the sustainability of shareholder returns.

Our annual Sustainability and Stewardship Report provides further information and granularity on how ESG review and analysis is being further integrated into Unicorn's investment processes. Key areas of focus include; evaluation and assessment within the investment process, responsibility & oversight, accountability mechanisms, risk management, engagement and proxy voting approaches, client needs and stewardship.

Both documents can be found on Unicorn's company website.

# Unicorn UK Ethical Income Fund

## Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
	<b>TECHNOLOGY 1.41% (0.00%)</b>		
	<b>Software and Computer Services 1.41% (0.00%)</b>		
350,000	Alfa Financial Software	642,250	1.41
	<b>TELECOMMUNICATIONS 5.24% (6.12%)</b>		
	<b>Telecommunications Service Providers 5.24% (6.12%)</b>		
160,000	Telecom Plus	2,384,000	5.24
	<b>FINANCIALS 17.24% (16.35%)</b>		
	<b>Banks 2.57% (2.16%)</b>		
185,900	Secure Trust Bank	1,171,170	2.57
	<b>Investment Banking and Brokerage Services 13.29% (12.13%)</b>		
65,000	3i	1,347,450	2.96
400,000	AJ Bell	1,097,600	2.41
59,689	Liontrust Asset Management	186,294	0.40
635,853	Peel Hunt*	515,041	1.13
450,000	Polar Capital*	2,092,500	4.60
200,000	Schroders	814,400	1.79
		6,053,285	13.29
	<b>Closed End Investments 1.38% (2.06%)</b>		
450,000	Greencoat UK Wind	630,000	1.38
	<b>INSURANCE 12.75% (10.78%)</b>		
	<b>Life Insurance 5.98% (5.96%)</b>		
565,000	Phoenix	2,723,865	5.98
	<b>Non-life Insurance 6.77% (4.82%)</b>		
455,660	Conduit	2,098,314	4.61
650,000	Sabre Insurance	984,100	2.16
		3,082,414	6.77
	<b>REAL ESTATE 11.53% (12.24%)</b>		
	<b>Real Estate Investment Trusts 11.53% (12.24%)</b>		
1,600,000	LondonMetric Property	2,752,000	6.05
2,300,000	Primary Health Properties	2,139,000	4.70
1,250,000	Regional REIT	356,250	0.78
		5,247,250	11.53
	<b>CONSUMER DISCRETIONARY 3.90% (2.08%)</b>		
	<b>Media 2.77% (2.08%)</b>		
24,000	4imprint	1,260,000	2.77
	<b>Retailers 1.13% (0.00%)</b>		
70,000	Howden Joinery	515,480	1.13
	<b>CONSUMER STAPLES 2.82% (2.41%)</b>		
	<b>Food Producers 2.82% (2.41%)</b>		
20,000	Cranswick	710,400	1.56
80,000	Hilton Food	573,600	1.26
		1,284,000	2.82

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
<b>INDUSTRIALS 40.43% (40.43%)</b>			
<b>Construction and Materials 14.91% (14.66%)</b>			
200,000	Breedon	657,000	1.44
1,150,000	James Halstead*	2,346,000	5.15
340,000	Marshalls	858,840	1.89
3,717,000	Severfield	2,289,672	5.03
689,658	Stelrad	637,934	1.40
		<b>6,789,446</b>	<b>14.91</b>
<b>Electronic and Electrical Equipment 4.20% (6.15%)</b>			
375,000	Morgan Advanced Materials	918,750	2.02
150,000	Rotork	468,600	1.03
15,500	Spectris	526,070	1.15
		<b>1,913,420</b>	<b>4.20</b>
<b>Industrial Engineering 9.78% (7.63%)</b>			
425,000	Castings	1,411,000	3.10
410,310	Somero Enterprises*	1,087,322	2.39
450,000	Vesuvius	1,953,900	4.29
		<b>4,452,222</b>	<b>9.78</b>
<b>Industrial Support Services 6.59% (8.58%)</b>			
227,868	Alpha Financial Markets Consulting*	786,145	1.73
290,000	FDM	1,505,100	3.30
295,556	RWS*	708,152	1.56
		<b>2,999,397</b>	<b>6.59</b>
<b>Industrial Transportation 4.95% (3.41%)</b>			
17,551	Clarkson	480,020	1.05
119,852	Ocean Wilsons	1,157,770	2.54
225,000	Wincanton	616,500	1.36
		<b>2,254,290</b>	<b>4.95</b>
<b>BASIC RESOURCES 0.00% (0.53%)</b>			
<b>Industrial Metals and Mining 0.00% (0.53%)</b>			
<b>Investment assets</b>		<b>43,402,489</b>	<b>95.32</b>
<b>Net other assets</b>		<b>2,130,462</b>	<b>4.68</b>
<b>Net assets</b>		<b>45,532,951</b>	<b>100.00</b>

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 30.09.22.

\*Quoted on AIM.

# Unicorn UK Ethical Income Fund

## Comparative Tables

### Change in net assets per share

A Income <sup>†</sup>	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	78.56	104.70	83.34
Return before operating charges <sup>^</sup>	10.39	-20.01	26.92
Operating charges	-1.38	-1.51	-1.55
Return after operating charges <sup>^</sup>	9.01	-21.52	25.37
Distributions	-4.81	-4.62	-4.01
<b>Closing net asset value per share</b>	<b>82.76</b>	<b>78.56</b>	<b>104.70</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.23	-0.18
<b>Performance</b>			
Return after charges	11.47%	-20.55%	30.44%
<b>Other information</b>			
Closing net asset value	£40,541	£39,170	£50,690
Closing number of shares	48,987	49,862	48,415
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.08%	0.24%	0.18%
<b>Prices</b>			
Highest share price	94.16	106.43	108.72
Lowest share price	77.19	79.73	82.46

A Accumulation <sup>†</sup>	30.09.23 p	30.09.22 p	30.09.21 p
<b>Opening net asset value per share</b>	102.09	129.40	99.05
Return before operating charges <sup>^</sup>	13.41	-25.42	32.22
Operating charges	-1.81	-1.89	-1.87
Return after operating charges <sup>^</sup>	11.60	-27.31	30.35
Distributions	-6.38	-5.80	-4.83
Retained distributions on accumulation shares	6.38	5.80	4.83
<b>Closing net asset value per share</b>	<b>113.69</b>	<b>102.09</b>	<b>129.40</b>
<sup>^</sup> After direct transaction costs of	-0.09	-0.29	-0.22
<b>Performance</b>			
Return after charges	11.36%	-21.11%	30.64%
<b>Other information</b>			
Closing net asset value	£64,772	£67,878	£102,765
Closing number of shares	56,971	66,490	79,418
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.08%	0.24%	0.18%
<b>Prices</b>			
Highest share price	123.22	132.62	132.54
Lowest share price	100.26	101.86	98.02

<sup>†</sup>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>B Income<sup>†</sup></b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	80.05	105.87	83.64
Return before operating charges <sup>^</sup>	10.59	-20.31	27.08
Operating charges	-0.73	-0.79	-0.81
Return after operating charges <sup>^</sup>	9.86	-21.10	26.27
Distributions	-4.80	-4.72	-4.04
<b>Closing net asset value per share</b>	<b>85.11</b>	<b>80.05</b>	<b>105.87</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.24	-0.18
<b>Performance</b>			
Return after charges	12.32%	-19.93%	31.41%
<b>Other information</b>			
Closing net asset value	£18,257,215	£21,361,345	£31,651,289
Closing number of shares	21,450,279	26,683,945	29,895,867
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.08%	0.24%	0.18%
<b>Prices</b>			
Highest share price	96.21	107.83	109.92
<b>Lowest</b> share price	78.68	81.42	82.81

<b>B Accumulation<sup>†</sup></b>	<b>30.09.23</b> <b>p</b>	<b>30.09.22</b> <b>p</b>	<b>30.09.21</b> <b>p</b>
<b>Opening net asset value per share</b>	106.67	134.19	101.96
Return before operating charges <sup>^</sup>	13.84	-26.50	33.23
Operating charges	-0.99	-1.02	-1.00
Return after operating charges <sup>^</sup>	12.85	-27.52	32.23
Distributions	-6.47	-6.04	-4.99
Retained distributions on accumulation shares	6.47	6.04	4.99
<b>Closing net asset value per share</b>	<b>119.52</b>	<b>106.67</b>	<b>134.19</b>
<sup>^</sup> After direct transaction costs of	-0.10	-0.30	-0.22
<b>Performance</b>			
Return after charges	12.05%	-20.51%	31.61%
<b>Other information</b>			
Closing net asset value	£27,170,423	£40,430,639	£51,570,971
Closing number of shares	22,732,412	37,901,930	38,430,428
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.08%	0.24%	0.18%
<b>Prices</b>			
Highest share price	129.19	137.81	137.43
<b>Lowest</b> share price	104.79	106.45	100.95

<sup>†</sup>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 against the average Net Asset Value for the accounting year.

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 is described in notes to the Financial Statements 1h) and 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 year.

# Unicorn UK Ethical Income Fund

## 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 price may fluctuate more than that of larger companies.
- For further risk information please see the Prospectus.

### Risk warning

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

## Statement of Total Return

for the year ended 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
Income					
Net capital gains/(losses)	2		5,374,997		(19,989,483)
Revenue	3	3,146,012		3,997,050	
Expenses	4	(478,865)		(654,302)	
Net revenue before taxation		2,667,147		3,342,748	
Taxation	5	(17,651)		(63,969)	
Net revenue after taxation			2,649,496		3,278,779
<b>Total return before distributions</b>			<b>8,024,493</b>		<b>(16,710,704)</b>
Distributions	6		(3,013,489)		(3,832,577)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>5,011,004</b>		<b>(20,543,281)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	£	30.09.23 £	£	30.09.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>61,899,032</b>		<b>83,375,715</b>
Amounts receivable on issue of shares	22,223,544		37,628,510	
Dilution Levy	63,655		24,155	
Less: Amounts payable on cancellation of shares	(45,278,429)		(40,933,070)	
		(22,991,230)		(3,280,405)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		5,011,004		(20,543,281)
Retained distributions on accumulation shares		1,614,145		2,347,003
<b>Closing net assets attributable to Shareholders</b>		<b>45,532,951</b>		<b>61,899,032</b>

The notes on pages 111 to 117 form an integral part of these Financial Statements.



# Unicorn UK Ethical Income Fund

## Balance Sheet

as at 30 September 2023

	Note	£	30.09.23 £	£	30.09.22 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			43,402,489		56,289,254
<b>Current Assets</b>					
Debtors	7	641,529		2,453,179	
Cash and bank balances	9	2,068,691		5,056,423	
<b>Total current assets</b>			<b>2,710,220</b>		<b>7,509,602</b>
<b>Total assets</b>			<b>46,112,709</b>		<b>63,798,856</b>
<b>LIABILITIES</b>					
<b>Creditors</b>					
Distribution payable		(368,619)		(417,958)	
Other creditors	8	(211,139)		(1,481,866)	
<b>Total creditors</b>			<b>(579,758)</b>		<b>(1,899,824)</b>
<b>Total liabilities</b>			<b>(579,758)</b>		<b>(1,899,824)</b>
<b>Net assets attributable to Shareholders</b>			<b>45,532,951</b>		<b>61,899,032</b>

The notes on pages 111 to 117 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 30 September 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 to 9.

<b>2. Net Capital Gains/(Losses)</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	5,381,255	(19,976,583)
Currency losses	(728)	(4,748)
Transaction charges	(5,530)	(8,152)
<b>Net capital gains/(losses)</b>	<b>5,374,997</b>	<b>(19,989,483)</b>

<b>3. Revenue</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
UK dividends: Ordinary	2,585,269	2,995,457
Overseas dividends	117,673	659,630
Property income distributions	369,228	332,797
Bank interest	73,842	9,166
<b>Total revenue</b>	<b>3,146,012</b>	<b>3,997,050</b>

<b>4. Expenses</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's Management fee	448,568	614,170
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	34,210	45,214
Safe custody and other bank charges	2,675	4,010
	36,885	49,224
Auditor's remuneration*:		
Audit fee	14,565	11,015
Other expenses:		
Legal fees	2,665	2,531
Listing fees	3,054	3,062
Printing costs	3,254	3,156
	8,973	8,749
Total Ongoing charge (OCG) rebates accrued against expenses <sup>^</sup>	(30,126)	(28,856)
<b>Expenses</b>	<b>478,865</b>	<b>654,302</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,427 (2022: £1,836).

The audit fee is £13,282. This differs to £14,564 in Note 4 by £1,282. The difference represents the under accrual for prior year.

# Unicorn UK Ethical Income Fund

## Notes to the Financial Statements

continued

### 5. Taxation

	30.09.23	30.09.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	17,651	63,969
<b>Total tax charge (note 5b)</b>	<b>17,651</b>	<b>63,969</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	2,667,147	3,342,748
Corporation tax at 20%	533,429	668,550
Effects of:		
UK dividends	(517,054)	(599,092)
TER rebate on capital	(505)	–
Movement in surplus management expenses	7,665	62,468
Overseas tax expensed	17,651	63,969
Non-taxable overseas earnings	(23,535)	(131,926)
<b>Total tax charge (note 5a)</b>	<b>17,651</b>	<b>63,969</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £149,334 (2022: £141,669) in relation to surplus management expenses of £746,670 (2022: £708,347). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		30.09.23	30.09.22
		£	£
First interim distribution	31.12.22	510,193	773,081
Second interim distribution	31.03.23	595,533	541,246
Third interim distribution	30.06.23	852,420	1,296,488
Final distribution	30.09.23	899,565	1,187,405
		2,857,711	3,798,220
Revenue deducted on cancellation of shares		260,512	197,089
Revenue received on issue of shares		(104,734)	(162,732)
<b>Distributions</b>		<b>3,013,489</b>	<b>3,832,577</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		2,649,496	3,278,779
Expenses allocated to capital		448,568	614,170
Relief on expenses allocated to capital		(84,562)	(60,367)
Undistributed revenue brought forward		12	7
Undistributed revenue carried forward		(25)	(12)
<b>Distributions</b>		<b>3,013,489</b>	<b>3,832,577</b>

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	88,321	440,218
Sales awaiting settlement	178,277	1,682,201
Accrued income:		
Dividends receivable	370,232	324,803
UK income tax recoverable	184	2,092
Total Ongoing charge (OCG) rebates	2,983	2,396
Prepaid expenses:		
Legal fees	1,532	1,469
<b>Total debtors</b>	<b>641,529</b>	<b>2,453,179</b>

<b>8. Other Creditors</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	157,924	451,392
Purchases awaiting settlement	–	966,475
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's Management fee	29,246	41,483
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	4,933	6,906
Safe custody and other bank charges	2,393	1,300
	7,326	8,206
Auditor's remuneration*:		
Audit fee	13,282	11,015
Other expenses:		
Listing fees	2,291	2,299
Printing costs	1,070	996
	3,361	3,295
<b>Total other creditors</b>	<b>211,139</b>	<b>1,481,866</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,214 (2022: £1,836).

<b>9. Cash and Bank Balances</b>	<b>30.09.23</b>	<b>30.09.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	2,068,691	5,056,423
<b>Cash and bank balances</b>	<b>2,068,691</b>	<b>5,056,423</b>

# Unicorn UK Ethical Income Fund

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Management fees payable to the ACD, Unicorn Asset Management Ltd are shown in note 4, amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Unicorn Asset Management Ltd and its associates had the following shareholdings in the Sub-fund:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>A Income Shares</b>			
Unicorn Asset Management Ltd	13,412	652	12,760
<b>A Accumulation Shares</b>			
Unicorn Asset Management Ltd	10,000	–	10,000

Unicorn AIM VCT Plc, a company for which Unicorn Asset Management Ltd acts as Investment Manager held shares in issue in the Sub-fund as follows:

	Held at 30.09.23	Change in period	Held at 30.09.22
<b>B Income Shares</b>	4,071,747	–	4,071,747

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in the risk management policies on pages 10 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £4,340,249 (2022: £5,628,925).

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2022: none).

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures (continued)

#### Interest rate risk

The table below details the interest rate risk profile at the balance sheet date:

30.09.23

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	2,068,691	44,015,443	46,084,134
United States dollar	–	28,575	28,575
	<b>2,068,691</b>	<b>44,044,018</b>	<b>46,112,709</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	579,758	579,758
	<b>579,758</b>	<b>579,758</b>

30.09.22

Currency	Floating rate financial assets <sup>^^</sup> £	Financial assets not carrying interest <sup>^</sup> £	Total £
Pound sterling	5,056,423	58,713,188	63,769,611
United States dollar	–	29,245	29,245
	<b>5,056,423</b>	<b>58,742,433</b>	<b>63,798,856</b>

Currency	Financial liabilities not carrying interest £	Total £
Pound sterling	1,899,824	1,899,824
	<b>1,899,824</b>	<b>1,899,824</b>

<sup>^</sup>Comprises of Equity Shares which receive dividend revenue and non-interest bearing balance sheet debtors.

<sup>^^</sup>Floating rate interest bearing assets at the balance sheet date consists of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

# Unicorn UK Ethical Income Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.09.23

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	16,169,373	15,050	0.09	61,899	0.38	16,092,424
<b>Total purchases after commissions and tax</b>	<b>16,169,373</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	34,437,394	36,622	0.11	365	0.00	34,474,381
<b>Total sales after commissions and tax</b>	<b>34,437,394</b>					

Commission as a % of the average net assets 0.09%

Taxes as a % of the average net assets 0.10%

30.09.22

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	42,197,852	30,221	0.07	139,466	0.33	42,028,165
<b>Total purchases after commissions and tax</b>	<b>42,197,852</b>					

  

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	42,606,432	48,388	0.11	221	0.00	42,655,041
Corporate Actions	(1,181,877)	–	0.00	–	0.00	(1,181,877)
<b>Total sales after commissions and tax</b>	<b>41,424,555</b>					

Commission as a % of the average net assets 0.10%

Taxes as a % of the average net assets 0.17%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 106 to 107. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 September 2023 is 0.42% (2022: 0.62%).

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	30.09.23		30.09.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	43,402,489	–	56,289,254	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>43,402,489</b>	<b>–</b>	<b>56,289,254</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	49,862	66,490	26,683,945	37,901,930
Shares issued	1,278	3,071	16,174,872	6,756,052
Shares cancelled	(2,153)	(12,590)	(21,424,373)	(21,913,777)
Shares converted	–	–	15,835	(11,793)
<b>Closing number of shares</b>	<b>48,987</b>	<b>56,971</b>	<b>21,450,279</b>	<b>22,732,412</b>



# Unicorn UK Ethical Income Fund

## Distribution Tables

for the year ended 30 September 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.6614	–	0.6614	0.8899
		Group 2	0.2969	0.3645	0.6614	0.8899
	Second interim	Group 1	0.9666	–	0.9666	0.6499
		Group 2	0.6860	0.2806	0.9666	0.6499
	Third interim	Group 1	1.4872	–	1.4872	1.7292
		Group 2	0.5931	0.8941	1.4872	1.7292
	Final	Group 1	1.6986	–	1.6986	1.3527
		Group 2	0.7443	0.9543	1.6986	1.3527
B	First interim	Group 1	0.6790	–	0.6790	0.9021
		Group 2	0.3451	0.3339	0.6790	0.9021
	Second interim	Group 1	0.9310	–	0.9310	0.6592
		Group 2	0.6848	0.2462	0.9310	0.6592
	Third interim	Group 1	1.4736	–	1.4736	1.5945
		Group 2	0.7892	0.6844	1.4736	1.5945
	Final	Group 1	1.7146	–	1.7146	1.5638
		Group 2	0.8780	0.8366	1.7146	1.5638

### Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.8631	–	0.8631	1.0983
		Group 2	0.6581	0.2050	0.8631	1.0983
	Second interim	Group 1	1.2683	–	1.2683	0.8099
		Group 2	0.8956	0.3727	1.2683	0.8099
	Third interim	Group 1	1.9643	–	1.9643	1.9583
		Group 2	0.6667	1.2976	1.9643	1.9583
	Final	Group 1	2.2882	–	2.2882	1.9375
		Group 2	1.8161	0.4721	2.2882	1.9375
B	First interim	Group 1	0.9078	–	0.9078	1.1429
		Group 2	0.5656	0.3422	0.9078	1.1429
	Second interim	Group 1	1.2215	–	1.2215	0.8429
		Group 2	0.7785	0.4430	1.2215	0.8429
	Third interim	Group 1	2.0061	–	2.0061	2.0320
		Group 2	1.1110	0.8951	2.0061	2.0320
	Final	Group 1	2.3299	–	2.3299	2.0267
		Group 2	1.2170	1.1129	2.3299	2.0267

## Distribution Tables

continued

First interim period:	01.10.22 - 31.12.22
Second interim period:	01.01.23 - 31.03.23
Third interim period:	01.04.23 - 30.06.23
Final period:	01.07.23 - 30.09.23

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.

# Unicorn Investment Funds

## 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		C		Overseas	
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc
Unicorn UK Growth Fund	✓	–	✓	✓	–	✓*	✓*	–
Unicorn Mastertrust Fund	✓	–	✓	–	–	–	✓	–
Unicorn UK Smaller Companies Fund	✓	–	✓	–	✓	–	✓	–
Unicorn UK Income Fund	✓	✓	✓	✓	✓	–	✓	✓
Unicorn Outstanding British Companies Fund	–	✓	–	✓	–	–	–	✓
Unicorn UK Ethical Income Fund	✓	✓	✓	✓	–	–	–	–

\*C Accumulation shares fully redeemed on 16 August 2023.

The Company may issue both Income and Accumulation Shares.

## General Information

continued

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.

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 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:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Or by telephone on:

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](http://www.fundlistings.com) and on the Financial Times website at [www.ft.com](http://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. Copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details of which 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.

### Remuneration of the Authorised Corporate Director

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or Instrument of Incorporation of the funds managed, and does not impair the ACD's compliance with its duty to act in the best interests of the funds it manages.

# Unicorn Investment Funds

## General Information

continued

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the Funds, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

<b>30.09.23</b>	<b>Number of Beneficiaries</b>	<b>Total Remuneration Paid</b>	<b>Fixed Remuneration</b>	<b>Variable Remuneration Paid</b>
Total remuneration paid by the ACD during the year	13	£2,832,151	£1,428,833	£1,403,318
Remuneration paid to employees of the ACD who have material impact on the risk profile of the funds	8	£2,184,331	£1,086,331	£1,098,000

The staff members included in the analysis supports all funds managed by the ACD. It is not considered feasible or useful to attempt to apportion these figures to specific funds.

### ACD Value Assessment

The ACD is required to provide annual statements for the Funds, attesting that in the opinion of the ACD the services provided to the Funds and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of Shares

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

### Investment Management Fees

The investment management function is delegated to an FCA authorised, professional investment management firm. The Investment Manager provides an active investment management service consistent with the Investment Policy and Objectives set out within the scheme documentation.

The fees of the Investment Manager represent the largest cost to the Funds, are clearly set out within the scheme documentation, and are consistent with the market rates for other professional investment managers for hire providing comparable services.

The investment management fees may vary by share class reflecting the size of the minimum investment into that share class, with the objective of providing economies of scale for larger investors.

### Services Provided by the ACD

The ACD does not charge for the provision of any services other than for investment management.

### Services Appointed by the ACD

Services appointed by the ACD are provided by professional entities for hire appointed on an arm's length basis. Delegates are appointed under competitive tender and their services are regularly reviewed and benchmarked by the ACD to ensure that they are consistent with services provided by other similar professional entities for hire. When appointing or reviewing appointees the ACD takes into account the quality of the services provided, the performance of the appointed entity over a period of time and, that the costs of the service provided take into account any economies of scale that may be available to funds of a similar size or complexity.

## General Information

continued

### Summary

It is the opinion of the ACD that the fees charged to the scheme property of the Funds represent value for money for investors taking into account the criteria set out by the Regulator.

### Significant Information

The ACD has assessed the Russia-Ukraine war implications and although the Company has no direct exposure to Russian or Ukrainian assets the crisis has and will have a wider impact in terms of market performance.

### 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.

