

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

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

Fund Objective

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

It is also the objective that the Company should continue to qualify as a Venture Capital Trust, so that Shareholders benefit from the taxation advantages that this brings. To achieve this at least 70% (80% for accounting periods commencing after 5 April 2019) of the Company's total assets are to be invested in qualifying investments of which 70% by VCT value (30% made in respect of investments made before 6 April 2018 from funds raised before 6 April 2011) must be in ordinary shares which carry no preferential rights (save as permitted under VCT rules) to dividends or return of capital and no rights to redemption.

Fund Commentary

The Company has prepared this factsheet for the three month period ended 30 September 2019 with information from the Half Yearly Report, together with relevant information up to the date of publication.

Performance

As at 30 September 2019, the audited NAV of the Company was 153.9 pence per share, having fallen by 17.9 pence from 171.8 pence per share at the start of the financial year under review, compared with an increase of 8.7 pence per share in 2018. After adding back dividends of 6.5 pence per share paid in the year, the total return to Shareholders declined by 11.4 pence or 6.6% compared with an increase of 15.2 pence or 9.3% in the previous year. In comparison, the total return from the FTSE AIM All-Share Total Return Index was a negative 19.4% over the same period. The audited net assets of the Company were £201.1 million (2018: £201.4 million) at the financial year end.

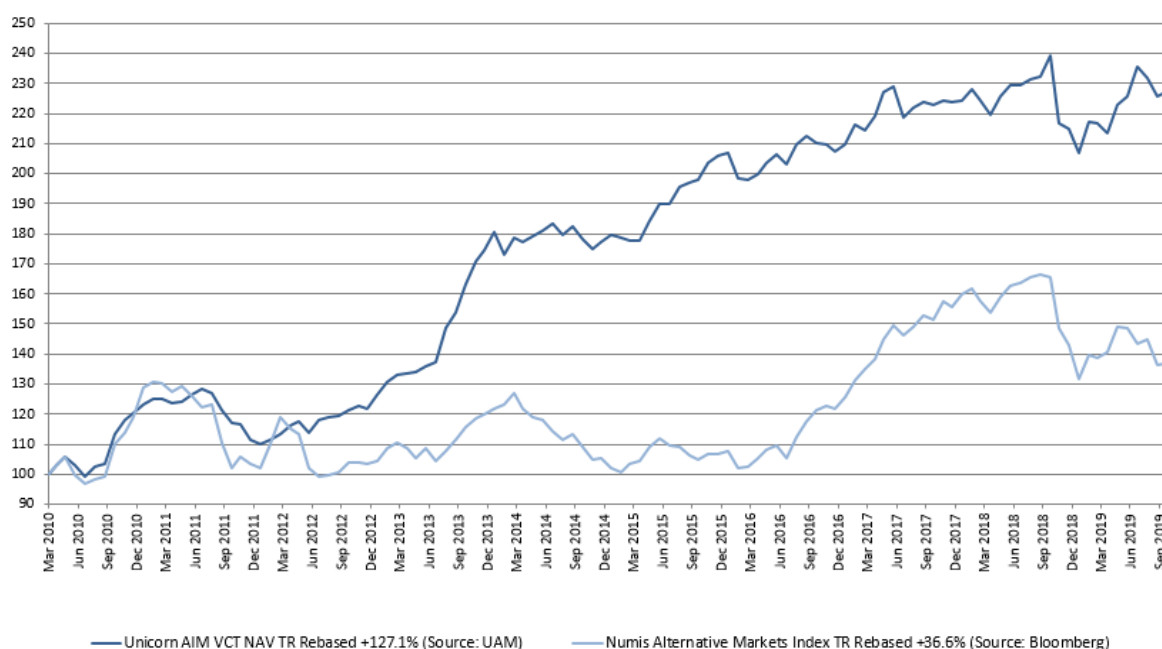
At the financial year end, there were 76 active VCT qualifying and 20 non-qualifying companies held in the portfolio. These investments are spread across 25 different sectors. Many of the businesses invested in are cash generative and operate with strong balance sheets. The Investment Manager continues to focus on a select number of key metrics in order to monitor and assess the financial health of these businesses. Historically, investment has been committed to new companies which are profitable at the time of first investment, although in light of the new State Aided funding rules, VCT qualifying investments are now being made in earlier stage businesses, many of which may not be profitable at the time of investment.

In the year to 30 September 2019, a total of £20.3 million was realised through the sale of investments while £24.3 million (after costs) was raised from an Offer for Subscription. Approximately £23.1 million was deployed in new investments and approximately £8.0 million was paid out as dividends to Shareholders. A further £4.4 million was spent on the operating costs of the Company and £4.4 million on share buybacks.

Over the 12 months to 30 September 2019 there was a net loss on investments of £10.5 million and the total loss on ordinary activities was £12.2 million, equivalent to negative earnings of 9.8 pence per share. The profit on the revenue account was £1.0 million.

Since the merger with Unicorn AIM VCT II plc, which was completed in March 2010 when all previous share classes merged, the total return to Shareholders has been 127.0%, including the payment of 54.5 pence per share in dividends, which have been tax free to qualifying Shareholders.

% return (rebased)



Source: Unicorn Asset Management/Bloomberg, 30 September 2019, (since merger with Unicorn AIM VCT II on 9 March 2010). Past performance of Unicorn AIM VCT is not a guide to future performance.

Share Buy-Backs & Share Issues

The Board continues to believe that it is in the best interests of the Company and its Shareholders to make market purchases of its shares from time to time. During the period from 1 October 2018 to 30 September 2019, the Company bought back 3,273,771 of its own Ordinary Shares for cancellation, representing 2.8% of the opening share capital, at an average price of 135.3 pence per share including costs.

Future repurchases of shares will be made in accordance with guidelines established by the Board and will be subject to the Company having the appropriate authorities from Shareholders and sufficient funds available for this purpose. Share buybacks will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market are normally cancelled.

An Offer for Subscription was launched on 29 January 2019. The Offer was strongly supported and closed, fully subscribed, on 4 April 2019. The total raised, net of all costs, was £24.3 million and resulted in the issue of 16,707,794 new shares. On behalf of the Board, I would like to welcome all new Shareholders and to thank existing Shareholders for their continued support. As at 30 September 2019, there were 130,660,071 Ordinary Shares in issue.

Portfolio Activity

The year under review was relatively subdued in terms of new qualifying investments. During the period, two new VCT qualifying investments were made, at a total cost of £2.5 million. In addition, £4.6 million of VCT qualifying capital was allocated across ten of the existing investee companies, in order to support their further planned growth.

Dividends

The Board is recommending a final dividend for the financial year ended 30 September 2019 of 3.5 pence per share (paid from income: 0.5 pence; paid from capital: 3.0 pence), payable on 6 February 2020 to Shareholders on the register as at 10 January 2020.

Subject to receiving Shareholder approval for payment of the proposed final dividend, total dividends in respect of the financial year ended 30 September 2019, will be 6.5 pence per share, unchanged from the previous year. This represents a tax free yield to eligible UK Shareholders of 4.2% based on the Net Asset Value of 153.9 pence per share as at 30 September 2019 and 4.7% based on the year end share price of 137.0 pence per share.

Top 10 Holdings	
Hasgrove	7.1%
Interactive Investor	7.0%
Abcam	7.0%
Tracsis	4.8%
Mattioli Woods	3.3%
Anpario	3.2%
Cohort	3.1%
The City Pub Group	2.9%
AB Dynamics	2.7%
Tristel	2.3%
Total	43.4%

Top 10 Sector Breakdown	
Pharmaceuticals & biotechnology	13.9%
Software & computer services	12.3%
Other	8.8%
Industrial engineering	7.3%
Communications	7.2%
Support services	7.0%
Health Care	5.8%
Travel & leisure	5.6%
Cash	4.7%
Financial Services	3.4%
Total	76.1%

Fund Facts	
Fund Manager	Chris Hutchinson
Directors	Peter Dicks (Chairman)
	Charlotta Ginman
	Jeremy Hamer
	Jocelin Harris
	Tim Woodcock
Fund Size	£201.1m
Year End	30-Sep

Share Class Information	
Net Asset Value	153.9p
Ongoing Charges Figure	c. 2.2%
ISIN Code	GB00B1RTFN43
Sedol Code	B1RTFN4
Ticker	UAV

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