

Unicorn AIM IHT & ISA Portfolio Service



Dividend Focus Portfolio

Q1 2021

The service aims to invest in a portfolio of 25-40 companies listed on the Alternative Investment Market (AIM), independently assessed as qualifying for Business Relief (BR).

Investments will be made in companies that operate across a range of sectors in order to provide diversification.

- Unicorn has specialised in AIM investing since 2000, currently managing more than £550m in AIM stocks
- Simple, proven structure that aims to provide full IHT exemption once shares are held for two years
- Available in ISAs and direct investments
- Yield 2-4% p.a. paid quarterly

Product Details

Launch date

April 2016

Structure

Discretionary portfolio service

Minimum investment

Dividend portfolio £50,000
Growth portfolio £50,000

Weighted Average Market Cap

£346m

Historic Weighted Average Dividend Yield

2.0%

Income Payments

Monthly

Initial charge (advised)

2.0% plus VAT

Annual management charge (advised)

1.25% plus VAT

Custody fee

0.25% per annum

Dealing fee

0.85%

Exit fee

1.0% (not payable on death)

Performance

	Q1	Q2	Q3	Q4	Calendar Year	Since 1 May 2016
2016	N/A	-6.3%*	+13.9%	+0.3%	+6.9%*	+40.2%
2017	+6.0%	+5.2%	+3.1%	+5.5%	+21.3%	
2018	-1.6%	+2.2%	-1.7%	-13.9%	-15.0%	
2019	+6.2%	+7.3%	-5.3%	+12.5%	+21.4%	
2020	-25.1%	+13.6%	+1.8%	+8.8%	-5.8%	
2021	+11.2%				+11.2%	

% return rebased



Quarterly Manager Commentary

The AIM IHT Dividend Focus Portfolio registered a total return of +11.2% in the first quarter of 2021. By comparison, the benchmark Numis Alternative Markets Index recorded a total return of +4.0% over the same period. Underlying portfolio returns for individual clients will vary depending on the timing of their investment.

The UK equity market performed well in the first quarter of 2021, albeit with lowly-rated 'value' shares outperforming more expensive 'growth' stocks. An improving outlook for the domestic economy, supported by a successful rollout of the Government's COVID-19 vaccination programme acted as a catalyst for the recovery in value of consumer discretionary companies; particularly hotels, pubs, restaurants and retailers. The UK economy is expected to continue benefitting from a significant level of pent-up demand as lockdown measures are hopefully gradually eased during the remainder of the year.

Top Performers:-

Vianet Group (+44.8%) provides smart telemetry solutions to pub operators and vending machine companies. Vianet's share price rallied in anticipation of an improving outlook for businesses that are exposed to consumer expenditure. No notable announcements were made by the company during the quarter. Quartix Holdings (+44.3%) supplies vehicle telematics solutions to fleet and insurance sectors. Quartix recently released full year results, which confirmed broadly unchanged group revenue of £25.8 million, driven by strong trading in the second half of the year. Management also reported on a pleasing start to the current financial year, particularly in international sales, which are a key growth opportunity for the company. Belvoir Group (+31.4%) is a nationwide property franchise company, which specialises in residential lettings. During the quarter, the group released an update, which highlighted that trading in 2020 had exceeded expectations, benefiting from a particularly strong performance in the second half of the financial year. A supplementary 'catch-up' dividend was proposed alongside the final dividend.

*Q2 2016 and Calendar Year 2016 exclude the month of April since the first monies received into the strategy were only fully invested for part of that period. Performance figures show the total return of the Unicorn AIM IHT & ISA Portfolio Service Dividend Focus Portfolios where the contribution of each portfolio to the total return is weighted by portfolio size. The returns take into account all portfolio management fees but do not include initial portfolio or adviser fees. Individual portfolios are excluded during months when a portfolio is being invested, during months when withdrawals are made, where the investor has died and all portfolios where the initial investment is less than the minimums quoted in the terms & conditions of the service. The performance figures have been calculated by WM Capital Management based on the bid prices of holdings at the end of each month. Fees are subject to change.

Further Information - Lighttower Partners

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Commentary Continued:

Bottom Performers:-

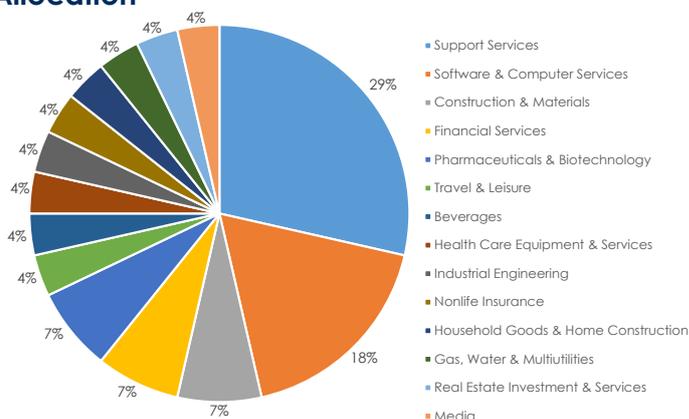
Restore (-13.8%) provides document management, commercial relocation and IT recycling services. Restore's share price declined during January and early February, despite the company announcing that profit for the financial year ended 31 December 2020 is expected to be in line with analyst forecasts. Management anticipate a return to growth in 2021, driven by an attractive pipeline of organic and acquisitive investment opportunities. Fulcrum Utility Services (-5.6%) provides energy connections and multi-utility services across the UK. During the quarter, the Board of Fulcrum announced that its Chief Executive Officer would be stepping down for personal reasons. However, the business is well placed to capitalise on the UK Government's target of reaching net zero carbon emissions by 2050, which requires significant investment in energy infrastructure. Nichols (-3.1%) is a soft drinks manufacturer, which owns brands such as Vimto. Nichols recently announced its results for the financial year ended 31 December 2020, which highlighted a challenging period for the company due to its 'Out-of-Home' business being severely impacted by lockdown restrictions. In spite of the challenges experienced in 2020, a final (reduced) dividend was proposed reflecting the company's robust balance sheet and its strong cash generation throughout the year.

Top Five Holdings*

Company	Sector
RWS Holdings	Support Services
James Halstead	Construction & Materials
Young & Co's Brewery	Travel & Leisure
Emis Group	Software & Computer Services
Johnson Service Group	Support Services

Source: Unicorn Asset Management as at 31/03/21

Sector Allocation*



Manager

WM Capital Management Limited (WM) is the Discretionary Investment Manager responsible for the day to day management of investor portfolios.

WM is authorised and regulated by the Financial Conduct Authority and is recorded in the Register under reference number 601025.

Investment Adviser

Unicorn Asset Management Limited (Unicorn) is an independently owned company that has specialised in AIM and UK smaller companies since its inception in 2000.

Unicorn is authorised and regulated by the Financial Conduct Authority and is recorded in the Register under reference number 192164.

Important Notice

*typical allocation for new investors

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WM Capital Management is authorised and regulated by the Financial Conduct Authority and is entered in the Register under reference no. 601025.

Company Case Study

BELVOIR!

Belvoir Group is the UK's largest residential property franchise group, supporting a network of over 400 offices across six brands.

Most of Belvoir's franchise operations specialise in residential lettings, although an increasing proportion are also now focusing on property sales and related financial services. Belvoir's capital light franchise model generates high levels of free cash flow which underpins a progressive dividend policy.

Price (p): 214.00

Market cap (£m): 75.36

Data from London Stock Exchange - 10/05/21

Investment Advisers

Chris Hutchinson



Max Ormiston

