

Unicorn AIM IHT & ISA Portfolio Service



Growth 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 Asset Management 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**

Performance

	Q1	Q2	Q3	Q4	Calendar Year	Since 1 Feb 2016
2016	+1.2%*	-4.9%	+13.4%	+4.6%	+14.3%*	+81.4%*
2017	+5.3%	+10.7%	+13.1%	+8.0%	+42.3%	
2018	-5.6%	+6.4%	+0.8%	-25.4%	-24.4%	
2019	+10.3%	+7.0%	-5.1%	+19.5%	+34.0%	
2020	-26.4%	+18.0%	+5.4%	+17.1%	+7.2%	
2021	+2.8%				+2.8%	

% return rebased



Product Details

Launch date

January 2016

Structure

Discretionary portfolio service

Minimum investment

Dividend portfolio £50,000

Growth portfolio £50,000

Weighted Average Market Cap

£628m

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)

Quarterly Manager Commentary

The AIM IHT Growth Focus Portfolio registered a total return of +2.8% 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:-

Somero (+25.6%) designs and manufactures laser guided machinery, which is used in the levelling of liquid concrete in the construction industry. Somero recently released full year results, highlights of which included a record level of sales in its key US market during the second half of its financial year. In recognition of the particularly strong levels of cash generation during the financial year, Somero also declared a special dividend of 18.1 US cents per share, alongside its scheduled final dividend of 12.8 US cents per share. Keystone Law (+23.8%), a legal services business, released a positive trading update during the quarter, in which management stated that underlying profits for the financial year ended 31 January 2021 are expected to be ahead of analysts' forecasts. Tristel (+21.4%) manufactures infection

Further Information - LightTower Partners

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*Q1 2016 and Calendar Year 2016 exclude the month of January 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 Growth 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.

Commentary Continued:

prevention and contamination control products. The company's share price gained during the quarter, despite an absence of trading related news flow.

Bottom Performers:-

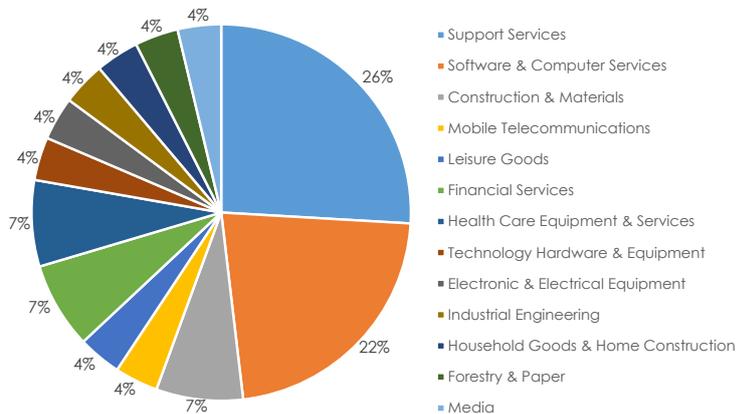
IQE (-30.9%) is a supplier of advanced semiconductor wafer products and material solutions to the semiconductor industry. IQE is a new addition to the portfolio service and therefore it is disappointing that it has detracted from performance albeit over a short time frame. IQE's share price reacted negatively to the release of final results, which confirmed that earnings growth in the current financial year would be negatively impacted by adverse foreign exchange movements. Fortunately, long term structural growth drivers remain intact and IQE remains well positioned to benefit from the global rollout of 5G technology. First Derivatives (-17.0%), provides high performance data analytics software and consultancy services the financial sector. The company's share price declined during the period, despite an absence of trading related news flow. 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.

Top Five Holdings*

Company	Sector
RWS Holdings	Support Services
GB Group	Software & Computer Services
Breedon Group	Construction & Materials
Gamma Communications	Mobile Telecommunications
Frontier Developments	Leisure Goods

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

This document is an advertisement and not a prospectus. It has been issued and approved by WM Capital Management Limited and constitutes a financial promotion under Section 21 of the Financial Services and Markets Act 2000 for Retail & Professional Clients. Any decision to invest in the Unicorn AIM Inheritance Tax Portfolio Service should be made solely by reference to, and strictly in accordance with, the information contained in the terms and conditions, brochure, Investor Agreement and Application Form.

This document should not be regarded as constituting advice in respect of legal, taxation, investment or any other matters. Prospective investors are advised to consult their financial adviser before considering any investment. The value of an investment, and any income from it, can fall as well as rise as result of market and currency fluctuations and you may not get back the amount originally invested. Investment in the securities of smaller and/or medium sized companies can involve greater risk than is customarily associated with investment in larger, more established companies. The market for securities in smaller companies is often less liquid than that for securities in larger companies, meaning above average price movements both positive and negative can be expected. The tax benefits of investing in AIM companies are subject to changes in legislation and may not continue in the same form. Tax treatment will also depend on individual circumstances and may be subject to change in the future.

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



ULS Technology is a technology provider serving the residential property market. ULS' flagship product, eConveyancer, is a fully automated online comparison platform, which enables customers to obtain residential conveyancing quotations from solicitor partners and then automatically instruct their selected solicitor. ULS has faced a number of challenges over the past few years, namely falling property transactions as a result of Brexit and the temporary closure of the property market during the first lockdown of 2020.

Despite these headwinds, ULS has continued to trade profitably and generate cash and is now set to benefit from a strong recovery in property transaction volumes. In addition, ULS has developed a new product called DigitalMove, which management believe could revolutionise the traditionally laborious process of buying and selling homes through the use of digital technology. The company's share price has recovered strongly in recent months, but still remains some 50% below its 2018 highs.

Price (p): 96.00

Market cap (£m): 62.28

Data from London Stock Exchange - 10/05/21

Investment Advisers

Chris Hutchinson



Alex Game

