

# Unicorn AIM IHT & ISA Portfolio Service



## Dividend Focus Portfolio

Q3 2021

The service aims to invest in a portfolio of 25-40 companies listed on 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**
- **Dividend income paid monthly (or reinvested)**

### Performance

|      | Q1     | Q2     | Q3     | Q4     | Calendar Year | Since 1 May 2016 |
|------|--------|--------|--------|--------|---------------|------------------|
| 2016 | N/A    | -6.3%* | +13.9% | +0.3%  | +6.9%*        | +50.5%           |
| 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% | +7.0%  | +0.3%  |        | +19.3%        |                  |



The Portfolio Performance is the average weighted performance of all portfolios held within the service net of all ongoing fees.

### Quarterly Manager Commentary

The AIM IHT Dividend Portfolio registered a total return of +0.3% in the third quarter of 2021. By comparison, the benchmark Numis Alternative Markets Index recorded a total return of -0.2% over the same period. Underlying portfolio returns for individual clients will vary depending on the timing of their investment.

The quarter under review was a busy period in terms of company news flow, with updates broadly showing positive underlying trends despite widely reported supply chain and input cost inflation challenges.

Best Performers:-

Restore (+26.5%), is a leader in document management, records storage and archive storage. The company released a third quarter trading update, which confirmed that strong trading momentum had continued, encompassing organic growth, an increasing contribution from M&A and margin enhancement.

Animalcare (+25.4%) is an international supplier of veterinary pharmaceuticals. Animalcare announced interim results, reporting strong growth in revenue and profit. The business has benefited from strong demand for its companion animal pharmaceutical products and expects this trend to continue in the second half of its financial year.

Keystone Law (+22.7%), is a legal services business. Keystone Law released strong interim results during the quarter, which reported revenue growth of 38% versus the comparative period. The strength in the interim results was primarily due to higher activity levels and sustained recruitment levels.

### Product Details

#### Launch date

April 2016

#### Structure

Discretionary portfolio service

#### Minimum investment

Dividend portfolio £50,000

Growth portfolio £50,000

#### Weighted Average Market Cap

£408.3m

#### Historic Weighted Average Dividend Yield

2.5%

#### 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)

#### Further Information - Lighttower Partners

T: 020 7071 3940

E: investor-relations@lighttowerpartners.co.uk

W: www.lighttowerpartners.co.uk

\*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.

## Commentary Continued:

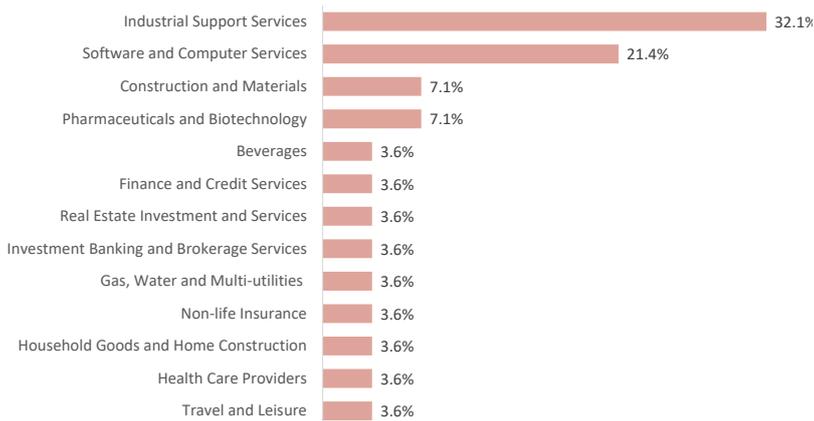
Worst Performers:-

Fulcrum Utility Services (-32.0%), is a multi-utility infrastructure and services provider. Fulcrum announced full year results in which revenues increased by 2.2% to £47.1m, but was loss-making for the year, principally due to large, one-off charges. Fulcrum has made good progress winning new contracts, with a renewed focus on cost and margin, and is well placed to support the UK's transition to a low carbon economy.

Iomart (-17.9%), provides managed cloud hosting services. Iomart released a disappointing trading update reporting that the group was performing below expectations as a result of slightly higher than expected customer churn and lower than expected hardware reselling and consultancy activity.

Johnson Service Group (-14.3%), which is a linen and textile rental business, released interim results during the quarter, reporting that profit for the current financial year was expected to be "towards the higher end of current market expectations". The share price drifted lower despite the strong update.

## Sector Allocation\*



Source: Unicorn Asset Management as at 30/09/2021

## Company Case Study



Redcentric was founded in 1997 and listed on AIM in 2013. The company provides cloud hosting and connectivity services to a diverse range of UK customers, with a focus on larger SMEs and small enterprises. The business generates 90% of its revenues on a recurring basis, which provides a high degree of predictability and is highly cash generative. Redcentric pays an attractive, progressively growing dividend.

Price (p): 128.00

Market cap (£m): 200.29

Data from London Stock Exchange - 10/11/21

## Investment Advisers

Chris Hutchinson



## 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.

Max Ormiston



## 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.