

# Unicorn AIM IHT & ISA Portfolio Service



## Dividend Focus Portfolio

Q1 2022

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%*	+29.2%
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%	+7.0%	+0.3%	-5.2%	+13.1%	
2022	-9.4%	-	-	-	-	

% return rebased



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

### Product Details

#### Launch date

April 2016

#### Structure

Discretionary portfolio service

#### Minimum investment

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

#### Weighted Average Market Cap

£342m

#### Historic Weighted Average Dividend Yield

2.8%

#### 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)

### Quarterly Manager Commentary

The AIM IHT Dividend Portfolio registered a total return of -9.4% in the first quarter of 2022. In comparison, the benchmark Numis Alternative Markets Index recorded a total return of -14.1% over the same period. Underlying portfolio returns for individual clients will vary depending on the timing of their investment.

AIM shares experienced broad-based selling pressure during Q1 2022. Investors became increasingly risk averse as economic threats increased in magnitude, including the greater likelihood that central banks would be forced to raise interest rates sharply in response to persistently high levels of inflation. Geo-political risk was also brought into focus by the invasion of Ukraine by Russia. First and foremost, the event is a tragic cost to humanity. However, from a financial perspective, the situation has also accelerated inflationary trends brought about by higher commodity, food and energy prices.

Whilst it is disappointing to report on a second consecutive quarter of negative performance, some comfort may be drawn from the relatively defensive outcome of the Portfolio Service in comparison to its benchmark index.

We are mindful of the risks posed to UK equity markets by the challenges that companies are currently facing, namely higher input costs, geopolitical tensions and an uncertain demand outlook. Despite the inevitable uncertainties, we remain encouraged by the delivery of robust underlying trading performances across the model portfolio. The investee companies are in sound financial health and are delivering resilient and healthy rates of growth, which we believe ought to be sustainable over many years.

### Further Information - LightTower Partners

T: 020 7071 3940

E: [investor-relations@lighttowerpartners.co.uk](mailto:investor-relations@lighttowerpartners.co.uk)

W: [www.lighttowerpartners.co.uk](http://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:

### Best Performers:-

**Vianet Group (+6.7%)**, announced a new contract for its fast-growing Smart Machines Division, securing a three year agreement with Lavazza Professional UK to provide contactless payment, telemetry and data services for their vending machines.

**NWF Group (+6.6%)**, released two trading updates which reported very strong financial performance. NWF's current year results are expected to benefit from the extraordinarily strong levels of demand and pricing in its Fuels division.

**Personal Group (+0.6%)**, announced full year results covering a period of recovery from the Covid-19 pandemic. Personal Group was able to start rebuilding its insurance policyholder book and recorded new client wins with Homebase, Avanti West Coast and The Royal Mint.

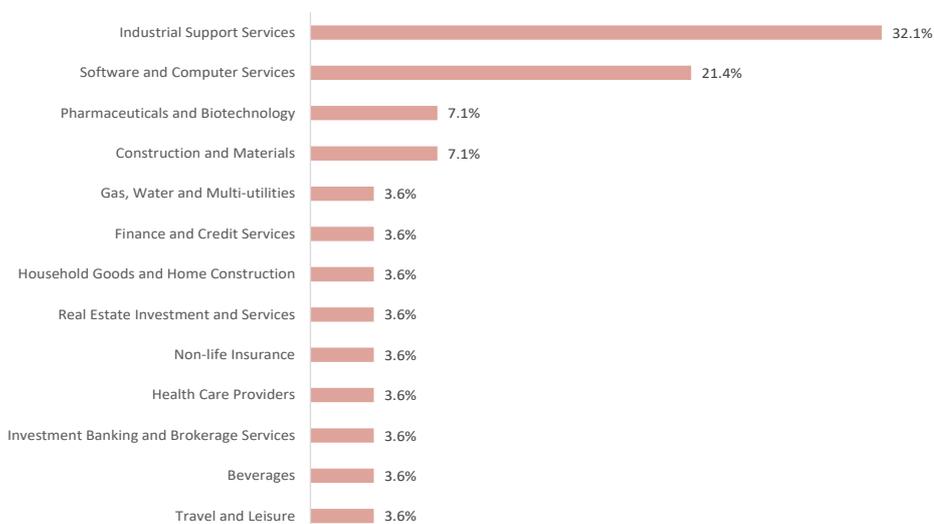
### Bottom Performers:-

**RWS Holdings (-42.1%)**, announced an updated growth plan including new medium-term targets. However, the company warned that it was trading behind analysts' expectations in the current financial year, principally due to its clients delaying patent applications in order to benefit from the EU Unitary Patent, which is due to be introduced in the second half of 2022. Despite this short-term disappointment, RWS remains well placed to grow via its technology-led translation services over the longer-term.

**Fulcrum Utility Services (-38.0%)**, announced that the CEO, Terry Dugdale, had stepped down from the role in order to take up an operational position within the business. An Interim CEO has been appointed, whilst a permanent successor is recruited.

**Alpha Financial Markets Consulting (-30.2%)**, announced that it had experienced strong levels of client demand for its asset management and insurance consulting services. Management also reported that Lionpoint, which it had recently acquired, was performing well. Alpha FMC's share price declined despite this strong performance.

## Sector Allocation\*



Source: Unicorn Asset Management as at 31/03/2022

## 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.

## Company Case Study

### Restore

Restore is the UK's leading provider of organisational solutions; including information and data management, digitalisation, secure recycling of paper and technology assets and commercial relocation services. Restore has expanded via a combination of organic and acquisitive growth to record over £234 million of sales in its latest financial year. The business generates strong levels of recurring cash flow through its annuity like revenue model and has an attractive opportunity to gain further scale in a large addressable market which is valued at £1.9 billion in total.

Price (p): 460.00

Market cap (£m): 629

Data from London Stock Exchange - 13/04/2022

## Investment Advisers

Chris Hutchinson



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.