

# Unicorn AIM IHT & ISA Portfolio Service



## Dividend Focus Portfolio

Q2 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
- 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%*	+50.0%
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%			+19.0%	

% return rebased



### Product Details

#### Launch date

April 2016

#### Structure

Discretionary portfolio service

#### Minimum investment

Dividend portfolio £50,000

Growth portfolio £50,000

#### Weighted Average Market Cap

£391m

#### Historic Weighted Average Dividend Yield

2.4%

#### 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)

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 +7.0% in the second quarter of 2021. By comparison, the benchmark Numis Alternative Markets Index recorded a total return of +5.1% over the same period. Underlying portfolio returns for individual clients will vary depending on the timing of their investment.

The UK equity market continued to deliver positive returns during the second quarter of 2021. In particular, those companies that are predominantly focused on the domestic UK economy are benefitting from a brisk recovery in consumer demand, driven by the roll-out of COVID-19 vaccinations and the Government's strategy for lifting social distancing restrictions. Notwithstanding the risks posed by the emergence of new variants of the Coronavirus, investee companies within the AIM IHT portfolio service are generally reporting on encouraging trading conditions and an improving outlook.

Animalcare (+40.5%) is an international supplier of veterinary pharmaceuticals. Animalcare's share price rallied during April and May, following their full year results announcement at the end of March. The management team has made good operational and strategic progress in positioning the business for a return to growth by streamlining the product portfolio and gaining approval for its novel inhibitor which treats osteoarthritis pain in dogs. Alpha Financial Markets Consulting (+37.6%) provides specialist consultancy services to the asset management, wealth management and insurance sectors. Alpha FMC released strong final results during the quarter, reporting on an 8% growth in revenues for its financial year ended 31 March 2021. The company also announced the acquisition of US-based peer, Lionpoint, which adds scale to one of Alpha's key growth markets. Somero Enterprises (+28.2%) manufactures technologically advanced concrete placing equipment. Somero released a strong trading update during the period, which resulted in financial expectations being upgraded. Increasing levels of construction activity in Somero's key market, the United

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\*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:

States, underpins confidence in the prospects for further recovery in earnings.

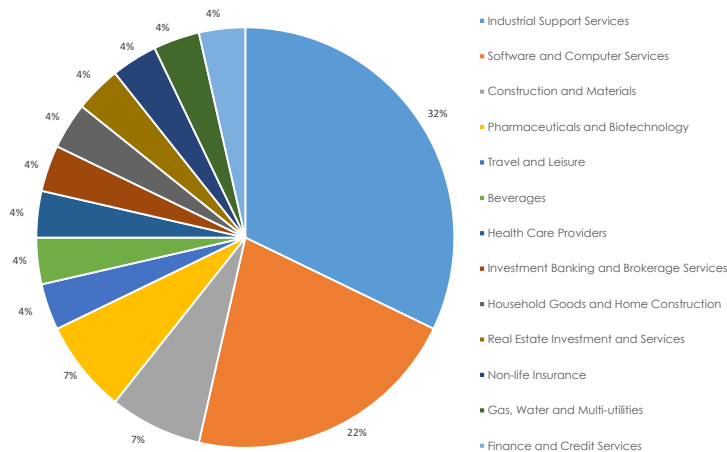
lomart (-14.4%) provides managed cloud hosting services. lomart's share price drifted lower during the quarter after the company reported that its full year results would be at the low end of analysts' expectations. Revenue growth was held back due to fewer hardware sales, as customers delayed IT projects during the economic lock-down in the first quarter of 2021. However, the business remains profitable and has a healthy pipeline of opportunities, which are expected to convert into sales during the current financial year. Appreciate (-13.2%) provides pre-paid credit cards and gift vouchers. Appreciate's recent financial results reflected the challenging conditions that prevailed during 2020, as consumers were unable to redeem their gift cards in shops. However, the management team has made good progress in simplifying operations and repositioning the business to drive growth through its digital platform. Appreciate is well placed to benefit from a rebound in consumer gifting and spending in the run up to Christmas 2021. Eckoh (-11.6%) is a global provider of secure payment solutions for contact centres. Eckoh reported full year results during the period under review, which were in line with expectations. Group revenue and profit declined somewhat, which was primarily due to lower transaction volumes in the UK. This decline was partially offset by strong revenue growth in its US Secure Payments division. The outlook for the group remains positive, driven by increasing demand for secure payment solutions, which has been further accelerated by the widespread adoption of remote working practices.

## Top Five Holdings\*

Company	Sector
RWS Holdings	Support Services
James Halstead	Construction & Materials
Smart Metering Systems	Support Services
Johnson Service Group	Support Services
Young & Co's Brewery	Travel & Leisure

Source: Unicorn Asset Management as at 30/06/21

## 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



Young's was founded in 1831 and has built up an estate of over 200 freehold pubs and hotels across London and the South of England. Young & Co's established strategy is to operate a differentiated, premium and well-invested pub estate. While the past 18 months twelve month period has been one of the toughest periods in its 189-year history, actions taken by management have helped to preserve the company's strong financial position. Continued investment aimed at upgrading its existing estate, combined with high levels of pent-up demand, means that Young's pubs are now well placed to capitalise on a resurgence in consumer spending as social distancing restrictions begin to be lifted.

Price (p): 1,610.00

Market cap (£m): 553.92

Data from London Stock Exchange - 26/07/21

## Investment Advisers

Chris Hutchinson



Max Ormiston

