

Unicorn AIM IHT & ISA Portfolio Service



Growth 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).

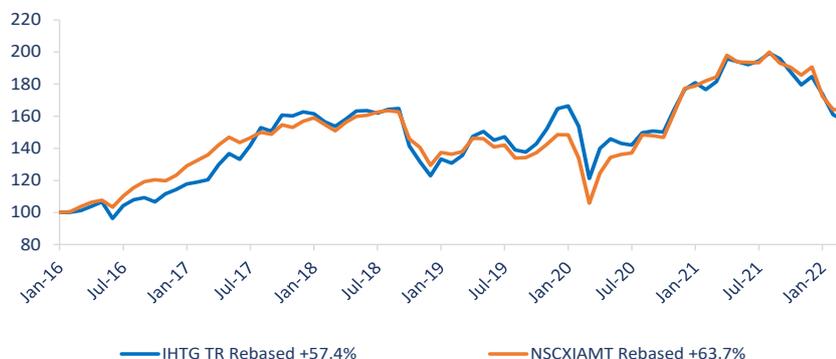
Investments will be made in companies that operate across a range of sectors in order to provide diversification.

- Unicorn 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%*	
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%	+57.4%*
2020	-26.4%	+18.0%	+5.4%	+17.1%	+7.2%	
2021	+2.8%	+5.9%	+2.0%	-5.7%	+4.6%	
2022	-14.7%	-	-	-	-	

% return rebased



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 Growth Portfolio registered a total return of -14.7% 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.

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.

Top Performers:-

Tracsis (+1.0%), released a positive trading update during the quarter indicating that performance was in line with unchanged expectations. The company also announced the acquisition of RailComm, a North American

Product Details

Launch date

January 2016

Structure

Discretionary portfolio service

Minimum investment

Dividend portfolio £50,000

Growth portfolio £50,000

Weighted Average Market Cap

£535m

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

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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:

based rail technology software and services provider. RailComm provides mission critical automation and control solutions that reduce costs, increase safety, and improve operational efficiency for rail passenger/freight operators and rail served ports/industrials.

Emis (-1.9%) released full year results, which were slightly ahead of expectations. The outlook remains positive underpinned by increased investment in NHS technology and ongoing scope for self-help margin improvement.

IQE (-2.2%) released full year results, which were broadly as expected. The company also announced that the new CEO, Americo Lemos, will lead a strategic review of the business in order to drive organic growth with greater detail to be provided at the interim results.

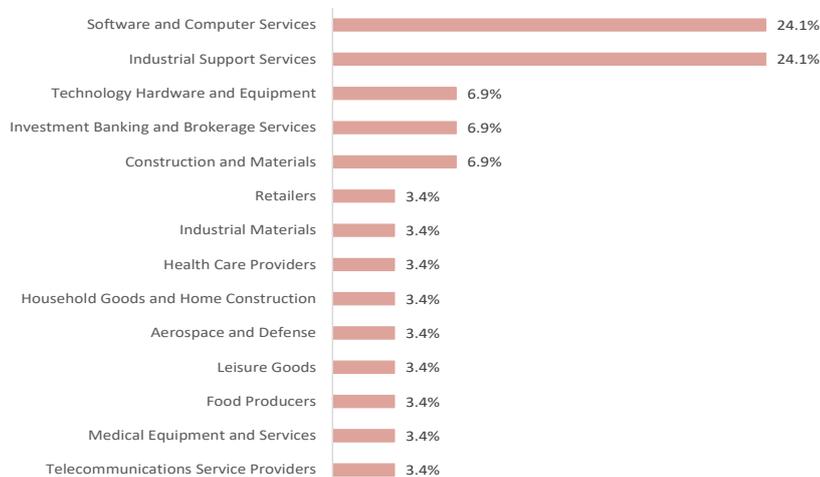
Bottom Performers:-

RWS (-42.0%), 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.

Virgin Wines (-38.1%) released a trading update, which was modestly below forecasts. The Group remained disciplined and focused in its customer recruitment effort, leading to continuing low cost of customer acquisition and high quality of customers showing a very strong conversion rate into repeat customers. The quantum of new customers was, however, below expectations, which led to modest downgrades.

Victorian Plumbing (-58.9%) released a trading update, which reported that margins were under pressure due to ongoing inflationary cost pressures in combination with a careful approach to price rises. The compression of group profit margins resulted in material downgrades to earnings forecasts. The position was exited during the quarter as we expect the challenging cost and demand environment to continue for the foreseeable future.

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.

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

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 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



Alex Game