

Unicorn AIM IHT & ISA Portfolio Service



Growth 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 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%*	+92.1%*
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%	+5.9%			+8.8%	

% 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 +5.9% 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 benefiting 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.

Tracsis (+42.0%) is a leading provider of software and hardware to the rail and wider transport industry. During the quarter, Tracsis released its financial results for the six month period ended 31 January 2021, which recorded a 10% fall in adjusted profit, which was a creditable performance in view of the challenging market conditions. The Williams-Shapps Plan for Rail aims to simplify the rail industry with a greater focus on efficiency. Tracsis' products and services are likely to be in increasing demand as the proposed reforms take effect. Alpha FMC (+37.6%) is a consultant to the asset management, wealth management and insurance industries. 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 (+28.2%) designs and manufactures laser guided machinery which is used in the levelling of concrete in the construction industry. Somero released a strong trading update during the period, which resulted in financial expectations being upgraded. Increasing levels

Product Details

Launch date

January 2016

Structure

Discretionary portfolio service

Minimum investment

Dividend portfolio £50,000

Growth portfolio £50,000

Weighted Average Market Cap

£661m

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:

of construction activity in Somero's key market, the United States, underpins confidence in the prospects for further recovery in earnings.

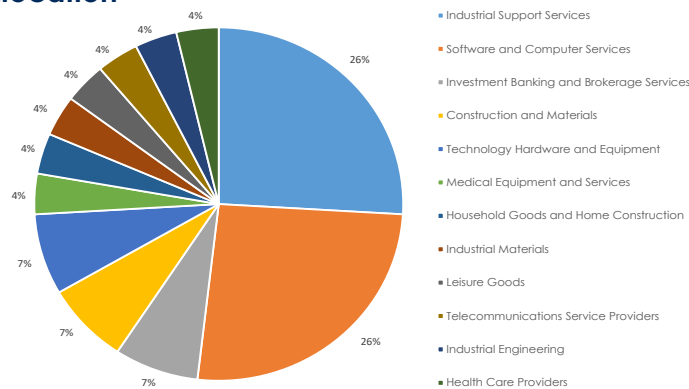
IQE (-18.8%) supplies advanced semiconductor wafer products and material solutions to the semiconductor industry. IQE's share price continued to drift lower during the quarter as industry news flow was dominated by a deepening semiconductor shortage together with delays to the roll-out of high-capacity 5G base stations in China; a large market for the Group. These interruptions to growth are likely to be temporary and we remain confident in IQE's longer term growth prospects, which are likely to be driven by the inevitable rollout of 5G technology worldwide. Frontier Developments (-15.1%) is a video game developer with a growing portfolio of high quality game franchises. Reviews of Frontier's recently released expansion pack for its longest standing game, Elite Dangerous were generally negative. Despite this short term setback, Frontier has a strong pipeline of releases over the next 12-24 months, including the second iteration of its highly successful, Jurassic World Evolution game and the release of a Formula 1 Manager game, which should underpin further profit growth. First Derivatives (-14.5%) provides high performance data analytics software and consultancy services to the financial sector. First Derivatives released a trading update during the quarter, which although broadly in line with expectations, also highlighted the need to increase investment in order to drive future growth. This unexpected additional investment has resulted in downgraded profit expectations for the current financial year.

Top Five Holdings*

Company	Sector
Advanced Medical Solutions	Medical Equipment and Services
Alpha Financial Markets Cons	Industrial Support Services
Alpha FX Group PLC	Investment Banking and Brokerage Services
Breedon Group PLC	Construction and Materials
Churchill China PLC	Household Goods and Home Construction

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



RWS is a global provider of language services and language technology, with a market leading position in worldwide patent translation and patent filing and the number two position in life sciences translations and linguistic validation services. RWS has delivered strong long-term financial performance driven by its exposure to structural growth trends across the life sciences and technology sectors. Solid organic growth has been enhanced by complementary acquisitions in recent years, which have bolstered the group's offering for technology customers including growing demand for machine translation and Artificial Intelligence (AI) capabilities.

Price (p): 560.00
Market cap (£m): 2,179.44

Data from London Stock Exchange - 26/07/21

Investment Advisers



Chris Hutchinson



Alex Game