

Reporting date: 30 April 2018

Investment objective and policy

The objective of the investment policy is to provide consistent long term capital and income growth. The investment policy, save for the Managers' intention to manage the investments of the Trust so that its units are a qualifying investment for individual savings accounts, will not be restricted as to economic sectors or geographical areas.

Managers' commentary

Portfolio re-positioning

- The portfolio has been significantly re-positioned over March and the beginning of April with a view to improve the performance of the Unit Trust. The dividend yield has been rebased to a more sustainable level and it is now our intention to grow the income consistently from here along with capital appreciation over the long-term.
- The Unit Trust has moved from a concentrated portfolio of 23 large capitalisation investments solely listed in the UK to 48 companies offering a more diverse global exposure. The Unit Trust will invest in between 45-55 companies, primarily across UK listed equities in order to maintain close dialogue with company management teams. However up to 25% of the portfolio can be listed overseas as we believe some of the best opportunities can surface globally at different times and in different industries. Currently the portfolio has 15% invested overseas. We look to invest in companies for the long-term meaning the portfolio will have a very low turnover.
- We are bottom up investors believing some of the best opportunities lie in under-covered companies and so we will invest right across the market capitalisation spectrum.
- We aim to find high quality companies trading at appealing valuations. Intrinsically we have a value bias often looking for opportunistic and contrarian investments but also strive to find growth at a reasonable price.
- We employ a concise, simple and transparent strategy that we believe can outperform over the longterm; seeking to find companies with strong balance sheets, with little to no debt, consistent, defensive earnings streams, healthy cash generation, growing dividends and stable market positions. We maintain close dialogue with company management teams and where possible will often spend time at their facilities, meeting employees and continuing to develop our understanding of each business.

Market and Portfolio commentary

After another positive year for stock markets in 2017, this year has proven to be less kind so far. There has been a changing of the guard at the Federal Reserve and the new Chair, Jerome Powell, has voiced a rosier economic outlook than his predecessor leading the market to assume faster interest rate rises than previously expected. In addition, President Trump has fired up trade war rhetoric and it remains to be seen if this is an extreme stance before he compromises.

Further geopolitical noise has surfaced in recent months; however it was very encouraging to see positive dialogue between the Koreas along with the announcement that a Chinese foreign minister will make an official trip in May to Pyongyang, the first time since 2007. The US-North Korea summit has yet to be finalised and much uncertainty remains in regards to Pyongyang relinquishing their nuclear weapons.

On a more domestic level, we have met with a number of company management teams this year, who have reported strong sets of financial results. Whilst there will always be political uncertainty globally, the market remains cautiously optimistic with global earnings growth remaining strong.

Across the portfolio in the month of April, notable moves have been seen in Clipper Logistics, TT Electronics, Victoria and Zotefoams with disappointments in the warehouse automation company Kion Group and US listed Waters Corporation falling after announcing their results. Clipper Logistics issued a set of pleasing results and announced a new contract win with Boohoo owned Pretty Little Thing. Victoria PLC delivered another year of significant earnings accretive growth and outlined revenue was expected to be ahead of market expectations. TT Electronics, the global provider of engineered electronics, successfully completed the acquisition of Stadium Group and Zotefoams, the polyolefin foam manufacturer continues its ascendancy with their agreement with Nike in the limelight following the London Marathon.

Performance data*

Performance	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-3.7%	-2.9%	-3.7%	0.5%	16.8%
Accumulation	-3.7%	-2.9%	-3.7%	0.5%	16.8%
FTSE All-Share TR	1.0%	2.1%	8.1%	22.5%	45.5%

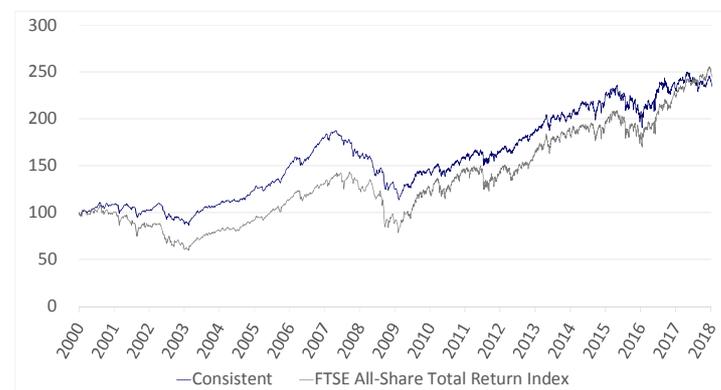
Annual performance**

	2017	2016	2015	2014
Income	4.1%	2.7%	5.6%	4.2%
Accumulation	4.2%	2.8%	5.6%	4.3%
FTSE All-Share TR	14.9%	3.8%	5.4%	5.6%

*Source: Bloomberg - Published prices.

**Annual performance on a rolling 12 month calendar period.

Relative performance 31 January 2000 to 30 April 2018



The above graph shows the performance of Consistent Unit Trust Income Units with net income reinvested and the FTSE All-Share TR Index. The price of the units and index have been re-based to 100 as at 31 January 2000.

Source: all data sourced from Yealand Administration Limited at the reporting date, unless otherwise stated.

Market capitalisation exposure (%)

Market Capitalisation	%
£7.5bn +	5.3
£2.5bn to £7.5bn	5.7
£750m to £2.5bn	41.6
£250m to £750m	29.5
< £250m	17.0
Cash	0.9

Source: Bloomberg - Based on current market capitalisation

Top ten holdings

Rank	Company	% of Fund Size
1	Focusrite	3.07
2	Zotefoams	3.05
3	Hill & Smith	2.51
4	Discoverie Group	2.50
5	Flowtech Fluidpower	2.45
6	Kion Group	2.41
7	Clinigen Group	2.40
8	TT Electronics	2.38
9	Greggs	2.37
10	Avon Rubber	2.36
Total		25.50

The above past performance data is no guide to future performance, the value of units and the income from them may fall as well as rise and is not guaranteed. Returns are shown net of annual management charge, other expenses and net income reinvested.

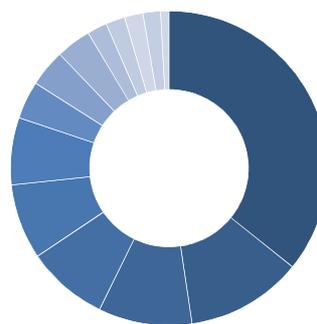
Reporting date: 30 April 2018

Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 April 2018 12:00	
Fund size	£9.3m	
No. of holdings	48	
<i>Unit class</i>	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.2m	£2.1m
Bid price	51.98p	134.0p
Offer price	52.82p	136.3p
Net yield	2.42%	2.42%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.27%	0.27%
ISIN	GB0002164092	GB0002177581
Bloomberg ticker	CONUNTI LN	CONUNTA LN
KIID risk rating	5	5
Launch date	22 January 1988	
Legal status	UCITS	
Category	Unit Trust	
Domicile	United Kingdom	
Period end dates	Interim 31 January, Final 31 July	
Distribution dates	Interim 31 March, Final 30 September	
Minimum investment	£1,000	
Regular savings	£50	

*The OCF (Ongoing Charges Figure) is the total expenses paid by the fund (excluding bank overdraft interest), annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change. The OCF is updated following the publication of accounts for the periods ending 31 January and 31 July.

Sector classification of investments



- Industrial Goods & Services 35.80%
- Construction & Materials 11.88%
- Personal & Household Goods 9.56%
- Retail 8.33%
- Health Care 7.74%
- Chemicals 6.91%
- Banks 3.88%
- Financial Service 3.80%
- Technology 3.57%
- Media 2.04%
- Telecommunications 1.95%
- Travel & Leisure 1.89%
- Real Estate 1.80%
- Net Other Assets 0.85%

How to buy units in the Fund

The Fund is available through a number of distributors including:

Charles Stanley Direct
Cofunds
Fidelity Funds Network
Funds Direct
Hargreaves Lansdown
Novia Financial

Other investment information

Recommended minimum investment horizon:



Risk and reward profile



Contacts

Authorised Fund Manager

Consistent Unit Trust Management Company Limited
Fair Lorna House
Buckingham Road
Singleborough
Milton Keynes MK17 0RB
Phone: 01296 711598
Website: www.consistentunittrust.co.uk

Administrators & Registrars

Yealand Administration Limited
Stuart House
St. John's Street
Peterborough PE1 5DD
Phone: 0345 850 8818
Fax: 01733 286870
E-mail: consistent@yealand.com

Risk Warning Disclaimer and Authorisation

The value of investments, and the income from them, may fall as well as rise, and is not guaranteed. Consequently an investor may not receive back the amount originally invested. Past performance is not a guide to future performance. Investments denominated in foreign currencies may be impacted by movements in the exchange rates and investments with fixed or floating interest rates by changes in prevailing rates or expectation of future rates.

Whilst every effort has been made to ensure that the information contained in this document is correct, the directors of Consistent Unit Trust Management Company Limited can take no responsibility for any action taken (or not taken) as a result of the matters considered within it. These views are provided for information purposes only and should neither be construed as constituting investment advice nor be relied on in making an investment decision. The expressions, opinions and recommendations are based on our present understanding of requirements and the current products available in the market place. Any recommendations or illustrations contained herein may be subject to change without notice.

Further information regarding the Fund is available in the full Prospectus, Key Investor Information document and annual/interim report and accounts.

This document is issued and approved by Consistent Unit Trust Management Company Limited, which is authorised and regulated by the Financial Conduct Authority (FCA) a member of the Investment Association.