

Reporting date: 31 August 2018 12:00

Investment objective and policy

The objective of the investment fund is to provide consistent long term capital and income growth. The investment policy for achieving the objective is for the Manager to invest primarily in equity securities. There is no restriction to economic securities or geographical areas, but the manager considers the objective can be achieved from investing predominantly in UK equities and seeking undervalued overseas opportunities.

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. Intrinsicly 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

Consistent Opportunities Unit Trust delivered -0.9% TR in August against a -2.8% TR in the FTSE All Share Index. The notoriously volatile and low volume month of August did not disappoint with some significant moves across the market fuelled by continued global trade war rhetoric and Emerging Market currencies remaining under pressure. Argentina and Turkey have faced their own specific market issues, however other EM currencies have been volatile due to the continued expectations of rate rises in the US.

Turning back to the portfolio, the biggest detractor in the month was Hill & Smith (-30%) which downgraded guidance due to weather disruption and project delays in the UK. However after meeting with the management team we believe the share price move is a significant over-reaction and have subsequently increased our position in the business.

There were positive moves across the US technology investments of Cisco Systems (+13%) and PayPal Holdings (+12%) which remain in demand. Across the UK smaller capitalisation companies there was outperformance across TT Electronics (+17%), Warpaint London (+13%), Van Elle (+10%) and Audio products manufacturer Focusrite (+10%) which has seen its shares increase over 50% this year alone. Gym Group delivered a set of positive results with revenue rising 36%. We have used the strong share price rise in recent months to reduce our holding on valuation grounds after a more than 50% rise in the shares since April.

Finally, along with Hill & Smith we also increased our stakes in Macfarlane Group, Ricardo, Synthomer and Xpediator in the month.

Performance data*

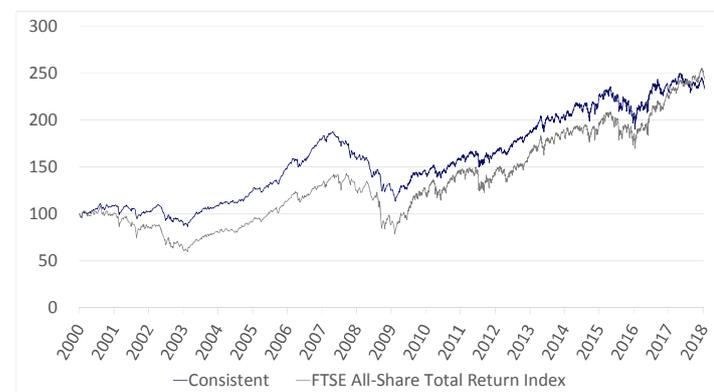
Performance	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-0.1%	3.5%	-0.6%	10.5%	18.6%
Accumulation	-0.1%	3.5%	-0.6%	10.4%	18.5%
FTSE All-Share TR	-1.6%	5.5%	4.6%	33.7%	44.0%

Annual performance**	2018	2017	2016	2015	2014
Income	-0.5%	4.1%	2.7%	5.6%	4.2%
Accumulation	-0.5%	4.2%	2.8%	5.6%	4.3%
FTSE All-Share TR	9.1%	14.9%	3.8%	5.4%	5.6%

*Source: Published prices.

**Annual performance as per Report and Accounts.

Relative performance 31 January 2000 to 31 August 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 (%)

	%
£7.5bn +	5.7
£2.5bn to £7.5bn	5.1
£750m to £2.5bn	35.1
£250m to £750m	32.9
< £250m	21.5
Cash	-0.3

Source: Bloomberg - Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 Focusrite	2.94
2 Macfarlane Group	2.93
3 Zotefoams	2.81
4 Anexo Group	2.71
5 Synthomer	2.64
6 Flowtech Fluidpower	2.58
7 Victoria	2.45
8 Kion Group	2.44
9 Clinigen Group	2.38
10 Van Elle Holdings	2.37
Total	26.25

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.

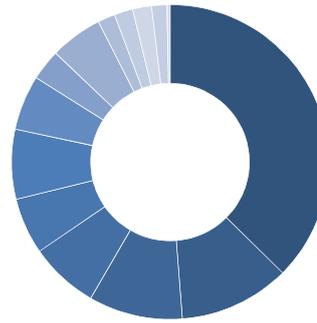
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 August 2018 12:00	
Fund size	£10.6m	
No. of holdings	49	
<i>Unit class</i>	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.5m	£3.1m
Bid price	52.89p	137.9p
Offer price	54.03p	141.0p
Net yield	2.42%	2.42%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.31%	0.31%
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	37.66%
■ Construction & Materials	11.38%
■ Personal & Household Goods	9.66%
■ Retail	7.10%
■ Health Care	5.83%
■ Chemicals	7.20%
■ Financial Service	5.67%
■ Banks	3.19%
■ Technology	5.40%
■ Logistics Services	1.78%
■ Media	1.90%
■ Travel & Leisure	1.94%
■ Telecommunications	1.59%
■ Net Other Assets	-0.30%

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

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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.