

Reporting date: 29 March 2019

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 Unit Trust in April 2018 was repositioned from a concentrated portfolio of 23 high yielding large capitalisation investments solely listed in the UK to 46 companies offering a more diverse global exposure. The Fund will invest in a maximum of 55 companies, primarily across UK listed equities with a smaller / midcap bias 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 7.2% invested overseas. We look to invest in companies for the long-term meaning the portfolio will have a low turnover.
- We are bottom up investors believing some of the best opportunities lie in under-covered companies and so we will invest across the market capitalisation spectrum currently with an emphasis on small capitalisation companies.
- 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

Consistent Opportunities Unit Trust rose 0.74% in the month of March against the FTSE All Share rise of 2.67%, with the FTSE All Small cap falling in the month. Markets have continued to recover this year after a volatile fourth Quarter and the Fund has risen 7.42% in 2019.

Turning back to the portfolio, Coats Group fell over the course of the month by 11% after announcing results. The dividend was increased 15% but higher costs within the business will hit FY profit. However last year was one of much change for Coats with the sale of their US Crafts business, Pension clarity and most impressively the Hi-tech division achieving 20%+ organic growth. We believe the company is very well positioned in its core markets whilst having M&A optionality with a balance sheet at 1x net debt / EBITDA which is at the bottom of the range.

The positive contributors in the month were Victoria (+27%), TT Electronics (+22%), Codemasters (+19%) and Volution Group (+11%). Victoria recovered sharply in the month on the back of insider buying from the founding Anton family. TT Electronics issued a set of upbeat results which showed strong organic growth and the successful integrations of Precision and Stadium Group, we had an encouraging meeting with management and believe there remains many further bolt on acquisition opportunities. Codemasters bounced off their lows and the results were well received with the company upgrading forecasts and it was particularly pleasing to see the net cash position higher than anticipated. Finally we also met with Volution Group which announced a resilient set of results outlining the new Reading facility difficulties which are now behind them. M&A remains on the agenda and with the management's track record we believe there are many opportunities particularly in Europe.

We also had one-one meetings with Bodycote, Greggs, Headlam Group, Hill & Smith, Kin & Carta, Superdry and Zotefoams and remain longterm supportive shareholders.

We secured the healthy gain in Novo-Nordisk on valuation grounds whilst securing the modest gain in RPC Group above the takeover over price after the company agreed terms with Berry Global. Using the proceeds, we topped up Balfour Beatty, Kin & Carta and TBC Bank. Whilst starting new investments in DWF Group and Portmeirion Group.

DWF Group is the 23rd largest in the UK and is organised into four divisions: Commercial Services; Insurance; International, and Connected Services. The Commercial Services division provides a range of complex legal services and managed services to clients and includes the corporate, litigation and real estate practice groups. The Insurance division provides a range of complex legal services and managed services predominantly to insurers and their insured's and includes the catastrophic personal injury, occupational health and casualty. The International division focuses on the same areas of legal services as the Commercial Services and Insurance divisions. Finally the Connected Services division offers complementary products or services to the traditional legal services. We had extensive meetings with the management team along with three separate financial analysts across the City who were covering the float. The Board is strong with Sir Nigel Knowles appointed Chairman who grew DLA Piper to become the largest Law Firm in the world. The shares have listed on just 11x forward earnings offering a yield approaching 6%. We believe the International expansion opportunities will further drive Partner headcount and revenue and with over 60% of the equity owned by the Partners we believe the shareholders are correctly and closely aligned with the revenue generators of the business.

Portmeirion is a household goods company and despite the name operates out of Stoke. It has five brands – Portmeirion, Spode, Royal Worcester, Pimpernel and Wax Lyrical. The company is a major exporter with 66% of sales overseas. Major markets include the United States, Europe, Taiwan, Hong Kong and South Korea. Standing on a P/E ratio of just 13x earnings and producing double digit margins the company is well placed going forward with an unlevered balance sheet and the desire for further earnings enhancing acquisitions. We have a recent meeting with the management and were impressed with the opportunities available to them.

Finally, we continue to invest significantly in the Fund on a personal level and remain committed to the longterm investment strategy. The market remains volatile but the Fund is well positioned, invested across companies with strong management teams and resilient balance sheets.

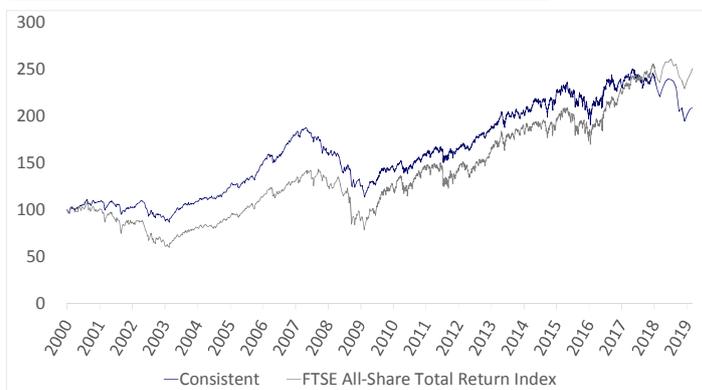
Performance data*

As at 29 March 2019	3 Months	6 Months	1 Year	3 Years	5 Years
Income	7.5%	-9.2%	-5.2%	-2.3%	1.3%
Accumulation	7.5%	-9.2%	-5.2%	-2.4%	1.2%
FTSE All-Share TR	9.4%	-1.8%	6.3%	31.3%	34.4%
Annual**	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 published Report and Accounts 31 July.

Relative performance 31 January 2000 to 29 March 2019



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.

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	29 March 2019	
Fund size	£9.4m	
No. of holdings	46	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.4m	£3.0m
Bid price	46.43p	121.8p
Offer price	47.38p	124.4p
Net yield	3.05%	3.05%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.26%	0.26%
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	

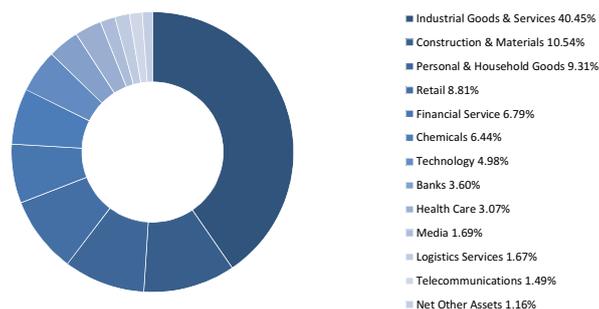
*The OCF is the total expenses paid by the fund (excluding bank overdraft interest), annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change. The OCF is updated following the publication of accounts for the periods ending 31 January and 31 July.

How to buy units in the Fund

The Fund is available through a number of distributors including:

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

Sector classification of investments



Market capitalisation exposure (%)

Market Capitalisation	%
£7.5bn +	2.1
£2.5bn to £7.5bn	3.1
£750m to £2.5bn	33.4
£250m to £750m	36.9
< £250m	23.3
Cash	1.2

Top ten holdings

Rank	Company	% of Fund Size
1	TT Electronics	3.26
2	Anexo Group	3.21
3	Macfarlane Group	3.20
4	Clinigen Group	3.07
5	Zotefoams	3.03
6	Discoverie Group	2.95
7	Kin & Carta	2.83
8	DWF Group	2.80
9	Codemasters Group	2.72
10	Focusrite	2.70
Total		29.77

Other investment information

Recommended minimum
investment horizon:



Risk and reward profile



Contacts

Authorised Fund Manager

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Risk Warning

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.

Disclaimer and Authorisation

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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.