

Reporting date: 31 July 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

Consistent Opportunities Unit Trust fell 1.8% in the month of July against a continued fall in the FTSE All small cap index with sentiment remaining very weak to UK listed small / mid-caps. The FTSE All Share delivered a total return of 2.0% with a weak GBP benefitting the overseas revenue generators in the FTSE100. The Fund has risen 12.5% so far in 2019 and remains invested in 45 companies across predominantly UK listed small / mid-capitalisation businesses with just under 4% of the Fund invested overseas.

Turning back to the portfolio, the main detractor in the month was Synthomer, the speciality chemicals company, which announced the acquisition of Omnova in the US. Sentiment remains weak to the sector with a recent warning from BASF and wider macro concerns globally, however we took up the rights in full after an upbeat meeting with management. We believe this deal is a great fit for Synthomer which makes sense on both a geographical and product level along with significant synergies.

The positive contributors in the month were Avon Rubber, CVS Group, Pets at Home and Sanderson Group which announced a recommended cash offer of £90m by Apteon a private equity vehicle. Whilst the bid premium looks to us to be somewhat low, the shares have been strong this year rising over 50%, although we would have preferred this quality UK software developer to remain a listed entity.

We sold two of the financials in the portfolio in the form of US listed BB&T and UK listed Arrow Global the unsecured loan specialist. The share prices had performed strongly in recent months against a volatile market and we saw better risk reward profiles elsewhere. We also made a modest reduction in Pets at Home which has doubled this year and recycled the capital back into the market, topping up DiscoverIE, Clipper Logistics and TT Electronics. We met with 15 companies in the month including, Augean, Bodycote, Renalytix AI and Van Elle and continue look for undervalued opportunities in the market.

A new investment was initiated in Augean PLC, a company engaged in the provision of specialist services focused on hazardous waste. The shares have been volatile recently with an overhanging HMRC penalty with regards to Landfill tax rates across their South and North divisions. The company continues to contest the penalty and we anticipate a settlement may be reached in due course. We had a good meeting with management and whilst there remains uncertainties in regards to the fines, the company is still generating over £1.5m of net cash a month.

Finally, we continue to invest in the Fund on a personal level and remain committed to the longterm investment strategy. The market remains volatile and sentiment is incredibly weak to UK listed companies. We believe there is significant opportunities across the portfolio which is invested across companies with strong management teams and resilient balance sheets.

Performance data*

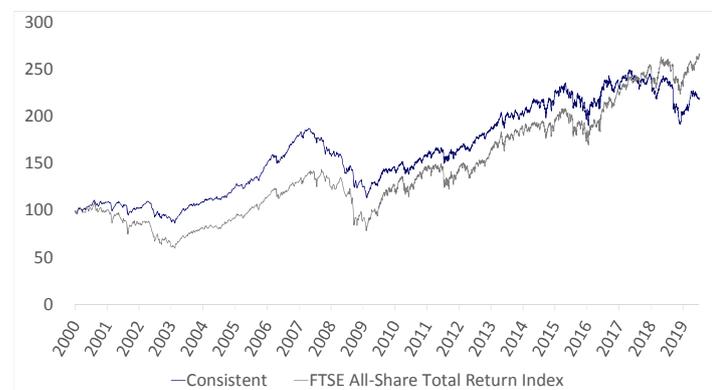
As at 31 July 2019	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-3.7%	7.4%	-8.8%	-4.9%	2.5%
Accumulation	-3.7%	7.4%	-8.8%	-5.0%	2.4%
FTSE All-Share TR	2.5%	10.6%	1.2%	27.0%	38.9%

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 31 July 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.

Market capitalisation exposure (%)

	%
£2.5bn to £7.5bn	1.6
£750m to £2.5bn	27.9
£250m to £750m	36.4
< £250m	33.2
Cash	0.9

Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 Discoverie Group	4.33
2 Anexo Group	4.27
3 Clinigen Group	3.21
4 TT Electronics	3.19
5 Kin & Carta	3.10
6 Clipper Logistics	3.03
7 Macfarlane Group	3.01
8 Victoria	2.91
9 DWF Group	2.73
10 Portmeirion Group	2.72
Total	32.50

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.

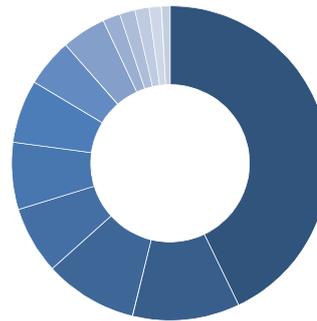
Reporting date: 31 July 2019

Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 July 2019	
Fund size	£9.7m	
No. of holdings	45	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.6m	£3.1m
Bid price	48.54p	127.3p
Offer price	49.72p	130.5p
Net yield	2.71%	2.71%
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.

Sector classification of investments



■ Industrial Goods & Services	42.87%
■ Personal & Household Goods	10.95%
■ Construction & Materials	9.52%
■ Financial Service	6.93%
■ Retail	6.87%
■ Chemicals	6.50%
■ Health Care	4.90%
■ Technology	4.55%
■ Banks	1.77%
■ Telecommunications	1.57%
■ Media	1.44%
■ Logistics Services	1.25%
■ Net Other Assets	0.88%

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

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
E-mail: nick.pritchard@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

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

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.