

Reporting date: 30 August 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 4.6% in the month of August against a 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 -3.6% with a weak GBP benefitting the overseas revenue generators in the FTSE100. The Fund has risen 7.3% 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 detractors in the month were Clipper Logistics and Kin & Carta. Clipper is engaged in providing value added logistics solutions and e-fulfilment and returns management services to the retail sector. The retail sector continues to experience difficult trading conditions across the high street and this has adversely impacted the share price of connected companies. However we believe this to be unjustified for Clipper which has seen its e-fulfilment revenue up nearly 50%. We had an upbeat meeting with management who have reflected their confidence in the group by increasing the final dividend by over 15%.

Kin & Carta, formerly named St Ives, issued a trading update which signalled profits would be marginally lower than market expectations due to increased investment in its transformation agenda which is focused on evolving the Communication and Strategy division away from lower margin work. The company expects to see double digit net revenue growth and double digit operating margins in FY20 and we believe a valuation of under 10x earnings and a FCF yield of over 8% is very appealing. We have spent time with the management at their offices of The App Business and were very impressed with recent project wins for high quality companies such as Shell, Santander, Jaguar Land Rover to name a few.

We made modest reduction in Pets at Home on valuation grounds after the company share price has doubled in 2019 resulting in significant yield compression. The proceeds were redeployed into existing investments of Augean, Kin & Carta, TT Electronics and Synthomer utilising weakness across their share prices. No new company investments were implemented in the 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*

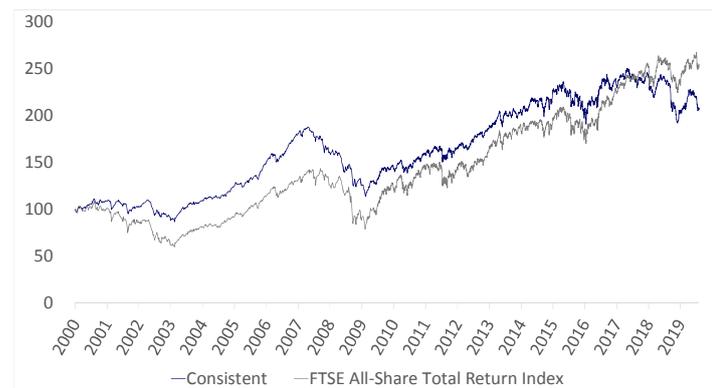
As at 30 August 2019	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-7.0%	0.2%	-12.1%	-11.6%	-4.2%
Accumulation	-7.0%	0.2%	-12.1%	-11.7%	-4.3%
FTSE All-Share TR	1.9%	4.2%	0.4%	20.2%	31.1%

Annual**	2019	2018	2017	2016	2015
Income	-9.1%	-0.5%	4.1%	2.7%	5.6%
Accumulation	-9.1%	-0.5%	4.2%	2.8%	5.6%
FTSE All-Share TR	1.2%	9.1%	14.9%	3.8%	5.4%

*Source: Published prices.

**Annual performance as per published Report and Accounts 31 July.

Relative performance 31 January 2000 to 30 August 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	1.7
£750m to £2.5bn	27.3
£250m to £750m	34.7
< £250m	36.4
Cash	-0.1

Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 Anexo Group	4.62
2 Discoverie Group	4.29
3 TT Electronics	4.06
4 Macfarlane Group	3.15
5 Clinigen Group	2.96
6 Augean	2.93
7 Harwood Wealth Management Group	2.81
8 DWF Group	2.80
9 Synthomer	2.79
10 Kin & Carta	2.77
Total	33.18

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.

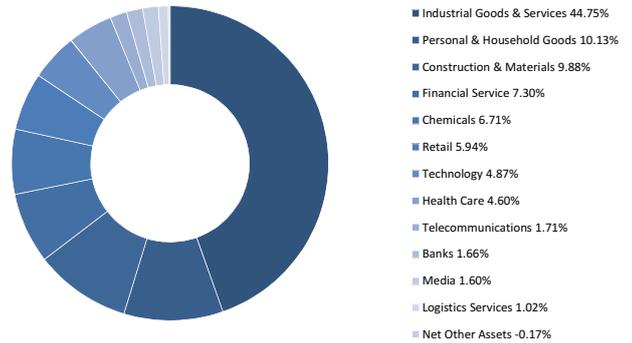
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 August 2019	
Fund size	£9.2m	
No. of holdings	45	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.2m	£3.0m
Bid price	45.65p	121.1p
Offer price	47.01p	124.8p
Net yield	2.74%	2.74%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.28%	0.28%
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



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



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

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.