

Reporting date: 30 September 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 rose 2.9% in the month of September against a 1.7% rise in the FTSE All small cap index. The FTSE All Share delivered a total return of 2.9% recovering after the bruising August. The Fund has risen 10.4% 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 Flowtech Fluidpower and Ricardo PLC. Flowtech Fluidpower, the specialist full service supplier of technical fluid power products and services updated the market in September on their six month results with revenue up over 5% and organic sales growth of 2.9%. However recent trading has been impacted by Brexit related nervousness and the company has guided that profits will be lower than market expectations for 2020. We met with management last month and whilst there remains uncertainty on current trading, the management are focused further cost savings across the business and working capital improvements.

Ricardo PLC shares were weak in the period with their Automotive division particularly challenging. However the order book remains resilient and the increasing diversification of the business has benefitted the group during the current auto slowdown. The Technical Consulting and Performance Products division saw impressive growth in the full year and this was reemphasised in a recent meeting with their CEO with their Rail division seeing strong demand across the Middle East and Asia. The shares stand on a historically low earnings multiple which we believe is unjustified given their strong positioning across Energy, Rail, Performance Products and Strategic Consulting rather than just a pure Automotive player.

There were strong performances across Avon Rubber, Focusrite, CVS Group, RPS Group and Electrocomponents. Focusrite, the global music and audio company supplying hardware and software products delivered another upbeat trading update with the company expecting revenue for the FY to be ahead of market expectations. The company announced in July the acquisition of ADAM Audio, a German studio monitor company and we believe the fit to be an excellent one for the Group. Cash Generation remains a key priority and even post the recent acquisition the net cash balance remains healthy at just under £15m.

Avon Rubber shares rallied strongly in the period after the company announced the acquisition of 3M's ballistic-protection business for an initial consideration of £75m. The acquisition looks a very attractive opportunity for Avon Rubber and fits well with the core strengths of the existing business. It significantly expands Avon's operations in the US along with widening its Protection's range. There are significant synergy opportunities and is a value enhancing acquisition in the first full year of ownership for the Group.

We have secured the gain on the shares of CVS group on valuation grounds after the shares have rallied over 50% this year. Using the proceeds we have started a new investment in Medica Group a company we have been closely following since IPO in 2017. The shares have fallen over 30% since listing and now the valuation meets our criteria, we have decided to initiate a new investment following an upbeat meeting with their new CEO who was appointed in May 2019. Medica Group PLC is a United Kingdom-based company, which is engaged in the provision of teleradiology services. The Company offers an information technology (IT) platform that provides linkage between a hospital's radiology information system (RIS) and consultant radiologists who contract with the Company. The Company operates through Teleradiology reporting segment. The Company offers three services to hospital radiology departments: NightHawk, Routine cross-sectional (Routine CS) and Routine plain film (Routine PF). The Company's NightHawk service is an out of hours service to hospital emergency departments, offering always on support around the clock. NightHawk provides reporting on Computerized Tomography (CT) scans. Its Routine CS and Routine PF are both designed to assist hospitals in managing their daytime capacity and turnaround times. It provides Teleradiology services to NHS hospitals, private hospital groups and diagnostic imaging businesses. The shares stand on an appealing valuation with a strong balance sheet which allows them M&A optionality going forward.

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*

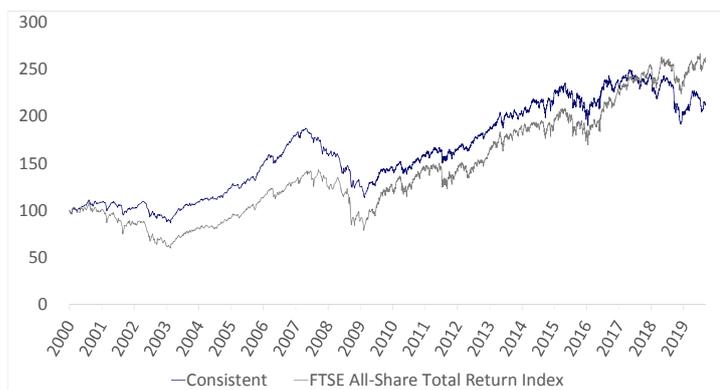
As at 30 September 2019	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-4.0%	2.1%	-7.2%	-9.1%	1.3%
Accumulation	-4.0%	2.1%	-7.2%	-9.2%	1.2%
FTSE All-Share TR	1.2%	4.5%	2.6%	21.6%	38.8%

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 September 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 (%)

Market Capitalisation	%
£2.5bn to £7.5bn	1.7
£750m to £2.5bn	27.4
£250m to £750m	34.5
< £250m	36.1
Cash	0.3

Based on current market capitalisation

Top ten holdings

Rank	Company	% of Fund Size
1	Anexo Group	4.74
2	Discoverie Group	4.17
3	TT Electronics	4.02
4	Synthomer	3.32
5	Augean	3.25
6	Clipper Logistics	3.15
7	Macfarlane Group	3.12
8	Clinigen Group	2.86
9	Kin & Carta	2.84
10	DWF Group	2.79
Total		34.26

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.

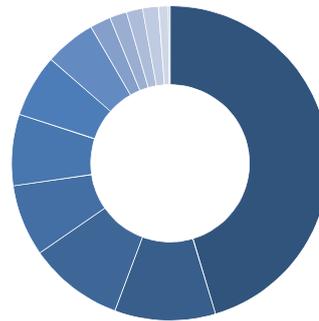
Reporting date: 30 September 2019

Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 September 2019	
Fund size	£9.4m	
No. of holdings	44	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.3m	£3.1m
Bid price	46.91p	124.4p
Offer price	48.46p	128.6p
Net yield	2.70%	2.70%
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



■ Industrial Goods & Services	45.36%
■ Personal & Household Goods	10.30%
■ Construction & Materials	9.70%
■ Chemicals	7.35%
■ Financial Service	7.33%
■ Health Care	6.44%
■ Retail	5.21%
■ Technology	2.12%
■ Telecommunications	1.74%
■ Media	1.67%
■ Banks	1.61%
■ Logistics Services	0.98%
■ Net Other Assets	0.19%

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

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.