

Reporting date: 31 October 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 2.6% in the month of October against a flat FTSE All small cap index. The FTSE All Share delivered a total return of -1.4% so a strong outperformance in the month. The Fund has risen 13.3% in 2019 and remains invested in 43 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 Synthomer and Zotefoams. Synthomer issued a 3Q trading update at the end of the month indicating that trading remains weak due to a recent deterioration in macroeconomic conditions. The company has taken steps to potentially consolidate underperforming assets and we believe the Omnova transaction remains a great strategic and geographic fit. The shares now trade on a single digit FY20 which we believe materially undervalues the enlarged company's prospects.

Zotefoams reported a disappointing trading update which highlighted a significant reduction in the Azote business particularly across European markets. The market is brutal to growth stories that disappoint and the shares fell heavily on the day. However the main structural growth opportunities in HPP and MuCell along with further product development remain and we continue to be patient with this interesting business.

There were strong performances across Augean (+39%), Kion Group (+26%), Kin & Carta (+17%) and Volution Group (+16%). Augean announced a positive update highlighting a very strong third quarter trading with management expected adjusted PBT to be materially ahead of current consensus forecasts. The Group is cash generative and benefits from high operational gearing. Market trends remain highly supportive to the company and further upgrades remain a possibility.

We secured the gains across the investments of CVS Group and Polypipe Group on valuation grounds and used the funds to top up Anexo Group, Medica Group and Zotefoams whose valuations remain appealing. A new investment was started in Access Intelligence via a placing to facilitate the purchase of Pulsar from Cello Health for £4.5m. We met with the charismatic CEO and believe the acquisition is a complementary addition to their existing platform Vuelio. Cello Health have taken a 100% share consideration which to us underpins their confidence in the potential of Pulsar within the hands of Access Intelligence.

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 even after a recent rerating in smaller companies, sentiment remains weak going into an uncertain General Election. However we believe there are significant growth opportunities across the portfolio which is invested in companies with strong management teams and resilient balance sheets.

Performance data*

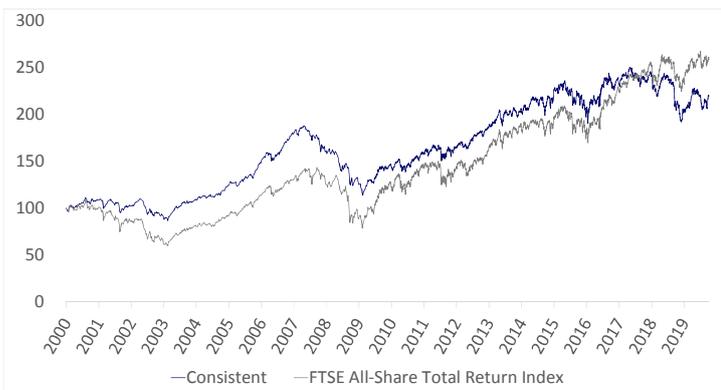
As at 31 October 2019	3 Months	6 Months	1 Year	3 Years	5 Years
Income	0.5%	-3.2%	7.2%	-6.2%	3.3%
Accumulation	0.5%	-3.2%	7.2%	-6.2%	3.3%
FTSE All-Share TR	-2.1%	0.4%	6.7%	19.3%	37.8%

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 31 October 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	24.9
£250m to £750m	29.2
< £250m	41.7
Cash	2.6

Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 Anexo Group	5.00
2 Discoverie Group	4.44
3 Augean	4.30
4 TT Electronics	3.77
5 Macfarlane Group	3.23
6 Clipper Logistics	3.18
7 Kin & Carta	3.16
8 Clinigen Group	2.82
9 Synthomer	2.75
10 Hill & Smith	2.72
Total	35.37

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.

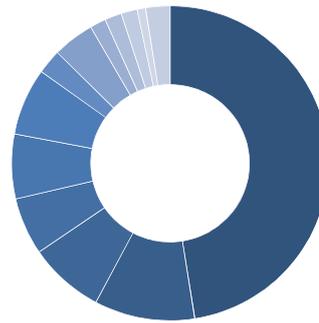
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 October 2019	
Fund size	£9.6m	
No. of holdings	43	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.5m	£3.1m
Bid price	48.25p	128p
Offer price	49.6p	131.6p
Net yield	2.63%	2.63%
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	47.51%
■ Personal & Household Goods	10.23%
■ Construction & Materials	7.72%
■ Chemicals	5.89%
■ Financial Service	6.64%
■ Health Care	6.91%
■ Retail	2.52%
■ Technology	4.23%
■ Telecommunications	1.65%
■ Media	1.71%
■ Banks	1.65%
■ Logistics Services	0.87%
■ Net Other Assets	2.47%

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

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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.