

Reporting date: 31 January 2020

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 2.6% in the month of January against a 0.9% fall in the FTSE small cap index. The FTSE All Share delivered a total return of -3.3% with concerns mounting globally in relation to the Coronavirus in China.

Turning back to the portfolio, there were falls across the shares of Superdry (-24%), Flowtech Fluidpower (-22%) and Augean PLC (-14%). Superdry like many retailers has exposure to China with the majority of their jacket production manufactured in the country. Whilst management has stated they do not anticipate any material impact to the group, the market is expecting disruptions to materialise going into March. Flowtech Fluidpower issued a weak trading update with Q4 softer than expected which resulted in lower revenue and profit than forecast. Net debt remained in line and with the shares trading on a very suppressed multiple relative to industry peers we remain patient with the business. Augean PLC issued an upbeat trading update and whilst some profit taking ensued given the share price strength in 2019 we remain optimistic and expect further upgrades.

We sold the investments across ITV and Vodafone two of the legacy holdings in the Fund held from previous management. Whilst we believe both companies offer longterm value we see better opportunities elsewhere for the capital. Using the proceeds we added to Augean, Clipper Logistics, Strix Group and Synthomer whilst starting a new investment in a very interesting small cap, Barkby Group.

Barkby Group is a family backed mini conglomerate primarily focused on high end Pubs and property development which are highly cash generative. The Group also has interests in a coffee company along with two Blue sky opportunities called Transcend Packaging and VivoPlex. These businesses are of particular interest to us and we believe could generate substantial returns over time. Transcend is Europe's largest manufacturer of paper straws and is this year starting production of single use, fully compostable coffee cups. VivoPlex is a battery free medical device that will measure pH temperature for IVF usage.

There were strong performances across the recently invested Barkby Group (+39%) which was tipped in the press, Alumasc Group (+14%) after a set of resilient results and DWF Group (+12%) after an upbeat inaugural Capital Markets Day. Finally, we continue to invest significantly in the Fund on a personal level and remain committed to the longterm investment strategy. The Fund delivered 29.6% Total Return in 2019 and is currently invested across 41 high quality companies. It is our aim to deliver returns ahead of the UK market over the longterm and are enthused for the potential opportunities for each company in the Fund going with valuations across the portfolio continuing to look attractive.

Performance data*

As at 31 January 2020	3 Months	6 Months	1 Year	3 Years	5 Years
Income	11.4%	12.0%	20.4%	6.1%	7.9%
Accumulation	11.4%	12.0%	20.3%	6.0%	7.8%
FTSE All-Share TR	2.2%	0.0%	10.7%	18.4%	35.6%

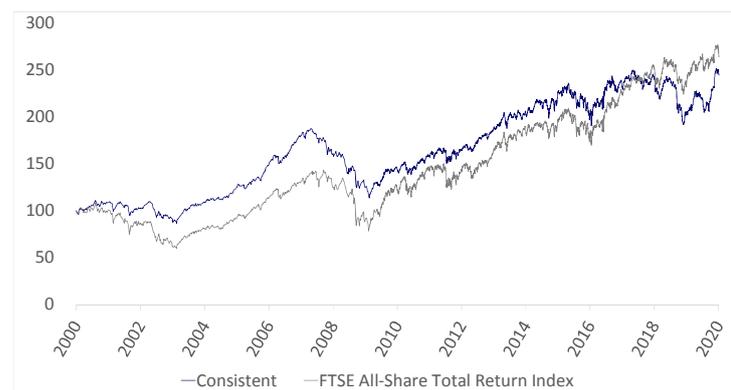
*Source: Published prices.

Market capitalisation exposure (%)

	%
£7.5bn +	1.2
£2.5bn to £7.5bn	4.1
£750m to £2.5bn	17.1
£250m to £750m	35.4
< £250m	39.9
Cash	2.3

Based on current market capitalisation

Relative performance 31 January 2000 to 31 January 2020



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.

Top ten holdings

	% of Fund Size
1 Augean	4.91
2 Anexo Group	4.50
3 Discoverie Group	4.24
4 Clipper Logistics	3.88
5 Synthomer	3.45
6 TT Electronics	3.42
7 Macfarlane Group	3.12
8 Clinigen Group	2.95
9 DWF Group	2.83
10 Hill & Smith	2.67
Total	35.97

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.

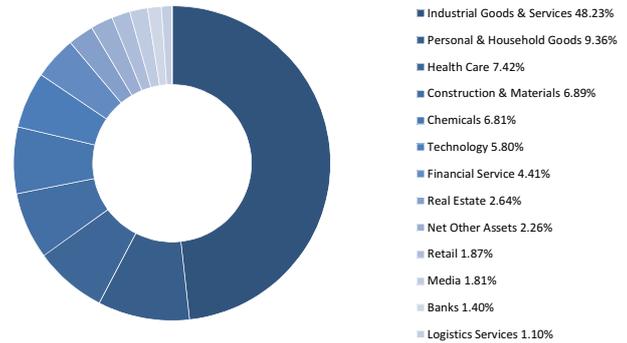
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 January 2020	
Fund size	£10.8m	
No. of holdings	41	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.2m	£3.6m
Bid price	53.77p	142.6p
Offer price	55.27p	146.7p
Net yield	2.45%	2.45%
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.