

Reporting date: 28 February 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 11.4% in the month of February against a 8.7% fall in the FTSE small cap index. The FTSE All Share delivered a total return of -8.9% with continued concerns mounting globally in relation to the Coronavirus that has now spread Worldwide with a number of cases across Italy and South Korea. Cases seem to be diminishing in China with containment measures across a number of provinces. Whilst we remain concerned with the spread and the well-being of individuals, we are focused on the longterm and see this virus as a speedbump for global GDP. Central banks have been quick to act with fiscal and monetary stimulus and we are confident that companies will be quick to return to full capacity this year.

Turning back to the portfolio, there were falls across the shares of Volex (-29%), RPS Group (-29%), Focusrite (-27%) and Clinigen (-26%). Focusrite and Volex have exposure to China with significant manufacturing operations in the country and whilst capacity has been constrained in recent months we have spoken to both management teams and factories are now back up and running. There were outperformance from recently purchased Centaur Media (+8%), TBC Bank (+4%) and Essensys PLC (+4%) given their strong balance sheet and market leading positions.

We made a sale in Electrocomponents on concerns to their global supply chain and used the proceeds to start new investments in Centaur Media and to take part in an IPO in a counter-cyclical business FRP Advisory. We also increased our weighting on share price weakness in Codemasters Group. Centaur Media is a UK based company that provides business information and specialist consultancy services across divisions including Xeim and The Lawyer publication. We believe the company can significantly improve margins over the next few years and with a strong balance sheet they are well positioned to invest in the business whilst looking for M&A opportunities further down the line. FRP Advisory is a business advisory firm based in the United Kingdom, providing restructuring, corporate finance, debt advisory, forensic accounting and pensions services and is one of the UK's largest specialists in the area of corporate restructuring. We had extensive meetings with management and believe in the alignment of interests with the partners who will retain a significant equity portion. The company generates EBITDA margins approaching 30% and is looking to implement a progressive dividend policy paid quarterly with a starting yield of over 4.5%.

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 28 February 2020	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-7.0%	4.1%	4.3%	-9.3%	-4.5%
Accumulation	-7.0%	4.1%	4.3%	-9.4%	-4.6%
FTSE All-Share TR	-8.9%	-5.4%	-1.4%	4.6%	19.1%

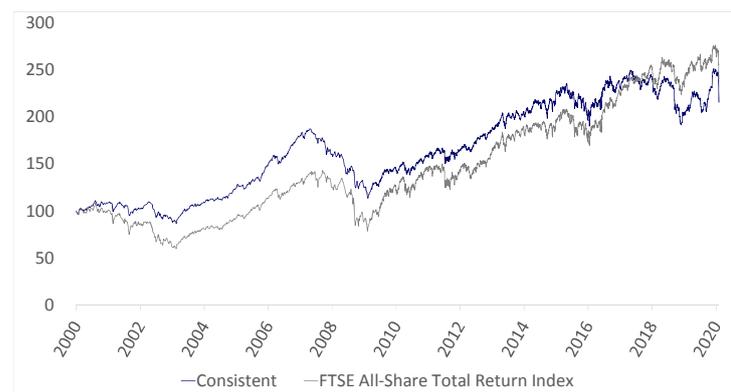
*Source: Published prices.

Market capitalisation exposure (%)

	%
£7.5bn +	1.3
£2.5bn to £7.5bn	2.1
£750m to £2.5bn	16.5
£250m to £750m	34.0
< £250m	43.6
Cash	2.5

Based on current market capitalisation

Relative performance 31 January 2000 to 28 February 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 Anexo Group	4.94
2 Augean	4.63
3 Clipper Logistics	4.40
4 Discoverie Group	3.80
5 DWF Group	3.26
6 Synthomer	3.23
7 TT Electronics	3.09
8 Volution Group	2.99
9 Macfarlane Group	2.96
10 Codemasters Group	2.88
Total	36.18

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.

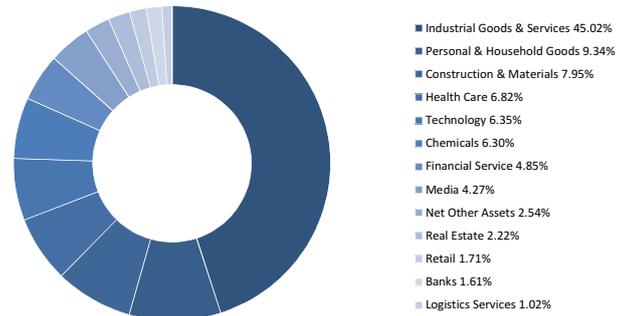
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	28 February 2020	
Fund size	£9.6m	
No. of holdings	41	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.4m	£3.2m
Bid price	47.3p	126p
Offer price	48.89p	130.4p
Net yield	2.80%	2.80%
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.