

Reporting date: 31 March 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 28% in the month of March against a 26% fall in the FTSE small cap (exc-Inv Trusts) index. The FTSE All Share delivered a total return of -15.1% with large caps globally holding up far better in the period compared to smaller companies. The virus pandemic has resulted in almost a complete global lockdown with economies grinding to a halt. Towards the end of the month there were hints of peak case numbers forming across Spain and Italy and a number of Countries are starting to plan for an exit from their lockdowns which is encouraging. Whilst the virus remains prevalent across a number of Countries and we cannot rule out the possibility of second waves globally, we must look longer term and we believe the Global GDP will rebound and economies can start to recover slowly.

We are now in the middle of a devastating pandemic which has brought the world to a standstill and threatens the lives of hundreds of thousands of people. All of a sudden, companies have woken up with no revenue, fixed costs to cover and interest bills to pay which is unprecedented. Governments around the world have acted promptly by cutting interest rates to virtually zero and giving direct help to business by covering most of their wage costs and deferring taxes as well as providing emergency loans. This action is to keep companies afloat and to preserve jobs. The US Government has enacted a \$2 trillion stimulus package to help their economy which is equivalent of 10% of GDP. However, this won't stave off a global recession which is on its way. Valuations of companies have been decimated with the FTSE 100 off 24% in the first quarter, the worst fall since 1987. This decline has been exacerbated by the 2/3rds fall in the oil price following Saudi Arabia's fall out with the Russians. The FTSE MID 250 index which is more representative of general industry has fallen by 31% over the same period.

The problem investors face now is the cancellation of dividend payments with the immediate action of Boards to preserve cash. Even companies with net cash on their balance sheet and are still doing well, have suspended payments as it is seen as morally wrong to continue with them. It seems likely that over coming months there will be further periods of significant volatility which will impact the valuations of companies across the Fund. The headlines concerning the virus are likely to get worse before they get better and stock markets will inevitably overreact to this uncertainty. Trying to guess short term movements will always be fraught with risk and as such we seek to avoid this. We remain focused on the longer-term potential of what are high quality companies trading at suppressed valuations.

In previous virus epidemics such as SARS and Swine Flu, Stockmarkets globally have recovered overtime. We do not expect Coronavirus to be any different and when normality starts to reappear what will become apparent is global markets have become far more liquid through Central Bank stimulus, cash will continue to earn nothing with Interest rates slashed and company dividends will slowly start to be reinstated, with the possibility of specials from the strongest of companies. It is for these reasons that with a long-term Investment time horizon in mind, this year could prove to be a well-timed buying opportunity with valuation anomalies surfacing. We have been encouraged by Government actions globally, the speed of company Board's to preserve cash whilst maintaining employment through Government initiatives and Individual's pulling together across the UK with volunteer numbers at over 750,000.

Turning back to the portfolio, there were sharp falls in RPS Group, Zotefoams and Portmeirion Group with the management teams acting quickly to protect their businesses with dividend halts across all 3 companies. We have been in contact with each company and are supportive of their moves to strengthen their balance sheets. There were outperformances from the recently purchased FRP Advisory which has been appointed administrator to a number of companies, Strix Group and Volex PLC which are both starting to get back to being fully operational in China and DiscoverIE which has held up well given their strong market position in structural growth markets.

We made no changes to the portfolio in the month of March with only a small addition to Anexo Group on share price weakness. Finally, we continue to invest significantly in the Fund on a personal level and remain committed to the longterm investment strategy even after a very difficult few months. We are in ever changing times, where health and wellbeing is of utmost importance for you and your families and we hope no one has been directly affected by this horrible virus. Countries and Stock markets will get through this and we look forward to more stable and happier times hopefully in the not too distant future.

Performance data*

As at 31 March 2020	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-38.4%	-27.4%	-25.8%	-35.7%	-31.3%
Accumulation	-38.4%	-27.4%	-25.8%	-35.8%	-31.4%
FTSE All-Share TR	-25.1%	-22.0%	-18.5%	-12.2%	2.9%

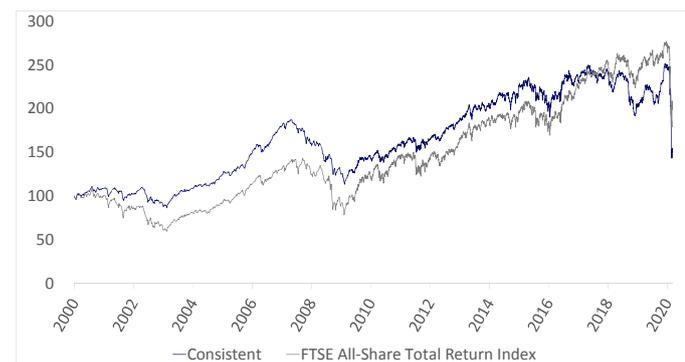
*Source: Published prices.

Market capitalisation exposure (%)

	%
£7.5bn +	1.6
£2.5bn to £7.5bn	2.4
£750m to £2.5bn	13.4
£250m to £750m	30.5
< £250m	52.2
Cash	-0.1

Based on current market capitalisation

Relative performance 31 January 2000 to 31 March 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 Discoverie Group	4.62
2 Augean	4.60
3 Anexo Group	4.44
4 Synthomer	3.89
5 FRP Advisory	3.70
6 Strix Group	3.57
7 Codemasters Group	3.48
8 TT Electronics	3.45
9 Macfarlane Group	3.44
10 Clipper Logistics	3.39
Total	38.58

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.

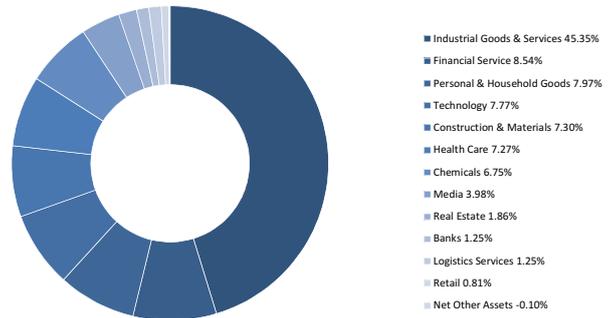
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 March 2020	
Fund size	£6.9m	
No. of holdings	42	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£4.6m	£2.3m
Bid price	33.89p	90.3p
Offer price	35.33p	94.2p
Net yield	2.70%	2.70%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.22%	0.22%
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.