Consistent Opportunities Unit Trust Factsheet

CONSISTENT UNIT TRUST MANAGEMENT COMPANY LTD

Reporting date: 30 April 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 rose 16.9% in the month of April against an 9.4% rise in the FTSE Small Cap (exc-Inv Trusts) Index. The FTSE All Share delivered a total return of 4.9% which lagged the US markets with the S&P500 surging 12.8% driven by the FANG constituents and unprecedented Fed stimulus. The Fund remains in negative territory in 2020 after a pleasing return across 2019 (+29.5%). Whilst we remain cautious in the medium term with it almost impossible to forecast earnings, we take comfort in the balance sheet strength of the companies invested in and we are confident they can weather this exceptionally difficult period. The health and safety of Family, Friends and our Investors is obviously imperative and we have been reassured by Government actions globally along with company boards who have been quick to focus on their longterm future with management salary cuts, dividend halts and reigning in capital expenditure.

The UK market has fallen over 20% this year having rebounded from the lows seen in March when the FTSE 100 briefly dipped below 5,000 points. There has been significant volatility across all sectors, particularly the hospitality and travel industry but Government assistance schemes and major Central Bank stimulus globally has resulted in some market stability and signs of a slow recovery. Across the Fund there are always winners and losers at any given time and we are confident the vast majority of sectors and companies will recover. We are pleased to have no airline / hotel / cruise stocks and only one Bank (Close Brothers) along with low leverage as a whole across the portfolio, with companies like Augean, Bloomsbury, Codemasters, Focusrite, Medica and Volex all with no debt and healthy cash positions. We continue to focus on companies' longer term prospects and remain close to fully invested. Experience has shown attempting to perfectly time the market and raising cash levels in heightened volatility can be a disastrous strategy over the longterm - as the saying goes, 'It is all about time in the markets, not timing the markets.'

Across the market there have been significant cuts to dividends with even the strongest of companies moving quickly to strengthen their balance sheets through raising capital, halting dividend payments altogether or significantly reducing their payout ratios. We believe Company Boards will look to rebase dividends and focus on investing in their businesses in the future and would expect a material fall in income over the next few years. This could well result in a cultural shift across UK investors who have historically focused more on the income element of total returns and the FTSE 100 index in the future could look very different with a shift away from ex-growth companies whose dividend covers have reduced materially in recent years. Cash is eroded by inflation overtime and as we all know is a poor longterm investment. Whilst income returns for equities will remain supressed for the next few years, companies can come out of this pandemic focused on becoming stronger, leaner entities with the commitment to a more sustainable dividend payout ratio going forward. Royal Dutch Shell could be a future example with the company surprising the market this month and cutting its dividend for the first time in 80 years. What could ensue in years to come is a better invested business with greater exposure to clean energy and shareholders rewarded in time from a market re-rating.

Turning back to the portfolio, there were no materially weak share prices in the month. The negative returns were seen across DWF (-6%), Ricardo (-6%), Headlam (-8%) and Essensys (-8%). There were strong rebounds in Zotefoams (+65%), Clipper Logistics (+52%), RPS Group (+49%) and Flowtech Fluidpower (+47%) after exceptional volatility in the previous month. The recent IPO FRP Advisory delivered 59% with a significant pickup in restructuring enquiries following the prolonged UK wide Lockdown.

We sold the remaining legacy holdings of European listed Evonik Industries and Kion Group as we believe the Pound remains undervalued going into renewed Brexit talks. The proceeds were deployed into a discounted placing in Van Elle whilst topping up the out of favour DWF Group following a company update. We also initiated a new position in Bloomsbury Publishing, a company we know very well and believe the 30%+ fall in the share price presented a compelling entry point. The company surprised the market with a small equity raise, however we believe given the conservative nature of the management team and their desire to reignite the longterm strategy post the virus pandemic, we will look back on the capital raising as a sensible move. H2 is a crucial period for the company with Christmas sales surging and we continue to see no reason why this year will be any different. The company has no debt and we expect dividends to resume next year.

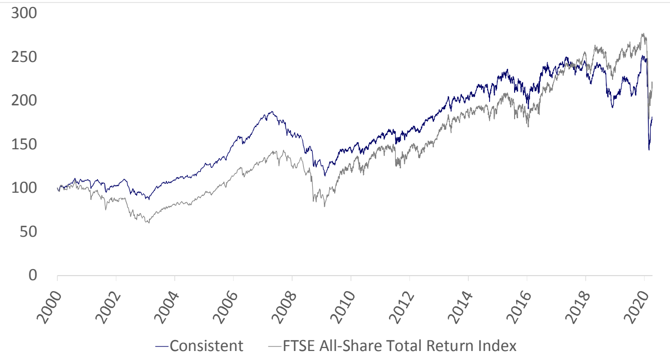
Finally, we continue to invest significantly in the Fund on a personal level and remain committed to the longterm investment strategy even after a very difficult few months. We remain in an uncertain period, however normality will surface again in time and as John Lennon said, ' Life is what happens when you're busy making other plans,' so let us all look forward to busier and more exciting times.

Performance data*

As at 30 April 2020	3 Months	6 Months	1 Year	3 Years	5 Years
Income	-25.8%	-17.4%	-20.0%	-24.0%	-20.6%
Accumulation	-25.8%	-17.4%	-20.0%	-24.1%	-20.7%
FTSE All-Share TR	-18.8%	-17.0%	-16.7%	-7.5%	4.8%

**Source: Published prices.*

Relative performance 31 January 2000 to 30 April 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.

Market capitalisation exposure (%)

	%
£750m to £2.5bn	15.8
£250m to £750m	32.9
< £250m	51.7
Cash	-0.4

Based on current market capitalisation

Top ten holdings

		% of Fund Size
1	Anexo Group	4.92
2	FRP Advisory	4.56
3	Clipper Logistics	4.43
4	Discoverie Group	4.36
5	Augean	4.35
6	Synthomer	3.90
7	Codemasters Group	3.46
8	Strix Group	3.46
9	TT Electronics	3.33
10	Macfarlane Group	3.22
	Total	39.99

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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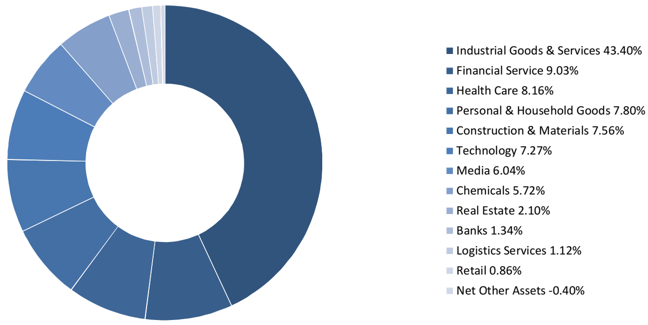
Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 April 2020	
Fund size	£8.0m	
No. of holdings	41	
Unit class	*Income*	*Accumulation*
Fund size split	£5.3m	£2.7m
Bid price	39.69p	105.7p
Offer price	41.23p	109.9p
Net yield	1.80%	1.80%
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.