

Reporting date: 30 June 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 1.4% in the month of June against an 3.3% rise in the FTSE Small Cap (exc-Inv Trusts) Index. The FTSE All Share delivered a total return of 1.5% which continued to lag the US Tech heavy indices with the FAANG's representing over 25% of the whole of the S&P500. UK assets remain hugely out of favour for global investors and we question whether this is justified with surging Covid cases in the US and Presidential elections in November. Valuations remain appealing in the UK in comparison to other markets and any hint of a trade deal with the EU should lead to a re-rating. The Fund staged a strong recovery in Q2 rising 24.5% against a 10.1% return in the UK markets.

Across the portfolio, the negative returns were seen across DWF Group, Synthomer PLC and Headlam Group. DWF shares continued to drift after the announcement of a change of CEO and a profit warning. We have spoken to Sir Nigel Knowles who has become CEO, having been Chairman of the company. We believe he can turn around the law firm having made DLA Piper a £1bn+ revenue business. He has been quick to cut costs and close underperforming offices and we believe the shares are materially undervalued. Synthomer and Headlam fell back with their respective sectors and we see this unjustified focusing on the longer term opportunities for both companies. Synthomer is well positioned in the Nitrile Latex market and has significant cost synergies to come through from the Omnova acquisition. Headlam have reopened a number of their sites and continue to work towards further operational efficiencies and the site consolidation plan into the newly build Ipswich facility.

There were strong performances from Victoria (+36%), Renalytix AI (+26%) and Zotefoams (+26%). We had a number of calls with the management teams of the portfolio constituents, and whilst almost all remain cautious with very limited guidance, there were some optimistic tones struck and hints of normality returning.

We made no full sales or new purchases. Small reductions were made across Clipper Logistics and Renalytix AI, selling into strong share price moves in the Quarter with Clipper rising nearly 100% and Renalytix by over 155%. The proceeds were deployed into small top ups on valuation grounds of DWF Group, Headlam Group, Flowtech Fluidpower and an oversubscribed placing in Portmeirion Group.

Finally, we continue to invest significantly in the Fund on a personal level and remain committed to the longterm investment strategy of investing in undervalued small / mid capitalisation companies. Whilst markets remain exceptionally volatile we are pleased with the positioning of the Fund and are continuing to find appealing new opportunities.

Performance data*

As at 30 June 2020	3 Months	6 Months	1 Year	3 Years	5 Years
Income	24.5%	-23.4%	-13.3%	-20.2%	-12.8%
Accumulation	24.5%	-23.4%	-13.3%	-20.3%	-12.9%
FTSE All-Share TR	10.1%	-17.5%	-13.0%	-4.6%	15.2%

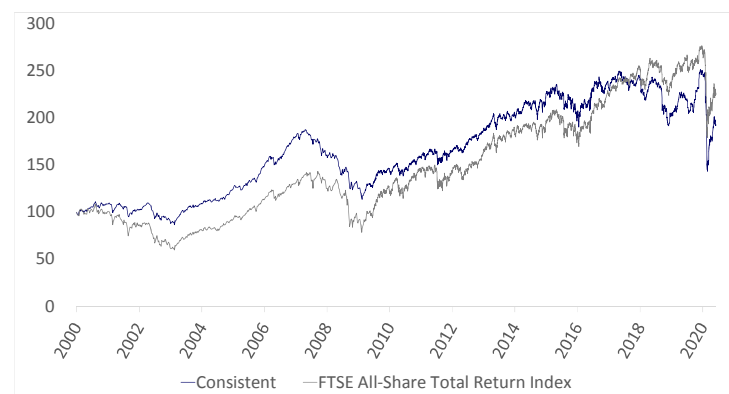
*Source: Published prices.

Market capitalisation exposure (%)

	%
£750m to £2.5bn	17.3
£250m to £750m	35.0
< £250m	47.6
Cash	0.1

Based on current market capitalisation

Relative performance 31 January 2000 to 30 June 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	5.46
2 Augean	5.43
3 Clipper Logistics	5.15
4 Codemasters Group	4.13
5 FRP Advisory	4.06
6 Discoverie Group	3.91
7 Synthomer	3.59
8 Strix Group	3.43
9 TT Electronics	3.17
10 Renalytix AI	3.13
Total	41.46

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.

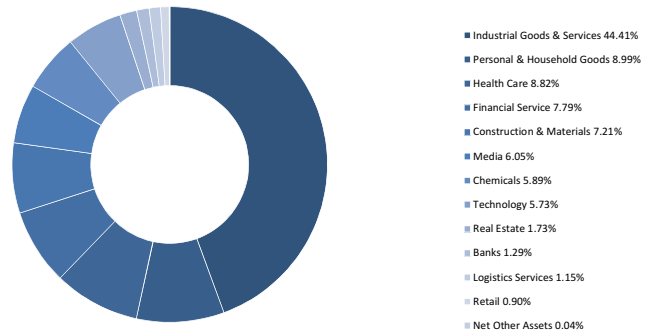
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 June 2020	
Fund size	£8.5m	
No. of holdings	40	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£5.7m	£2.8m
Bid price	42.19p	112.4p
Offer price	43.86p	117.0p
Net yield	1.54%	1.54%
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.