

Reporting date: 30 October 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 4.6% in the month of October against an 1.8% rise in the FTSE Small Cap (exc-Inv Trusts) Index with the FTSE All Share delivering a negative total return of -3.8%. The Six month return of the Fund has been strong rising just over 18% against a negative UK market return making it one of the top performing UK All Companies Funds in the period. UK equity markets continue to remain significantly out of favour with a material valuation discount relative to the MSCI World index. It is our continued belief that there is so much negative sentiment priced into UK assets with a second lockdown, continued Brexit uncertainty and Covid cases rising, we believe the more patient longterm investor should see significant returns across UK companies and we continue to expect a Brexit deal announced shortly.

Across the portfolio, the negative returns were seen across Circassia, Clipper Logistics, Medica Group and Zotefoams. Profit taking ensued in Clipper Logistics which has surged on continued e-commerce growth. Medica Group suffered from delays across routine surgery which has led to broker downgrades and Circassia and Zotefoams have paused for breath after a significant recovery in their share prices over the last six months.

There were some large movements to the upside across the shares of Victoria (+57%), Volex (+29%), Bloomsbury Publishing (+28%), Kin & Carta (+23%) and Synthomer (+20%). There were pleasing upgrades issued by Bloomsbury, Volex and Synthomer and Victoria announced a significant investment in the company by conglomerate Koch Industries based in the US which raises an additional £175m and sets the business up strongly for continued M&A.

We started a new investment in a new IPO, Verici Group which has spun out of an existing holding in Renalytix AI. We had a number of calls with management and the IPO was heavily oversubscribed with the US Health operator Mount Sinai the largest shareholder. We took some profits across the holdings of Augean, Clipper Logistics and Codemasters Holdings, selling into strong share prices with a view to recycle the capital into more undervalued opportunities. Using the proceeds, we added to Bloomsbury Publishing, Macfarlane Group and NCC Group.

Verici Dx develops tests to understand how a patient will and is responding to organ transplant. One of the most significant threats to a successful transplant, or graft, is the body's own immune system. Patients' immune systems differ in how they respond to the presence of the transplanted organ, characterising this response is called immune phenotyping. The company's products and solutions are underpinned by extensive scientific research into the recipient's immune phenotype and how that impacts on acute rejection, chronic injury and ultimately failure of the transplant. These immuno-profile signatures also inform clinicians as to the optimal strategy for immunosuppression and other therapies for the most successful treatment to ensure graft acceptance with the least amount of side effects.

Finally, we continue to invest in the Fund on a personal level and remain committed to the longterm investment strategy which is starting to deliver well ahead of the FTSE All-Share.

Performance data*

As at 30 October 2020	1 Month	3 Months	6 Months	1 Year
Income	4.6%	10.2%	18.1%	-2.4%
Accumulation	4.6%	10.1%	18.2%	-2.4%
FTSE All-Share TR	-3.8%	-3.1%	-1.9%	-18.6%

*Source: Published prices.

Relative performance 1 April 2018 to 30 October 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 1 April 2018.

Market capitalisation exposure (%)

	%
£750m to £2.5bn	16.0
£250m to £750m	37.0
< £250m	47.0
Cash	0.0

Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 Anexo Group	4.41
2 Synthomer	4.37
3 Discoverie Group	3.67
4 Volution Group	3.66
5 Macfarlane Group	3.59
6 TT Electronics	3.58
7 Bloomsbury Publishing	3.53
8 Volex	3.52
9 Clipper Logistics	3.50
10 Strix Group	3.39
Total	37.22

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.

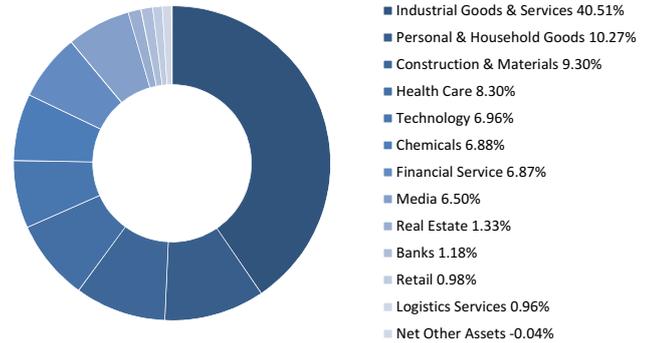
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	30 October 2020	
Fund size	£9.4m	
No. of holdings	43	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£6.1m	£3.3m
Bid price	46.87p	124.9p
Offer price	48.52p	129.4p
Net yield	1.10%	1.10%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.25%	0.25%
ISIN	GB0002164092	GB0002177581
Bloomberg ticker	CONUNTI LN	CONUNTA LN
KIID risk rating	6	6
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.