

Reporting date: 31 December 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 6.6% in the month of December against a 3.9% rise in the FTSE All Share. Global markets continued to remain buoyant with Vaccine rollouts across the World the main focus along with a last minute EU deal being announced which propelled UK equity markets higher, particularly the more domestically orientated FTSE 250. However, Covid cases continue to surge and another National Lockdown is anticipated which will further dent Consumer spending. We continue to focus on the long term and believe the portfolio is very well positioned to partake in a recovery in UK company valuations.

Across the portfolio, there were negative returns across Van Elle (-10%), Strix Group (-6%) and Circassia (-6%) with some profit taking ensuing after a strong recovery over the last few months.

There were some significant gains across the recent IPO in HeiQ (+60%), Kin & Carta (+32%), NCC Group (+28%), Clipper Logistics (+22%), Volution Group (+21%) and Tribal Group (+20%). We continue to believe each of these businesses are well set within their respective markets and we keep a close dialogue with each company management team.

We had quite an active month across the fund with sales made across Focusrite on valuation grounds, Codemasters following the bid interest from Take-Two Interactive and EA Sports and Close Brothers, a legacy holding from the previous Fund Manager, which had rallied nearly 50% since September on an EU deal optimism. We used the proceeds to introduce new investments in DX Group, HeiQ and Venture Life Group. We also made small reductions across Synthomer and Volex Group selling into very strong share prices and the proceeds reinvested into increasing our weighting into Victoria and Kin & Carta.

DX (Group) plc is engaged in the provision of parcels, mail and logistics services in the United Kingdom and Ireland. The Company's segments include parcels and freight, mail and packets, and logistics. The parcels and freight segment offers services, such as DX 1-Man, engaged in the delivery of irregular dimension and weight items; DX Courier, which provides next day parcel services, and DX 2-Man, which offers a business to consumer home delivery solution for heavier and bulkier items. The mail and packets segment comprises services DX Exchange, a business to business (B2B) mail service providing its customers with collection and delivery times; DX Secure, which provides security, and DX Mail, a mail service offering downstream access for smaller volume users. The logistics segment includes the provision of customer-liveried vehicles and uniformed personnel, such as fleet management solutions and integration with customer's business operations. The new CEO Lloyd Dunn who we knew from his days at Tuffnell's has been very busy to turn around the company with a new strategy that is focused on improving the operating margin over the next few years. We believe the forecasts remain conservative in the market and further upgrades are likely.

HeiQ PLC listed on the London Stock Exchange at the beginning of December and is Global leader in textile innovation. We had extensive meetings with the management team and believe the growth potential of the business to be very appealing. The company produces some of the most durable and high-performance technologies and textile effects in the market which cool, warm, dry, repel and stop viruses. The company has four core divisions, Textile Tech, Materials, Consumer Goods and the Ecosystem and has partnered with over 300 major brands worldwide and continues to innovate with new products regularly being launched and 40 current projects in the R&D pipeline.

Venture Life Group plc is an international consumer self-care company, we took part in a placing this month at 90p to raise over £30m to facilitate a number of product acquisitions. We had an upbeat meeting with management and believe the company is very well positioned for further growth. The Company focuses on developing, manufacturing and commercialising products for the ageing population. Its segments include Brands, which includes sales of branded healthcare and cosmetics products direct to retailers and under distribution agreements, and Manufacturing, which includes sales of products and services under contract development and manufacturing agreements. Its product range includes the UltraDEX and Dentyl oral care range, which is primarily sold in the United Kingdom through the pharmacy and grocery retailers. Its product range also includes food supplements for lowering cholesterol and maintaining brain function, dermo-cosmetics for addressing the signs of ageing and medical devices for conditions, such as haemorrhoids, minor aches and pains, and women's intimate health issues. It also provides development and manufacturing services to other companies in the healthcare and skincare sectors.

Finally, we continue to invest in the Fund on a personal level and remain committed to the long term investment strategy which continues to outperform the benchmark with the returns for 2020 +4.2% by way of total return against a -9.8% return across the FTSE All Share.

Performance data*

As at 31 December 2020	1 Month	3 Months	6 Months	1 Year
Income	6.6%	28.1%	36.0%	4.2%
Accumulation	6.6%	28.1%	36.0%	4.2%
FTSE All-Share TR	3.9%	12.6%	9.3%	-9.8%

*Source: Published prices.

Relative performance 1 April 2018 to 31 December 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	18.2
£250m to £750m	35.3
< £250m	46.5
Cash	0.0

Based on current market capitalisation

Top ten holdings

	% of Fund Size
1 HeiQ	4.57
2 Victoria	4.21
3 Volution Group	4.21
4 Synthomer	4.06
5 Clipper Logistics	3.82
6 Anexo Group	3.64
7 Discoverie Group	3.60
8 Augean	3.39
9 Bloomsbury Publishing	3.32
10 Macfarlane Group	3.10
Total	37.92

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.

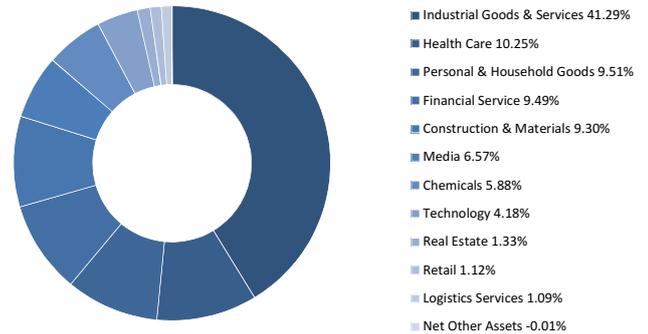
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Key Information

Authorised Fund Manager	Consistent Unit Trust Management Company Limited	
Valuation point	31 December 2020	
Fund size	£11.5m	
No. of holdings	42	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.4m	£4.1m
Bid price	57.39p	152.9p
Offer price	59.48p	158.6p
Net yield	0.80%	0.80%
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.