

Reporting date: 28 April 2023

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 0.3% in the month of April against a return in the FTSE All Share Index of 3.4% with UK Small / Mid caps remaining out of favour. Whilst there is clear evidence that inflationary pressures are starting to ease globally, particularly across energy prices, continued pressures on the regional Banks in the US resulted in further volatility across the financials. Within the UK, Food Inflation remains stubbornly high and the MPC are likely to continue to raise rates.

Across the portfolio, Focusrite, NCC Group and Renishaw underperformed the market with NCC Group continuing to drift post the profit warning in March. Renishaw issued a trading update for the nine months ended 31 March with revenue growing 6% YoY but PBT falling 10% with investment in R&D along with wage inflation resulting in higher operating costs. Management continue to invest in manufacturing capacity and whilst the short term remains uncertain, the business is well positioned for when the investment cycle changes. We met with the management of audio product specialist Focusrite, which posted an 18.5% fall in HY profits with its content creation division impacted by industry wide surplus channel inventory along with a softening of demand, leading to significant discounting. However the company is still seeing higher levels of demand and consumer registrations than pre-Covid and we believe the market has derated the shares too far, particularly with the imminent Scarlett product release. We can now pick up the shares at little over 11x earnings having seen a multiple of over 40x during the Covid stimulus induced bubble of 2021 – neither of which feel the right price!

There were strong returns across Medica Group (+42%), Portmeirion Group (+30%) and Volex Group (+25%). Medica was subject to an opportunistic bid from private equity IK Partners at a miserly 32% premium which we do not believe reflects the true value of the business and we would expect either an enhanced price or interest from other private equity suitors. Portmeirion reported record revenue despite operating against a tougher economic backdrop and we had an upbeat meeting with management. Online sales continued to grow and the business has benefited from sales globally which now accounts for 75% of total sales. The order book remains healthy with growth within the South Korean market particularly pleasing. Volex, the specialist integrated manufacturer of critical power and data transmission products upgraded market expectations led by strong organic growth with revenue expected to be over 15% higher and operating profits over 17% that the prior year. In addition to this positive update the company announced a \$30m EV power product contract win in Mexico anticipated to commenced during the 2024 calendar year.

We exited the remaining successful holding in CentralNic with better opportunities elsewhere in the market. We also took some profits in the investments in Bloomsbury and TP ICAP to facilitate increasing the weightings in Focusrite and Wilmington Group on share price weakness. A new investment has been initiated in Xaar PLC, the digital inkjet specialist. The company designs and manufactures printheads for OEM's with segments including Printhead, Product Print Systems and Digital Imaging. A strategy change ensued with the appointment of John Mills as CEO in 2019 and the results are now bearing fruits although we believe this has yet to be properly reflected in the share price. Management remain confident with the advantages their products possess compared to competitors and this could result in significant growth for the business across industrial inkjet printheads.

Finally, I continue to invest each month in the Fund and thank you for your continued longterm support. The Fund remains in the Top Quartile across the UK All Companies Sector and UK Smaller Companies Sector over 3 & 5 years.

Performance data*

As at 28 April 2023	1 Month	3 Months	6 Months	1 Year	3 Year	5 Year
Income	0.3%	-5.5%	2.9%	-7.6%	54.1%	21.6%
Accumulation	0.3%	-5.5%	3.0%	-7.6%	54.1%	21.6%
FTSE All-Share TR	3.4%	1.9%	12.5%	6.0%	45.2%	24.2%

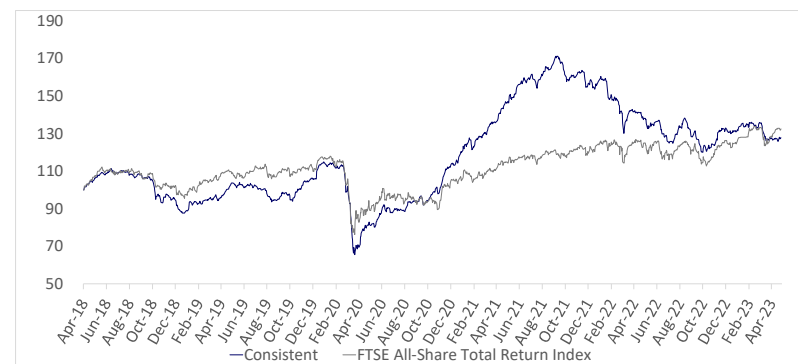
*Source: Published prices.

Market capitalisation exposure (%)

	%
£2.5bn to £7.5bn	2.6
£750m to £2.5bn	13.7
£250m to £750m	23.4
< £250m	59.6
Cash	0.7

Based on current market capitalisation

Relative performance 1 April 2018 to 28 April 2023



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.

Top ten holdings

	% of Fund Size
1 Medica Group	3.95
2 Kitwave Group	3.30
3 Wilmington	3.27
4 DX Group	3.16
5 Boku	3.14
6 TP ICAP Group	3.08
7 Ricardo	3.04
8 Alumasc Group	3.02
9 Hill & Smith	2.96
10 Portmeirion Group	2.83
Total	31.75

Source: all data sourced from Yealand Fund Services 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.

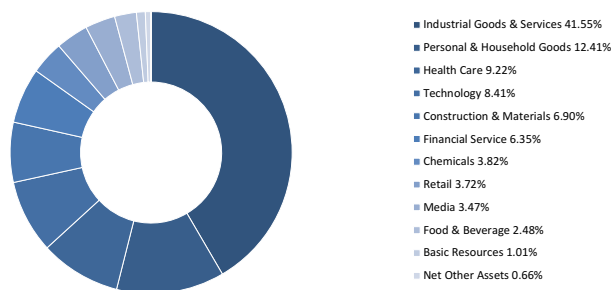
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Key Information

Authorised Fund Manager	Nick Pritchard Consistent Unit Trust Management Company Limited	
Valuation point	28 April 2023	
Fund size	£14.3m	
No. of holdings	55	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.4m	£6.9m
Mid price	59.98p	162.9p
Net yield	2.80%	2.80%
Ongoing charges*		
AFM	1.00%	1.00%
Other expenses	0.20%	0.20%
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

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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.