

Reporting date: 31 July 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 1.8% in the month of July against a return in the FTSE All Share Index of 2.6%. The month saw midcaps recover in the UK with Consumer Discretionary and Industrial sectors bouncing back with the more defensive sectors underperforming. The UK economy saw output grow 0.5% and whilst investors continued to see rate hikes by the Bank of England, a less aggressive path is now expected and as a result Gilt yields fell in the month. UK equities have not been this cheap for over 3 decades and trade at over a 30% discount to global equities with more than 10% of the FTSE350 offering yields higher than their respective P/E ratio. We believe this offers a compelling entry point compared to what feels like a frothy US market dominated by 7 technology stocks.

Across the portfolio, EKF Diagnostics continues to remain out of favour along with Videndum which warned on profits in May and continues to drift with no sign of a conclusion to the Hollywood writers' strike. There was a frustrating warning from homeware manufacturer, Portmeirion Group stating caution on ordering from their North American customers, with particular weakness among the national department stores. Accordingly sales in this region are down 14% on a YoY basis, however the strong forward order book for Christmas is ahead of last year and the expected end consumer demand in this period should support restocking by Portmeirion's retail customers.

There were strong returns across DWF Group (+62%), Focusrite (+32%) and Zotefoams (+19%). DWF Group was subject to a bid approach by Inflexion Private Equity Partners with the offer at 97p + a 3p dividend. This represents an 52%+ premium to the previous days price and over 80% to the one month average. Having spoken to the management team we are supportive of the transaction and took the opportunity to add to the holding at 86p following the announcement. Focusrite recovered strongly from their lows with the shares touching sub 10x earnings which we believe is materially mispriced. Zotefoams announced a set of upbeat results with revenue up 9% for the six months and PBT up 30% to £7.4m. The main business continues to trade very strongly and the company also announced a joint development agreement with a 'world leading packager of beverages' for its ReZorce recyclable packaging.

It was a busy month with the proceeds of the Medica Group takeover redeployed back into the market adding to the existing investments in Brickability, Centaur Media, Microlise, Shepherd Neame and Wilmington Group whilst starting a new holding in Kier Group which continues to divide the market. We believe the UK construction and infrastructure services leader has been overlooked by the market with many investors scarred from the issues in previous years. The new management team have reset the business and a recent trading update saw positive news across a number of areas. FCF and net debt were better than expected and the triennial review of the pension scheme resulted in reducing deficit payments. The orderbook remains strong at over £10bn and with the shares trading at under 4x FY24PE we believe they are significantly undervalued. We expect a dividend recommencement next year will be the catalyst for a re-rating with Income investors finally able to look at the company again.

Finally, I continue to invest each month in the Fund and thank you for your continued longterm support.

## Performance data\*

As at 31 July 2023	1 Month	3 Months	6 Months	1 Year	3 Year	5 Year
Income	1.8%	-0.4%	-5.9%	-3.4%	43.1%	16.2%
Accumulation	1.8%	-0.4%	-5.9%	-3.4%	43.1%	16.2%
FTSE All-Share TR	2.6%	-1.2%	0.8%	6.1%	41.8%	18.1%

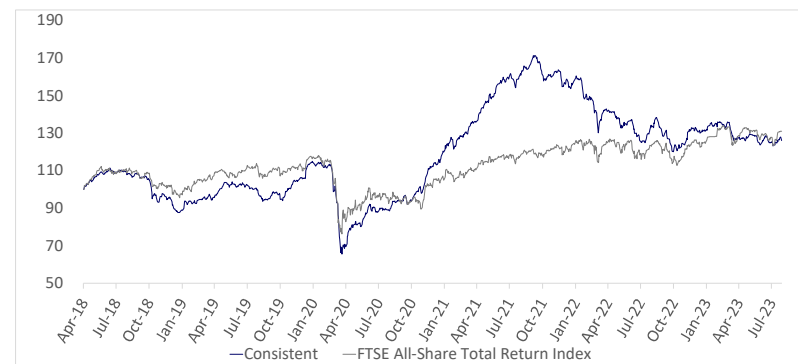
\*Source: Published prices.

## Market capitalisation exposure (%)

	%
£2.5bn to £7.5bn	2.9
£750m to £2.5bn	15.2
£250m to £750m	24.9
< £250m	56.0
Cash	1.0

Based on current market capitalisation

## Relative performance 1 April 2018 to 31 July 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 Kitwave Group	3.84
2 DX Group	3.79
3 Wilmington	3.75
4 Hill & Smith	3.49
5 Ricardo	3.13
6 Alumasc Group	3.06
7 Boku	3.00
8 TP ICAP Group	2.97
9 Renishaw	2.90
10 Hargreaves Services	2.83
<b>Total</b>	<b>32.76</b>

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.

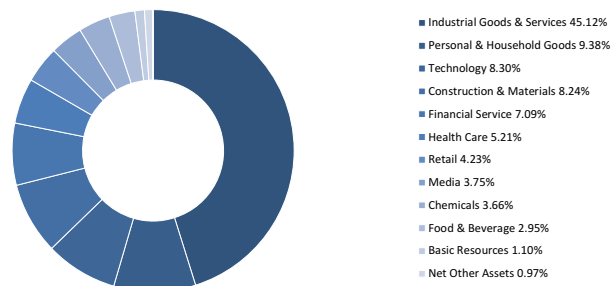
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## Key Information

Authorised Fund Manager	Nick Pritchard Consistent Unit Trust Management Company Limited	
Valuation point	31 July 2023	
Fund size	£14.1m	
No. of holdings	55	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.3m	£6.8m
Mid price	59.76p	162.30p
Net yield	2.90%	2.90%
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

### Authorised Fund Manager

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### Administrators & Registrars

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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.