

Reporting date: 29 September 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 fell 1.1% in the month of September against a return in the FTSE All Share Index of 1.8% and the FTSE250 of -1.5% with continued weakness across UK smallcaps. Opportunistic bids from trade and PE continue across the UK Small & Midcap indices and with continued outflows in the UK which now has hit 28 consecutive months, there clearly remains forced sellers and sentiment continues to weaken. Performance was varied across different sectors with Chemicals (-9.9%) and Industrials (-7.8%) out of favour and Oil & Gas (+6.3%) benefitting from sharp rises in Oil due to continued geopolitical uncertainties. Whilst it may be too early to call the bottom just yet, we are certainly very much nearer to it now.

Across the portfolio, 3 companies in the form of Synthomer, Strix Group and Videndum all fell sharply with the common theme being concerningly high debt positions. We are adverse to debt when initiating investments but when a company gears up often to acquire we assess the merits of each individual transaction. Synthomer in hindsight after the successful acquisition of Omnova went one step too far and acquired Eastman Adhesives at the wrong time in the cycle. The company has recapitalised with a heavily discounted rights issue which we have supported which brings debt down and results in the banks being more supportive. We expect further non-core disposals but the company now is not a forced seller and with an expected pick up in Nitrile Latex demand in 2024 and beyond we believe the shares can start to recover in due course. Whilst you constantly are learning in this job, it would have been very easy to draw a line in this disappointment but we believe there is value in the company and don't wish to give it away. We had meetings with the management of Strix and Videndum and whilst they may also be exploring raises as well we are hopeful the recovery in their respective industries is quicker to ensue, particularly in Videndum following the end of the Hollywood writer's strike.

It is easy to focus on the negatives during these difficult periods as Investors, but on the more positive side there were strong returns against the grain in Kier Group (+33%), DX Group (+20%) and Duke Royalty (+15%). Kier Group's full year results outlined revenue rising to £3.4bn with pre-tax profits rising to over £100m. Whilst there remains uncertainty on HS2 projects the order book is very healthy and we had an upbeat meeting with the management who we rate highly. We continue to expect the shares to re-rate when dividends recommence next year with the company back on Income Fund's radars. DX Group was subject to an opportunistic offer from HIG European Capital Partners at 48.5p with 2 large investors signalling their support above 45p, the offer deadline has been extended into November and we continue to monitor developments closely.

The holding of DWF Group was exited following the bid completing with the proceeds used to add to the existing investments on valuation grounds in Kier Group, Headlam Group, Shepherd Neame and Wilmington Group. Finally, I continue to invest each month in the Fund and thank you for your continued longterm support.

Performance data*

As at 29 September 2023	1 Month	3 Months	6 Months	1 Year	3 Year	5 Year
Income	-1.1%	-0.3%	-2.2%	3.6%	33.1%	18.5%
Accumulation	-1.1%	-0.3%	-2.2%	3.7%	33.2%	18.5%
FTSE All-Share TR	1.8%	1.9%	1.4%	13.8%	39.8%	19.7%

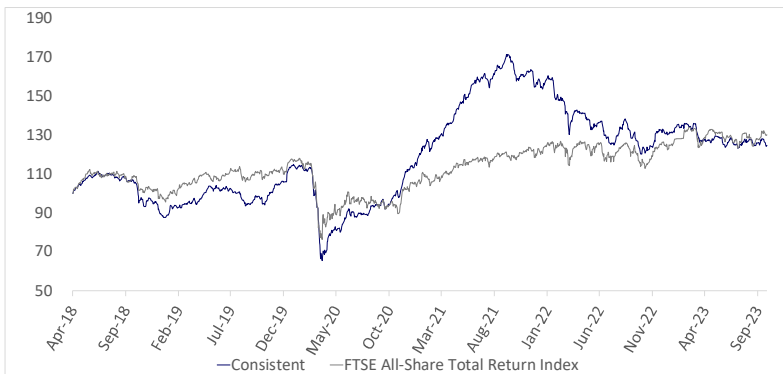
*Source: Published prices.

Market capitalisation exposure (%)

	%
£750m to £2.5bn	13.7
£250m to £750m	31.5
< £250m	54.3
Cash	0.5

Based on current market capitalisation

Relative performance 1 April 2018 to 29 September 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 Wilmington	4.30
2 DX Group	3.94
3 Hill & Smith	3.90
4 Boku	3.25
5 TP ICAP Group	3.24
6 Alumasc Group	3.21
7 Hargreaves Services	3.16
8 TT Electronics	3.14
9 Kitwave Group	3.09
10 Kier Group	3.06
Total	34.29

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.

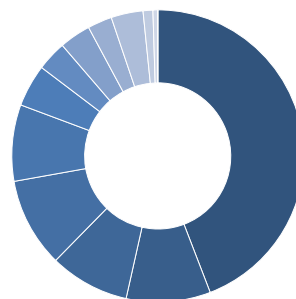
Reporting date: 29 September 2023

Key Information

Authorised Fund Manager	Nick Pritchard Consistent Unit Trust Management Company Limited	
Valuation point	29 September 2023	
Fund size	£13.7m	
No. of holdings	55	
Unit class	<i>Income</i>	<i>Accumulation</i>
Fund size split	£7.1m	£6.6m
Mid price	58p	159p
Net yield	3.00%	3.00%
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

Nick Pritchard
Consistent Unit Trust Management Company Limited
81 High Street
Nash
Milton Keynes MK17 0EP
Phone: 01296 711598
Website: www.consistentunittrust.co.uk
E-mail: nick.pritchard@consistentunittrust.co.uk

Administrators & Registrars

Yealand Fund Services Limited
Stuart House
St. John's Street
Peterborough PE1 5DD
Phone: 0345 850 8818
Fax: 01733 286870
E-mail: consistent@yealand.com

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.