

# WESLEYAN AUTHORISED UNIT TRUST

ANNUAL FUND MANAGER REPORT  
& AUDITED FINANCIAL STATEMENTS  
30 June 2018

**Delivering results for you**

# WESLEYAN

# DIRECTORS



Ahmed Farooq BSc, ACMA, DIP IoD  
Chairman  
Wesleyan Unit Trust Managers

On 15 March 2018, Ahmed was appointed Chairman of WUTM and on 8 August 2018, became a Director of Wesleyan Assurance Society.

Ahmed became Chief Financial Officer in November 2015, after holding a number of senior roles at Wesleyan. He joined the Society in 2010 from the Phoenix Group and became Head of Finance in 2011, and Managing Director of Wesleyan's General Insurance division in 2014.

Ahmed served as Chair of Business Professional Services (BPS) Birmingham, a group that represents and promotes the business, professional and financial services sector in Greater Birmingham until January 2017. In June 2017, Ahmed won the IoD West Midlands Young Director of the Year Award.



Robert Vaudry, MBA  
Director  
Wesleyan Unit Trust Managers

On 1 February 2018, Robert Vaudry (MBA) was appointed to the board of Wesleyan Unit Trust Managers as a Director.

Robert has worked in investments for 30 years, spending most of his career in senior leadership roles at multinational investment banks and wealth management firms. Currently the Investments Managing Director at Wesleyan, Robert's former roles include Managing Director and Head of Asian Research at Morgan Stanley, and Global Head of Research at HSBC.

Prior to joining Wesleyan, Robert was Senior Partner at Quotidian Investments, winning multiple awards for fund and wealth management.

Robert has a keen interest in global politics. After graduating with a degree in Politics and Parliamentary Studies in 1987, he spent four years working as Political Secretary to the former Prime Minister, Sir Edward Heath. He also worked on Capitol Hill for former US Congressman Bill Gradison.



Martin Lawrence, BSc, ASIP  
Director  
Wesleyan Unit Trust Managers

On 21 April 2016, Martin was appointed to the board of Wesleyan Unit Trust Managers as a Director.

Martin has more than 20 years' experience in investment management, having worked in the industry since graduating from the University of Exeter with a degree in Mathematics. He manages a number of funds including Wesleyan's With Profits Fund, which is currently valued at over £3.5bn, and he is directly responsible for £4bn of the Society's assets.

Martin invests directly in UK and overseas equities, government and corporate bonds, cash, and UK property. He takes a long-term investment approach and keeps our customers and members front-of-mind at all times, having worked at Wesleyan since 1995.

# FUND MANAGERS



**James Hubbard, BA, CFA**  
Wesleyan International  
Growth Fund / Wesleyan Moderate-  
High Risk/Reward Income Fund

James Hubbard joined Wesleyan as an Investment Analyst in January 2011. After graduating with an MA in Economics and Business from the University of Manchester he initially worked for a Corporate Bank in London. James is a CFA (Chartered Financial Analyst) charterholder and has been a Fund Manager since April 2016.



**Martin Lawrence, BSc, ASIP**  
Wesleyan Moderate Risk/  
Reward Growth Fund

Martin Lawrence has been a Fund Manager since 2001, and has overall responsibility for managing several equity and multi-asset funds. He joined the Society as an Investment Analyst in 1995 and is a fully qualified Associate of the CFA Society of the UK. In addition, Martin is Head of Investment Research at Wesleyan and is backed by a team of Fund Managers and Analysts who are market sector specialists.



**Paul Burton, BSc, FIA**  
Wesleyan Low Risk/Reward  
Growth Fund

Paul Burton has been the Fund Manager of the Low Risk Life and Pension funds since launch in January 2012. He has also managed the assets of the Wesleyan Staff Pension Scheme since 1998, and the Society's Non Profit fund since 2012. He joined the Society in 1990, qualifying as an actuary in 1998, working as an investment analyst in the preceding five years.



**Marc O'Sullivan, BSc, CFA**  
Wesleyan Risk Averse Fund  
Wesleyan UK Growth Fund

Marc O'Sullivan has been a Fund Manager since 2012, managing investments across a number of asset classes. Marc joined the Society as an Investment Analyst in 2003, having graduated from the University of Birmingham with a degree in Economics. Marc has been a CFA (Chartered Financial Analyst) charterholder since 2008.

# WESLEYAN

## CHAIRMAN'S STATEMENT

"With no shareholders to consider, we can focus on making the right long-term decisions on behalf of our members and customers. In recent times, we have been through several periods of market weakness and have proven procedures in place to protect our financial strength and your investments."

**Ahmed Farooq**  
Chairman



At Wesleyan, we have helped our members and customers achieve their financial goals, through our products and services, for 177 years. As a mutual, with no shareholders, we are committed to keeping the needs of our members and customers front-of-mind at all times. Wesleyan Unit Trust Managers (WUTM) helps fulfil those needs, enabling us to offer a range of investment opportunities.

Through WUTM, we offer six advised funds that have been designed to cater for different risk appetites and financial objectives among our investors. You can find more details about these six funds on the general information pages that follow in this report: International Growth Fund on page 10, Low Risk/Reward Growth Fund on page 23, Moderate-High Risk/Reward Income Fund on page 41, Moderate Risk/Reward Growth Fund on page 60, Risk Averse Fund on page 79, and the UK Growth Fund on page 89. Our clients can invest in these six funds via three products: a Unit Trust Investment Account, a Unit Trust Individual Savings Account (ISA), and a Unit Trust Junior ISA.

The funds are managed by our dedicated in-house Fund Managers who are supported in their work by a team of Investment Analysts responsible for researching specific market sectors and trends. Our Fund Managers have a consistent management style with a preference for equities (stocks and shares), which is one of the more volatile asset classes. However, while market fluctuations may have some short-term impact on the value of policies, it is our belief that over the longer term they are able to withstand the ups and downs of the markets.

Further to this point, it is interesting to note that during the same month that we broadened our range of WUTM funds - in June 2016 - the UK voted to leave the European Union. The ongoing uncertainty from the result has affected the global markets for the last few years. However, our funds maintain diverse portfolios both across and within asset classes (cash, property, equities, corporate bonds and government bonds), in addition to benefiting from exposure to global investments. This, combined with our long-term strategic view of 'buy and hold', means our funds are well-positioned for potential market volatility caused by political instability and other events capable of widespread economic impact, both in the UK and overseas.

With no shareholders to consider, we can focus on making the right long-term decisions on behalf of our members and customers. In recent times, we have been through several periods of market weakness and have proven procedures in place to protect our financial strength and your investments. Tough economic conditions aside, we have seen strong performance across our funds when compared to the market, and we will continue to strive to increase the potential returns for our clients through our funds.

The information contained in this document will give you an insight into how our funds are managed, including a view from the associated Fund Manager. Each summary also refers to noteworthy market activities that have shaped a particular fund's performance or have the potential to do so in the near future, which we hope will also be of interest.

Our overarching objective is to help our members and customers achieve their long-term financial goals through the use of extensive in-house expertise and sound stewardship of their investable assets. Thank you for trusting us to invest on your behalf - it is our privilege to help make your financial goals a reality.

A handwritten signature in black ink, appearing to read 'Ahmed Farooq'.

**A. Farooq**  
Chairman

Wesleyan Unit Trust managers limited  
12 October 2018

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\*Collectively, comprises of the Authorised Fund Manager Report. Additionally, in each fund it is comprised of the general information and portfolio statement and changes.

# WESLEYAN

# AUTHORISED FUND MANAGER REPORT

## Introduction

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This is the annual report of the Wesleyan Authorised Unit Trust ('Trust') for the year ended 30 June 2018.

The Trust is managed by Wesleyan Unit Trust Managers Limited ('Manager').

The Trust is an authorised unit trust in an umbrella form and was authorised by the Financial Conduct Authority (FCA) effective 4 September 2015. The Trust is classified under the Collective Investment Scheme Sourcebook ('COLL') as a collective investment scheme authorised under the UCITS Directive.

The Trust was established pursuant to a Trust Deed dated 4 September 2015 (as amended from time to time) made between the Manager and HSBC Bank Plc ('Trustee'). The Trust has an unlimited duration.

Details of the managers and advisors of the Trust are disclosed on page 146.

## Structure of the Trust

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The Trust is structured as an umbrella unit trust, in that different funds may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed.

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund.

Each fund has a specific portfolio to which that fund's assets and liabilities are attributable. So far as the Unitholders are concerned, each fund is treated as a separate entity. Unitholders are not liable for the debts of the Trust or for any other fund.

Subject to the above, each fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that fund, and within each fund charges will be allocated between classes in accordance with the terms of issue of units of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular fund may be allocated by the Manager in a manner which it believes is fair to the unit holders generally. This will normally be pro rata to the Net Asset Value of the relevant funds.

The base currency of each fund is pounds sterling.

### **As at 30 June 2018, the Trust comprised of the following funds:**

Wesleyan International Growth Fund

Wesleyan Low Risk/Reward Growth Fund

Wesleyan Moderate- High Risk/Reward Income Fund

Wesleyan Moderate Risk/Reward Growth Fund

Wesleyan Risk Averse Fund

Wesleyan UK Growth Fund

All of the above funds are managed by the Manager. Details of other management and advisors of the funds are disclosed on page 146.

## Units

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The rights represented by units are those of a beneficial interest under the Trust. Several classes of units may be issued in respect of each fund.

Further classes of units may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new class, a revised prospectus will be prepared, setting out the details of each class.

Units in the Trust are not currently listed on any investment exchange.

Holders of income units are entitled to be paid the distributable income attributed to such units on any relevant interim and/or annual income allocation dates. The Manager, at its discretion, may also permit unit holders to elect to reinvest any such distributable income instead of receiving payment. In this event, the income will be used to purchase additional units in the same fund.

Holders of Accumulation units are not entitled to be paid the income attributed to such units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation unit.

## Units in issue

As at 30 June 2018, Accumulation ("Acc") and Income ("Inc") units are available in the following funds and in the following denominations and classes:

Fund Class	Unit Type	Base Currency	Launch Date	ISIN
<b>Wesleyan International Growth Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHT49
Class B	Acc	GBP	03/06/16	GB00BYNYHV60
Class X	Acc	GBP	03/06/16	GB00BYNYHW77
<b>Wesleyan Low Risk/Reward Growth Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDH936
Class X	Acc	GBP	06/06/16	GB00BYSW0R28
Class B	Inc	GBP	06/06/16	GB00BZ161P36
Class X	Inc	GBP	06/06/16	GB00BZ161R59
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDHG07
Class X	Acc	GBP	06/06/16	GB00BYSW0S35
Class B	Inc	GBP	06/06/16	GB00BZ161V95
Class X	Inc	GBP	06/06/16	GB00BZ161W03
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDHJ38
Class X	Acc	GBP	06/06/16	GB00BYSW0W70
Class B	Inc	GBP	06/06/16	GB00BZ161S66
Class X	Inc	GBP	06/06/16	GB00BZ161T73
<b>Wesleyan Risk Averse Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHM79
Class B	Acc	GBP	03/06/16	GB00BYNYHN86
Class X	Acc	GBP	03/06/16	GB00BYNYHP01
<b>Wesleyan UK Growth Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHQ18
Class B	Acc	GBP	03/06/16	GB00BYNYHR25
Class X	Acc	GBP	03/06/16	GB00BYNYHS32

None of the above funds hold units in other funds of the Trust.

# WESLEYAN

# AUTHORISED FUND MANAGER REPORT CONTINUED

## Unit Holders – Taxation

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The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice which are subject to change. It summarises the tax position of the funds and of direct personal investors who are United Kingdom residents and hold units as investments. This does not detail the tax treatment for corporate or trustee unit holders.

## Income

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The funds may pay dividend distributions (which will be automatically retained in the relevant fund in the case of accumulation units). There is currently a tax free dividend allowance. Dividends received above this allowance from investments not held within an Individual Savings Account are taxed at a rate that depends on the investor's income tax band.

## Interest

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Where a fund pays an interest distribution (which will be automatically retained in the fund in the case of accumulation units) this is gross of the basic rate of tax from 6 April 2016 for some people (depending on their tax bands).

There is currently a tax free Personal Savings Allowance (except for additional rate tax payers). Interest distributions received above this allowance from investments not held within an Individual Savings Account or Junior Individual Savings Account are taxed at a rate that depends on the investor's income tax band.

## Income Equalisation

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The first income allocation received by an investor after buying units may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable, rather it should be deducted from the acquisition cost of the units for capital gains tax purposes.

## Capital Gains

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Unit holders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of units. The rate of tax, and available relief's, will be as applicable from time to time. An exchange of units between classes within a fund is generally not treated as a disposal for this purpose.

Units in each of the funds may be held within Individual Savings Accounts and would be exempt from personal liability to income or capital gains tax. Unit holders who have invested in the funds through an Individual Savings Account or Junior Individual Savings Account should refer to the Key Features Document for further details of how it operates.

## Reporting Dates

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The annual and interim accounting date of the Trust and the funds within are as below:

**Annual accounting date: 30 June**

**Interim accounting date: 31 December**

The following pages sets out for each of the funds within the Trust:

- ▶ Fund manager report
- ▶ Number of units in circulation and the net asset values per unit
- ▶ Annual financial statements

This annual report of the Trust and the funds within are available on our website ([www.wesleyan.co.uk/Report](http://www.wesleyan.co.uk/Report)). If you have any questions about the report, or if you would like to talk to us about your investments, you can call us on **0330 123 3813**. Lines are open Monday to Friday from 9.00am to 5.00pm.



**A. Farooq**  
**Chairman**

Wesleyan Unit Trust managers limited  
12 October 2018



# WESLEYAN INTERNATIONAL GROWTH FUND

## Fund Review

This is the full-year report for the Wesleyan International Growth Fund covering the year to 30 June 2018. The underlying unit price performance generated a return of 9.9% compared to the IA Global sector that returned 9.1%\*.

For the period under review equity markets have performed well, continuing the positive trajectory from the second half of 2017 into the first half of 2018. However, the tone of markets changed over the two halves. 2017 was a period of broad-based global enthusiasm, while 2018 saw volatility increase and signs of caution creeping into global expectations. In the last six months of the period, geographic performances began to diverge. The US, with earnings bolstered by President Trump's tax cuts, led the pack in the first half of 2018 whilst Emerging Markets, Asia (ex Japan) and Europe all lost ground in sterling terms as the impacts of a US-China trade war were digested. A strong US dollar hurt emerging markets in particular.

Over the period under review, the largest contributors to global performance were: Amazon, Microsoft, Apple, Alphabet (Google), Netflix and Facebook, which together accounted for over a quarter of the global stock market growth over the period. Although Microsoft remains the fund's largest holding, the fund has a lower exposure to the technology names than the overall market as we remain cautious on some of the valuations in the sector.

It is pleasing to see the top three contributors to performance over the period under review include the fund's largest holding, technology giant Microsoft, as well as cosmetics company Estée Lauder and payments company PayPal. Catering company Elixir was the largest detractor over the period after the company cut full year guidance citing increased competition. Some of the fund's holdings labelled as "bond proxies" because of their earnings consistency, such as Nestlé and Colgate-Palmolive, have struggled over the period.

Portfolio turnover remained low over the period. In addition to those trades that were discussed at the half year review, the largest purchase for the fund was a new position in Automatic Data Processing, a payroll and outsourcing company based in the US. The fund added to its position in DowDuPont, as the separation into three businesses by veteran CEO Ed Breen starting late 2018 should, in our view, provide a catalyst to unlock a valuation discrepancy within the business. Another new holding for the fund was accountancy software company Sage.

In addition to the sales reported in the first half, the fund sold its position in industrial supplier WW Grainger as strong performance of the shares led us to believe the valuation was starting to look stretched. Some of the proceeds were used to fund a new position in industrial technology company 3M. The fund continued to further trim some of its banking exposure with the sale of its holding in Standard Chartered. For more details, a summary list of transactions can be found later in this report.

## Fund Outlook

The global economy, led by the US, is at a mature stage of economic growth and volatility remains low, despite the short-lived spike earlier this year. Political risk continues to demand attention. At present, the markets remain fixated on the impact of global trade wars, particularly the newly imposed tariffs between the two largest global economies, the US and China. The crisis in Turkey has proved to be somewhat contagious across emerging markets, after US sanctions were announced causing the Turkish lira to lose around two thirds of its value thus far in 2018.

The era of quantitative easing is drawing to a close, albeit at different speeds. The US Federal Reserve has increased benchmark rates seven times since 2015, while the European Central Bank has yet to do so once but has announced that it will stop new quantitative easing by the end of 2018.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

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# WESLEYAN INTERNATIONAL GROWTH FUND CONTINUED

## General Information

### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

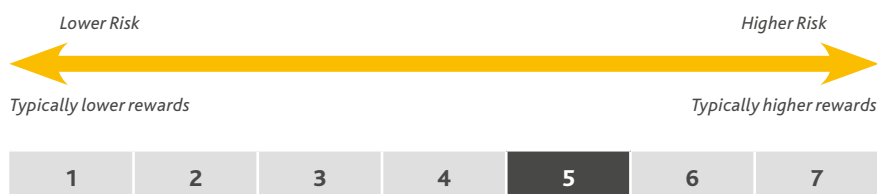
The Fund will invest predominantly in a diversified portfolio of equities.

The equities in which the Fund invests may be issued by companies anywhere in the world. The Fund may invest in various sectors.

The Fund may also invest in fixed interest and other transferable securities, cash, near cash, deposits, money-market instruments and other collective investment schemes.

The Fund may use derivatives for the purpose of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class A	Class B	Class X
Initial charge*	4%	4%	4%
Annual management charge**	1.5%	1.75%	1.25%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

## Income allocation dates

Final	31 August
Interim	Last day of February

## PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2017.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>United Kingdom - 7.43% (7.80%)</b>			
15,000	BHP Billiton	255,840	0.86
70,000	BP	404,810	1.37
12,026	GlaxoSmithKline	183,974	0.62
208,433	Lloyds Banking	131,354	0.44
13,725	Rio Tinto	576,519	1.95
198	Royal Dutch Shell 'A'	5,205	0.02
21,000	Sage	131,964	0.45
9,250	Unilever	387,760	1.31
65,313	Vodafone	120,045	0.41
	<b>Total United Kingdom</b>	<b>2,197,471</b>	<b>7.43</b>
<b>Continental Europe - 25.62% (28.46%)</b>			
<b>France - 8.06% (8.74%)</b>			
3,300	Air Liquide	313,720	1.06
412	Air Liquide 'Rights'	39,167	0.13
4,941	Alstom	170,411	0.58
11,598	Crédit Agricole	117,233	0.40
446	Crédit Agricole 'Rights'	4,508	0.01
16,000	Elior Group	174,038	0.59
8,800	Engie	102,063	0.34
3,000	LVMH Moët Hennessy	756,111	2.56
7,196	Orange	91,256	0.31
2,000	Sanofi	121,385	0.41
3,581	Schneider Electric	226,111	0.76
8,404	Société Générale	268,406	0.91
	<b>Total France</b>	<b>2,384,409</b>	<b>8.06</b>

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## WESLEYAN INTERNATIONAL GROWTH FUND CONTINUED

PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Germany - 7.71% (8.08%)</b>			
2,716	Bayer	227,193	0.77
3,000	Bayerische Motoren Werke	206,511	0.70
2,000	Daimler	97,826	0.33
5,000	Deutsche Post	123,586	0.42
17,000	E.ON	137,755	0.47
5,000	Henkel	422,272	1.43
2,000	K+S	37,549	0.13
7,800	SAP	682,542	2.31
3,000	Siemens	300,587	1.02
1,700	Uniper	38,456	0.13
	<b>Total Germany</b>	<b>2,274,277</b>	<b>7.71</b>
<b>Italy - 1.50% (2.16%)</b>			
9,582	Italgas	39,988	0.13
47,913	Snam	151,520	0.51
20,056	UniCredit	253,523	0.86
	<b>Total Italy</b>	<b>445,031</b>	<b>1.50</b>
<b>Netherlands - 3.91% (4.19%)</b>			
6,500	Akzo Nobel	419,619	1.42
25,000	ING Groep NV	272,156	0.92
14,631	Koninklijke Philips	465,796	1.57
	<b>Total Netherlands</b>	<b>1,157,571</b>	<b>3.91</b>
<b>Spain - 1.06% (1.12%)</b>			
8,010	Acs Actividades de Construcción y Servicios	245,587	0.83
8,010	Acs Actividades de Construcción y Servicios 'Rights'	6,248	0.02
9,603	Telefónica	61,816	0.21
	<b>Total Spain</b>	<b>313,651</b>	<b>1.06</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Switzerland - 3.38% (4.17%)</b>			
16,800	ABB	278,218	0.94
3,223	LafargeHolcim	118,944	0.40
6,000	Nestlé	351,595	1.19
1,500	Roche Holdings	252,299	0.85
<b>Total Switzerland</b>		<b>1,001,056</b>	<b>3.38</b>
<b>Total Continental Europe</b>		<b>7,575,995</b>	<b>25.62</b>
<b>Japan - 6.59% (5.89%)</b>			
216,000	Fidelity Japanese Values Investment Trust*	347,760	1.18
165,000	JPMorgan Japanese Investment Trust*	768,900	2.60
72,000	JPMorgan Japanese Smaller Companies Investment Trust*	307,440	1.04
250,000	Schroder Japan Growth Investment Trust*	525,000	1.77
<b>Total Japan</b>		<b>1,949,100</b>	<b>6.59</b>
<b>Pacific excluding Japan - 8.27% (7.59%)</b>			
167,226	Fidelity China Special Situations*	401,342	1.36
174,000	JPMorgan Asian Investment Trust*	602,040	2.04
175,990	Pacific Horizon Investment Trust*	628,284	2.12
180,000	Schroder Asia Pacific Investment Trust*	811,800	2.75
<b>Total Pacific excluding Japan</b>		<b>2,443,466</b>	<b>8.27</b>
<b>United States - 44.58% (43.26%)</b>			
1,000	3M	149,010	0.50
10,000	Altaba	554,516	1.87
6,000	American Express	445,370	1.51
3,500	Apple	484,897	1.64
3,800	Automatic Data Processing	386,059	1.31
25,000	Bank of America	533,990	1.81
1,015	Becton Dickinson	184,288	0.62
1,250	Boeing	317,705	1.07
2,500	Caterpillar	256,959	0.87
3,400	Chevron	325,488	1.10
12,000	Cisco Systems	391,108	1.32
7,700	Citigroup	390,409	1.32
7,000	Coca-Cola	232,547	0.79
7,000	Cognizant Technology Solutions	418,754	1.42

OVERVIEW

 FUND MANAGER  
REPORT

 INTERNATIONAL  
GROWTH

 LOW RISK/  
REWARD

 MODERATE-  
HIGH RISK/  
REWARD

 MODERATE  
RISK/  
REWARD

 RISK  
AVERSE

 UK  
GROWTH

WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND

CONTINUED

PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
5,000	Colgate-Palmolive	245,446	0.83
7,746	DowDuPont	386,933	1.31
6,500	Estée Lauder 'A'	702,409	2.38
6,500	Exxon Mobil	407,749	1.38
10,000	General Electric	103,087	0.35
2,000	Honeywell International	218,231	0.74
1,500	IBM	158,743	0.54
4,000	International Paper	157,788	0.53
4,000	Johnson & Johnson	367,658	1.24
4,000	JP Morgan Chase & Co	316,061	1.07
15,000	Kinder Morgan	200,757	0.68
5,000	Merck & Co	229,881	0.78
11,000	Microsoft	821,594	2.78
3,200	Mondelez International 'A'	99,424	0.34
12,000	Oracle	400,470	1.35
10,000	PayPal Holdings	630,790	2.13
3,500	Royal Caribbean Cruises	274,618	0.93
4,100	Tiffany	408,742	1.38
5,000	TJX Companies	360,462	1.22
4,000	United Technologies	378,837	1.28
3,500	Wal-Mart Stores	227,086	0.77
4,000	Walt Disney	317,819	1.07
5,000	Wells Fargo & Co	210,074	0.71
5,500	Yum China	160,261	0.54
5,500	Yum! Brands	325,938	1.10
	<b>Total United States</b>	<b>13,181,958</b>	<b>44.58</b>
	<b>Other - 4.53% (6.01%)</b>		
13,475	Novo Nordisk 'B'	474,134	1.60
750	Samsung Electronics GDR	585,116	1.98
40,000	Templeton Emerging Markets Investment Trust*	280,000	0.95
	<b>Total Other</b>	<b>1,339,250</b>	<b>4.53</b>
	<b>Portfolio of investments</b>	<b>28,687,240</b>	<b>97.02</b>
	<b>Net other assets</b>	<b>879,821</b>	<b>2.98</b>
	<b>Net assets</b>	<b>29,567,061</b>	<b>100.00</b>

\*UK-listed investment trust.

## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 30 JUNE 2018

<b>Total Purchases</b>	<b>£1,004,040</b>
<b>Purchases*</b>	<b>Cost £</b>
Automatic Data Processing	319,660
DowDuPont	192,677
Sage	160,109
3M	148,265
Mondelez International 'A'	103,186
SAP	61,324
Bayer	15,344
Novo Nordisk 'B'	2,662
UniCredit	813
<b>Total Sales</b>	<b>£2,276,409</b>
<b>Sales*</b>	<b>Proceeds £</b>
Grainger	462,098
Templeton Emerging Markets Investment Trust	399,778
C. R. Bard	331,778
Boeing	300,821
Caterpillar	222,980
HSBC Holdings (London listed)	220,833
Standard Chartered	165,360
UniCredit	125,940
Tiffany	40,363
Schneider Electric	6,348
Becton Dickinson	66
Air Liquide 'Rights'	44

\*As the total number of sales and purchases for the year was below twenty, the complete list has been provided here.

WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND

CONTINUED

## COMPARATIVE TABLES

Class A – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	206.13	150.77
Return before operating charges*	23.21	58.77
Operating charges	(3.85)	(3.41)
Return after operating charges*	19.36	55.36
Distributions on accumulation units	(0.74)	(0.94)
Retained distributions on accumulation units	0.74	0.94
Closing net asset value per unit	225.49	206.13
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.02	0.04
<b>Performance</b>		
Return after charges	9.39%	36.72%
<b>Other information</b>		
Closing net asset value (£)	21,570,816	21,322,888
Closing number of units	9,565,999	10,344,223
Operating charges	1.76%	1.73%
Direct transaction costs	0.01%	0.02%
<b>Prices</b>		
Highest unit price	233.49p	213.22p
Lowest unit price	206.40p	147.24p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	201.21	147.60
Return before operating charges*	22.61	57.44
Operating charges	(4.30)	(3.83)
Return after operating charges*	18.31	53.61
Distributions on accumulation units	(0.23)	(0.45)
Retained distributions on accumulation units	0.23	0.45
Closing net asset value per unit	219.52	201.21
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.02	0.04
<b>Performance</b>		
Return after charges	9.10%	36.32%



<b>Other information</b>		
Closing net asset value (£)	6,702,230	5,617,286
Closing number of units	3,053,131	2,791,756
Operating charges	2.01%	1.98%
Direct transaction costs	0.01%	0.02%

<b>Prices</b>		
Highest unit price	227.44p	208.20p
Lowest unit price	201.52p	144.13p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

<b>Class X – Accumulation</b>	<b>30 June 2018</b>	<b>30 June 2017<sup>1</sup></b>
	<b>Pence per unit</b>	<b>Pence per unit</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	202.15	147.60
Return before operating charges*	22.78	57.46
Operating charges	(3.26)	(2.91)
Return after operating charges*	19.52	54.55
Distributions on accumulation units	(1.28)	(1.41)
Retained distribution on accumulation units	1.28	1.41
Closing net asset value per unit	221.67	202.15
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.02	0.04

<b>Performance</b>		
Return after charges	9.66%	36.96%

<b>Other information</b>		
Closing net asset value (£)	1,294,015	840,326
Closing number of units	583,747	415,685
Operating charges	1.51%	1.48%
Direct transaction costs	0.01%	0.02%

<b>Prices</b>		
Highest unit price	229.74p	209.28p
Lowest unit price	202.62p	144.16p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND

CONTINUED

## STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		2,474,209		7,446,010
Revenue	3	669,021		647,135	
Expenses	4	(524,799)		(476,952)	
Interest payable and similar charges		(955)		(424)	
Net revenue before taxation		143,267		169,759	
Taxation	5	(57,347)		(53,491)	
Net revenue after taxation			85,920		116,268
<b>Total return before distributions</b>			<b>2,560,129</b>		<b>7,562,278</b>
Distributions	6		(85,912)		(116,267)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>2,474,217</b>		<b>7,446,011</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		<b>27,780,500</b>		-
Amounts receivable on issue of units	986,868		1,276,887	
Amounts payable on cancellation of units	(1,759,485)		(1,905,891)	
Merger from Wesleyan International Trust on 03.06.2016	-		20,848,043	
		(772,617)		20,219,039
Change in net assets attributable to unitholders from investment activities		2,474,217		7,446,011
Retained distribution on accumulation units		84,961		115,450
<b>Closing net assets attributable to unitholders</b>		<b>29,567,061</b>		<b>27,780,500</b>

## BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			28,687,240		27,504,828
<b>Current assets</b>					
Debtors	8	44,400		38,442	
Cash and bank balances		965,851		322,516	
			1,010,251		360,958
Total assets			29,697,491		27,865,786
<b>Liabilities</b>					
Bank overdraft		(38,115)		-	
Other creditors	9	(92,315)		(85,286)	
Total liabilities			(130,430)		(85,286)
<b>Net assets attributable to unitholders</b>			<b>29,567,061</b>		<b>27,780,500</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

# WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND CONTINUED

## DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

### Distribution tables (pence per unit)

#### Interim

Group 1: Units purchased prior to 1 July 2017

Group 2: Units purchased on or after 1 July 2017 and on or before 31 December 2017

<b>Class A Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	-	-	-	0.1059
Group 2	-	-	-	0.1059

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	-	-	-	-
Group 2	-	-	-	-

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	-	-	-	0.3477
Group 2	-	-	-	0.3477

## Distribution tables (pence per unit)

### Final

Group 1: Units purchased prior to 1 January 2018

Group 2: Units purchased on or after 1 January 2018 and on or before 30 June 2018

Class A Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	0.7371	-	0.7371	0.8315
Group 2	0.4058	0.3313	0.7371	0.8315

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	0.2280	-	0.2280	0.4456
Group 2	0.0497	0.1783	0.2280	0.4456

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	1.2829	-	1.2829	1.0590
Group 2	1.0775	0.2054	1.2829	1.0590

### Corporate unitholders' information

For corporate unitholders, all of the income relating to the distribution is 100% franked.

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN

## WESLEYAN LOW RISK/ REWARD GROWTH FUND

### Fund Review

This is the full-year report of the Wesleyan Low Risk/Reward Growth Fund covering the year to 30 June 2018. The underlying unit price performance generated a return of 3.0% over the period compared to the IA Mixed Investment 0%-35% Shares sector average of 1.3%\*.

Whilst this was a low return in absolute terms, it was a pleasing level of outperformance against the sector in a period where market returns were only marginally positive.

The two main drivers of this outperformance were the strong relative performance of the fund's equity portfolio and the value added to the gilt portfolio from trading.

UK equities went into 2018 on the back of a strong run in December which saw a total return close to 5% for that month alone. Early January saw a continuation of this trend before profit taking and a number of well publicised geopolitical events saw a peak to trough fall in the valuation of UK equities of over 10%. This level of volatility provides opportunities for fund managers to purchase shares in out of favour companies offering long term value at temporarily depressed prices.

In the first couple of months of 2018 we took well-timed profits in fund management firm Man Group selling at 213.8p, more than 20% ahead of its period end closing price. The fund's holding in Royal Mail was also sold for an 18% capital profit on our purchase 12 months earlier; the shares ended June more than 5% below our sale price.

In early March, a takeover approach was received for our holding in British electronics and technology company Laird at a 73% premium to its previous day's closing price with proceeds received just before the end of June.

The long-running takeover battle for media conglomerate Sky is nearing its end as a two-way battle between Comcast and Fox/Disney ensues. The fund's holding is currently showing a capital gain of more than 50% on the purchase price from the fund's inception in June 2016.

In addition to these two takeovers, Melrose completed its takeover of engineer GKN in May with the proceeds being a combination of cash and equity.

In late March, at a time when the UK market was close to its lows, we increased the fund's equity allocation by investing in a number of larger companies. These purchases included global miner Rio Tinto, media group RELX, beverage group Diageo and the international banking and financial services company HSBC. These showed strong price moves to the end of the period with Rio Tinto up 19%, RELX 12.8%, Diageo 15% and HSBC 7%.

The holding in Rio Tinto was purchased for 3514p a share. We then chose to sell two thirds of the holding two months later for more than a 20% profit. These were repurchased towards the end of June when the price was 6% below the level at which we had sold six weeks earlier. This illustrates our approach in taking profits when we feel valuations have run ahead of events.

Over the twelve-month period we regularly took small profits from trading in and out of long-dated conventional and index-linked gilts. This allowed the fund to take advantage of short-term market movements without being overly exposed to adverse market movements. In a low interest rate environment, with gilt yields below 2% for all durations, this strategy contributed to trading profits in excess of 1% of the total gilt portfolio and contributed around 0.5% of the 1.7% outperformance against the sector.

Purchases were made in corporate bonds issued by real estate investment trust Hammerson and hospitality operator Whitbread. These purchases were made from net inflows to retain exposure at around a third of the fund. Our strategy in our corporate bond holdings is to purchase bonds issued by strong companies but with yields well ahead of government bonds to provide enhanced returns. We would normally expect to hold these bonds until redemption but are prepared to trade them out if we feel they have become expensive.

A full list of holdings can be found later in this report.

### Fund Outlook

We believe that there is still good value from equities with resilient earnings growth underpinning valuations and so we expect to maintain an equity weighting above 30% of the fund. However, we are flexible enough to be able to reduce this if valuations become stretched.

This year we have purchased shares in two German chemical companies - Bayer and Henkel - and expect to make further investments in Continental Europe over the next few months.

The gilt portfolio provides opportunities to seek profits from altering the duration of the portfolio and we expect that gilt yields will continue to show volatility in a world where Brexit, discussion on the timing of future interest rate rises, and comments from global political leaders are likely to be more prevalent.

In addition, we are mindful of the effect of potential trade wars following exchanges between the US and China and also the contagion effect that weak currencies in countries such as Turkey can have on other territories.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

## General Information

### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

The Fund will invest predominantly in a diversified portfolio of government bonds, corporate bonds, UK and International equities and cash.

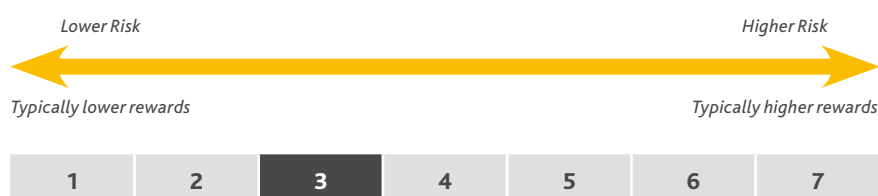
Investment will generally be made in sterling denominated assets but the Fund may at the Manager's discretion invest in non-Sterling denominated assets.

The Fund may also invest in other fixed interest and transferable securities, near cash, deposits, money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom.

The Fund may use derivatives for the purposes of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.5%	1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	Last day of February

WESLEYAN

# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

## PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets shows the equivalent sector contribution as at 30 June 2017.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>EQUITIES</b>			
<b>United Kingdom - 27.31% (27.95%)</b>			
<b>Oil &amp; Gas - 2.57% (2.93%)</b>			
40,000	BP	231,320	1.29
111	Royal Dutch Shell 'A'	2,918	0.02
8,300	Royal Dutch Shell 'B'	225,221	1.26
<b>Total Oil &amp; Gas</b>		<b>459,459</b>	<b>2.57</b>
<b>Basic Materials - 1.19% (0.39%)</b>			
1,500	Johnson Matthey	54,285	0.30
3,800	Rio Tinto	159,619	0.89
<b>Total Basic Materials</b>		<b>213,904</b>	<b>1.19</b>
<b>Industrials - 2.74% (3.55%)</b>			
5,000	Babcock International	40,880	0.23
10,000	BAE Systems	64,660	0.36
7,440	Capita	11,885	0.07
5,000	IMI	56,550	0.32
56,799	Melrose Industries	120,755	0.67
2,500	Morgan Sindall Group	35,950	0.20
7,500	Rolls-Royce	74,115	0.41
532,500	Rolls-Royce Holding 'C' **	-	-
3,000	Smiths Group	50,940	0.28
2,500	Travis Perkins	35,562	0.20
<b>Total Industrials</b>		<b>491,297</b>	<b>2.74</b>
<b>Consumer Goods - 3.37% (3.36%)</b>			
2,700	Associated British Foods	73,926	0.41
6,500	Diageo	176,930	0.99
2,500	Persimmon	63,325	0.35
1,825	Reckitt Benckiser	113,862	0.64
30,000	Taylor Wimpey	53,670	0.30
2,900	Unilever	121,568	0.68
<b>Total Consumer Goods</b>		<b>603,281</b>	<b>3.37</b>



Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Healthcare - 1.83% (1.39%)</b>			
1,750	AstraZeneca	91,927	0.51
11,294	GlaxoSmithKline	172,776	0.97
4,500	Smith & Nephew	62,910	0.35
	<b>Total Healthcare</b>	<b>327,613</b>	<b>1.83</b>
<b>Consumer Services - 3.76% (3.49%)</b>			
4,807	Compass Group	77,801	0.44
1,500	InterContinental Hotels	70,800	0.40
35,000	ITV	60,900	0.34
70,000	Marston's	69,650	0.39
15,000	Merlin Entertainments	58,005	0.32
5,000	RELX	81,125	0.45
5,000	Sky	73,075	0.41
40,000	Tesco	102,640	0.57
2,000	Whitbread	79,160	0.44
	<b>Total Consumer Services</b>	<b>673,156</b>	<b>3.76</b>
<b>Telecommunications - 1.15% (1.27%)</b>			
35,000	BT	76,213	0.42
71,000	Vodafone	130,498	0.73
	<b>Total Telecommunications</b>	<b>206,711</b>	<b>1.15</b>
<b>Utilities - 1.75% (1.93%)</b>			
25,000	Centrica	39,413	0.22
12,083	National Grid	101,304	0.57
5,500	SSE	74,497	0.42
3,000	Severn Trent	59,385	0.33
5,000	United Utilities	38,160	0.21
	<b>Total Utilities</b>	<b>312,759</b>	<b>1.75</b>
<b>Financials - 8.18% (8.51%)</b>			
12,500	Aviva	62,975	0.35
80,000	Barclays	151,184	0.84
47,500	Coupland Cardiff Japan Income & Growth Trust*	77,900	0.44
75,000	Downing Strategic Micro Cap*	66,750	0.37

OVERVIEW

 FUND MANAGER  
REPORT

 INTERNATIONAL  
GROWTH

 LOW RISK/REWARD  
GROWTH

 MODERATE-HIGH RISK/  
REWARD GROWTH

 MODERATE RISK/  
REWARD GROWTH

RISK AVERSE

UK GROWTH

WESLEYAN

# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
100,000	Empiric Student Property	88,600	0.49
71,304	GCP Student Living	104,817	0.59
27,313	Greencoat UK Wind	34,141	0.19
10,000	Hammerson REIT	52,200	0.29
22,500	HSBC Holdings (London listed)	159,907	0.89
7,750	Land Securities REIT	74,160	0.41
305,000	Lloyds Banking	192,211	1.07
50,000	LXI REIT	54,750	0.31
58,410	PRS REIT	60,746	0.34
3,500	Prudential	60,707	0.34
100,000	Residential Secure REIT	95,200	0.53
50,000	Schroder European REIT	55,250	0.31
5,000	St. James's Place Capital	57,375	0.32
11,000	Tritax Big Box REIT	17,127	0.10
	<b>Total Financials</b>	<b>1,466,000</b>	<b>8.18</b>

## Technology - 0.00% (0.30%)

## Other Equities - 0.77% (0.83%)

24,808	Tatton Asset Management	58,051	0.32
43,332	XPS Pensions	79,731	0.45
	<b>Total Other Equities</b>	<b>137,782</b>	<b>0.77</b>
	<b>Total United Kingdom</b>	<b>4,891,962</b>	<b>27.31</b>

## Channel Islands - 2.33% (2.93%)

## Financials - 2.33% (2.93%)

10,000	3i Infrastructure*	22,360	0.13
60,000	GCP Infrastructure Investments*	71,760	0.40
64,722	HICL Infrastructure*	93,394	0.52
60,000	International Public Partnership*	85,920	0.48
90,000	John Laing Environmental Assets	93,150	0.52
45,000	Sequoia Economic Infrastructure Income Fund*	50,625	0.28
	Total Financials	417,209	2.33
	<b>Total Channel Islands</b>	<b>417,209</b>	<b>2.33</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Germany - 0.27% (0.00%)</b>			
<b>Basic Materials - 0.27% (0.00%)</b>			
586	Bayer	49,019	0.27
<b>Total Basic Materials</b>		<b>49,019</b>	<b>0.27</b>
<b>Total Germany</b>		<b>49,019</b>	<b>0.27</b>
<b>Luxembourg - 0.56% (0.17%)</b>			
<b>Financials - 0.56% (0.17%)</b>			
73,626	Bilfinger Berger Global Infrastructure	99,395	0.56
<b>Total Financials</b>		<b>99,395</b>	<b>0.56</b>
<b>Total Luxembourg</b>		<b>99,395</b>	<b>0.56</b>
<b>Total Equities</b>		<b>5,457,585</b>	<b>30.47</b>
<b>BONDS</b>			
<b>Corporate Bonds - 34.92% (35.69%)</b>			
£200,000	3i Group 5.75% 03.12.2032	249,965	1.40
£100,000	Anglian Water Services Financing 2.625% 15.06.2027	95,570	0.53
£125,000	Barclays 3.125% 17.01.2024	124,907	0.70
£150,000	BP Capital Markets 2.03% 14.02.2025	149,319	0.83
£177,000	BP Capital Markets 2.274% 03.07.2026	174,947	0.98
£150,000	British Telecommunications 3.125% 21.11.2031	144,931	0.81
£100,000	BUPA Finance 5% 08.12.2026	107,681	0.60
£100,000	Centrica 4.375% 13.03.2029	113,445	0.63
£100,000	Close Brothers Group 4.25% 24.01.2027	104,230	0.58
£100,000	Cooperatieve Rabobank 5.25% 14.09.2027	115,095	0.64
£150,000	Electricité De France 6.125% 02.06.2034	198,565	1.11
£100,000	Equinor 6.875% 11.03.2031	147,047	0.82
£137,000	Gatwick Funding 3.125% 28.09.2041	132,751	0.74
£100,000	Hammerson 3.5% 27.10.2025	103,734	0.58
£175,000	HSBC 6% 29.03.2040	224,600	1.25
£125,000	InterContinental Hotels Group 2.125% 24.08.2026	118,292	0.66
£100,000	Intu Debenture 5.562% 31.12.2027	98,562	0.55
£100,000	John Lewis 6.125% 21.01.2025	115,980	0.65
£250,000	Land Securities Capital Markets 1.974% 08.02.2026	251,154	1.40
£200,000	Leeds Building Society 3.75% VRN 25.04.2029	192,866	1.08
£200,000	Legal & General Finance 5.875% 11.12.2031	264,648	1.48
£117,000	Lloyds Banking Group 2.25% 16.10.2024	113,368	0.63
£200,000	Longstone Finance 4.774% 19.04.2036	228,080	1.27

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Nominal Value	Investment	Bid-market value £	Percentage of total net assets %
£100,000	Manchester Airport Group Funding 2.875% 31.03.2039	95,642	0.53
£150,000	Marks & Spencer 4.75% 12.06.2025	163,849	0.92
£125,000	Marstons Issuer 5.1774% VRN 15.07.2032	136,944	0.77
£100,000	Mondelez International 4.5% 03.12.2035	111,270	0.62
£125,000	Next 4.375% 02.10.2026	133,957	0.75
£100,000	Northumbrian Water Finance 1.625% 11.10.2026	92,931	0.52
£100,000	Prudential 5.875% 11.05.2029	130,200	0.73
£100,000	Prudential 6.875% 20.01.2023	122,385	0.68
£100,000	Scottish & Southern Energy 6.25% 27.08.2038	145,741	0.81
£150,000	Segro 2.875% 11.10.2037	144,246	0.81
£160,000	Severn Trent Water Utilities 2.75% 05.12.2031	157,231	0.88
£100,000	Sky 6% 21.05.2027	126,091	0.70
£107,000	Thames Water Utilities Cayman Finance 2.625% 24.01.2032	101,479	0.57
£101,000	Vodafone Group 5.9% 26.11.2032	132,610	0.74
£150,000	Wales & West Utilities Finance 5% 07.03.2028	181,925	1.02
£200,000	Wells Fargo 2% 28.07.2025	191,938	1.07
£122,000	Wells Fargo 2.125% 20.12.2023	120,755	0.67
£200,000	Western Power Distribution South West 2.375% 16.05.2029	192,620	1.08
£200,000	Whitbread Group 3.375% 16.10.2025	202,300	1.13
	<b>Total Corporate Bonds</b>	<b>6,253,851</b>	<b>34.92</b>
<b>Government Bonds - 27.29% (28.62%)</b>			
£550,000	UK Treasury 0.5% 22.07.2022	541,398	3.02
£500,000	UK Treasury 0.75% 22.07.2023	493,150	2.75
£450,000	UK Treasury 1.5% 22.01.2021	458,631	2.56
£400,000	UK Treasury 1.5% 22.07.2047	378,712	2.12
£500,000	UK Treasury 1.75% 22.07.2019	505,550	2.82
£250,000	UK Treasury 1.75% 07.09.2037	250,955	1.40
£200,000	UK Treasury 1.75% 22.07.2057	207,432	1.16
£500,000	UK Treasury 3.5% 22.01.2045	683,165	3.82
£450,000	UK Treasury 4.25% 07.12.2027	568,512	3.17
£200,000	UK Treasury 4.25% 07.06.2032	267,072	1.49
£150,000	UK Treasury 4.25% 07.12.2040	220,122	1.23
£250,000	UK Treasury 5% 07.03.2025	312,620	1.75
	<b>Total Government Bonds</b>	<b>4,887,319</b>	<b>27.29</b>

<b>Government Index-Linked - 1.10% (0.00%)</b>			
£100,000	UK Treasury 0.125% IL 22.11.2056	197,233	1.10
<b>Total Government Index-Linked</b>		<b>197,233</b>	<b>1.10</b>
<hr/>			
<b>Total Bonds</b>		<b>11,338,403</b>	<b>63.31</b>
<hr/>			
<b>Portfolio of investments</b>		<b>16,795,988</b>	<b>93.78</b>
<b>Net other assets</b>		<b>1,114,808</b>	<b>6.22</b>
<b>Net assets</b>		<b>17,910,796</b>	<b>100.00</b>

\* UK-listed investment trust.

\*\* Corporate Action – 'C' shares are non-cumulative, unquoted redeemable Preference Shares given in lieu of cash dividend.

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## WESLEYAN LOW RISK/ REWARD GROWTH FUND CONTINUED

SUMMARY OF MATERIAL PORTFOLIO CHANGES  
FOR THE YEAR ENDED 30 JUNE 2018

<b>Total Purchases</b>	<b>£10,535,499</b>
<b>Purchases</b>	<b>Cost £</b>
UK Treasury 1.75% 22.07.2057	1,122,160
UK Treasury 2.5% 22.07.2065	991,400
UK Treasury 0.125% IL 22.11.2056	949,654
UK Treasury 1.50% 22.07.2047	736,820
UK Treasury 1.75% 22.07.2019	506,705
UK Treasury 0.75% 22.07.2023	503,930
UK Treasury 3.5% 22.01.2045	337,575
UK Treasury 5% 07.03.2025	327,775
UK Treasury 1.75% 07.09.2037	249,625
Longstone Finance 4.774% 19.04.2036	229,900
Whitbread Group 3.375% 16.10.2025	210,020
Western Power Distribution South West 2.375% 16.05.2029	198,172
Leeds Building Society 3.75% VRN 25.04.2029	196,240
BP Capital Markets 2.274% 03.07.2026	177,000
British Telecommunications 3.125% 21.11.2031	149,387
Segro 2.875% 11.10.2037	148,694
Rio Tinto	142,453
Gatwick Funding 3.125% 28.09.2041	135,585
UK Treasury 4.25% 07.12.2027	131,440
GlaxoSmithKline	122,278

<b>Total Sales</b>	<b>£5,695,698</b>
<b>Sales</b>	<b>Proceeds £</b>
UK Treasury 2.5% 22.07.2065	1,010,850
UK Treasury 1.75% 22.07.2057	942,080
UK Treasury 1.50% 22.07.2047	850,260
UK Treasury 0.125% IL 22.11.2056	778,820
UK Treasury 3.25% 22.01.2044	591,840
UK Treasury 3.75% 07.09.2021	219,820
International Public Partnership	121,042
Sainsbury (J)	115,580
HSBC Holdings (London listed)	111,331
Marks & Spencer 3% 08.12.2023	103,290
Sequoia Economic Infrastructure Income Fund	99,015
Man Group	85,501
Melrose Industries	79,695
Next Group	76,628
Rio Tinto	64,765
Royal Dutch Shell 'B'	57,960
LXI REIT	56,204
Laird	54,000
Royal Mail	53,433
BP	37,390

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

## COMPARATIVE TABLES

Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	107.40	100.00
Return before operating charges*	4.54	9.41
Operating charges	(1.80)	(1.99)
Return after operating charges*	2.74	7.42
Distributions on accumulation units	(1.02)	(0.89)
Retained distributions on accumulation units	1.02	0.87
Closing net asset value per unit	110.14	107.40
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.08	0.32
<b>Performance</b>		
Return after charges	2.55%	7.42%
<b>Other information</b>		
Closing net asset value (£)	15,501,633	10,715,282
Closing number of units	14,074,386	9,977,285
Operating charges	1.66%	1.68%
Direct transaction costs	0.07%	0.30%
<b>Prices</b>		
Highest unit price	111.11p	110.67p
Lowest unit price	105.25p	97.44p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.



**Class X – Accumulation**

	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	107.94	100.00
Return before operating charges*	4.59	9.45
Operating charges	(1.27)	(1.41)
Return after operating charges*	3.32	8.04
Distributions on accumulation units	(1.58)	(1.52)
Retained distributions on accumulation units	1.58	1.42
Closing net asset value per unit	111.26	107.94
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.08	0.32
<b>Performance</b>		
Return after charges	3.08%	8.04%
<b>Other information</b>		
Closing net asset value (£)	1,226,164	505,303
Closing number of units	1,102,026	468,116
Operating charges	1.16%	1.18%
Direct transaction costs	0.07%	0.30%
<b>Prices</b>		
Highest unit price	112.25p	111.22p
Lowest unit price	106.15p	97.49p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

## WESLEYAN

# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

## COMPARATIVE TABLES

Class B – Income	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	106.59	100.00
Return before operating charges*	4.52	9.45
Operating charges	(1.78)	(1.99)
Return after operating charges*	2.74	7.46
Distributions on income units	(1.01)	(0.87)
Closing net asset value per unit	108.32	106.59
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.07	0.31
<b>Performance</b>		
Return after charges	2.57%	7.46%
<b>Other information</b>		
Closing net asset value (£)	1,123,414	1,105,485
Closing number of units	1,037,172	1,037,172
Operating charges	1.66%	1.70%
Direct transaction costs	0.07%	0.30%
<b>Prices</b>		
Highest unit price	109.82p	110.56p
Lowest unit price	104.02p	97.44p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Income	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	106.60	100.00
Return before operating charges*	4.54	9.53
Operating charges	(1.25)	(1.41)
Return after operating charges*	3.29	8.12
Distributions on income units	(1.55)	(1.52)
Closing net asset value per unit	108.34	106.60
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.07	0.31
<b>Performance</b>		
Return after charges	3.09%	8.12%
<b>Other information</b>		
Closing net asset value (£)	59,585	58,630
Closing number of units	55,000	55,000
Operating charges	1.16%	1.20%
Direct transaction costs	0.07%	0.30%
<b>Prices</b>		
Highest unit price	110.09p	110.78p
Lowest unit price	104.10p	97.49p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

# WESLEYAN

## WESLEYAN LOW RISK/ REWARD GROWTH FUND

### STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		233,006		449,080
Revenue	3	399,748		246,829	
Expenses	4	(247,851)		(160,079)	
Interest payable and similar charges		-		(21)	
Net revenue before taxation		151,897		86,729	
Taxation	5	(302)		(9)	
Net revenue after taxation			151,595		86,720
<b>Total return before distributions</b>			<b>384,601</b>		<b>535,800</b>
Distributions	6		(151,600)		(86,711)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>233,001</b>		<b>449,089</b>

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		<b>12,384,700</b>		-
Amounts receivable on issue of units	5,385,890		11,953,941	
Amounts payable on cancellation of units	(245,624)		(108,584)	
		5,140,266		11,845,357
Change in net assets attributable to unitholders from investment activities		233,001		449,089
Retained distribution on accumulation units		152,829		90,254
<b>Closing net assets attributable to unitholders</b>		<b>17,910,796</b>		<b>12,384,700</b>

## BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			16,795,988		11,809,665
<b>Current assets</b>					
Debtors	8	288,246		102,859	
Cash and bank balances		1,064,235		560,150	
			1,352,481		663,009
Total assets			18,148,469		12,472,674
<b>Liabilities</b>					
Creditors					
Other creditors	9	(230,925)		(79,582)	
Distribution payable on income units		(6,748)		(8,392)	
Total liabilities			(237,673)		(87,974)
<b>Net assets attributable to unitholders</b>			<b>17,910,796</b>		<b>12,384,700</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

WESLEYAN

# WESLEYAN LOW RISK/ REWARD GROWTH FUND

 CONTINUED

DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

Distribution tables (pence per unit)

**Interim**

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 and on or before 31 December 2017

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.4078	-	0.4078	0.1070
Group 2	0.1932	0.2146	0.4078	0.1070

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.6873	-	0.6873	0.4172
Group 2	0.3344	0.3529	0.6873	0.4172

<b>Class B Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.4024	-	0.4024	0.0930
Group 2	0.1854	0.2170	0.4024	0.0930

<b>Class X Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.6739	-	0.6739	0.4123
Group 2	0.3658	0.3081	0.6739	0.4123

## Distribution tables (pence per unit)

### Final

Group 1: units purchased prior to 1 January 2018

Group 2: units purchased on or after 1 January 2018 and on or before 30 June 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	0.6123	-	0.6123	0.7580
Group 2	0.3163	0.2960	0.6123	0.7580

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	0.8896	-	0.8896	1.0027
Group 2	0.4244	0.4652	0.8896	1.0027

Class B Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	0.6044	-	0.6044	0.7559
Group 2	0.3644	0.2400	0.6044	0.7559

Class X Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	0.8716	-	0.8716	1.0031
Group 2	0.6710	0.2006	0.8716	1.0031

## Corporate unitholders information

For corporate unitholders, all of the income relating to the distribution is 100% unfranked.

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND

### Fund Review

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This is the full-year report for the Wesleyan Moderate-High Risk/Reward Income Fund covering the year to 30 June 2018. The underlying unit price performance generated a return of 4.47% compared to the IA Mixed Investment 40-85% sector that returned 4.85%\*.

Over the period under review, markets began strongly as a synchronised period of global growth was reflected through positive performances across nearly all equity markets. However, since February 2018, markets have diverged notably in performance. Over the period, corporate bonds in the UK lost nearly all of their positive performance from the second half of 2017 finishing the period up only 0.4%. UK government bonds finished the period up 1.9%, while global equity markets overall finished the period up over 9%. Within equity markets, the US maintained its momentum into the first half of 2018, bolstered by tax reforms and overall consumer confidence. Asia (ex Japan) and Emerging markets posted negative total returns over the same period, albeit after a strong last six months of 2017.

The fund has modestly underperformed the peer group over the period. The key determinant for the underperformance is the very low level of exposure the fund has to the oil & gas sector and the mining sector, which have been, by far, the best performing sectors.

The fund recovered some of the lost ground towards the end of the period, mainly driven by strong individual stock performances, notably pharmaceutical company GlaxoSmithKline and industrial conglomerate Smiths Group. Pleasingly, the largest new position we reported to you at the half-year stage, Shire Pharmaceuticals, received a takeover offer from Japanese pharmaceutical company Takeda. Telecom company Vodafone, another holding initiated in the first half, has proven to be less successful so far.

The fund initiated a position in Prudential towards the end of the reporting period as emerging market concerns led to a languishing share price, despite the tailwind of a strong US dollar and our strong earnings forecasts to 2020. In the period, the fund received the proceeds from the takeover of Berendsen and the fund sold its short-dated corporate bond holding in chemicals company Henkel. For more details, a summary list of transactions can be found later in this report.

### Fund Outlook

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Global growth remains robust supported by key geographies that are registering low and falling levels of unemployment combined with high consumer confidence. Tax reforms in the US continue to have a positive economic impact for the world's largest economy, even as the trade relationship between the US and China continues to deteriorate.

The US equity market has continued to rise and valuations remain elevated, having broadly shrugged-off trade tariff concerns, while other geographies have been unable to. The UK has lagged behind other global equity markets, as fears over Brexit and the prospect of a "no deal" conclusion remain high. We are of the view a "no deal" option is unlikely and that the UK is starting to show pockets of value.

Whilst returns on cash remain limited, above-target inflation has been enough for the Bank of England's MPC to push ahead with raising rates, despite lacklustre growth. Our current cash holdings will be used tactically, ready to be deployed during market corrections, or to be added to when markets run too hard. In the long term, equities remain our preferred investment choice although we do not expect volatility to remain at the present low levels.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.



## General Information

### Investment objective and policy

The Fund aims to provide a competitive level of income, together with the potential for long term capital growth.

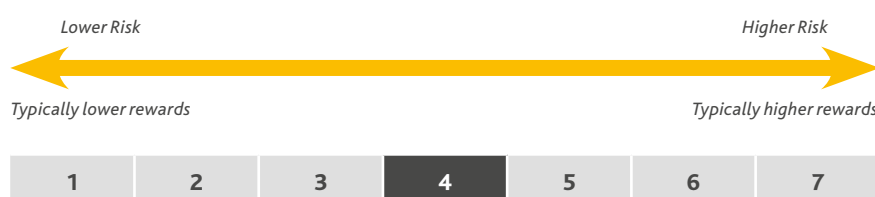
The Fund will invest primarily through investment in dividend paying UK equities with the remainder largely being invested in fixed interest securities.

The Fund may also invest in other transferable securities, cash, near cash, deposits, money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom. The ability to invest more than 35% of the Fund in such securities will only be exercised in circumstances in which the Fund Manager believes it will be in the best interests of investors; such as times of market stress or in anticipation of market stress.

The Fund may use derivatives for the purpose of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.7%	1.2%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	30 November, Last day of February, 31 May

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2017.

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>EQUITIES</b>			
<b>United Kingdom - 55.83% (59.13%)</b>			
<b>Oil &amp; Gas - 0.80% (0.49%)</b>			
16,900	BP	97,733	0.80
	<b>Total Oil &amp; Gas</b>	<b>97,733</b>	<b>0.80</b>
<b>Basic Materials - 1.41% (1.02%)</b>			
2,700	Croda International	129,654	1.06
10,000	Scapa	43,320	0.35
	<b>Total Basic Materials</b>	<b>172,974</b>	<b>1.41</b>
<b>Industrials - 9.75% (13.38%)</b>			
23,099	Babcock International	188,857	1.54
48,750	Capita	77,878	0.63
8,000	Morgan Sindall	115,040	0.94
2,200	Renishaw	116,270	0.95
53,000	Senior	160,590	1.31
24,223	Smith (David S)	126,202	1.03
16,500	Smiths Group	280,170	2.28
39,932	Tyman	131,576	1.07
	<b>Total Industrials</b>	<b>1,196,583</b>	<b>9.75</b>
<b>Consumer Goods - 13.63% (14.72%)</b>			
23,000	A G Barr	158,010	1.29
3,500	Bellway	105,140	0.86
10,000	Britvic	77,900	0.64
7,000	Burberry	151,130	1.23
11,650	Diageo	317,113	2.58
10,400	Galliford Try	90,688	0.74
5,200	Persimmon	131,716	1.07
3,500	Reckitt Benckiser	218,365	1.78
2,800	Ted Baker	60,200	0.49
8,650	Unilever	362,608	2.95
	<b>Total Consumer Goods</b>	<b>1,672,870</b>	<b>13.63</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Healthcare - 4.93% (5.91%)</b>			
1,500	AstraZeneca	78,795	0.64
25,000	Circassia	21,025	0.17
12,000	Clinigen	109,920	0.90
13,550	GlaxoSmithKline	207,288	1.69
13,400	Smith & Nephew	187,332	1.53
<b>Total Healthcare</b>		<b>604,360</b>	<b>4.93</b>
<b>Consumer Services - 10.89% (10.09%)</b>			
10,796	Compass Group	174,733	1.42
10,500	Daily Mail & General Trust	77,752	0.63
7,000	Greene King	40,264	0.33
6,300	InterContinental Hotels	297,360	2.42
44,000	ITV	76,560	0.62
63,800	Marston's	63,481	0.52
33,000	Merlin Entertainments	127,611	1.04
2,100	Next	127,008	1.04
14,250	RELX	231,206	1.88
16,900	Restaurant Group	47,557	0.39
1,850	Whitbread	73,223	0.60
<b>Total Consumer Services</b>		<b>1,336,755</b>	<b>10.89</b>
<b>Telecommunications - 2.27% (2.06%)</b>			
38,000	BT	82,745	0.67
6,000	Telecom Plus	67,560	0.55
70,000	Vodafone	128,660	1.05
<b>Total Telecommunications</b>		<b>278,965</b>	<b>2.27</b>
<b>Utilities - 1.67% (1.81%)</b>			
18,041	National Grid	151,256	1.23
4,000	SSE	54,180	0.44
<b>Total Utilities</b>		<b>205,436</b>	<b>1.67</b>

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# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>Financials - 8.37% (7.05%)</b>			
12,300	British Land REIT	82,656	0.67
30,000	Legal & General	79,770	0.65
273,000	Lloyds Banking	172,045	1.40
75,000	Odyssean Investment Trust*	78,375	0.64
70,092	PRS REIT	72,896	0.60
9,000	Prudential	156,105	1.27
6,050	Schroders (Non voting)	150,342	1.23
7,800	St. James Place Capital	89,505	0.73
63,000	U & I Group	145,215	1.18
	<b>Total Financials</b>	<b>1,026,909</b>	<b>8.37</b>
<b>Technology - 2.11% (2.60%)</b>			
8,000	EMIS	71,200	0.58
1,852	Micro Focus International	24,502	0.20
26,000	Sage	163,384	1.33
	<b>Total Technology</b>	<b>259,086</b>	<b>2.11</b>
	<b>Total United Kingdom</b>	<b>6,851,671</b>	<b>55.83</b>
<b>United States - 7.75% (4.75%)</b>			
<b>Basic Materials - 0.81% (0.00%)</b>			
2,000	DowDuPont	99,905	0.81
	<b>Total Basic Materials</b>	<b>99,905</b>	<b>0.81</b>
<b>Industrials - 1.16% (0.00%)</b>			
1,400	Automatic Data Processing	142,232	1.16
	<b>Total Industrials</b>	<b>142,232</b>	<b>1.16</b>
<b>Consumer Goods - 3.01% (3.49%)</b>			
2,000	Colgate-Palmolive	98,178	0.80
1,500	Dr Pepper Snapple	138,610	1.13
1,000	Estée Lauder	108,063	0.88
300	Pepsico	24,741	0.20
	<b>Total Consumer Goods</b>	<b>369,592</b>	<b>3.01</b>

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>Healthcare - 0.82% (0.00%)</b>			
350	Becton Dickinson	63,547	0.52
400	Johnson & Johnson	36,766	0.30
	<b>Total Healthcare</b>	<b>100,313</b>	<b>0.82</b>
<b>Financials - 0.25% (0.00%)</b>			
600	Citigroup	30,422	0.25
	<b>Total Healthcare</b>	<b>30,422</b>	<b>0.25</b>
<b>Technology - 1.70% (1.26%)</b>			
2,350	Microsoft	175,522	1.43
1,000	Oracle	33,372	0.27
	<b>Total Technology</b>	<b>208,894</b>	<b>1.70</b>
	<b>Total United States</b>	<b>951,358</b>	<b>7.75</b>
<b>Channel Islands - 2.69% (0.80%)</b>			
<b>Healthcare - 1.30% (0.00%)</b>			
3,750	Shire	159,862	1.30
	<b>Total Healthcare</b>	<b>159,862</b>	<b>1.30</b>
<b>Consumer Services - 0.88% (0.00%)</b>			
9,000	WPP	107,370	0.88
	<b>Total Consumer Services</b>	<b>107,370</b>	<b>0.88</b>
<b>Financials - 0.51% (0.80%)</b>			
27,960	3I Infrastructure	62,519	0.51
	<b>Total Financials</b>	<b>62,519</b>	<b>0.51</b>
	<b>Total Channel Islands</b>	<b>329,751</b>	<b>2.69</b>
<b>Denmark - 1.28% (1.72%)</b>			
<b>Healthcare - 1.28% (1.72%)</b>			
4,450	Novo Nordisk B	156,579	1.28
	<b>Total Healthcare</b>	<b>156,579</b>	<b>1.28</b>
	<b>Total Denmark</b>	<b>156,579</b>	<b>1.28</b>

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# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
	<b>France - 0.77% (1.17%)</b>		
	<b>Consumer Goods - 0.77% (1.17%)</b>		
1,700	Danone	94,412	0.77
	<b>Total Consumer Goods</b>	<b>94,412</b>	<b>0.77</b>
	<b>Total France</b>	<b>94,412</b>	<b>0.77</b>
	<b>Germany - 4.16% (3.48%)</b>		
	<b>Basic Materials - 0.89% (0.83%)</b>		
1,304	Bayer	109,079	0.89
	<b>Total Basic Materials</b>	<b>109,079</b>	<b>0.89</b>
	<b>Consumer Goods - 0.86% (1.38%)</b>		
1,250	Henkel	105,568	0.86
	<b>Total Consumer Goods</b>	<b>105,568</b>	<b>0.86</b>
	<b>Consumer Services - 1.30% (1.27%)</b>		
9,600	TUI Travel	159,600	1.30
	<b>Total Consumer Services</b>	<b>159,600</b>	<b>1.30</b>
	<b>Telecommunications - 0.77% (0.00%)</b>		
8,000	Deutsche Telekom	93,882	0.77
	<b>Total Telecommunications</b>	<b>93,882</b>	<b>0.77</b>
	<b>Technology - 0.34% (0.00%)</b>		
480	SAP	42,003	0.34
	<b>Total Technology</b>	<b>42,003</b>	<b>0.34</b>
	<b>Total Germany</b>	<b>510,132</b>	<b>4.16</b>
	<b>Japan - 0.90% (0.00%)</b>		
	<b>Financials - 0.90% (0.00%)</b>		
40,000	Fidelity Japanese Values Investment Trust*	64,400	0.52
10,000	JPMorgan Japanese Investment Trust*	46,600	0.38
	<b>Total Financials</b>	<b>111,000</b>	<b>0.90</b>
	<b>Total Japan</b>	<b>111,000</b>	<b>0.90</b>

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
	<b>Netherlands - 0.20% (0.00%)</b>		
	<b>Financials - 0.20% (0.00%)</b>		
2,200	ING Groep NV	23,950	0.20
	<b>Total Financials</b>	<b>23,950</b>	<b>0.20</b>
	<b>Total Netherlands</b>	<b>23,950</b>	<b>0.20</b>
	<b>Pacific excluding Japan - 0.29% (0.00%)</b>		
	<b>Financials - 0.29% (0.00%)</b>		
8,000	Schroder Asia Pacific Investment Trust*	36,080	0.29
	<b>Total Financials</b>	<b>36,080</b>	<b>0.29</b>
	<b>Total Pacific excluding Japan</b>	<b>36,080</b>	<b>0.29</b>
	<b>Spain - 1.85% (1.53%)</b>		
	<b>Technology - 1.85% (1.53%)</b>		
3,800	Amadeus IT Group	227,102	1.85
	<b>Total Technology</b>	<b>227,102</b>	<b>1.85</b>
	<b>Total Spain</b>	<b>227,102</b>	<b>1.85</b>
	<b>Switzerland - 0.30% (0.51%)</b>		
	<b>Healthcare - 0.30% (0.51%)</b>		
220	Roche Holdings	37,004	0.30
	<b>Total Healthcare</b>	<b>37,004</b>	<b>0.30</b>
	<b>Total Switzerland</b>	<b>37,004</b>	<b>0.30</b>
<b>Total Equities</b>		<b>9,329,039</b>	<b>76.02</b>

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# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>BONDS</b>			
<b>Corporate Bonds - 7.42% (6.71%)</b>			
£100,000	Deutsche Telekom International Finance 1.25% 06.10.2023	96,797	0.79
£100,000	Equinor 6.875% 11.03.2031	147,047	1.20
£100,000	HSBC 6% 29.03.2040	128,343	1.05
£125,000	InterContinental Hotels Group 2.125% 24.08.2026	118,292	0.96
£50,000	Johnson & Johnson 5.5% 06.11.2024	61,573	0.50
£100,000	Longstone Finance 4.774% 19.04.2036	114,040	0.93
£150,000	Unilever 1.875% 15.09.2029	143,678	1.17
£100,000	Whitbread Group 3.375% 16.10.2025	101,150	0.82
	<b>Total Corporate Bonds</b>	<b>910,920</b>	<b>7.42</b>
<b>Government Bonds - 8.69% (10.17%)</b>			
£200,000	UK Treasury 0.5% 22.07.2022	196,872	1.61
£100,000	UK Treasury 0.75% 22.07.2023	98,630	0.80
£300,000	UK Treasury 1.5% 22.01.2021	305,754	2.49
£100,000	UK Treasury 2% 22.07.2020	102,587	0.84
£100,000	UK Treasury 3.75% 07.09.2021	109,308	0.89
£200,000	UK Treasury 4.25% 07.12.2027	252,672	2.06
	<b>Total Government Bonds</b>	<b>1,065,823</b>	<b>8.69</b>
<b>Total Bonds</b>		<b>1,976,743</b>	<b>16.11</b>
<b>Portfolio of investments</b>		<b>11,305,782</b>	<b>92.13</b>
<b>Net other assets</b>		<b>965,257</b>	<b>7.87</b>
<b>Net assets</b>		<b>12,271,039</b>	<b>100.00</b>

\* UK-listed investment trust.



## SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 30 JUNE 2018

<b>Total Purchases</b>	<b>£3,653,082</b>
<b>Purchases</b>	<b>Cost £</b>
Prudential	157,612
Shire	152,569
Vodafone Group	152,248
Unilever 1.875% 15.09.2029	148,481
WPP Group	142,434
RELX	131,778
UK Treasury 4.25% 07.12.2027	131,440
Reckitt Benckiser	123,535
Merlin Entertainments	118,920
Automatic Data Processing	117,309
Longstone Finance 4.774% 19.04.2036	114,950
Deutsche Telekom	105,893
Whitbread Group 3.375% 16.10.2025	105,010
DowDuPont	98,809
UK Treasury 0.75% 22.07.2023	98,750
Deutsche Telekom International Finance 1.25% 06.10.2023	97,970
Galliford Try	94,266
St. James Place Capital	87,959
Sage Group	81,751
Unilever	78,046
<b>Total Sales</b>	<b>£211,448</b>
<b>Sales*</b>	<b>Proceeds £</b>
Berendsen	109,601
Henkel	98,470
Micro Focus International B	3,361
Micro Focus International	14
Compass Group	2

\* As the total number of sales for the year was below twenty, the complete list has been provided here.

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### COMPARATIVE TABLES

Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	111.23	100.00
Return before operating charges*	6.64	13.47
Operating charges	(2.16)	(2.24)
Return after operating charges*	4.48	11.23
Distributions on accumulation units	(3.07)	(3.24)
Retained distributions on accumulation units	3.07	3.24
Closing net asset value per unit	115.71	111.23
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.13	0.54
<b>Performance</b>		
Return after charges	4.03%	11.23%
<b>Other information</b>		
Closing net asset value (£)	10,535,443	7,229,119
Closing number of units	9,104,885	6,499,306
Operating charges	1.91%	1.90%
Direct transaction costs	0.12%	0.51%
<b>Prices</b>		
Highest unit price	117.86p	114.98p
Lowest unit price	106.73p	93.90p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	111.87	100.00
Return before operating charges*	6.63	13.52
Operating charges	(1.62)	(1.65)
Return after operating charges*	5.01	11.87
Distributions on accumulation units	(3.10)	(3.31)
Retained distributions on accumulation units	3.10	3.31
Closing net asset value per unit	116.88	111.87
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.13	0.54
<b>Performance</b>		
Return after charges	4.48%	11.87%

Other information		
Closing net asset value (£)	500,113	89,888
Closing number of units	427,901	80,351
Operating charges	1.42%	1.40%
Direct transaction costs	0.12%	0.51%

Prices		
Highest unit price	119.09p	115.61p
Lowest unit price	107.73p	93.95p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Income	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	107.89	100.00
Return before operating charges*	6.43	13.36
Operating charges	(2.12)	(2.21)
Return after operating charges*	4.31	11.15
Distributions on income units	(2.95)	(3.26)
Closing net asset value per unit	109.25	107.89
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.13	0.53

Performance		
Return after charges	3.99%	11.15%

Other information		
Closing net asset value (£)	1,174,737	1,041,112
Closing number of units	1,075,288	965,000
Operating charges	1.95%	1.90%
Direct transaction costs	0.12%	0.51%

Prices		
Highest unit price	112.36p	114.21p
Lowest unit price	102.27p	93.90p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### COMPARATIVE TABLES

Class X – Income	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	108.51	100.00
Return before operating charges*	6.50	13.41
Operating charges	(1.59)	(1.63)
Return after operating charges*	4.91	11.78
Distributions on income units	(2.97)	(3.27)
Closing net asset value per unit	110.45	108.51
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.13	0.53
<b>Performance</b>		
Return after charges	4.52%	11.78%
<b>Other information</b>		
Closing net asset value (£)	60,746	59,678
Closing number of units	55,000	55,000
Operating charges	1.45%	1.40%
Direct transaction costs	0.12%	0.51%
<b>Prices</b>		
Highest unit price	113.54p	114.21p
Lowest unit price	103.23p	93.95p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

## STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		321,064		620,898
Revenue	3	302,550		218,501	
Expenses	4	(197,922)		(136,480)	
Interest payable and similar charges		(19)		(6)	
Net revenue before taxation		104,609		82,015	
Taxation	5	(5,137)		(2,660)	
Net revenue after taxation			99,472		79,355
<b>Total return before distributions</b>			<b>420,536</b>		<b>700,253</b>
Distributions	6		(290,232)		(210,447)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>130,304</b>		<b>489,806</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		8,419,797		-
Amounts receivable on issue of units	3,630,295		7,742,708	
Amounts payable on cancellation of units	(179,219)		-	
		3,451,076		7,742,708
Change in net assets attributable to unitholders from investment activities		130,304		489,806
Retained distribution on accumulation units		269,862		187,283
<b>Closing net assets attributable to unitholders</b>		<b>12,271,039</b>		<b>8,419,797</b>

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			11,305,782		7,575,071
<b>Current assets</b>					
Debtors	8	138,784		48,352	
Cash and bank balances		885,203		843,667	
			1,023,987		892,019
Total assets			12,329,769		8,467,090
<b>Liabilities</b>					
Creditors					
Other creditors	9	(46,061)		(33,630)	
Distribution payable on income units		(12,669)		(13,663)	
Total liabilities			(58,730)		(47,293)
<b>Net assets attributable to unitholders</b>			<b>12,271,039</b>		<b>8,419,797</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

## DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

### Distribution tables (pence per unit)

#### First Interim

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 and on or before 30 September 2017

Class B Accumulation Units	Net Income	Equalisation	Accumulated 30 November 2018	Accumulated 30 November 2017
Group 1	0.6058	-	0.6058	0.8205
Group 2	0.2064	0.3994	0.6058	0.8205

Class X Accumulation Units	Net Income	Equalisation	Accumulated 30 November 2018	Accumulated 30 November 2017
Group 1	0.6091	-	0.6091	0.8749
Group 2	0.1857	0.4234	0.6091	0.8749

Class B Income Units	Net Income	Equalisation	Paid 30 November 2018	Paid 30 November 2017
Group 1	0.5867	-	0.5867	0.8739
Group 2	0.0574	0.5293	0.5867	0.8739

Class X Income Units	Net Income	Equalisation	Paid 30 November 2018	Paid 30 November 2017
Group 1	0.5903	-	0.5903	0.8749
Group 2	0.0578	0.5325	0.5903	0.8749

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

#### Second Interim

Group 1: units purchased prior to 1 October 2017

Group 2: units purchased on or after 1 October 2017 and on or before 31 December 2017

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.7001	-	0.7001	0.6023
Group 2	0.3616	0.3385	0.7001	0.6023

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.7053	-	0.7053	0.6047
Group 2	0.4365	0.2688	0.7053	0.6047

<b>Class B Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.6750	-	0.6750	0.5996
Group 2	0.1611	0.5139	0.6750	0.5996

<b>Class X Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.6801	-	0.6801	0.6006
Group 2	0.1624	0.5177	0.6801	0.6006



## DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

### Third Interim

Group 1: units purchased prior to 1 January 2018

Group 2: units purchased on or after 1 January 2018 and on or before 31 March 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 May 2018	Accumulated 31 May 2017
Group 1	0.5885	-	0.5885	0.4542
Group 2	0.3174	0.2711	0.5885	0.4542

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 May 2018	Accumulated 31 May 2017
Group 1	0.5938	-	0.5938	0.4560
Group 2	0.2864	0.3074	0.5938	0.4560

Class B Income Units	Net Income	Equalisation	Paid 31 May 2018	Paid 31 May 2017
Group 1	0.5640	-	0.5640	0.4477
Group 2	0.1165	0.4475	0.5640	0.4477

Class X Income Units	Net Income	Equalisation	Paid 31 May 2018	Paid 31 May 2017
Group 1	0.5691	-	0.5691	0.4495
Group 2	0.2577	0.3114	0.5691	0.4495

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

#### Final

Group 1 - Units purchased prior to 1 April 2018

Group 2 - Units purchased on or after 1 April 2018 and on or before 30 June 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	1.1753	-	1.1753	1.3646
Group 2	0.7700	0.4053	1.1753	1.3646

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	1.1871	-	1.1871	1.3712
Group 2	0.6981	0.4890	1.1871	1.3712

Class B Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	1.1203	-	1.1203	1.3392
Group 2	0.2653	0.8550	1.1203	1.3392

Class X Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	1.1316	-	1.1316	1.3458
Group 2	0.3089	0.8227	1.1316	1.3458

#### Corporate unitholders information

For corporate unitholders, all of the income relating to the distribution is 100% franked.

#### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN MODERATE RISK/REWARD GROWTH FUND

## Fund Review

This is the full-year report of the Wesleyan Moderate Risk/Reward Growth Fund covering the year to 30 June 2018. The underlying unit price performance generated a return of 4.4% compared to the IA Mixed Investment 20-60% Shares sector average of 2.4%\*.

Investment markets started the reporting period with steady gains through the summer months, a period characterised by continued low levels of market volatility. These initial gains accelerated through December and into early 2018 as the US led global markets towards record highs, powered by a brighter outlook for 2018, corporate profitability, and aided by the reduction in US corporation tax rates.

February was the month when volatility returned. Equity markets suffered some heavy falls, amplified by some unusual moves in specialist Exchange Traded Notes which track volatility. The trigger could be traced back to stronger than expected US wage data, stoking inflation fears. In bond markets, this manifested itself in higher US Treasury yields, with the 10-year variant eventually surpassing 3%.

Volatility continued into March as US trade-tariff talk began to concern investors less comfortable with the prospect of a new era of global protectionism. Much of the news around the Easter Bank Holiday was dominated by the import tariff dialogue between the US and China which triggered a sell-off, not only in Asia and Emerging market equities, but also in US technology stocks due to supply chain concerns.

In such markets, and despite Brexit negotiations prevalent throughout the year, the UK relatively outperformed. The UK market is heavily weighted towards the oil & gas and mining sectors and was thus a prime beneficiary of an oil price which rose above \$70 per barrel in 2018, as supply tightened. Government bonds, including gilts in the UK, also benefited from an investor flight-to-safety.

GDP growth in the UK was revised down to 1.3% in 2017 and the economy expanded by just 0.2% in the first quarter of 2018. Soft data points were recorded for the UK housing market, retail sales and consumer spending. Nevertheless, the Bank of England's Inflation Report in February flagged rising inflation as a concern and Governor Mark Carney opined that UK interest rates would need to rise again sooner than the Bank had previously expected.

Jerome Powell replaced Janet Yellen as the new chair of the Federal Reserve and the US central bank extended interest rate hikes into 2018 with further increases of 0.25% in both March and June. This normalisation of monetary policy is expected to continue in the second half of 2018.

In Germany, after protracted coalition negotiations, Angela Merkel secured a fourth term as Chancellor and the European Central Bank confirmed that QE (quantitative easing) would further taper down this year, before ending in December. European interest rates are expected to remain at their present low levels at least until the summer of 2019.

During the year, successful investments were made across a variety of companies including BP, Chevron and Rio Tinto in the resource sector, Ferguson (plumbing supplier), Nike (US sportswear designer) and Johnson & Johnson (healthcare). The fund benefited from takeover activity in GKN (bought by Melrose), Shire Pharmaceuticals (under offer from Japan's Takeda), Sky (facing a US bidding war) and the share price rise in Sainsbury's (following the Asda merger proposal). Healthy profits were banked via sales of Burberry (luxury goods), Thomas Cook (travel business), HSBC and RBS (banks) after strong share price rises. Detracting from short-term performance has been the underperformance of Centrica (British Gas retailer), BT and Vodafone (telecoms providers) and Babcock (UK defence contractor).

Fixed income purchases were made earlier in the reporting period, helping to maintain the overall risk profile of the fund at the required moderate level, but fewer corporate bonds have been bought in 2018 due to the lower yields available and better value elsewhere. Government bonds, such as UK gilts, can add value to the fund through trading opportunities on volatile days. The full list of holdings can be found later in this report.

## Fund Outlook

Through to the end of the reporting period, markets remained concerned by the prospect of further trade tariffs between China and the US in tit-for-tat media exchanges, with some early signs that economic data in China has marginally softened. Forthcoming US mid-term elections in November 2018 could prove the trigger for more meaningful trade negotiations.

In the decade since the global financial crisis, we continue to highlight the strong returns that investors have enjoyed and caution against extrapolating similar gains into the future. Nevertheless, we continue to witness strong corporate earnings growth, most notably in the US, and do not consider equity market valuations to be overly stretched from an historical perspective, given the current tailwind from corporate profitability growth.

Government bond yields, following a decade of loose monetary conditions and quantitative easing, still remain unattractive, but there are some early signs of yields increasing in 2018, most notably in the US.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### General Information

#### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

The Fund will invest predominantly in a diversified portfolio of UK and international equities, government bonds, corporate bonds and cash.

Investments will be made across various sectors and may include companies anywhere in the world.

The Fund may also invest in other fixed interest and transferable securities, near cash, deposits and money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom

The Fund may use derivatives for the purposes of efficient portfolio management.

#### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.6%	1.1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

#### Income allocation dates

Final	31 August
Interim	Last day of February

## PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2017.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>EQUITIES</b>			
<b>United Kingdom - 38.98% (37.90%)</b>			
<b>Oil &amp; Gas - 0.94% (0.87%)</b>			
42,000	BP	242,886	0.94
	<b>Total Oil &amp; Gas</b>	<b>242,886</b>	<b>0.94</b>
<b>Basic Materials - 2.34% (1.59%)</b>			
3,000	Croda International	144,060	0.56
5,050	Johnson Matthey	182,759	0.71
3,500	Rio Tinto	147,017	0.57
30,000	Scapa	129,960	0.50
	<b>Total Basic Materials</b>	<b>603,796</b>	<b>2.34</b>
<b>Industrials - 6.92% (5.85%)</b>			
17,500	Babcock International	143,080	0.56
20,000	BAE Systems	129,320	0.50
9,000	Bunzl	206,460	0.80
25,000	Capita	39,937	0.16
12,000	IMI	135,720	0.53
13,000	Keller	131,820	0.50
9,000	Morgan Sindall	129,420	0.50
67,600	Melrose Industries	143,718	0.56
20,500	RPC	153,299	0.60
41,034	Senior	124,333	0.48
25,000	Smith (David S)	130,250	0.51
55,000	SIG	76,780	0.30
9,000	Smiths Group	152,820	0.59
6,000	Travis Perkins	85,350	0.33
	<b>Total Industrials</b>	<b>1,782,307</b>	<b>6.92</b>

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# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>Consumer Goods - 4.90% (6.07%)</b>			
6,500	Associated British Foods	177,970	0.69
20,000	Britvic	155,800	0.61
7,000	Diageo	190,540	0.74
13,282	Galliford Try	115,819	0.45
3,500	Persimmon	88,655	0.34
3,150	Reckitt Benckiser	196,528	0.76
70,000	Taylor Wimpey	125,230	0.49
5,000	Unilever	209,600	0.82
	<b>Total Consumer Goods</b>	<b>1,260,142</b>	<b>4.90</b>
<b>Healthcare - 2.22% (2.24%)</b>			
3,000	AstraZeneca	157,590	0.61
14,200	GlaxoSmithKline	217,232	0.85
14,000	Smith & Nephew	195,720	0.76
	<b>Total Healthcare</b>	<b>570,542</b>	<b>2.22</b>
<b>Consumer Services - 5.62% (6.33%)</b>			
9,730	Compass Group	157,480	0.61
15,000	Inchcape	116,775	0.45
2,585	InterContinental Hotels	122,012	0.47
90,000	ITV	156,600	0.61
85,000	Marston's	84,575	0.33
27,506	Merlin Entertainments	106,366	0.41
2,460	Next	148,781	0.58
11,500	RELX	186,588	0.73
30,000	Sainsbury (J)	96,330	0.37
12,000	Sky	175,380	0.68
2,500	Whitbread	98,950	0.38
	<b>Total Consumer Services</b>	<b>1,449,837</b>	<b>5.62</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Telecommunications - 1.59% (1.34%)</b>			
99,000	BT	215,573	0.84
105,000	Vodafone	192,990	0.75
<b>Total Telecommunications</b>		<b>408,563</b>	<b>1.59</b>
<b>Utilities - 3.48% (2.34%)</b>			
99,000	Centrica	156,073	0.61
20,166	National Grid	169,072	0.66
17,303	Pennon	137,455	0.53
8,500	Severn Trent	168,258	0.65
10,000	SSE PLC	135,450	0.53
17,000	United Utilities	129,744	0.50
<b>Total Utilities</b>		<b>896,052</b>	<b>3.48</b>
<b>Financials - 10.07% (10.30%)</b>			
24,000	Aviva	120,912	0.47
100,000	Barclays	188,980	0.74
18,000	British Land REIT	120,960	0.47
75,000	CC Japan Income & Growth Trust*	123,000	0.48
35,000	Grainger Trust	107,660	0.42
10,000	HSBC Holdings (London listed)	71,070	0.28
20,000	JP Morgan Indian Investment Trust*	137,600	0.54
20,687	Land Securities REIT	197,954	0.77
75,000	Legal & General	199,425	0.78
345,000	Lloyds Banking	217,419	0.85
75,000	LXi REIT	82,125	0.32
100,000	Odyssean Investment Trust*	104,500	0.41
75,934	PRS REIT	78,971	0.31
6,000	Prudential	104,070	0.40
50,000	Schroder Japan Investment Trust*	105,000	0.41
29,500	Standard Life Aberdeen	96,052	0.37
17,500	Standard Life UK Smaller Companies*	87,500	0.34
12,000	St. James's Place Capital	137,700	0.54
49,227	Strategic Equity Capital*	108,299	0.42
64,502	Tritax Big Box REIT	100,430	0.39
40,000	U & I Group	92,200	0.36
<b>Total Financials</b>		<b>2,581,827</b>	<b>10.07</b>

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# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Technology - 0.90% (0.97%)</b>			
10,000	EMIS	89,000	0.36
22,000	Sage	138,248	0.54
<b>Total Technology</b>		<b>227,248</b>	<b>0.90</b>
<b>Total United Kingdom</b>		<b>10,023,200</b>	<b>38.98</b>
<b>United States - 7.18% (5.37%)</b>			
<b>Oil &amp; Gas - 1.08% (0.91%)</b>			
1,400	Chevron	134,025	0.52
2,300	Exxon Mobil	144,280	0.56
<b>Total Oil &amp; Gas</b>		<b>278,305</b>	<b>1.08</b>
<b>Consumer Goods - 1.64% (1.62%)</b>			
2,200	Colgate-Palmolive	107,996	0.42
1,500	Estée Lauder 'A'	162,094	0.63
2,500	Nike 'B'	150,899	0.59
<b>Total Consumer Goods</b>		<b>420,989</b>	<b>1.64</b>
<b>Consumer Services - 0.77% (0.43%)</b>			
600	Home Depot	88,683	0.35
1,500	TJX Companies	108,139	0.42
<b>Total Consumer Services</b>		<b>196,822</b>	<b>0.77</b>
<b>Financials - 0.84% (0.39%)</b>			
3,000	Citigroup	152,108	0.59
1,500	Wells Fargo	63,022	0.25
<b>Total Financials</b>		<b>215,130</b>	<b>0.84</b>
<b>Healthcare - 0.61% (0.00%)</b>			
1,700	Johnson & Johnson	156,255	0.61
<b>Total Healthcare</b>		<b>156,255</b>	<b>0.61</b>
<b>Industrials - 1.16% (0.68%)</b>			
750	3M	111,757	0.43
800	Grainger	186,959	0.73
<b>Total Industrials</b>		<b>298,716</b>	<b>1.16</b>



Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Technology - 1.08% (1.34%)</b>			
700	Apple	96,979	0.38
1,500	Cognizant Technology Solutions	89,733	0.35
1,200	Microsoft	89,628	0.35
<b>Total Technology</b>		<b>276,340</b>	<b>1.08</b>
<b>Total United States</b>		<b>1,842,557</b>	<b>7.18</b>
<b>Channel Islands - 2.52% (1.90%)</b>			
<b>Consumer Services - 0.60% (0.59%)</b>			
13,000	WPP	155,090	0.60
<b>Total Consumer Services</b>		<b>155,090</b>	<b>0.60</b>
<b>Healthcare - 0.58%(0.00%)</b>			
3,500	Shire	149,205	0.58
<b>Total Healthcare</b>		<b>149,205</b>	<b>0.58</b>
<b>Financials - 0.84% (1.31%)</b>			
72,929	Renewables Infrastructure*	80,076	0.31
120,000	Sequoia Economic Infrastructure Income Fund*	135,000	0.53
<b>Total Financials</b>		<b>215,076</b>	<b>0.84</b>
<b>Industrials - 0.50% (0.00%)</b>			
2,084	Ferguson	128,145	0.50
<b>Total Industrials</b>		<b>128,145</b>	<b>0.50</b>
<b>Total Channel Islands</b>		<b>647,516</b>	<b>2.52</b>
<b>France - 3.21% (2.32%)</b>			
<b>Basic Materials - 0.30% (0.43%)</b>			
804	Air Liquide	76,433	0.30
<b>Total Basic Materials</b>		<b>76,433</b>	<b>0.30</b>
<b>Financials - 0.53% (0.00%)</b>			
4,300	Société Générale SA	137,333	0.53
<b>Total Financials</b>		<b>137,333</b>	<b>0.53</b>

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>Industrials - 0.26% (0.40%)</b>			
1,200	Legrand Promesses	65,795	0.26
	<b>Total Industrials</b>	<b>65,795</b>	<b>0.26</b>
<b>Consumer Goods - 0.73% (0.41%)</b>			
1,800	Danone	99,966	0.39
350	LVMH Moët Hennessy	88,213	0.34
	<b>Total Consumer Goods</b>	<b>188,179</b>	<b>0.73</b>
<b>Consumer Services - 1.39% (1.08%)</b>			
2,000	Accor	74,285	0.29
400	Kering	170,890	0.66
1,500	Sodexo	112,886	0.44
	<b>Total Consumer Services</b>	<b>358,061</b>	<b>1.39</b>
	<b>Total France</b>	<b>825,801</b>	<b>3.21</b>
<b>Germany - 2.38% (1.41%)</b>			
<b>Basic Materials - 0.53% (0.00%)</b>			
1,630	Bayer	136,349	0.53
	<b>Total Basic Materials</b>	<b>136,349</b>	<b>0.53</b>
<b>Telecommunication - 0.62% (0.00%)</b>			
13,500	Deutsche Telekom	158,425	0.62
	<b>Total Telecommunications</b>	<b>158,425</b>	<b>0.62</b>
<b>Consumer Goods - 1.23% (1.41%)</b>			
500	Continental	86,444	0.34
800	Daimler	39,130	0.15
2,066	Henkel	174,483	0.68
33	Puma	14,650	0.06
	<b>Total Consumer Goods</b>	<b>314,707</b>	<b>1.23</b>
	<b>Total Germany</b>	<b>609,481</b>	<b>2.38</b>

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
	<b>Liberia - 0.38% (0.64%)</b>		
	<b>Consumer Services - 0.38% (0.64%)</b>		
1,250	Royal Caribbean Cruises	98,078	0.38
	Total Consumer Services	<b>98,078</b>	<b>0.38</b>
	<b>Total Liberia</b>	<b>98,078</b>	<b>0.38</b>
	<b>Netherlands - 0.74% (0.00%)</b>		
	<b>Financials - 0.74% (0.00%)</b>		
17,500	ING Groep NV	190,509	0.74
	<b>Total Financials</b>	<b>190,509</b>	<b>0.74</b>
	<b>Total Netherlands</b>	<b>190,509</b>	<b>0.74</b>
	<b>Switzerland - 0.58% (0.65%)</b>		
	<b>Healthcare - 0.58% (0.65%)</b>		
893	Roche Holding	150,202	0.58
	<b>Total Healthcare</b>	<b>150,202</b>	<b>0.58</b>
	<b>Total Switzerland</b>	<b>150,202</b>	<b>0.58</b>
<b>Total Equities</b>		<b>14,387,344</b>	<b>55.97</b>

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>BONDS</b>			
<b>Corporate Bonds - 25.23% (29.63%)</b>			
£200,000	Anglian Water Services Financing 2.625% 15.06.2027	191,140	0.74
£100,000	Bank of Montreal 1.375% 29.12.2021	99,189	0.39
£143,000	BMW International Investment 1% 17.11.2021	140,225	0.55
£200,000	BP Capital Markets 2.03% 14.02.2025	199,092	0.77
£125,000	British Telecommunications 8.625% 26.03.2020	140,126	0.55
£150,000	British Telecommunications 3.125% 21.11.2031	144,931	0.56
£100,000	Cadent Finance 1.125% 22.09.2021	98,683	0.38
£100,000	Centrica 4.375% 13.03.2029	113,445	0.44
£150,000	Compass Group 2% 03.07.2029	144,381	0.56
£225,000	Deutsche Telekom International Finance 1.25% 06.10.2023	217,794	0.85
£150,000	Electricité de France 6.125% 02.06.2034	198,565	0.77
£109,000	Gatwick Funding 3.125% 28.09.2041	105,619	0.41
£100,000	GlaxoSmithKline 5.25% 10.04.2042	138,237	0.54
£100,000	Glencore Finance Canada 7.375% 27.05.2020	110,292	0.43
£100,000	Hammerson 3.5% 27.10.2025	103,734	0.40
£125,000	HSBC 6% 29.03.2040	160,429	0.62
£100,000	Intu Debenture 5.562% 31.12.2027	98,562	0.38
£100,000	Johnson & Johnson 5.5% 06.11.2024	123,146	0.48
£100,000	Land Securities 4.875% VRN 29.09.2025	113,820	0.44
£150,000	Land Securities Capital Markets 1.974% 08.02.2026	150,693	0.59
£100,000	Legal & General Finance 5.875% 11.12.2031	132,324	0.51
£100,000	Legal & General Group 5.375% VRN 27.10.2045	107,616	0.42
£108,000	Lloyds Banking Group FRN 16.01.2020	108,210	0.42
£117,000	Lloyds Banking Group 2.25% 16.10.2024	113,368	0.44
£150,000	Longstone Finance 4.774% 19.04.2036	171,060	0.67
£145,000	Marks & Spencer 4.75% 12.06.2025	158,387	0.62
£100,000	Mondelez International Inc 4.5% 03.12.2035	111,270	0.43
£100,000	Nationwide Building Society 3.25% 20.01.2028	105,170	0.41
£125,000	Next 4.375% 02.10.2026	133,957	0.52
£100,000	Northumbrian Water Finance 1.625% 11.10.2026	92,931	0.36
£150,000	Northumbrian Water Finance 2.375% 05.10.2027	145,843	0.57
£100,000	Prudential 5.875% 11.05.2029	130,200	0.51
£100,000	Prudential 6.875% 20.01.2023	122,385	0.48
£130,000	Royal Bank of Canada 1.125% 22.12.2021	129,191	0.50
£125,000	Scottish & Southern Energy 6.25% 27.08.2038	182,176	0.71
£120,000	Severn Trent Water Utilities 2.75% 05.12.2031	117,923	0.46
£100,000	Sky 6% 21.05.2027	126,091	0.49
£100,000	Southern Gas Networks 2.5% 03.02.2025	101,062	0.39

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
£100,000	SPD Finance UK 5.875% 17.07.2026	124,508	0.48
£100,000	Equinor ASA 6.875% 11.03.2031	147,047	0.57
£125,000	Tesco 5.5% 13.01.2033	145,841	0.57
£100,000	Thames Water Utilities Caymen Finance 1.875% 24.01.2024	97,321	0.38
£100,000	Unilever 1.125% 03.02.2022	99,210	0.39
£150,000	Unilever 1.875% 15.09.2029	143,678	0.56
£125,000	Vodafone Group 5.625% 04.12.2025	151,024	0.59
£100,000	Vodafone Group 5.9% 26.11.2032	131,297	0.51
£125,000	Wells Fargo 2% 28.07.2025	119,961	0.47
£100,000	Wells Fargo 2.125% 20.12.2023	98,980	0.39
£150,000	Western Power Distribution South West 2.375% 16.05.2029	144,465	0.56
<b>Total Corporate Bonds</b>		<b>6,484,599</b>	<b>25.23</b>
<b>Government Bonds - 11.97% (13.23%)</b>			
£425,000	UK Treasury 0.5% 22.07.2022	418,353	1.63
£350,000	UK Treasury 0.75% 22.07.2023	345,205	1.34
£150,000	UK Treasury 2.25% 07.09.2023	159,294	0.62
£150,000	UK Treasury 1.75% 07.09.2022	155,196	0.60
£150,000	UK Treasury 3.75% 07.09.2021	163,962	0.64
£300,000	UK Treasury 4.25% 07.12.2027	379,008	1.47
£200,000	UK Treasury 1.75% 07.09.2037	200,764	0.78
£225,000	UK Treasury 4.25% 07.09.2039	325,775	1.27
£100,000	UK Treasury 4.5% 07.09.2034	140,607	0.55
£225,000	UK Treasury 5% 07.03.2025	281,358	1.09
£300,000	UK Treasury 1.75% 22.07.2019	303,330	1.18
£200,000	UK Treasury 2% 22.07.2020	205,174	0.80
<b>Total Government Bonds</b>		<b>3,078,026</b>	<b>11.97</b>
<b>Total Bonds</b>		<b>9,562,625</b>	<b>37.20</b>
<b>Portfolio of investments</b>		<b>23,949,969</b>	<b>93.17</b>
<b>Net other assets</b>		<b>1,754,696</b>	<b>6.83</b>
<b>Net assets</b>		<b>25,704,665</b>	<b>100.00</b>

\* UK-listed investment trust.

OVERVIEW  
 FUND MANAGER REPORT  
 INTERNATIONAL GROWTH  
 LOW RISK/REWARD  
 MODERATE-HIGH RISK/REWARD GROWTH  
 MODERATE RISK/REWARD GROWTH  
 RISK AVERSE  
 UK GROWTH

# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 30 JUNE 2018

<b>Total Purchases</b>	<b>£9,369,118</b>
<b>Purchases</b>	<b>Cost £</b>
UK Treasury 0.75% 22.07.2023	351,850
UK Treasury 4.25% 07.12.2027	262,880
ING Groep NV	224,735
Bunzl	194,467
UK Treasury 1.75% 07.09.2037	194,100
RELX	184,130
Deutsche Telekom	173,522
Longstone Finance 4.774% 19.04.2036	172,425
Severn Trent	168,127
Johnson & Johnson	157,437
Société Générale	155,982
UK Treasury 1.75% 22.07.2019	153,033
Bayer	152,611
BT	151,018
RPC	150,778
British Telecommunications 3.125% 21.11.2031	149,387
Northumbrian Water Finance 2.375% 05.10.2027	149,307
Western Power Distribution South West 2.375% 16.05.2029	148,629
Unilever 1.875% 15.09.2029	148,481
Citigroup	148,177
<b>Total Sales</b>	<b>£1,118,161</b>
<b>Sales*</b>	<b>Proceeds £</b>
Berendsen	139,599
LXi REIT	137,887
Thomas Cook Group	113,601
Tesco	102,083
Henkel AG & Co KGaA 0.875% 13.09.2022	98,470
Royal Bank of Scotland Group	97,911
Burberry Group	97,563
Laird Group	79,200
Sainsbury (J)	78,728
HSBC Holdings (London listed)	78,475
Man Group	52,693
GKN	32,400
Land Securities REIT B	7,800
Intu Debenture 5.562% 31.12.2027	1,560
Puma	151
Compass Group	13
Ferguson	13
Air Liquide	9
Land Securities REIT	5

\* As the total number of sales for the year was below twenty, the complete list has been provided here.

## COMPARATIVE TABLES

Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	111.75	100.00
Return before operating charges*	6.42	13.88
Operating charges	(1.98)	(2.13)
Return after operating charges*	4.44	11.75
Distributions on accumulation units	(1.04)	(0.99)
Retained distributions on accumulation units	1.04	0.99
Closing net asset value per unit	116.19	111.75
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.14	0.41
<b>Performance</b>		
Return after charges	3.97%	11.75%
<b>Other information</b>		
Closing net asset value (£)	22,115,582	14,645,765
Closing number of units	19,034,326	13,105,637
Operating charges	1.74%	1.76%
Direct transaction costs	0.12%	0.38%
<b>Prices</b>		
Highest unit price	117.71p	114.91p
Lowest unit price	109.49p	96.52p
<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.		
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.		
Class X – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	112.31	100.00
Return before operating charges*	6.49	13.86
Operating charges	(1.43)	(1.55)
Return after operating charges*	5.06	12.31
Distributions on accumulation units	(1.62)	(1.56)
Retained distributions on accumulation units	1.62	1.56
Closing net asset value per unit	117.37	112.31
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.14	0.41

# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### COMPARATIVE TABLES

<b>Performance</b>		
Return after charges	4.51%	12.31%

<b>Other information</b>		
Closing net asset value (£)	2,423,039	548,526
Closing number of units	2,064,528	488,393
Operating charges	1.24%	1.27%
Direct transaction costs	0.12%	0.38%

<b>Prices</b>		
Highest unit price	118.94p	115.50p
Lowest unit price	110.52p	96.57p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

<b>Class B – Income</b>	<b>30 June 2018</b>	<b>30 June 2017<sup>1</sup></b>
	<b>Pence per unit</b>	<b>Pence per unit</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	110.91	100.00
Return before operating charges*	6.40	14.00
Operating charges	(1.97)	(2.15)
Return after operating charges*	4.43	11.85
Distributions on accumulation units	(1.02)	(0.94)
Closing net asset value per unit	114.32	110.91
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.14	0.40

<b>Performance</b>		
Return after charges	3.99%	11.85%

<b>Other information</b>		
Closing net asset value (£)	1,103,158	1,070,301
Closing number of units	965,000	965,000
Operating charges	1.75%	1.80%
Direct transaction costs	0.12%	0.38%



<b>Prices</b>		
Highest unit price	116.43p	114.75p
Lowest unit price	108.29p	96.52p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

<b>Class X – Income</b>	<b>30 June 2018</b>	<b>30 June 2017<sup>1</sup></b>
	<b>Pence per unit</b>	<b>Pence per unit</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	110.92	100.00
Return before operating charges*	6.41	14.02
Operating charges	(1.41)	(1.56)
Return after operating charges*	5.00	12.46
Distributions on accumulation units	(1.58)	(1.54)
Closing net asset value per unit	114.34	110.92
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.14	0.40

<b>Performance</b>		
Return after charges	4.51%	12.46%

<b>Other information</b>		
Closing net asset value (£)	62,886	61,008
Closing number of units	55,000	55,000
Operating charges	1.25%	1.30%
Direct transaction costs	0.12%	0.38%

<b>Prices</b>		
Highest unit price	116.71p	115.50p
Lowest unit price	108.43p	96.57p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		599,142		934,539
Revenue	3	585,339		331,795	
Expenses	4	(361,857)		(207,452)	
Interest payable and similar charges		(62)		(17)	
Net revenue before taxation		223,420		124,326	
Taxation	5	(8,576)		(3,410)	
Net revenue after taxation			214,844		120,916
<b>Total return before distributions</b>			<b>813,986</b>		<b>1,055,455</b>
Distributions	6		(214,840)		(120,903)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>599,146</b>		<b>934,552</b>

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		16,325,600		-
Amounts receivable on issue of units	8,907,242		15,349,044	
Amounts payable on cancellation of units	(347,861)		(88,376)	
		8,559,381		15,260,668
Change in net assets attributable to unitholders from investment activities		599,146		934,552
Retained distribution on accumulation units		220,538		130,380
<b>Closing net assets attributable to unitholders</b>		<b>25,704,665</b>		<b>16,325,600</b>

## BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			23,949,969		15,191,290
<b>Current assets</b>					
Debtors	8	302,804		161,247	
Cash and bank balances		1,675,157		1,193,571	
			1,977,961		1,354,818
Total assets			25,927,930		16,546,108
<b>Liabilities</b>					
Creditors					
Other creditors	9	215,454		212,167	
Distribution payable on income units		7,811		8,341	
Total liabilities			(223,265)		(220,508)
<b>Net assets attributable to unitholders</b>			<b>25,704,665</b>		<b>16,325,600</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

# WESLEYAN

## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

#### Distribution tables (pence per unit)

##### Interim

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 on or before 31 December 2017

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.2749	-	0.2749	0.1826
Group 2	0.1432	0.1317	0.2749	0.1826

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.5665	-	0.5665	0.4705
Group 2	0.1884	0.3781	0.5665	0.4705

<b>Class B Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.2689	-	0.2689	0.1417
Group 2	0.1418	0.1271	0.2689	0.1417

<b>Class X Income Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Paid 28 February 2018</b>	<b>Paid 28 February 2017</b>
Group 1	0.5533	-	0.5533	0.4654
Group 2	0.3309	0.2224	0.5533	0.4654

## Final

Group 1: Units purchased prior to 1 January 2018

Group 2: Units purchased on or after 1 January 2018 and on or before 30 June 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	0.7605	-	0.7605	0.8089
Group 2	0.4673	0.2932	0.7605	0.8089

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 31 August 2017
Group 1	1.0526	-	1.0526	1.0870
Group 2	0.7558	0.2968	1.0526	1.0870

Class B Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	0.7506	-	0.7506	0.8029
Group 2	0.7301	0.0205	0.7506	0.8029

Class X Income Units	Net Income	Equalisation	Paid 31 August 2018	Paid 31 August 2017
Group 1	1.0316	-	1.0316	1.0777
Group 2	0.9203	0.1113	1.0316	1.0777

## Corporate unitholders information

For corporate unitholders, all of the income relating to the distribution is 100% franked.

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

**WESLEYAN**

# WESLEYAN RISK AVERSE FUND

## Fund Review

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This is the full-year report of the Wesleyan Risk Averse Fund covering the year to 30 June 2018. The price of units in the fund increased by 0.33% over the twelve-month period. Although small in absolute terms, this compares favourably to the IA Short Term Money Market sector average return of 0.13%\*.

The UK economy began the review period with inflation, as measured by the annual change in the Consumer Price Index, at 2.6%. Dollar-denominated commodity prices and increasing food prices continued to exert upward pricing pressure on the UK consumer in late 2017, with the rate of inflation accelerating to 3.1% in November. This level of inflation, uncomfortably ahead of the 2.0% level targeted by the Bank of England's Monetary Policy Committee (MPC), resulted in Committee members voting to raise the Bank rate to 0.5% at the November meeting.

The aggregate level of asset purchases (quantitative easing), used to help boost economic growth, remained unchanged over the twelve months to 30 June 2018. However, the annual growth rate of the UK economy, as measured by gross domestic product (GDP), declined during the year as a weather-affected start to 2018 adversely impacted the UK consumer. Despite an improvement in the inclement weather and a temporary boost from the royal wedding, the annual GDP growth rate in the twelve-months to 30 June 2018 was estimated to be a relatively tepid 1.3%.

## Fund Outlook

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The MPC, at their August 2018 meeting, voted unanimously to raise the UK's key interest rate to 0.75%. The MPC members noted that, after a weak start to 2018, momentum was gradually building in the UK economy. The rate of unemployment in the UK is also very low at a time when inflation remains persistently above the 2.0% target level. The MPC cited these additional features of the economy as supportive of their decision to increase the UK interest rate.

Given the market-sensitive backdrop of ongoing Brexit negotiations, there are currently limited expectations for an additional interest rate rise in 2018. Uncertainty regarding the eventual outcome of the discussions has also resulted in the depreciation of sterling, which is likely to increase the costs of many goods that the UK imports. Despite forecasts that inflation will remain stubbornly ahead of the 2.0% target level, the MPC, at this juncture, seems minded to keep interest rates at low absolute levels for some time to come.

The fund continues to adopt a cautious stance with its cash deposits, placing them over a relatively short time horizon, but continuing to seek competitive returns.

\*Source: Financial Express. Fund shown is the A-Class Accumulation series, bid prices at noon.

## General Information

### Investment objective and policy

The Fund aims to provide an attractive level of yield together with a high level of capital security.

The Fund will invest predominantly through sterling denominated short term deposits, money market instruments and government and public securities.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom.

The Fund may use derivatives for the purposes of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class A	Class B	Class X
Initial charge*	0%	4%	4%
Annual management charge**	0%	0.5%	0%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final 31 August

Interim Last day of February

# WESLEYAN

## WESLEYAN RISK AVERSE FUND

CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all investments are cash deposits. Percentage in bracket shows the equivalent as at 30 June 2017.

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
<b>Cash Deposits - 99.95% (102.84%)</b>			
468,727	Barclays 0.74% 08.11.2018	468,727	15.63
502,234	BNP Paribas 0.57% 28.08.2018	502,234	16.75
503,280	Clydesdale Bank 0.43% 31.07.2018	503,280	16.78
504,509	Lloyds Banking Group 0.77% 13.07.2018	504,509	16.82
515,070	Royal Bank of Scotland 0.39% 11.07.2018	515,070	17.18
503,473	Skipton Building Society 0.30% 18.07.2018	503,473	16.79
<b>Portfolio of investments</b>		<b>2,997,293</b>	<b>99.95</b>
<b>Net other assets</b>		<b>1,568</b>	<b>0.05</b>
<b>Net assets</b>		<b>2,998,861</b>	<b>100.00</b>



## COMPARATIVE TABLES

Class A – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	149.58	149.19
Return before operating charges*	0.54	0.45
Operating charges	-	-
Return after operating charges*	0.54	0.45
Distributions on accumulation units	(0.54)	(0.50)
Retained distributions on accumulation units	0.54	0.44
Closing net asset value per unit	150.12	149.58
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-
<b>Performance</b>		
Return after charges	0.36%	0.30%
<b>Other information</b>		
Closing net asset value (£)	1,056,208	1,052,419
Closing number of units	703,571	703,571
Operating charges	0.00%	0.00%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	150.12p	149.63p
Lowest unit price	149.63p	149.19p
<sup>1</sup> As the fund launched on 3 June 2016, 3 years of comparative figures cannot be disclosed.		
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.		
Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	99.77	100.00
Return before operating charges*	0.36	0.29
Operating charges	(0.50)	(0.52)
Return after operating charges*	(0.14)	(0.23)
Distributions on accumulation units	-	-
Retained distributions on accumulation units	-	-
Closing net asset value per unit	99.63	99.77
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-

WESLEYAN

## WESLEYAN RISK AVERSE FUND

CONTINUED

## COMPARATIVE TABLES

<b>Performance</b>		
Return after charges	(0.14%)	(0.23%)
<b>Other information</b>		
Closing net asset value (£)	936,484	1,296,975
Closing number of units	940,000	1,300,000
Operating charges	0.50%	0.50%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	99.80p	100.01p
Lowest unit price	99.63p	99.80p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

<b>Class X – Accumulation</b>	<b>30 June 2018</b>	<b>30 June 2017<sup>1</sup></b>
	<b>Pence per unit</b>	<b>Pence per unit</b>
<b>Change in net assets per unit</b>		
Opening net asset value per unit	100.26	100.00
Return before operating charges*	0.36	0.29
Operating charges	-	-
Return after operating charges*	0.36	0.29
Distributions on accumulation units	(0.36)	(0.29)
Retained distributions on accumulation units	0.36	0.26
Closing net asset value per unit	100.62	100.26
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-

<b>Performance</b>		
Return after charges	0.36%	0.29%
<b>Other information</b>		
Closing net asset value (£)	1,006,169	1,002,560
Closing number of units	1,000,000	1,000,000
Operating charges	0.00%	0.00%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest unit price	100.62p	100.29p
Lowest unit price	100.29p	100.00p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

# WESLEYAN

## WESLEYAN RISK AVERSE FUND

CONTINUED

### STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		-		-
Revenue	3	10,955		10,817	
Expenses	4	(4,792)		(7,746)	
Interest payable and similar charges		(20)		-	
Net revenue before taxation		6,143		3,071	
Taxation	5	-		-	
Net revenue after taxation			6,143		3,071
<b>Total return before distributions</b>			<b>6,143</b>		<b>3,071</b>
Distributions	6		(7,480)		(6,457)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(1,337)</b>		<b>(3,386)</b>

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		3,351,954		-
Amounts receivable on issue of units	73,763		2,500,000	
Amounts payable on cancellation of units	(432,999)		(2,699,610)	
Merger from Wesleyan Cash Fund on 03.06.2016	-		3,549,202	
		(359,236)		3,349,592
Change in net assets attributable to unitholders from investment activities		(1,337)		(3,386)
Retained distribution on accumulation units		7,480		5,748
<b>Closing net assets attributable to unitholders</b>		<b>2,998,861</b>		<b>3,351,954</b>

## BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			2,997,293		3,447,265
<b>Current assets</b>					
Debtors	8	1,705		2,096	
Cash and bank balances		633		3,585	
			2,338		5,681
Total assets			2,999,631		3,452,946
<b>Liabilities</b>					
Creditors					
Other creditors	9	(770)		(100,992)	
Total liabilities			(770)		(100,992)
<b>Net assets attributable to unitholders</b>			<b>2,998,861</b>		<b>3,351,954</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

# WESLEYAN

## WESLEYAN RISK AVERSE FUND

CONTINUED

### DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

#### Distribution tables (pence per unit)

##### Interim

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 and on or before 31 December 2017

<b>Class A Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.2060	-	0.2060	0.2323
Group 2	0.1263	0.0797	0.2060	0.2323

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	-	-	-	-
Group 2	-	-	-	-

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	0.1380	-	0.1380	0.1201
Group 2	0.1380	-	0.1380	0.1201

## Distribution tables (pence per unit)

### Final

Group 1: Units purchased prior to 1 January 2018

Group 2: Units purchased on or after 1 January 2018 and on or before 30 June 2018

Class A Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 30 June 2017
Group 1	0.3385	-	0.3385	0.2120
Group 2	0.2044	0.1341	0.3385	0.2120

Class B Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 30 June 2017
Group 1	-	-	-	-
Group 2	-	-	-	-

Class X Accumulation Units	Net Income	Equalisation	Accumulated 31 August 2018	Accumulated 30 June 2017
Group 1	0.2269	-	0.2269	0.1421
Group 2	0.2269	-	0.2269	0.1421

### Corporate unitholders information

For corporate unitholders, all of the income relating to the distribution is 100% unfranked.

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

**WESLEYAN**

# WESLEYAN UK GROWTH FUND

## Fund Review

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This is the full-year report of the Wesleyan UK Growth Fund covering the year to 30 June 2018. The underlying unit price performance produced a return of 12.0% over the twelve-month period, outperforming the IA UK All Companies sector average which increased by 9.1%\*.

After rising by 7% in the second half of 2017, the performance of the UK stock market was, at first glance, more muted in the first half of 2018 – registering only a small positive return. However, taken in isolation, the modest appreciation of UK shares during the six-month period to 30 June 2018 does not fully convey the market volatility experienced during the period. Equity markets began 2018 in a buoyant mood, invigorated by US tax reforms and a synchronised upswing in the global economy. Subsequently, the elevated level of optimism in markets was epitomised by numerous major stock indices hitting all-time-high levels in early January. However, this optimism proved to be short-lived as it became apparent that the threat of a trade war between the world's two largest economies, the US and China, was becoming an increasingly likely possibility. As the rhetoric from Washington and Beijing escalated, markets signalled their disapproval by posting steep declines in the value of share prices in the first quarter of 2018.

Markets regained some poise in late March and finally began to rally as hopes increased that proposed trade tariffs would be less substantial than initially feared. Geopolitical events also brought additional hope to equity markets as US and North Korean leaders met in Singapore, signalling a marked improvement in an otherwise strained relationship. In the UK, weather-affected economic data pointed to muted activity, leading to a depreciation in the value of sterling, a helpful tailwind for the fund given its bias towards multinational companies with geographically-diverse revenue streams. Exposure to sectors such as basic materials and oil & gas were key contributors to the fund outperforming peers in the twelve-month period to 30 June 2018.

As share prices declined in early 2018 the fund made well-timed purchases in Shire, a pharmaceutical company, which received a takeover approach by a Japanese peer in March. An addition to the existing holding in GlaxoSmithKline was also made when markets fell in February. The fund chose to exit positions in media group Pearson and also Royal Mail.

## Fund Outlook

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At this juncture it seems inevitable that equity markets will continue to face recurrences of the aforementioned headwinds, resulting in additional periods of turbulence. The UK will also have to contend with Brexit-related headlines and deadlines which, despite an interest rate increase from the Bank of England, has resulted in sterling weakness. With this backdrop in mind, maintaining a diversified portfolio of equities that benefits from global revenue streams feels warranted – as long as valuations remain supportive.

Despite lingering geopolitical clouds, we retain the view that equities remain a relatively attractive asset class – underpinned by reasonable valuation metrics, sustainable dividend streams and positive corporate activity. As evidenced by the opportunistic purchases made in early 2018, as markets lurched lower, before staging a swift recovery, the fund stands ready to capitalise on opportunities that market volatility may create.

\*Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.



## General Information

### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

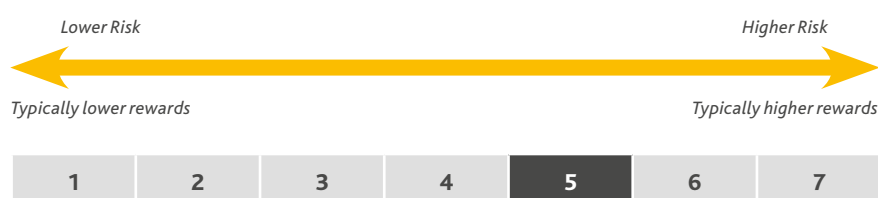
The Fund will invest predominantly in a diversified portfolio of UK equities.

Under normal circumstances the emphasis will be on equity shares in the UK. The Fund may invest in various sectors.

The Fund may also invest in fixed interest and other transferable securities (including non-UK equities), cash, near cash, deposits, money-market instruments and other collective investment schemes.

The Fund may use derivatives for the purposes of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.

This risk category is calculated in line with European Securities Markets Authority (ESMA) rules using historical data.

This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.

A fund in the lowest category does not mean a 'risk free' investment.

A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).

Charges	Class A	Class B	Class X
Initial charge*	4%	4%	4%
Annual management charge**	1.25%	1.5%	1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

## Income allocation dates

Final	31 August
Interim	Last day of February

# WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2017.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>United Kingdom - 91.00% (91.30%)</b>			
<b>Oil &amp; Gas - 14.43% (12.56%)</b>			
725,000	BP	4,192,675	5.87
27,262	Royal Dutch Shell 'A'	716,718	1.00
199,248	Royal Dutch Shell 'B'	5,406,594	7.56
	<b>Total Oil &amp; Gas</b>	<b>10,315,987</b>	<b>14.43</b>
<b>Basic Materials - 8.18% (6.26%)</b>			
50,960	Anglo American	863,364	1.21
105,926	BHP Billiton	1,806,674	2.53
22,537	Johnson Matthey	815,614	1.14
56,165	Rio Tinto	2,359,211	3.30
	<b>Total Basic Materials</b>	<b>5,844,863</b>	<b>8.18</b>
<b>Industrials - 7.52% (7.84%)</b>			
19,036	Aggreko	128,645	0.18
35,000	Babcock International	286,160	0.40
221,835	BAE Systems	1,434,385	2.01
96,428	Balfour Beatty	273,470	0.38
220,000	Hays	410,520	0.57
411,567	Melrose Industries	874,991	1.22
57,119	Rolls Royce Group	564,450	0.79
4,055,449	Rolls Royce Holdings 'C'***	-	-
91,775	Senior	278,078	0.39
100,000	SIG	139,600	0.20
43,609	Smiths Group	740,481	1.04
17,262	Travis Perkins	245,552	0.34
	<b>Total Industrials</b>	<b>5,376,332</b>	<b>7.52</b>
<b>Consumer Goods - 6.33% (6.52%)</b>			
51,428	Diageo	1,399,870	1.96
152,061	Tate & Lyle	983,531	1.38
51,000	Unilever	2,137,920	2.99
	<b>Total Consumer Goods</b>	<b>4,521,321</b>	<b>6.33</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Healthcare - 8.25% (8.25%)</b>			
51,914	AstraZeneca	2,727,042	3.81
170,396	GlaxoSmithKline	2,606,718	3.65
40,454	Smith & Nephew	565,547	0.79
<b>Total Healthcare</b>		<b>5,899,307</b>	<b>8.25</b>
<b>Consumer Services - 10.89% (9.67%)</b>			
400,000	Debenhams	59,600	0.08
42,134	Dixons Carphone	78,622	0.11
200,000	Ei Group	292,000	0.41
85,000	Halfords Group	294,950	0.41
49,220	Informa	410,889	0.58
825,528	ITV	1,436,419	2.01
229,918	Kingfisher	682,167	0.95
153,983	Marks & Spencer	454,404	0.64
300,000	Marston's	298,500	0.42
84,227	Merlin Entertainments	325,706	0.46
212,741	Mitchells & Butlers	551,850	0.77
100,000	Morrison (Wm) Supermarkets	252,000	0.35
15,000	Next	907,200	1.27
219,693	Sainsbury (J)	705,434	0.99
288,000	Tesco	739,008	1.03
270,814	Thomas Cook	291,396	0.41
<b>Total Consumer Services</b>		<b>7,780,145</b>	<b>10.89</b>
<b>Telecommunications - 4.05% (5.38%)</b>			
656,782	BT	1,430,143	2.00
130,000	Kcom	125,840	0.17
730,120	Vodafone	1,341,961	1.88
<b>Total Telecommunications</b>		<b>2,897,944</b>	<b>4.05</b>
<b>Utilities - 3.47% (4.21%)</b>			
400,809	Centrica	631,875	0.88
32,083	National Grid	268,984	0.38
50,000	Scottish & Southern Energy	677,250	0.95

OVERVIEW

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REWARD GROWTH

 MODERATE RISK/  
REWARD GROWTH

RISK AVERSE

UK GROWTH

# WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

### PORTFOLIO STATEMENT AS AT 30 JUNE 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
15,977	Severn Trent	316,265	0.44
76,494	United Utilities	583,802	0.82
	<b>Total Utilities</b>	<b>2,478,176</b>	<b>3.47</b>
<b>Financials - 27.88% (30.55%)</b>			
70,000	3i Group	630,420	0.88
187,839	Aviva	946,333	1.32
308,865	Barclays	583,693	0.82
100,000	British Land REIT	672,000	0.94
250,000	Downing Strategic Micro Cap*	222,500	0.31
250,000	Grainger	769,000	1.08
130,000	Hammerson REIT	678,600	0.95
130,000	Henderson Smaller Companies Investment Trust*	1,253,200	1.75
538,468	HSBC Holdings (London listed)	3,826,892	5.36
52,058	Intu Properties	93,782	0.13
98,891	Land Securities REIT	946,288	1.32
540,497	Legal & General	1,437,181	2.01
1,827,738	Lloyds Banking	1,151,840	1.61
300,000	Man Group	529,500	0.74
1,385,200	Miton UK MicroCap Trust*	928,084	1.30
153,741	Primary Health Properties REIT	178,955	0.25
166,083	Prudential	2,880,710	4.03
62,991	Royal Bank of Scotland	161,257	0.23
82,961	RSA Insurance	563,305	0.79
19,046	Schroders	601,473	0.84
77,785	Standard Chartered	538,739	0.75
67,433	Standard Life UK Smaller Companies*	337,165	0.47
	<b>Total Financials</b>	<b>19,930,917</b>	<b>27.88</b>
<b>Technology - 0.00% (0.06%)</b>			
	<b>Total United Kingdom</b>	<b>65,044,992</b>	<b>91.00</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
	<b>Channel Islands - 5.06% (3.38%)</b>		
	<b>Basic Materials - 1.22% (1.02%)</b>		
240,000	Glencore	868,800	1.22
	<b>Total Basic Materials</b>	<b>868,800</b>	<b>1.22</b>
	<b>Industrials - 2.23% (1.95%)</b>		
54,585	Experian Group	1,023,196	1.43
9,259	Ferguson	569,336	0.80
	<b>Total Industrials</b>	<b>1,592,532</b>	<b>2.23</b>
	<b>Healthcare - 1.19% (0.00%)</b>		
20,000	Shire	852,600	1.19
	<b>Total Healthcare</b>	<b>852,600</b>	<b>1.19</b>
	<b>Financials - 0.42% (0.41%)</b>		
151,668	River And Mercantile UK Micro Cap Investment*	298,786	0.42
	<b>Total Financials</b>	<b>298,786</b>	<b>0.42</b>
	<b>Total Channel Islands</b>	<b>3,612,718</b>	<b>5.06</b>
	<b>Germany - 1.09% (1.19%)</b>		
	<b>Consumer Services - 1.09% (1.19%)</b>		
46,851	TUI Travel	778,898	1.09
	<b>Total Consumer Services</b>	<b>778,898</b>	<b>1.09</b>
	<b>Total Germany</b>	<b>778,898</b>	<b>1.09</b>
	<b>Spain - 1.06% (1.62%)</b>		
	<b>Consumer Services - 1.06% (1.62%)</b>		
114,500	International Consolidated Airlines	760,051	1.06
	<b>Total Consumer Services</b>	<b>760,051</b>	<b>1.06</b>
	<b>Total Spain</b>	<b>760,051</b>	<b>1.06</b>
	<b>Portfolio of investments</b>	<b>70,196,659</b>	<b>98.21</b>
	<b>Net other assets</b>	<b>1,278,286</b>	<b>1.79</b>
	<b>Net assets</b>	<b>71,474,945</b>	<b>100.00</b>

\* UK-Listed Investment Trust.

\*\* Corporate Action – 'C' shares are non-cumulative, unquoted redeemable Preference Shares given in lieu of cash dividend.

# WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

### SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 30 JUNE 2018

<b>Total Purchases</b>	<b>£1,730,045</b>
<b>Purchases*</b>	<b>Cost £</b>
Shire	617,298
ITV	508,542
GlaxoSmithKline	325,718
Merlin Entertainments	269,263
Primary Health Properties REIT	9,224
<b>Total Sales</b>	<b>£3,423,951</b>
<b>Sales*</b>	<b>Proceeds £</b>
Royal Dutch Shell 'B'	761,735
Man Group	442,251
International Consolidated Airlines	440,320
TUI Travel	391,302
Henderson Smaller Companies Investment Trust	263,585
3i Group	237,054
Pearson	203,300
Prudential	191,160
Royal Mail	153,051
Ei Group	145,281
Land Securities	63,290
Laird	59,284
River and Mercantile UK Micro Cap Investment	43,791
Melrose Industries	28,512
Ferguson	35

\* As the total number of purchases and sales for the year was below twenty, the complete list of sales has been provided here.

## COMPARATIVE TABLES

Class A – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	399.75	340.08
Return before operating charges*	53.94	65.37
Operating charges	(5.97)	(5.70)
Return after operating charges*	47.97	59.67
Distributions on accumulation units	(11.28)	(11.04)
Retained distributions on accumulation units	11.28	11.04
Closing net asset value per unit	447.72	399.75
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.08
<b>Performance</b>		
Return after charges	12.00%	17.55%
<b>Other information</b>		
Closing net asset value (£)	64,228,348	61,568,155
Closing number of units	14,345,698	15,401,508
Operating charges	1.41%	1.41%
Direct transaction costs	0.01%	0.02%
<b>Prices</b>		
Highest unit price	462.27p	415.98p
Lowest unit price	398.95p	314.70p
<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.		
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.		
Class B – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	387.50	330.63
Return before operating charges*	52.17	63.40
Operating charges	(6.81)	(6.53)
Return after operating charges*	45.36	56.87
Distributions on accumulation units	(9.92)	(9.75)
Retained distributions on accumulation units	9.92	9.75
Closing net asset value per unit	432.86	387.50
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.08
<b>Performance</b>		
Return after charges	11.71%	17.20%

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## WESLEYAN UK GROWTH FUND

CONTINUED

## COMPARATIVE TABLES

Other information		
Closing net asset value (£)	6,045,069	5,147,830
Closing number of units	1,396,531	1,328,463
Operating charges	1.66%	1.66%
Direct transaction costs	0.01%	0.02%

Prices		
Highest unit price	447.25p	403.44p
Lowest unit price	386.81p	305.91p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Accumulation	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	389.46	330.63
Return before operating charges*	52.58	63.42
Operating charges	(4.81)	(4.59)
Return after operating charges*	47.77	58.83
Distributions on accumulation units	(12.06)	(11.74)
Retained distributions on accumulation units	12.06	11.74
Closing net asset value per unit	437.23	389.46
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.08

Performance		
Return after charges	12.27%	17.79%

Other information		
Closing net asset value (£)	1,201,528	907,363
Closing number of units	274,802	232,982
Operating charges	1.16%	1.16%
Direct transaction costs	0.01%	0.02%

Prices		
Highest unit price	451.63p	405.42p
Lowest unit price	388.94p	306.00p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in Unit trusts should normally be regarded as long-term investments.



## STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
Income					
Net capital gains	2		6,002,745		8,579,491
Revenue	3	2,854,681		2,930,925	
Expenses	4	(994,005)		(1,007,565)	
Net revenue before taxation		1,860,676		1,923,360	
Taxation	5	(20,499)		(9,380)	
Net revenue after taxation			1,840,177		1,913,980
<b>Total return before distributions</b>			<b>7,842,922</b>		<b>10,493,471</b>
Distributions	6		(1,840,175)		(1,913,971)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>6,002,747</b>		<b>8,579,500</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018		30 June 2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		67,623,348		-
Amounts receivable on issue of units	543,670		920,497	
Amounts payable on cancellation of units	(4,506,217)		(4,867,198)	
Merger from Wesleyan Growth Trust on 03.06.2016	-		61,106,210	
		(3,962,547)		57,159,509
Change in net assets attributable to unitholders from investment activities		6,002,747		8,579,500
Retained distribution on accumulation units		1,811,397		1,884,339
<b>Closing net assets attributable to unitholders</b>		<b>71,474,945</b>		<b>67,623,348</b>

WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

## BALANCE SHEET AS AT 30 JUNE 2018

	Notes	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
Investments			70,196,659		65,924,272
<b>Current assets</b>					
Debtors	8	424,814		626,720	
Cash and bank balances		1,114,822		1,712,084	
			1,539,636		2,338,804
Total assets			71,736,295		68,263,076
<b>Liabilities</b>					
Creditors					
Other creditors	9	(261,350)		(639,728)	
Total liabilities			(261,350)		(639,728)
<b>Net assets attributable to unitholders</b>			<b>71,474,945</b>		<b>67,623,348</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 12 October 2018 and is signed on their behalf by:



**A. Farooq**  
Chairman

## DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

### Distribution tables (pence per unit)

#### Interim

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 and on or before 31 December 2017

<b>Class A Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	4.6968	-	4.6968	4.8809
Group 2	2.5450	2.1518	4.6968	4.8809

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	4.0519	-	4.0519	4.2470
Group 2	1.9167	2.1352	4.0519	4.2470

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 28 February 2018</b>	<b>Accumulated 28 February 2017</b>
Group 1	5.0933	-	5.0933	5.2505
Group 2	2.1205	2.9728	5.0933	5.2505

# WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

### DISTRIBUTIONS FOR THE YEAR ENDED 30 JUNE 2018

#### Final

Group 1: Units purchased prior to 1 January 2018

Group 2: Units purchased on or after 1 January 2018 and on or before 30 June 2018

<b>Class A Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 31 August 2018</b>	<b>Accumulated 31 August 2017</b>
Group 1	6.5868	-	6.5868	6.1586
Group 2	4.2224	2.3644	6.5868	6.1586

<b>Class B Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 31 August 2018</b>	<b>Accumulated 31 August 2017</b>
Group 1	5.8665	-	5.8665	5.4984
Group 2	3.5215	2.3450	5.8665	5.4984

<b>Class X Accumulation Units</b>	<b>Net Income</b>	<b>Equalisation</b>	<b>Accumulated 31 August 2018</b>	<b>Accumulated 31 August 2017</b>
Group 1	6.9617	-	6.9617	6.4859
Group 2	4.3645	2.5972	6.9617	6.4859

#### Corporate unitholders information

For corporate unitholders, all of the income relating to the distribution is 100% franked.

#### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

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# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

## 1. Accounting policies

### a. Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Authority's Collective Investments Schemes sourcebook. They have been prepared in accordance with applicable UK accounting standards, Trust Deed and in accordance with FRS 102 and in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (the 2014 SORP).

As stated in the Statement of the Manager's Responsibilities in relation to the Report and Financial Statements of the Trust on page xx, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Trust.

The accounting policies outlined below have been applied on a consistent basis throughout the year.

### b. Recognition of revenue and interest payable

All dividends from companies declared ex-dividend by 30 June 2018, deposit interest and interest payable, are accrued to 30 June 2018 and are included in the Statement of Total Return.

Bond revenue is accounted for on an effective yield basis, calculated with reference to the purchase price.

Underwriting commission is taken to revenue and recognised when the issue takes place, unless the Trust is required to take up all or some of the underwritten shares. In this case the commission is used to reduce the cost of the shares.

### c. Treatment of stock and special dividends

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

### d. Treatment of expenses

All expenses are charged to revenue, other than those relating to the purchase or sale of investments which are charged to capital.

### e. Distribution policies

Any revenue available for distribution will be paid as either income or accumulated distributions.

All of the net revenue available for distribution at the end of the year will be distributed or reinvested in the Trust.

### f. Basis of valuation of investments

The listed investments of the Trust have been valued at bid-value at closing on 29 June 2018, net of any accrued interest which is included in the balance sheet as a revenue-related item and is in accordance with the recommendations contained in the 2014 SORP.

Any unlisted, delisted, suspended or unapproved securities have been valued at the Manager's best estimate of fair value.

### g. Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated at the rates ruling at closing on 29 June 2018, being the last valuation point of the year.

### h. Taxation

The charge for taxation is based on the results for the year. In general, the tax accounting treatment follows that of the original amount. Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences.

Deferred tax is provided at the average rate of tax expected to apply.

Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Note that deferred tax assets are recognised only to the extent they are regarded as recoverable.

**i. Income Distributions from Real Estate Investment Trusts (REITs)**

Income distributions from Real Estate Investment Trusts (UK REITs) will be split into two parts, a Property Income Distribution (PID) made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to Corporation Tax as schedule A revenue, while the UK dividend will be treated as franked revenue.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 2. Net capital gains (or losses) on investments

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
Non-derivative securities	2,454,781	7,381,939
Capital special dividends	20,583	-
Currency (losses)/gains	(950)	64,373
Transaction charges	(205)	(302)
<b>Net capital gains on investments</b>	<b>2,474,209</b>	<b>7,446,010</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Non derivative securities	223,800	446,413
Capital special dividends	9,664	4,218
Currency gains	272	16
Transaction charges	(730)	(1,567)
<b>Net capital gains on investments</b>	<b>233,006</b>	<b>449,080</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
Non derivative securities	304,341	603,577
Capital special dividends	14,663	14,766
Currency gains	2,753	3,575
Transaction charges	(693)	(1,020)
<b>Net capital gains on investments</b>	<b>321,064</b>	<b>620,898</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Non derivative securities	593,940	926,804
Capital special dividends	7,766	8,437
Currency (losses)/gains	(1,601)	1,708
Transaction charges	(963)	(2,410)
<b>Net capital gains on investments</b>	<b>599,142</b>	<b>934,539</b>
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
<b>No Net Capital gains during the year.</b>		
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
Non derivative securities	5,966,292	8,509,649
Capital special dividends	35,599	59,441
Currency gains	1,022	8,786
Miscellaneous income	-	1,942
Transaction charges	(168)	(327)
<b>Net capital gains on investments</b>	<b>6,002,745</b>	<b>8,579,491</b>



### 3. Revenue

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
UK dividends	170,966	160,256
Overseas dividends	495,402	485,304
Bank interest	2,653	1,575
<b>Total revenue</b>	<b>669,021</b>	<b>647,135</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
UK dividends	156,485	116,021
Property Income	11,358	3,008
Overseas dividends	20,448	3,915
Interest on debt securities	210,732	122,893
Bank interest	725	992
<b>Total revenue</b>	<b>399,748</b>	<b>246,829</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
UK dividends	224,926	165,534
Overseas dividends	41,817	26,042
Property income	4,050	2,212
Interest on debt securities	30,669	23,754
Bank interest	1,088	959
<b>Total revenue</b>	<b>302,550</b>	<b>218,501</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
UK dividends	297,842	187,084
Overseas dividends	85,030	36,287
Property income	19,952	8,790
Interest on debt securities	181,463	98,562
Bank interest	1,052	1,072
<b>Total revenue</b>	<b>585,339</b>	<b>331,795</b>

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 3. Revenue continued

	30 June 2018	30 June 2017
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
Miscellaneous income	-	228
Bank interest	2	4
Deposit interest	10,953	10,585
<b>Total revenue</b>	<b>10,955</b>	<b>10,817</b>
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
UK dividends	2,604,081	2,658,418
Property income	99,115	101,885
Overseas dividends	150,215	169,374
Bank interest	1,270	1,043
Miscellaneous income	-	205
<b>Total revenue</b>	<b>2,854,681</b>	<b>2,930,925</b>

## 4. Expenses

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	449,983	414,140
	<b>449,983</b>	<b>414,140</b>
<b>Other expenses:</b>		
Registration fees	44,006	43,413
Audit fee*	19,344	9,924
Revenue collection expenses	45	35
Trustee's fees	7,793	6,446
Safe custody charges	3,628	2,994
	<b>74,816</b>	<b>62,812</b>
<b>Total expenses</b>	<b>524,799</b>	<b>476,952</b>
*The 2018 audit fee for the year was £7,750 excl VAT.		
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	223,939	144,133
	<b>223,939</b>	<b>144,133</b>
<b>Other expenses:</b>		
Registration fees	7,536	2,654
Audit fee*	10,266	10,194
Trustee's fees	4,951	2,334
Safe custody charges	1,159	764
	<b>23,912</b>	<b>15,946</b>
<b>Total expenses</b>	<b>247,851</b>	<b>160,079</b>

\*The 2018 audit fee for the year was £7,750 excl VAT.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 4. Expenses continued

	30 June 2018	30 June 2017
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	175,985	122,646
	<b>175,985</b>	<b>122,646</b>
<b>Other expenses:</b>		
Registration fees	5,511	1,480
Audit fee*	11,766	10,194
Trustee's fees	4,020	1,742
Safe custody charges	640	418
	<b>21,937</b>	<b>13,834</b>
<b>Total expenses</b>	<b>197,922</b>	<b>136,480</b>
*The 2018 audit fee for the year was £9,000 excl VAT.		
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	332,110	189,657
	<b>332,110</b>	<b>189,657</b>
<b>Other expenses:</b>		
Registration fees	10,209	3,849
Audit fee*	11,766	10,194
Trustee's fees	6,091	2,863
Safe custody charges	1,681	889
	<b>29,747</b>	<b>17,795</b>
<b>Total expenses</b>	<b>361,857</b>	<b>207,452</b>
*The 2018 audit fee for the year was £9,000 excl VAT.		
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	4,792	7,745
	<b>4,792</b>	<b>7,745</b>
<b>Other expenses*:</b>		
Miscellaneous Charges	-	1
	<b>-</b>	<b>1</b>
<b>Total expenses</b>	<b>4,792</b>	<b>7,746</b>

\*There is no audit fee as the Manager has settled the expense on behalf of the fund.

#### 4. Expenses continued

	30 June 2018	30 June 2017
Wesleyan UK Growth	£	£
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	880,261	890,821
	<b>880,261</b>	<b>890,821</b>
<b>Other expenses:</b>		
Registration fees	86,268	86,692
Audit fee*	8,820	10,464
Trustee's fees	15,816	16,902
Safe custody charges	2,840	2,686
	<b>113,744</b>	<b>116,744</b>
<b>Total expenses</b>	<b>994,005</b>	<b>1,007,565</b>

\*The 2018 audit fee for the year was £7,750 excl VAT.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 5. Taxation

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the year:		
Overseas tax	57,347	53,491
Total current tax for the period (see note 5b)	<b>57,347</b>	<b>53,491</b>
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	143,267	169,759
Corporation tax at 20% (2017: 20%)	28,653	33,952
Effects of:		
Revenue not subject to taxation	(133,273)	(129,112)
Movement in excess management expenses	104,620	95,160
Irrecoverable overseas tax	57,347	53,491
Current tax charge for the period (see note 5a)	<b>57,347</b>	<b>53,491</b>
c) Factors affecting future tax charge:		
At 30 June 2018 there is a potential deferred tax asset of £199,780 (30 June 2017: £95,160) in relation to surplus management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.		

	£	£
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the year:		
Overseas tax	302	9
Total current tax for the period (see note 5b)	<b>302</b>	<b>9</b>
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	151,897	86,729
Corporation tax at 20% (2017: 20%)	30,379	17,346
Effects of:		
Revenue not subject to taxation	(35,386)	(23,987)
Movement in excess management expenses	5,035	6,641
Irrecoverable overseas tax	302	9
Tax relief on UK index-linked gilts	(28)	-
Current tax charge for the year (see note 5a)	<b>302</b>	<b>9</b>
c) Factors affecting future tax charge:		
At 30 June 2018 there is a potential deferred tax asset of £11,676 (30 June 2017: £6,641) in relation to surplus management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.		

## 5. Taxation continued

	30 June 2018	30 June 2017
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the year:		
Overseas tax	5,137	2,660
Total current tax for the period (see note 5b)	<b>5,137</b>	<b>2,660</b>
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	104,609	82,015
Corporation tax at 20%	20,922	16,403
Effects of:		
Revenue not subject to taxation	(53,349)	(38,315)
Movement in excess management expenses	32,427	21,912
Irrecoverable overseas tax	5,137	2,660
Current tax charge for the period (see note 5a)	<b>5,137</b>	<b>2,660</b>
c) Factors affecting future tax charge:		
At 30 June 2018 there is a potential deferred tax asset of £54,339 (30 June 2017: £21,912) in relation to surplus management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the period.		

	£	£
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the period:		
Repayment of overseas withholding tax	1,117	-
Overseas tax	7,459	3,410
Total current tax for the period (see note 5b)	<b>8,576</b>	<b>3,410</b>
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	223,420	124,326
Corporation tax at 20% (2017: 20%)	44,684	24,865
Effects of:		
Revenue not subject to taxation	(76,574)	(44,674)
Movement in excess management expenses	31,890	19,809
Repayment of overseas withholding tax	1,117	-
Irrecoverable overseas tax	7,459	3,410
Current tax charge for the year (see note 5a)	<b>8,576</b>	<b>3,410</b>
c) Factors affecting future tax charge:		
At 30 June 2018 there is a potential deferred tax asset of £51,699 (30 June 2017: £19,809) in relation to surplus management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.		

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 5. Taxation continued

	30 June 2018	30 June 2017
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the year:		
Corporation tax	-	-
Total tax for the year	-	-
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017:20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	6,143	3,071
Corporation tax at 20% (2017: 20%)	1,229	614
Effects of:		
Deductible interest distributions	(1,229)	(614)
Current tax charge for the year (see note 5a)	-	-

### c) Factors affecting future tax charge:

There is no material unprovided Deferred Tax in the current year (2017: nil).

<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
a) Analysis of charge in the year:		
Overseas tax	20,499	9,380
Total tax for the year	20,499	9,380
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).		
The differences are explained below:	<b>£</b>	<b>£</b>
Net revenue before taxation	1,860,676	1,923,360
Corporation tax at 20%	372,135	384,672
Effects of:		
Revenue not subject to taxation	(550,859)	(565,558)
Movement in excess management expenses	178,724	180,886
Irrecoverable overseas tax	20,499	9,380
Current tax charge for the year (see note 5a)	20,499	9,380

### c) Factors affecting future tax charge:

At 30 June 2018 there is a potential deferred tax asset of £359,610 (30 June 2017: £180,886) in relation to surplus management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.



## 6. Distributions

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
Interim	-	12,596
Final	84,961	102,854
	<b>84,961</b>	<b>115,450</b>
Add: Amounts deducted on cancellation of shares	1,477	2,382
Deduct: Amounts received on the creation of shares	(526)	(1,565)
Net accumulation for the year	<b>85,912</b>	<b>116,267</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Interim	61,392	11,094
Final	102,729	88,713
	<b>164,121</b>	<b>99,807</b>
Add: Income tax withheld	-	950
Add: Amounts deducted on cancellation of shares	286	139
Deduct: Amounts received on the creation of shares	(12,807)	(14,185)
Net distribution for the year	<b>151,600</b>	<b>86,711</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
1st Interim	51,887	47,954
2nd interim	66,049	38,033
3rd interim	59,314	31,103
Final	124,758	103,455
	<b>302,008</b>	<b>220,545</b>
Add: Amounts deducted on cancellation of shares	714	-
Deduct: Amounts received on the creation of shares	(12,490)	(10,098)
Net distribution for the year	<b>290,232</b>	<b>210,447</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Interim	56,950	20,683
Final	174,298	119,661
	<b>231,248</b>	<b>140,344</b>
Add: Amounts deducted on cancellation of shares	817	181
Deduct: Amounts received on the creation of shares	(17,225)	(19,622)
Net distribution for the year	<b>214,840</b>	<b>120,903</b>

## 6. Distributions continued

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

	30 June 2018	30 June 2017
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
Interim	2,829	2,835
Final	4,651	2,913
	<b>7,480</b>	<b>5,748</b>
Income tax withheld at source	-	709
Net distribution for the year	<b>7,480</b>	<b>6,457</b>
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
Interim	765,416	847,666
Final	1,045,981	1,036,673
	<b>1,811,397</b>	<b>1,884,339</b>
Add: Amounts deducted on cancellation of shares	30,721	35,612
Deduct: Amounts received on the creation of shares	(1,943)	(5,980)
Net accumulation for the year	<b>1,840,175</b>	<b>1,913,971</b>

## 7. Movement between net revenue and accumulations

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	85,920	116,268
Net movement in revenue account	(8)	(1)
Net accumulation	<b>85,912</b>	<b>116,267</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	151,595	86,720
Net movement in revenue account	5	(9)
Net distribution	<b>151,600</b>	<b>86,711</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	99,472	79,355
Net movement in revenue account	(5)	(5)
Tax relief on management fees in capital	(7,157)	(5,383)
Capital expense	197,922	136,480
Net distribution	<b>290,232</b>	<b>210,447</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	214,844	120,916
Net movement in revenue account	(4)	(13)
Net distribution	<b>214,840</b>	<b>120,903</b>
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	6,143	3,071
Net movement in revenue account	-	3,386
Transfer from capital to cover revenue deficit	1,337	-
Net distribution	<b>7,480</b>	<b>6,457</b>
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
Net revenue after taxation	1,840,177	1,913,980
Net movement in revenue account	(2)	(9)
Net accumulation	<b>1,840,175</b>	<b>1,913,971</b>

# WESLEYAN

## NOTES TO THE TRUST'S FINANCIAL STATEMENTS CONTINUED

### 8. Debtors

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
Accrued revenue	29,752	29,935
Overseas tax receivable	14,648	8,507
<b>Total debtors</b>	<b>44,400</b>	<b>38,442</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Sales awaiting settlement	54,000	-
Accrued revenue	143,924	102,770
Amounts receivable on creation of units	90,108	-
Overseas tax receivable	156	89
Income tax receivable	58	-
<b>Total debtors</b>	<b>288,246</b>	<b>102,859</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
Accrued revenue	61,663	46,808
Amounts receivable on creation of units	74,544	-
Overseas tax receivable	2,507	1,544
Income tax receivable	70	-
<b>Total debtors</b>	<b>138,784</b>	<b>48,352</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Capital events awaiting settlement	79,200	-
Accrued revenue	183,312	117,790
Amounts receivable on creation of units	38,836	42,093
Overseas tax receivable	1,380	1,364
Income tax receivable	76	-
<b>Total debtors</b>	<b>302,804</b>	<b>161,247</b>
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
Accrued revenue	1,705	2,096
<b>Total debtors</b>	<b>1,705</b>	<b>2,096</b>
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
Sales awaiting settlement	59,284	245,509
Accrued revenue	356,903	369,858
Overseas tax receivable	8,407	11,353
Income tax recoverable	220	-
<b>Total debtors</b>	<b>424,814</b>	<b>626,720</b>

## 9. Other creditors

	30 June 2018	30 June 2017
<b>Wesleyan International Growth Fund</b>	<b>£</b>	<b>£</b>
Accrued expenses	92,315	85,286
Total other creditors	<b>92,315</b>	<b>85,286</b>
<b>Wesleyan Low Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Purchases awaiting settlement	177,000	38,701
Accrued expenses	53,925	40,881
Total other creditors	<b>230,925</b>	<b>79,582</b>
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>	<b>£</b>	<b>£</b>
Accrued expenses	46,061	33,630
Total other creditors	<b>46,061</b>	<b>33,630</b>
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>	<b>£</b>	<b>£</b>
Purchases awaiting settlement	137,574	158,340
Accrued expenses	77,880	52,985
Accrued interest on outstanding purchases	-	842
Total other creditors	<b>215,454</b>	<b>212,167</b>
<b>Wesleyan Risk Averse Fund</b>	<b>£</b>	<b>£</b>
Amounts payable on cancellation of units	-	99,800
Accrued expenses	770	1,207
Miscellaneous charges	-	(15)
Total other creditors	<b>770</b>	<b>100,992</b>
<b>Wesleyan UK Growth Fund</b>	<b>£</b>	<b>£</b>
Amounts payable on cancellation of units	91,393	177,592
Purchases awaiting settlement	-	297,271
Accrued expenses	169,957	164,865
Total other creditors	<b>261,350</b>	<b>639,728</b>

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## 10. Reconciliation of units

For the year ended 30 June 2018

### Wesleyan International Growth Fund

Unit movements	Class A Accumulation	Class B Accumulation	Class X Accumulation
Opening units issued at 01/07/2017	10,344,223	2,791,756	415,685
Units issued	-	288,604	168,062
Units cancelled	(778,224)	(27,229)	-
Closing units issued at 30/06/2018	<b>9,565,999</b>	<b>3,053,131</b>	<b>583,747</b>

### Wesleyan Low Risk/Reward Growth Fund

Unit movements	Class B Accumulation	Class X Accumulation	Class B Income	Class X Income
Opening units issued at 01/07/2017	9,977,285	468,116	1,037,172	55,000
Units issued	4,325,362	633,910	-	-
Units cancelled	(228,261)	-	-	-
Closing units issued at 30/06/2018	<b>14,074,386</b>	<b>1,102,026</b>	<b>1,037,172</b>	<b>55,000</b>

### Wesleyan Moderate-High Risk/Reward Income Fund

Unit movements	Class B Accumulation	Class X Accumulation	Class B Income	Class X Income
Opening units issued at 01/07/2017	6,499,306	80,351	965,000	55,000
Units issued	2,764,896	347,550	110,288	-
Units cancelled	(159,317)	-	-	-
Closing units issued at 30/06/2018	<b>9,104,885</b>	<b>427,901</b>	<b>1,075,288</b>	<b>55,000</b>

## 10. Reconciliation of units CONTINUED

For the year ended 30 June 2018

### Wesleyan Moderate Risk/Reward Growth Fund

Unit movements	Class B Accumulation	Class X Accumulation	Class B Income	Class X Income
Opening units issued at 01/07/2017	13,105,637	488,393	965,000	55,000
Units issued	6,235,129	1,576,135	-	-
Units cancelled	(306,440)	-	-	-
Closing units issued at 30/06/2018	<b>19,034,326</b>	<b>2,064,528</b>	<b>965,000</b>	<b>55,000</b>

### Wesleyan Risk Averse Fund

Unit movements	Class A Accumulation	Class B Accumulation	Class X Accumulation
Opening units issued at 01/07/2017	703,571	1,300,000	1,000,000
Units issued	-	74,000	-
Units cancelled	-	(434,000)	-
Closing units issued at 30/06/2018	<b>703,571</b>	<b>940,000</b>	<b>1,000,000</b>

### Wesleyan UK Growth Fund

Unit movements	Class A Accumulation	Class B Accumulation	Class X Accumulation
Opening units issued at 01/07/2017	15,401,508	1,328,463	232,982
Units issued	21,684	68,068	41,820
Units cancelled	(1,077,494)	-	-
Closing units issued at 30/06/2018	<b>14,345,698</b>	<b>1,396,531</b>	<b>274,802</b>

All classes within the Unit Trust have the same rights on winding up.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

## CONTINUED

### 11. Capital commitments and contingent liabilities

There were no material capital commitments or contingent liabilities as at the balance sheet date (30 June 2017: £Nil).

### 12. Related party transactions

Wesleyan Unit Trust Managers Ltd, as Manager, is a related party, and acts as principal in respect of all transactions of units in the Trust.

The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in net assets attributable to unitholders. Any amounts due to, or from Wesleyan Unit Trust Managers Ltd at the end of the accounting year are disclosed in notes 6 (Distribution), 8 (debtors) and 9 (other creditors).

Wesleyan Unit Trust Managers Ltd did not enter into securities transactions with the Trust during the year.

#### Wesleyan International Growth Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £76,245 was due to the Manager at the year end (30 June 2017: £70,380).

#### Wesleyan Low Risk Reward Growth Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £42,312 was due from the Manager at the year end (30 June 2017: £29,690).

#### Wesleyan Moderate-High Risk/Reward Income Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £33,386 was due to the Manager at the year end (30 June 2017: £22,839).

#### Wesleyan Moderate Risk/Reward Growth Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £64,232 was due to the Manager at the year end (30 June 2017: £41,468).

#### Wesleyan Risk Averse Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £770 was due to the Manager at the year end (30 June 2017: £1,207).

#### Wesleyan UK Growth Fund

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4 (expenses). £150,464 was due to the Manager at the year end (30 June 2017: £144,738).



### 13. Risk disclosures on financial instruments

In pursuing its investment objectives the Trust holds a number of financial instruments. The Trust's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, amounts receivable for creations and payable on liquidations, and debtors for accrued revenue.

The Trust has little exposure to credit or cash flow risk as all its transactions are settled in cash against delivery and therefore the failure of a third-party broker will not give rise to a loss. There are no material borrowings or unlisted securities and so there is little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) foreign currency risk; (ii) market price risk, being the risk that the value of holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement; (iii) interest rate risk and (iv) liquidity risk (v) credit risk.

The Manager's policies for managing these risks are summarised below and have been applied throughout the current and preceding year.

#### Risk management process

The stock selection and asset allocations of the portfolios are reviewed at periodic Board meetings. Consideration is given to whether the risk associated with the exposure to particular investment categories or stocks is prudent in the context of the investment objective. The Investment Manager has the responsibility for monitoring existing portfolios in accordance with an overall investment category deviation parameter and seeks to ensure that the portfolios as a whole meet an acceptable risk/reward profile.

#### (i) Foreign Currency risk

##### Wesleyan International Growth Fund

A substantial proportion of net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements.

#### Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net Currency assets 30 June 2018			Net Currency assets 30 June 2017		
	Monetary exposures £	Non-monetary exposures £	Total £	Monetary exposures £	Non-monetary exposures £	Total £
Canadian Dollar	45,126	-	45,126	46,457	-	46,457
Danish Krone	9,853	474,134	483,987	1,933	441,360	443,293
Euro	314,473	6,574,938	6,889,411	54,606	6,750,322	6,804,928
Japanese Yen	44,558	-	44,558	44,646	-	44,646
Sterling	(115,988)	6,870,038	6,754,050	12,423	6,540,930	6,553,353
Swedish Krona	22,453	-	22,453	24,328	-	24,328
Swiss Franc	66,434	1,001,056	1,067,490	45,561	1,158,407	1,203,968
US Dollar	492,912	13,767,074	14,259,986	45,718	12,613,809	12,659,527
<b>Total</b>	<b>879,821</b>	<b>28,687,240</b>	<b>29,567,061</b>	<b>275,672</b>	<b>27,504,828</b>	<b>27,780,500</b>

If Sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £2,281,301 (30 June 2017: £2,122,715). A ten per cent decrease would have an equal and opposite effect. These calculations assume all other variables remain constant.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## Wesleyan Low Risk/Reward Growth Fund

A proportion of net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements.

### Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net Currency assets 30 June 2018			Net Currency assets 30 June 2017		
	Monetary exposures £	Non-monetary exposures £	Total £	Monetary exposures £	Non-monetary exposures £	Total £
Euro	7,861	49,019	56,880	5,005	-	5,005
Sterling	1,105,243	16,746,969	17,852,212	567,913	11,809,665	12,377,578
US Dollar	1,704	-	1,704	2,117	-	2,117
<b>Total</b>	<b>1,114,808</b>	<b>16,795,988</b>	<b>17,910,796</b>	<b>575,035</b>	<b>11,809,665</b>	<b>12,384,700</b>

If Sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £5,858 (30 June 2017: £712). A ten per cent decrease would have an equal and opposite effect. These calculations assume all other variables remain constant.

## Wesleyan Moderate-High Risk/Reward Income Fund

A substantial proportion of net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements.

### Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net Currency assets 30 June 2018			Net Currency assets 30 June 2017		
	Monetary exposures £	Non-monetary exposures £	Total £	Monetary exposures £	Non-monetary exposures £	Total £
Danish Krone	2,972	156,579	159,551	1,256	144,924	146,180
Euro	36,922	695,996	732,918	44,496	412,774	457,270
Sterling	904,645	9,464,845	10,369,490	785,994	6,574,833	7,360,827
Swiss Franc	2,397	37,004	39,401	1,862	43,171	45,033
US Dollar	18,321	951,358	969,679	11,118	399,369	410,487
<b>Total</b>	<b>965,257</b>	<b>11,305,782</b>	<b>12,271,039</b>	<b>844,726</b>	<b>7,575,071</b>	<b>8,419,797</b>

If Sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £190,155 (30 June 2017: £105,897). A ten per cent decrease would have an equal and opposite effect. These calculations assume all other variables remain constant.

### Wesleyan Moderate Risk/Reward Growth Fund

A substantial proportion of net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements

#### Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net Currency assets 30 June 2018			Net Currency assets 30 June 2017		
	Monetary exposures £	Non-monetary exposures £	Total £	Monetary exposures £	Non-monetary exposures £	Total £
Euro	24,470	1,625,791	1,650,261	18,727	607,314	626,041
Sterling	1,716,820	20,233,341	21,950,161	1,096,205	13,494,358	14,590,563
Swiss Franc	9,067	150,202	159,269	3,443	106,554	109,997
US Dollar	4,339	1,940,635	1,944,974	15,935	983,064	998,999
<b>Total</b>	<b>1,754,696</b>	<b>23,949,969</b>	<b>25,704,665</b>	<b>1,134,310</b>	<b>15,191,290</b>	<b>16,325,600</b>

If Sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £375,450 (30 June 2017: £173,504). A ten per cent decrease would have an equal and opposite effect. These calculations assume all other variables remain constant.

### Wesleyan Risk Averse Fund

No portion of net assets of the Trust are denominated in currencies other than sterling and therefore no sensitivity analysis has been included or disclosed.

### Wesleyan UK Growth Fund

A proportion of net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements.

#### Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net Currency assets 30 June 2018			Net Currency assets 30 June 2017		
	Monetary exposures £	Non-monetary exposures £	Total £	Monetary exposures £	Non-monetary exposures £	Total £
Euro	115,382	-	115,382	165,019	-	165,019
Sterling	1,059,444	70,196,659	71,256,103	1,448,747	65,924,272	67,373,019
US Dollar	103,460	-	103,460	85,310	-	85,310
<b>Total</b>	<b>1,278,286</b>	<b>70,196,659</b>	<b>71,474,945</b>	<b>1,699,076</b>	<b>65,924,272</b>	<b>67,623,348</b>

If Sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £21,884 (30 June 2017: £25,033). A ten per cent decrease would have an equal and opposite effect. These calculations assume all other variables remain constant.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

## CONTINUED

### (ii) Market Price Risk

The Trust's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy set out in the general information page for each fund.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, Scheme Particulars and in the rules of the FCA's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

#### Price Risk Sensitivity

##### Wesleyan International Growth Fund

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £2,868,724 (30 June 2017: £2,750,483). A ten per cent decrease would have an equal and opposite effect.

##### Wesleyan Low Risk/Reward Growth Fund

A ten per cent increase in the value of the Trust's portfolio would have the effect of increasing the net assets by £1,679,599 (30 June 2017: £1,180,967). A ten per cent decrease would have an equal and opposite effect.

##### Wesleyan Moderate-High Risk/Reward Income Fund

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £1,130,578 (30 June 2017: £757,507). A ten per cent decrease would have an equal and opposite effect.

##### Wesleyan Moderate Risk/Reward Growth Fund

A ten per cent increase in the value of the Trust's portfolio would have the effect of increasing the net assets by £2,394,997 (30 June 2017: £1,519,129). A ten per cent decrease would have an equal and opposite effect.

##### Wesleyan Risk Averse Fund

All held at par in cash fund so no sensitivity analysis has been provided given the fund is not subject to market price movements.

##### Wesleyan UK Growth Fund

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £7,019,666 (30 June 2017: £6,592,427). A ten per cent decrease would have an equal and opposite effect.

**(iii) Interest rate risk**

The interest rate risk profile of the Trust's financial assets and liabilities at 30 June 2018 compared to the previous year end was:

**Wesleyan International Growth Fund**

The only significant interest-bearing assets are cash balances of £322,516 (2017: Nil), which earn interest by reference to LIBOR or its overseas equivalent.

There are no significant interest-paying liabilities (2017: Nil).

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

**Wesleyan Low Risk/Reward Growth Fund**

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
30.06.2018				
Euro	1,282	-	55,598	56,880
Sterling	1,589,996	10,811,360	5,688,529	18,089,885
US dollar	-	-	1,704	1,704
<b>Total</b>	<b>1,591,278</b>	<b>10,811,360</b>	<b>5,745,831</b>	<b>18,148,469</b>

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
30.06.2017				
Euro	426	-	4,579	5,005
Sterling	698,949	7,824,927	3,941,676	12,465,552
US dollar	-	-	2,117	2,117
<b>Total</b>	<b>699,375</b>	<b>7,824,927</b>	<b>3,948,372</b>	<b>12,472,674</b>

Currency	Financial liabilities not carrying interest £	Total £
30.06.2018		
Sterling	(237,673)	(237,673)
<b>Total</b>	<b>(237,673)</b>	<b>(237,673)</b>
30.06.2017		
Sterling	(87,974)	(87,974)
<b>Total</b>	<b>(87,974)</b>	<b>(87,974)</b>

If interest rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £159,128 (30 June 2017: £69,938). If interest rates had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £159,128 (30 June 2017: £69,938). These calculations assume all other variables remain constant.

Changes in interest rates would have no material impact to the valuation of fixed rate financial assets or liabilities as at the balance sheet date.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## (iii) Interest rate risk Continued

Currency	Fixed rate financial assets			
	Weighted average interest rate 30.06.2018	Weighted average year for which rate is fixed 30.06.2018	Weighted average interest rate 30.06.2017	Weighted average year for which rate is fixed 30.06.2017
Sterling	2.22%	12.34 years	2.09%	13.82 years

Credit breakdown*	Bid-Market value (£)	Total net assets (%)	Bid-Market value (£)	Total net assets (%)
	30.06.2018	30.06.2018	30.06.2017	30.06.2017
Investments of investment grade	10,282,413	57.40	7,378,014	59.57
Unrated bonds	1,055,990	5.91	586,138	4.74
Equities	5,457,585	30.47	3,845,513	31.05
Total value of investments	<b>16,795,988</b>	<b>93.78</b>	<b>11,809,665</b>	<b>95.36</b>

\* ratings supplied by credit agencies

## Wesleyan Moderate-High Risk/Reward Income Fund

Currency	Floating rate financial assets (£)	Fixed rate financial assets (£)	Financial assets not carrying interest (£)	Total (£)
30.06.2018				
Danish Krone	2,477	-	157,074	159,551
Euro	28,577	-	704,341	732,918
Sterling	834,053	1,976,743	7,617,424	10,428,220
Swiss franc	2,397	-	37,004	39,401
US dollar	17,699	-	951,980	969,679
Total	<b>885,203</b>	<b>1,976,743</b>	<b>9,467,823</b>	<b>12,329,769</b>
30.06.17				
Danish Krone	1,256	-	144,924	146,180
Euro	43,242	-	414,028	457,270
Sterling	787,048	1,421,159	5,199,913	7,408,120
Swiss franc	1,572	-	43,461	45,033
US dollar	10,549	-	399,938	410,487
Total	<b>843,667</b>	<b>1,421,159</b>	<b>6,202,264</b>	<b>8,467,090</b>

Currency	Financial liabilities not carrying interest £	Total £
30.06.2018		
Sterling	(58,730)	(58,730)
Total	<b>(58,730)</b>	<b>(58,730)</b>
30.06.2017		
Sterling	(47,293)	(47,293)
Total	<b>(47,293)</b>	<b>(47,293)</b>

If interest rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £88,520 (30 June 2017: £84,367). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £88,520 (30 June 2017: £84,367). These calculations assume all other variables remain constant.

Currency	Fixed rate financial assets			
	Weighted average interest rate 30.06.2018	Weighted average year for which rate is fixed 30.06.2018	Weighted average interest rate 30.06.2017	Weighted average year for which rate is fixed 30.06.2017
Sterling	<b>1.79%</b>	<b>8.08 years</b>	<b>1.39%</b>	<b>8.04 years</b>

Credit breakdown*	Bid-Market value (£)	Total net assets (%)	Bid-Market value (£)	Total net assets (%)
	30.06.2018	30.06.2018	30.06.2017	30.06.2017
Investments of investment grade	1,757,301	14.33	1,300,555	15.45
Unrated bonds	219,442	1.78	120,604	1.43
Equities	9,329,039	76.02	6,153,912	73.09
Total value of investments	<b>11,305,782</b>	<b>92.13</b>	<b>7,575,071</b>	<b>89.97</b>

\* ratings supplied by credit agencies

The only significant interest-bearing assets are cash balances of £885,203 (30 June 2017: £843,667), which earn interest by reference to LIBOR or its overseas equivalent.

There are no significant interest-paying liabilities (30 June 2017: £Nil).

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## Wesleyan Moderate Risk/Reward Growth Fund

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
30.06.2018				
Euro	13,592	-	1,636,669	1,650,261
Sterling	1,979,453	9,232,979	10,960,994	22,173,426
Swiss franc	9,067	-	150,202	159,269
US dollar	2,691	-	1,942,283	1,944,974
<b>Total</b>	<b>2,004,803</b>	<b>9,232,979</b>	<b>14,690,148</b>	<b>25,927,930</b>

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
30.06.2017				
Euro	13,235	-	612,806	626,041
Sterling	1,382,050	6,778,792	6,650,229	14,811,071
Swiss franc	2,727	-	107,270	109,997
US dollar	13,749	-	985,250	998,999
<b>Total</b>	<b>1,411,761</b>	<b>6,778,792</b>	<b>8,355,555</b>	<b>16,546,108</b>

Currency	Financial liabilities not carrying interest £	Total £
30.06.2018		
Sterling	(223,265)	(223,265)
<b>Total</b>	<b>(223,265)</b>	<b>(223,265)</b>
30.06.2017		
Sterling	(220,508)	(220,508)
<b>Total</b>	<b>(220,508)</b>	<b>(220,508)</b>

If interest rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £200,480 (30 June 2017: £141,176). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £200,480 (30 June 2017: £141,176). These calculations assume all other variables remain constant.



Currency	Fixed rate financial assets					
	Weighted average interest rate 30.06.2018	Weighted average year for which rate is fixed 30.06.2018	Weighted average interest rate 30.06.2017	Weighted average year for which rate is fixed 30.06.2017		
Sterling	2.11%	9.41 years	1.93%	9.99 years		
			Bid-Market value (£) 30.06.2018	Total net assets (%) 30.06.2018	Bid-Market value (£) 30.06.2017	Total net assets (%) 30.06.2017
<b>Credit breakdown*</b>						
Investments of investment grade			8,945,769	34.80	6,523,879	39.97
Investments of below investment grade			145,841	0.57	136,229	0.83
Unrated bonds			471,015	1.83	336,874	2.06
Equities			14,387,344	55.97	8,194,308	50.19
Total value of investments			<b>23,949,969</b>	<b>93.17</b>	<b>15,191,290</b>	<b>93.05</b>

\* ratings supplied by credit agencies

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### Wesleyan Risk Averse Fund

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
30.06.2018				
Sterling	633	2,997,293	1,705	2,999,631
Total	<b>633</b>	<b>2,997,293</b>	<b>1,705</b>	<b>2,999,631</b>

30.06.2017				
Sterling	3,585	3,447,265	2,096	3,452,946
Total	<b>3,585</b>	<b>3,447,265</b>	<b>2,096</b>	<b>3,452,946</b>

Currency	Financial liabilities not carrying interest £	Total £
30.06.2018		
Sterling	770	770
Total	<b>770</b>	<b>770</b>

30.06.2017		
Sterling	100,992	100,992
Total	<b>100,992</b>	<b>100,992</b>

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

## CONTINUED

If interest rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £63 (30 June 2017: £359). If interest rates had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £63 (30 June 2017: £359). These calculations assume all other variables remain constant.

Changes in interest rates would have no material impact to the valuation of fixed rate financial assets or liabilities as at the balance sheet date.

Currency	Fixed rate financial assets			
	Weighted average interest rate 30.06.2018	Weighted average year for which rate is fixed 30.06.2018	Weighted average interest rate 30.06.2017	Weighted average year for which rate is fixed 30.06.2017
Sterling	0.96%	44 days	0.62%	27 days

The only significant interest-bearing assets are cash balances of £633 (30 June 2017: £3,585), which earn interest by reference to LIBOR or its overseas equivalent.

### Wesleyan UK Growth Fund

The only significant interest-bearing assets are cash balances of £1,114,822 (30 June 2017: £1,712,084), which earn interest by reference to LIBOR or its overseas equivalent.

There are no significant interest-paying liabilities (2017: Nil).

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### (iv) Inflation risk

Inflation erodes the real (buying power) value of future income payments or capital repayment. Consequently, where these future payments are fixed in nominal terms, as is the case with bonds, a rise in inflation will reduce the present value of the financial instrument in question. The further in the future that the payments are to be made, the greater the negative impact will be of an increase in inflation, since the erosion of the value will accumulate over a greater number of years. Hence, fixed rate bonds with many years to maturity will be most at risk from a rise in inflation. The returns from cash deposits can vary and may even benefit from an increase in anticipated inflation if it is associated with an increase in current interest rates. As a result, cash holdings may or may not suffer from an increase in anticipated inflation.

#### (v) Liquidity risk

All of the Trust's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded.

#### (vi) Credit risk

The Trust's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager.

## 14. Portfolio Transaction Costs

### Wesleyan International Growth Fund For the year ended 30 June 2018

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
Analysis of total purchases costs							
Equity transactions	986,903	182	0.02%	797	0.08%	1	0.00%
Corporate actions	16,157	-		-		-	
<b>Total</b>	<b>1,003,060</b>	<b>182</b>		<b>797</b>		<b>1</b>	

Total purchases including commission and taxes **1,004,040**

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
Analysis of total sales costs							
Equity transactions	1,939,811	(1,372)	(0.07%)	(13)	0.00%	(253)	(0.01%)
Corporate actions	338,236	-		-		-	
<b>Total</b>	<b>2,278,047</b>	<b>(1,372)</b>		<b>(13)</b>		<b>(253)</b>	

Total sales net of commission and taxes **2,276,409**

#### Commissions and taxes as % of average Net Assets

Commissions	0.01%
Taxes	0.00%

#### For the year ended 30 June 2017

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
Analysis of total purchases costs							
Equity transactions	1,370,772	2,482	0.18%	1,494	0.11%	-	0.00%
In specie transaction*	20,174,940	-		-		-	-
Corporate actions	216,369	-		-		-	-
<b>Total</b>	<b>21,762,081</b>	<b>2,482</b>		<b>1,494</b>			

Total purchases including commission and taxes **21,766,057**

\*in-specie transfer from merger with Wesleyan International Trust Fund on 6 June 2016.

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
Analysis of total sales costs							
Equity transactions	1,213,842	(2,038)	(0.17%)	(16)	0.00%	-	0.00%
Corporate actions	431,379	-		-		-	
<b>Total</b>	<b>1,645,221</b>	<b>(2,038)</b>		<b>(16)</b>			

Total sales net of commission and taxes **1,643,167**

## Commissions and taxes as % of average Net Assets

Commissions	0.02%
Taxes	0.00%

In the case of share, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the average dealing spread was 0.25% (30 June 2017: 0.18%).

## Wesleyan Low Risk/Reward Growth Fund

For the year ended 30 June 2018

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
Analysis of total purchases costs							
Equity transactions	2,549,665	1,537	0.06%	7,916	0.31%	31	0.00%
Fixed interest transactions	7,963,559	-		-		-	
Corporate actions	12,791	-		-		-	
<b>Total</b>	<b>10,526,015</b>	<b>1,537</b>		<b>7,916</b>		<b>31</b>	

Total purchases including commission and taxes **10,535,499**

	Value	Commissions	%	Taxes	%	Expenses	%
	£	£		£		£	
Analysis of total sales costs							
Equity transactions	1,114,619	(1,048)	(0.09%)	-	0.00%	(27)	0.00%
Fixed interest transactions	4,496,959	-		-		-	
Corporate actions	85,195	-		-		-	
<b>Total</b>	<b>5,696,773</b>	<b>(1,048)</b>		<b>-</b>		<b>(27)</b>	

Total sales net of commission and taxes **5,695,698**

### Commissions and taxes as % of average Net Assets

Commissions	0.02%
Taxes	0.05%
Expense	0.00%

### For the year ended 30 June 2017

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total purchases costs</b>							
Equity transactions	4,642,907	6,298	0.14%	17,050	0.37%	267	0.01%
Fixed interest transactions	10,291,516	-		-		-	
Corporate actions	72,103	-		-		-	
<b>Total</b>	<b>15,006,526</b>	<b>6,298</b>		<b>17,050</b>		<b>267</b>	

Total purchases including commission and taxes **15,030,141**

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total sales costs</b>							
Equity transactions	1,224,770	(2,205)	(0.18%)	(83)	(0.01%)	(31)	0.00%
Fixed interest transactions	2,259,019	-		-		-	
Corporate actions	120,997	-		-		-	
<b>Total</b>	<b>3,604,786</b>	<b>(2,205)</b>		<b>(83)</b>		<b>(31)</b>	

Total sales net of commission and taxes **3,602,467**

### Commissions and taxes as % of average Net Assets

Commissions	0.10%
Taxes	0.20%
Expense	0.00%

In the case of shares, commissions and taxes are paid by the Trust on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the average dealing spread was 0.41% (30 June 2017: 0.38%).

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## Wesleyan Moderate-High Risk/Reward Income Fund

For the year ended 30 June 2018

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
<b>Analysis of total purchases costs</b>							
Equity transactions	2,901,762	3,646	0.13%	7,939	0.27%	503	0.02%
Fixed Interest Securities	696,601	-		-		-	
Corporate actions	42,631	-		-		-	
<b>Total</b>	<b>3,640,994</b>	<b>3,646</b>		<b>7,939</b>		<b>503</b>	

Total purchases including commission and taxes **3,653,082**

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
<b>Analysis of total sales costs</b>							
Equity transactions	109,822	(220)	(0.20%)	-	0.00%	(1)	0.00%
Fixed Interest Securities	98,470	-		-		-	
Corporate actions	3,377	-		-		-	
<b>Total</b>	<b>211,669</b>	<b>(220)</b>		<b>-</b>		<b>(1)</b>	

Total sales net of commission and taxes **211,448**

### Commissions and taxes as % of average Net Assets

Commissions	0.04%
Taxes	0.08%
Expense	0.00%

For the year ended 30 June 2017

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
<b>Analysis of total purchases costs</b>							
Equity transactions	5,794,844	11,291	0.19%	21,655	0.37%	77	0.00%
Fixed Interest Securities	1,513,121	-		-		-	
<b>Total</b>	<b>7,307,965</b>	<b>11,291</b>		<b>21,655</b>		<b>77</b>	

Total sales net of commission and taxes **7,340,988**

	Value	Commissions	%	Taxes	%	Other Expenses	%
	£	£		£		£	
<b>Analysis of total sales costs</b>							
Fixed Interest Securities	125,313	-	0.00%	-	0.00%	-	0.00%
Corporate actions	234,016	-		-		-	
<b>Total</b>	<b>359,329</b>	<b>-</b>		<b>-</b>		<b>-</b>	

Total sales net of commission and taxes **359,329**

#### Commissions and taxes as % of average Net Assets

Commissions	0.18%
Taxes	0.33%
Expense	0.00%

In the case of share, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the average dealing spread was 0.22% (30 June 2017: 0.14%).

#### Wesleyan Moderate Risk/Reward Growth Fund

##### For the year ended 30 June 2018

	Value	Commissions	%	Taxes	%	Expenses	%
	£	£		£		£	
<b>Analysis of total purchases costs</b>							
Equity transactions	6,443,509	6,576	0.10%	17,975	0.28%	748	0.01%
Bonds	2,861,717	-		-		-	
Corporate actions	38,593	-		-		-	
<b>Total</b>	<b>9,343,819</b>	<b>6,576</b>		<b>17,975</b>		<b>748</b>	

Total purchases including commission and taxes **9,369,118**

	Value	Commissions	%	Taxes	%	Expenses	%
	£	£		£		£	
<b>Analysis of total sales costs</b>							
Equity transactions	899,429	(878)	(0.10%)	(1)	0.00%	(9)	0.00%
Bonds	98,470	-		-		-	
Corporate actions	121,150	-		-		-	
<b>Total</b>	<b>1,119,049</b>	<b>(878)</b>		<b>(1)</b>		<b>(9)</b>	

Total sales net of commission and taxes **1,118,161**

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

## Commissions and taxes as % of average Net Assets

Commissions	0.04%
Taxes	0.08%
Expense	0.00%

## For the year ended 30 June 2017

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total purchases costs</b>							
Equity transactions	7,361,992	13,469	0.18%	25,921	0.35%	523	0.01%
Bonds	7,251,920	-		-		-	
Corporate actions	48,919	-		-		-	
<b>Total</b>	<b>14,662,831</b>	<b>13,469</b>		<b>25,921</b>		<b>523</b>	

Total purchases including commission and taxes **14,702,744**

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total sales costs</b>							
Equity transactions	47,480	(95)	(20%)	-	0.00%	(1)	0.00%
Bonds	161,625	-		-		-	
Corporate actions	179,508	-		-		-	
<b>Total</b>	<b>388,613</b>	<b>(95)</b>		<b>-</b>		<b>(1)</b>	

Total sales net of commission and taxes **388,517**

## Commissions and taxes as % of average Net Assets

Commissions	0.13%
Taxes	0.24%
Other expenses	0.01%

In the case of share, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the average dealing spread was 0.34% (30 June 2017: 0.27%).

## Wesleyan Risk Averse Fund

There were no transaction costs relating to the purchase or sales of assets during the year (30 June 2017: £Nil).



## Wesleyan UK Growth Fund

### For the year ended 30 June 2018

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total purchases costs</b>							
Equity transactions	1,714,206	1,121	0.07%	5,490	0.32%	4	0.00%
Corporate actions	9,224	-		-		-	
<b>Total</b>	<b>1,723,430</b>	<b>1,121</b>		<b>5,490</b>		<b>4</b>	

Total purchases including commission and taxes **1,730,045**

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total sales costs</b>							
Equity transactions	3,232,075	(3,025)	(0.09%)	(1)	0.00%	(10)	0.00%
Corporate actions	194,912	-		-		-	
<b>Total</b>	<b>3,426,987</b>	<b>(3,025)</b>		<b>(1)</b>		<b>(10)</b>	

Total sales net of commission and taxes **3,423,951**

### Commissions and taxes as % of average Net Assets

Commissions	0.00%
Taxes	0.01%
Expenses	0.00%

### For the year ended 30 June 2017

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total purchases costs</b>							
Equity transactions	1,137,229	2,540	0.22%	3,378	0.30%	2	0.00%
In-species transfer	730,917	-		-		-	
Corporate actions	60,333,019	-		-		-	
<b>Total</b>	<b>62,201,165</b>	<b>2,540</b>		<b>3,378</b>		<b>2</b>	

Total purchases including commission and taxes **62,207,085**

	Value £	Commissions £	%	Taxes £	%	Expenses £	%
<b>Analysis of total sales costs</b>							
Equity transactions	4,672,443	(7,946)	(0.17%)	-	-	(20)	0.00%
Corporate actions	127,969	-		-		-	
<b>Total</b>	<b>4,800,412</b>	<b>(7,946)</b>		<b>-</b>		<b>(20)</b>	

Total sales net of commission and taxes **4,792,446**

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS CONTINUED

**Commissions and taxes as % of average Net Assets**

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Commissions	0.02%
Taxes	0.00%
Expenses	0.00%

In the case of share, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the average dealing spread was 0.13% (30 June 2017: 0.14%).

## 15. Fair Value of Investments

The fair value of investments has been determined using the following hierarchy :

- Category 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Category 2 Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Category 3 Input are unobservable (i.e. for which market data is unavailable) for the asset or liability.

<b>Wesleyan International Growth Fund</b>				
<b>For the year ended 30 June 2018</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	28,687,240	-	-	28,687,240
<b>Total</b>	<b>28,687,240</b>	<b>-</b>	<b>-</b>	<b>28,687,240</b>

<b>For the year ended 30 June 2017</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	27,504,828	-	-	27,504,828
<b>Total</b>	<b>27,504,828</b>	<b>-</b>	<b>-</b>	<b>27,504,828</b>

<b>Wesleyan Low Risk/Reward Growth Fund</b>				
<b>For the year ended 30 June 2018</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	5,457,585	-	-	5,457,585
Bonds	5,084,552	6,253,851	-	11,338,403
<b>Total</b>	<b>10,542,137</b>	<b>6,253,851</b>	<b>-</b>	<b>16,795,988</b>

<b>For the year ended 30 June 2017</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	3,845,513	-	-	3,845,513
Bonds	3,544,637	4,419,515	-	7,964,152
<b>Total</b>	<b>7,390,150</b>	<b>4,419,515</b>	<b>-</b>	<b>11,809,665</b>

<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>				
<b>For the year ended 30 June 2018</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	9,329,039	-	-	9,329,039
Bonds	1,065,823	910,920	-	1,976,743
<b>Total</b>	<b>10,394,862</b>	<b>910,920</b>	<b>-</b>	<b>11,305,782</b>

# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

CONTINUED

For the year ended 30 June 2017

Category	1	2	3	Total
Investment assets	£	£	£	£
Equities	6,153,912	-	-	6,153,912
Bonds	856,138	565,021	-	1,421,159
Total	7,010,050	565,021	-	7,575,071

## Wesleyan Moderate Risk/Reward Growth Fund

For the year ended 30 June 2018

Category	1	2	3	Total
Investment assets	£	£	£	£
Equities	14,387,344	-	-	14,387,344
Bonds	3,078,026	6,484,599	-	9,562,625
Total	17,465,370	6,484,599	-	23,949,969

For the year ended 30 June 2017

Category	1	2	3	Total
Investment assets	£	£	£	£
Equities	8,194,308	-	-	8,194,308
Bonds	2,160,152	4,836,830	-	6,996,982
Total	10,354,460	4,836,830	-	15,191,290

## Wesleyan Risk Averse Fund

For the year ended 30 June 2018

Category	1	2	3	Total
Investment assets	£	£	£	£
Other investment balances	-	2,997,293	-	2,997,293
Total	-	2,997,293	-	2,997,293

For the year ended 30 June 2017

Category	1	2	3	Total
Investment assets	£	£	£	£
Other investment balances	-	3,447,265	-	3,447,265
Total	-	3,447,265	-	3,447,265

<b>Wesleyan UK Growth Fund</b>				
<b>For the year ended 30 June 2018</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	70,196,659	-	-	70,196,659
<b>Total</b>	<b>70,196,659</b>	<b>-</b>	<b>-</b>	<b>70,196,659</b>

<b>For the year ended 30 June 2017</b>				
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment assets</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equities	65,924,272	-	-	65,924,272
<b>Total</b>	<b>65,924,272</b>	<b>-</b>	<b>-</b>	<b>65,924,272</b>

## AUTHORISED FUND MANAGER'S RESPONSIBILITIES STATEMENT

The Collective Investment Schemes source book ("COLL"), as issued (and amended) by the Financial Conduct Authority (FCA) requires the Manager to prepare the annual report and financial statements for each financial year which give a true and fair view of the financial affairs of the Scheme and of its net revenue and net losses for the year.

In preparing the financial statements the Manager is required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Comply with requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014. Previously the requirements for the Statement of Recommended Practice (SORP) issued by the Investment Management Association in October 2010 had been applied as amended in June 2017.
- c) Follow generally accepted accounting principles and applicable net asset value accounting standards.
- d) Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
- e) Make judgements and estimates that are reasonable and prudent.
- f) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this Scheme will continue in operation.

The Manager is responsible for the management of the Scheme in accordance with its Trust Deed, Prospectus and COLL. The Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 30 June 2018. The Manager also confirms that applicable accounting standards have been followed.

### UCITS V Remuneration

Here at Wesleyan Group of companies, we are required to report annually on our Remuneration Governance Process as well as detailing our Remuneration Policies and Practices set as part of the Remuneration Code. This has been implemented by FCA under the Capital Requirements Directive and the Financial Service Act 2010.

The Remuneration Committee here at Wesleyan Group of companies has established a remuneration policy ensuring the UCITS Directive requirements are met for UCITS Material Risk Takers (UCITS MRTs). UCITS MRTs here at WUTM comprise of individuals in roles that significantly affect risks of WUTM or any UCITS fund that we manage. These roles have been identified in accordance with requirements set out by the UCITS Directive as well as guidance issued by the European Securities and Market Authority.

Meeting on a regular basis, our Remuneration Committee establish the Group's remuneration principles and oversee our governance. Together with the WUTM Board, WUTM remuneration strategy is also reviewed at least on an annual basis. Our Committee is comprised of three non-Executive Directors. Our Committee is also responsible for remuneration on our senior level employees with a specific review on identified Code Staff such as heads of Control Functions.

Remuneration total expenditure is determined based on a share in profit ratio. It measures fixed pay such as salary and benefits as well as variable pay such as performance against the pre-bonus profit of the Group. It is also based on a total compensation ratio that measures total remuneration expenses against net income. By doing this our employee interests are aligned with our performance. When determining our remuneration expenditure each year, the strength and sustainability of the Group is factored in alongside reports on risk, legal and compliance matters from heads of the Control Functions in question.

The remuneration data below reflects amounts paid for the year ended 30 June 2018 for WUTM.

The total remuneration paid by WUTM to its staff and those staff in its parent undertaking that undertake duties relating to WUTM was £571,971 and all relates to fixed remuneration.

The following relates to UCITS MRTs of WUTM who were employed by and provided services to other entities of Wesleyan Group of Companies for the year ended 30 June 2018. Portions of their remuneration is included in the aggregated figures below, based on apportionment of their roles attributed to WUTM or the UCITS fund that it manages. The aggregated total remuneration paid to the 38 UCITS MRTs of WUTM was £571,971, of which £427,867 was paid to senior management, £91,308 to MRTs deemed to be risk takers of WUTM or the UCITS fund that it manages and £52,796 to other UCITS MRTs.

More information on our Remuneration Policies and Practices is available at <https://www.wesleyan.co.uk/ucits>

# RESPONSIBILITIES AND REPORT OF THE TRUSTEE

## Statement of the Trustee's responsibilities in respect of the Scheme

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The Depositary in its capacity as Trustee of Wesleyan International Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- a) the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- b) the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- c) the value of units of the Trust are calculated in accordance with the Regulations;
- d) any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- e) the Trust's income is applied in accordance with the Regulations; and
- f) the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

## Report of the Trustee to the Unitholders of the Wesleyan International Trust for the year ended 30 June 2018

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Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

## HSBC Bank plc

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This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ  
October 2018

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF WESLEYAN AUTHORISED UNIT TRUST

## Report on the audit of the financial statements

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### Opinion

We have audited the financial statements of Wesleyan Unit Trust ("the Trust") comprising each of its sub-funds, for the year ended 30 June 2018 which comprise the Statement of Total Return and the Statement of Change in Net Assets Attributable to Shareholders together with the Balance Sheet for each of the Trust's funds, the accounting policies and risk profile of the Trust, the related notes for each fund and the Distribution Tables, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- ▶ give a true and fair view of the financial position of the Trust comprising each of its funds as at 30 June 2018 and of the net revenue and the net capital gains on the scheme property of the Trust comprising each of its funds for the year then ended; and
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

### Basis for opinion

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We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Conclusions relating to going concern

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In relation to the Trust, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▶ the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF WESLEYAN AUTHORISED UNIT TRUST

## Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- ▶ the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- ▶ the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- ▶ we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit

## Responsibilities of the Manager

As explained more fully in the Managers' responsibilities statement set out on page 142, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Trust's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Notes:

1. The maintenance and integrity of the Wesleyan Unit Trusts web site is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Ernst & Young LLP, Statutory Auditor, Edinburgh  
12 October 2018

# WESLEYAN

## MANAGERS AND ADVISERS

<b>Manager</b>	Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR
	<b>Directors of the Manager:</b> A. Farooq, BSc, ACMA, DIP IoD (Chairman)* C. Bridge, BSc, FCIPD, FloD, CDir (Chief Executive)** R. Vaudry, MBA M. Lawrence, BSc, ASIP
<b>Trustee</b>	HSBC Bank plc 8 Canada Square London E14 5HQ
<b>Registrar</b>	DST PO Box 9033 Chelmsford CM99 2WQ
<b>Independent Auditors</b>	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Legal Advisers</b>	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL

\*The following changes to the board of Wesleyan Unit Trust Managers came into effect on 15 March 2018: A. Farooq replaced C. Errington as Chairman to the board of Wesleyan Unit Trust Managers.

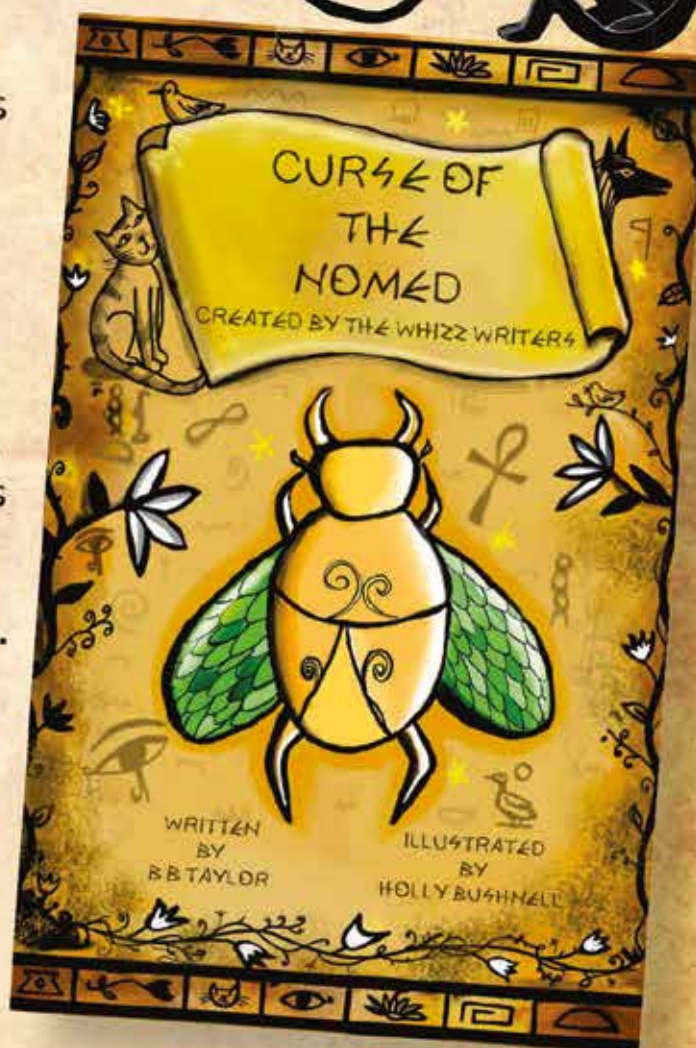
\*\*The following changes to the board of Wesleyan Unit Trust Managers came into effect on 01 September 2018: C. Bridge stepped down as Chief Executive to the board of Wesleyan Unit Trust Managers.

Wesleyan Unit Trust is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000. It is categorised as a UCITS scheme. The Manager, Trustee and Independent Auditors are authorised and regulated by the Financial Conduct Authority.

# Curse of the Nomed

In association with a number of wonderful partners, Wesleyan has published a children's adventure story book, 'Curse of the Nomed'.

All net profits from the book will be donated to Partnership for Children, a charity which promotes the mental health and emotional wellbeing of children around the world.



Visit [www.curseofthenomed.co.uk](http://www.curseofthenomed.co.uk) to find out more.

[www.partnershipforchildren.org.uk](http://www.partnershipforchildren.org.uk)

@PfChildren [www.facebook.com/PFChildren/](http://www.facebook.com/PFChildren/)

Registered charity number: 1089810

PARTNERSHIP FOR  
**Children**  
Good mental health for children - for life



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If you would like this document in Braille, large print or audio format, please contact **0345 351 2352**.

0345 351 2352  wesleyan.co.uk  social   

## Wesleyan Unit Trust Managers Limited

Administration Centre: PO Box 9033, Chelmsford CM99 2WQ. Telephone: 0330 123 3813.

Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0121 200 3003. Fax: 0121 200 2971.

Website: <http://www.wesleyan.co.uk>.

Advice is provided by Wesleyan Financial Services Limited.

`WESLEYAN' is a trading name of the Wesleyan Group of companies. Wesleyan Unit Trust Managers Limited (Registered in England and Wales No. 2114859) is authorised and regulated by the Financial Conduct Authority. Wesleyan Financial Services Limited (Registered in England and Wales No 1651212) is authorised and regulated by the Financial Conduct Authority. Wesleyan Unit Trust Managers Limited and Wesleyan Financial Services are wholly owned by Wesleyan Assurance Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Wesleyan Unit Trust Managers Limited is also a member of The Investment Association. Telephone calls may be recorded for monitoring and training purposes. Copies of the Scheme Prospectus, Key Investor Information Documents (KIIDs) and the most recent Annual Report and Half-Yearly Report on authorised funds are available free of charge from the Administration Centre.