

WESLEYAN GROWTH TRUST

MANAGER'S HALF-YEAR
SHORT REPORT 2015

Manager's Report
February 2016

MANAGER'S REPORT

Trust Review

This is the half-year report of the Wesleyan Growth Trust covering the six months to 31 December 2015. Over the period the offer price of units in Series 1 decreased by 4.2% to 357.05p.

After adjusting for the half-yearly distribution, which is retained within the Trust to enhance the unit price, the underlying decrease was 5.1%. For comparison purposes the two key benchmarks, the FTSE 100 and FTSE All-Share indices, fell by 4.3% and 3.5% respectively. Although any decline in value is clearly disappointing, it is important to remember that markets have recovered strongly in recent years with the unit price more than doubling since 2009.

Unitholders should also be reassured that the long-term performance of the Trust remains encouraging and there continues to be stability in the investment management team.

Full performance details are given on page 4 of the report, including information relating to Series 2 units which were launched in January 2013.

The six-month period to 31 December 2015 proved to be a volatile period not only for UK shares, but also their global peers. Renewed concerns about the economic growth prospects of China manifested itself in steep declines in the prices of many commodities. This, in turn, led to the falls in mining and oil & gas stocks that comprise a meaningful proportion of the UK stockmarket.

The steadily improving UK economy was often overlooked by stockmarkets during the six-month period. Gross domestic product (GDP) growth remained resilient and inflation was muted by lower fuel and food prices. Unemployment also continued to fall in the UK and, encouragingly for consumers, average wage increases have exceeded inflation. Although the US Federal Reserve chose to raise interest rates in December, the Bank of England's Monetary Policy Committee voted to keep borrowing costs at historically low levels.

During the period the Trust exited positions in Carnival and QinetiQ after good performance. Purchases were made in Anglo American, HSBC Holdings, Tate & Lyle, and Thomas Cook Group amongst others.

MANAGER'S REPORT (CONTINUED)

Trust Outlook

The growth concerns harboured by global markets in late-2015 have, unfortunately, spilled into 2016. Oil prices have fallen to levels not seen since 2003 as markets contend with excess supply and weakening demand. Resources companies have reacted by cutting costs aggressively and, as evidenced by Royal Dutch Shell's takeover of BG, actively sought synergies through acquisitions. Negatively trending economic indicators from China are currently at the forefront of investors' minds but it is important to remember that markets often have to contend with varying degrees of uncertainty. The UK, for example, is likely to face additional uncertainty from the forthcoming referendum on membership of the European Union (EU). However, periods of volatility often provide valuable opportunities to purchase stocks that we believe are likely to provide long-term capital appreciation for unitholders.

With interest rates likely to remain at historically low levels for some time to come - we remain of the opinion that UK equities are relatively attractive versus many low-yielding asset classes such as bonds and cash.

A handwritten signature in black ink, appearing to read 'C. C. Ward', is written over a light grey rectangular background.

Clive C. Ward, BSc, FIA

Chief Executive

Wesleyan Unit Trust Managers Limited

15 February 2016

Trust and benchmark performance

	11/12/1995	30/06/2015	31/12/2015	Change	
				Last 6 months	Since launch
Unit Offer Price (Series 1)	102.14p	372.64p	357.05p	-4.18%	249.57%
– adjusted for distribution	–	–	–	-5.10%	137.38%
FTSE 100 Index	3,652.10	6,520.98	6,242.32	-4.27%	70.92%
FTSE Actuaries All-Share Index	1,781.53	3,570.58	3,444.26	-3.54%	93.33%

	03/01/2013	30/06/2015	31/12/2015	Change	
				Last 6 months	Since launch
Unit Offer Price (Series 2*)	282.92p	363.10p	347.49p	-4.30%	22.82%
– adjusted for distribution	–	–	–	-5.04%	20.71%
FTSE 100 Index	6,047.34	6,520.98	6,242.32	-4.27%	3.22%
FTSE Actuaries All-Share Index	3,170.26	3,570.58	3,444.26	-3.54%	8.64%

*Series 2 units were launched on 2 January 2013 with the first valuation taking place on 3 January 2013. Prior to this date only Series 1 units were in issue.

Performance record

Date	Series 1		Series 2*	
	Net Asset Value per unit (pence)	Change over period	Net Asset Value per unit (pence)	Change over period
30/06/2011	255.94	23.62%	–	–
30/06/2012	247.71	-3.22%	–	–
30/06/2013	301.80	21.84%	294.90	9.51%
30/06/2014	341.82	13.26%	333.14	12.97%
30/06/2015	355.69	4.06%	346.50	4.01%
31/12/2015	340.44	-4.29%	330.51	-4.61%

*Series 2 units were launched on 2 January 2013. Prior to this date only Series 1 units were in issue.

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.

Trust facts

Interim/Annual accounting dates	Payment dates
31 December	29 February
30 June	31 August

Ongoing Charge Figure*% as at 31/12/2015		Ongoing Charge Figure % as at 30/06/2015	
Series 1 units	1.42%	Series 1 units	1.42%
Series 2 units**	1.67%	Series 2 units**	1.67%

* Annualised

**Series 2 units were launched on 2 January 2013, prior to this date only Series 1 units were in issue.

The Ongoing Charge Figure takes into account the Manager's fee and any fixed expenses expressed as a percentage of the average daily net asset values over the period.

The Ongoing Charge Figure includes the cost of the Ongoing Advice Service (OAS) that Wesleyan Financial Services provide. This charge is included when we set the unit price for this fund. For customers who opt out of the OAS, 0.5% is effectively refunded by crediting the equivalent units to your account.

Accumulation summary

Unit type	Total Distribution (pence) for the period to 31/12/2015	Total Distribution (pence) for the period to 31/12/2014
Accumulation Series 1	3.4078	2.9430
Accumulation Series 2**	2.6743	2.1142

**Series 2 units were launched on 2 January 2013. Prior to this date only Series 1 units were in issue.

Total purchases for the year ended 31 December 2015, including transaction charges, are £2,194,191 (31 December 2014: £2,193,584).

Total sales proceeds for the year ended 31 December 2015, net of transaction charges, are £344,991 (31 December 2014: £ 1,165,770).

Investment objective and policy

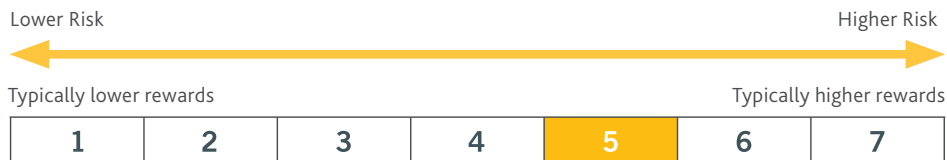
The investment objective of Wesleyan Growth Trust is to produce capital appreciation and an increasing income from the active management of a diversified portfolio of securities. Under normal circumstances the emphasis will be on equity shares. However, the Manager reserves the right to invest a portion of the Trust in bonds, other fixed interest securities and convertibles should such investment be deemed advantageous in view of prevailing market conditions, taxation arrangements, and Individual Savings Account (ISA) regulations. The Manager also retains the freedom to hedge any currency risk in the Trust when considered appropriate. Capital growth will be sought through various sectors and companies believed to have good growth prospects. The Manager intends that the Trust will, at all times, be a qualifying investment for Individual Savings Accounts (ISAs).

Risk profile

The main risks faced by Wesleyan Growth Trust arising from financial instruments, are:

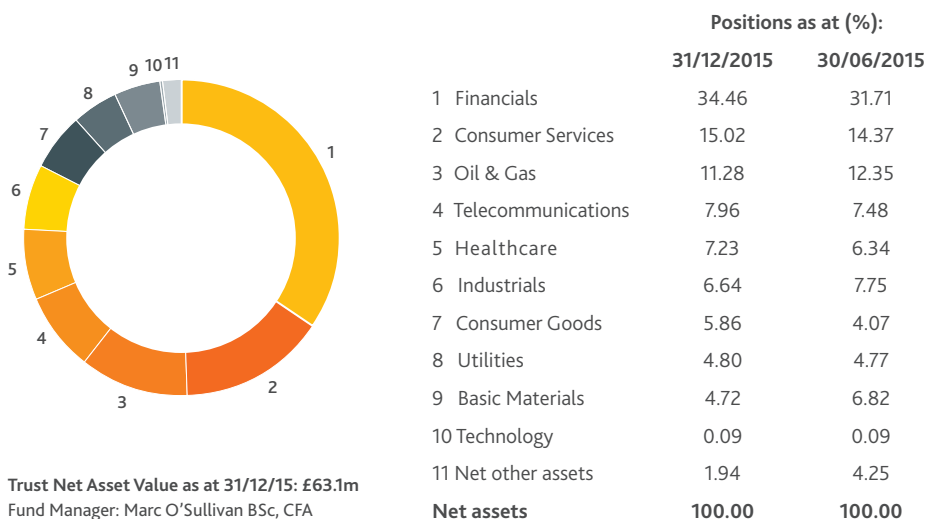
- ▶ market price risk, being the risk that the value of holdings will fluctuate because of changes in market prices caused by factors other than interest rates or currency movements;
- ▶ foreign currency risk, being the risk that changes in currency rates may cause the value of an investment to fall;
- ▶ interest rate risk, being the risk that interest rates could fall and growth is lower than expected;
- ▶ inflation risk, being the risk that inflation could reduce the value of your investment; and
- ▶ investment in derivatives carries the risk of loss and/or increased volatility in adverse conditions.

Risk and reward profile



- ▶ The risk category is based on the rate the fund's value has moved up and down in the past. 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 Union 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).
- ▶ The Wesleyan Growth Trust has historically been invested in Equities.

Portfolio of investments



Major holdings

The top 10 holdings at the end of the current period and at the end of the previous are shown below.

Holding	% of Trust as at 31/12/2015	Holding	% of Trust as at 30/06/2015
BT Group	4.91	BP	4.63
HSBC Holdings (London listed)**	4.58	BT Group	4.52
Prudential	4.27	HSBC Holdings (London listed)**	4.24
BP	4.07	Royal Dutch Shell 'B'	4.16
Royal Dutch Shell 'B'	3.69	Prudential	4.10
BG Group	3.45	BG Group	3.56
AstraZeneca	3.29	GlaxoSmithKline	2.93
GlaxoSmithKline	3.17	AstraZeneca	2.75
Unilever	2.73	Vodafone Group	2.56
Vodafone Group	2.56	Unilever	2.45

**A related party to the Trust.

Other information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the trust during the period it covers and the results of those activities at the end of the period.

Report and Accounts

Copies of the annual and half-yearly long-form report and accounts of this trust are available free of charge on request to the Manager, by calling 0345 351 2352 or via our website www.wesleyan.co.uk.

Manager and Advisers

Manager:	Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR
Directors:	C.W. Errington, C Dir, FloD (Chairman) C. Bridge, BSc, FCIPD, FloD, CDir C.C. Ward, BSc, FIA (Chief Executive) S.J.Porter, Dip IoD (Resigned 31 July 2015)
Trustee:	HSBC Bank plc 8 Canada Square London E14 5HQ
Registrar:	International Financial Data Services Limited PO Box 9033 Chelmsford CM99 2WQ
Independent Auditors:	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Legal Advisers to the Manager:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL

Wesleyan Growth 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.

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

Wesleyan Unit Trust Managers Limited

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Advice is provided by Wesleyan Financial Services Limited.

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WI-REP-10-02/16

