

WESLEYAN INTERNATIONAL TRUST

MANAGER'S HALF-YEAR SHORT
REPORT 2015

*Manager's Report
November 2015*

MANAGER'S REPORT

Trust Review

After a strong start to 2015 global stockmarkets fell sharply during the six months to the end of September as increasing concerns emerged about the worldwide implications of slowing economic growth in China. This weakness resulted in falls in the offer prices of units in the Wesleyan International Trust of around 14%, although at the time of writing there has been a useful recovery from end of September levels. Even though the Trust benefitted from a number of bid situations such as BG, Precision Castparts and SABMiller, some of the more economically sensitive sectors such as basic materials, oils and industrials fell quite heavily. Full distribution and performance details, including a comparison against the key benchmark, are given on pages 4 and 5 of this report.

In September the Federal Reserve did not raise U.S. interest rates, as had originally been expected in the weeks running up to the meeting, which triggered concerns that economic growth may have weakened, confirmed later by a weak U.S. jobs report for September. Rate increase expectations were, once again, pushed further back. Compounding the weakness concerns, China again cut interest rates at the end of October and the European Central Bank gave strong hints that further monetary stimulus, via extended Quantitative Easing, would be provided in Europe in December. This demonstrated that major central banks remain committed to supporting economic growth.

During the period under review we reduced our positions in consumer-related holdings that had performed well, including L'Oreal, Mondelez International, Philip Morris and Home Depot. The Trust increased its exposure to banks and chemicals companies, through purchases in Unicredit, Bank of America and Akzo Nobel following share price weakness during the summer.

MANAGER'S REPORT (CONTINUED)

Outlook

Markets have recovered since the end of September, with the offer price of units in the International Trust retracing more than half of the falls suffered over the previous six months.

Further volatility can be expected as markets remain sensitive to economic news, particularly Chinese growth. Additionally, interest rate rises will once again feature on the agenda for central banks in regions such as the U.S. and U.K. We view modest interest rate rises as a necessary part of a gradual return to more normalised monetary policy conditions and investment markets. There is also the potential for uncertainty due to the forthcoming 2016 Presidential elections in the U.S.

Our investment approach remains unchanged and we stand ready to take advantage of any short-term weakness in markets to invest, at attractive prices, for the longer-term. We continue to believe that equity valuations are favourable compared to the low yields available on other asset classes.

A handwritten signature in black ink, appearing to read 'C. C. Ward', with a long, sweeping underline that extends to the right.

Clive C. Ward, BSc, FIA

Chief Executive

Wesleyan Unit Trust Managers Limited

18 November 2015

Trust and benchmark performance

	24/07/2000	31/03/2015	30/09/2015	Change	
				Last 6 months	Since launch
Unit Offer Price (Series 1)	104.39p	163.13p	140.17p	-14.07%	34.28%
– adjusted for distribution	–	–	–	-14.49%	24.03%
FTSE All-World Index (\$)	206.00	280.05	251.94	-10.04%	22.30%
– £ adjusted	–	–	–	-11.79%	22.54%

	03/01/2013	31/03/2015	30/09/2015	Change	
				Last 6 months	Since launch
Unit Offer Price (Series 2*)	122.40p	160.16p	137.44p	-14.19%	12.29%
– adjusted for distribution	–	–	–	-14.43%	11.66%
FTSE All-World Index (\$)	228.48	280.05	251.94	-10.04%	10.27%
– £ adjusted	–	–	–	-11.79%	17.82%

*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
31/03/2011	118.62	5.38%	–	–
31/03/2012	113.83	-4.04%	–	–
31/03/2013	129.88	14.10%	127.89	9.59%**
31/03/2014	139.07	7.08%	136.64	6.84%
31/03/2015	155.98	12.16%	152.91	11.91%
30/09/2015	133.87	-14.17%	131.02	-14.32%

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

**As Series 2 units had not been in issue for a full year, the figure shown represents the change in value from the date of launch up to 31 March 2013.

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
30 September	30 November
31 March	31 May

Total purchases for the period ended 30 September 2015, including transaction charges, were £1,869,816 (30 September 2014: £1,407,822).

Total sales proceeds for the period ended 30 September 2015, net of transaction charges, were £1,542,651 (30 September 2014: £1,185,126).

Ongoing Charge Figure*% as at 30/09/2015		Ongoing Charge Figure*% as at 31/03/2015	
Series 1 units	1.79%	Series 1 units	1.85%
Series 2 units**	2.04%	Series 2 units**	2.09%

*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 (p) for the period to 30/09/2015	Total Distribution (p) for the period to 30/09/2014
Accumulation Series 1	0.6751	0.5141
Accumulation Series 2**	0.3905	0.2066

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

Investment objective and policy

The aim of the Manager is to maximise long-term capital appreciation from the active management of a diversified global 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 International Trust and which arise from financial instruments are:

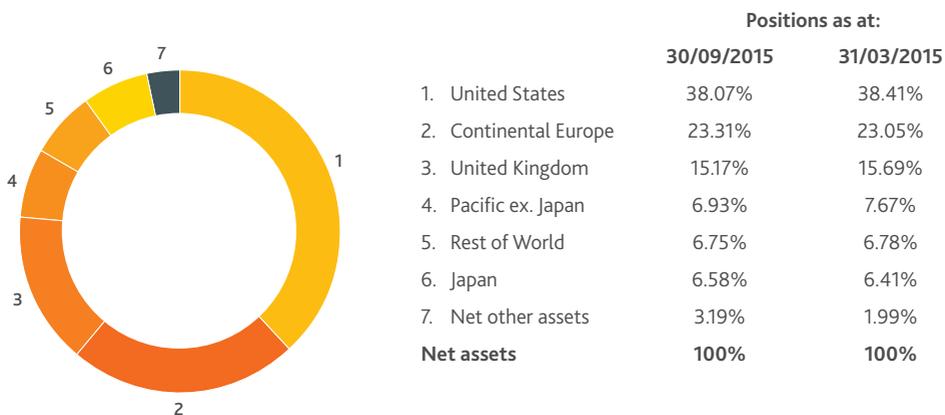
- ▶ market price risk, being the risk that the value of holdings will fluctuate as a result of changes in market prices caused by factors other than interest rates or currency movements;
- ▶ foreign currency risk, being the risk that changes in currency rates may cause the value of an investment to fall;
- ▶ 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 International Trust has historically been invested in Equities.
- ▶ The risk category was 6 and has changed to 5 with effect from May 2014

Portfolio of investments



Trust Net Asset Value as at 30/09/2015: £18.6m
 Fund Manager: Martin Lawrence, BSc, ASIP

Major holdings

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

Holding	% of Trust as at 30/09/2015	Holding	% of Trust as at 31/03/2015
Schroder Asia Pacific Investment Trust	2.37	Schroder Asia Pacific Investment Trust	2.53
JP Morgan Fleming Japanese Investment Trust	2.27	Templeton Emerging Markets Investment Trust	2.45
Templeton Emerging Markets Investment Trust	1.98	JP Morgan Fleming Japanese Investment Trust	2.24
JP Morgan Fleming Asian Investment Trust	1.87	JP Morgan Fleming Asian Investment Trust	2.03
Schroder Japan Growth Investment Trust	1.87	Pacific Horizon Investment Trust	1.98
LVMH Moet Hennessy	1.80	Schroder Japan Growth Investment Trust	1.84
BG Group	1.79	Rio Tinto	1.80
Microsoft	1.69	Exxon Mobil	1.77
Exxon Mobil	1.68	Procter & Gamble	1.70
UniCredit	1.65	LVMH Moet Hennessy	1.68

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 International Trust is an authorised unit trust 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, large print or audio format, please contact 0345 351 2352.

Wesleyan Unit Trust Managers Limited

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Advice is provided by Wesleyan Financial Services Ltd.

'WESLEYAN' is a trading name of the Wesleyan Group of companies. Wesleyan Unit Trust Managers Ltd (Registered in England and Wales No. 2114859) is authorised and regulated by the Financial Conduct Authority. Wesleyan Financial Services Ltd (Registered in England and Wales No 1651212) is authorised and regulated by the Financial Conduct Authority. Wesleyan Unit Trust Managers Ltd 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 Ltd 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.

WI-REP-1-11/15

