

WESLEYAN CASH FUND

FINAL SHORT REPORT FOR THE
YEAR ENDED 30 JUNE 2016

*Manager's Report
August 2016*

WESLEYAN

we are all about you

MANAGER'S REPORT

Fund Review

It should be noted that the Wesleyan Cash Fund merged into the Wesleyan Risk Averse Fund on 3 June 2016. Future unit holder reports will reflect this merger and unit holders who previously held units in the Wesleyan Cash Fund are now unit holders of the Wesleyan Risk Averse Fund.

The price of units in the Wesleyan Cash Fund increased by 0.31% during the period to 3 June 2016. Although modest in absolute terms, this compares favourably to the IA Short Term Money Market sector average return of 0.14%*. Wesleyan Cash Fund units held since the Fund launch date have seen an increase in value of 49.19%, which also compares well with the increase of 41.71% for the sector average*. 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.

The period under review marked the passing of the seven-year anniversary of the Bank of England's Monetary Policy Committee (MPC) key interest rate being held at the historically low level of 0.5%. The cumulative level of asset purchases (quantitative easing), used to help stimulate economic growth, was also maintained at £375bn throughout the period.

The UK economy performed robustly during the period with the annual growth rate of GDP (gross domestic product) estimated at 2.2% at the halfway point of 2016. Inflation, as measured by the annual change in the Consumer Price Index (CPI), was muted during the review period, with the annual rate for June calculated at 0.5%. The usual combination of lower food prices and declining fuel costs, caused by concerns with oversupply, resulted in downward pressure on inflation. This, in turn, led to a drop in the expected path of future interest rates.

Fund Outlook

The result of the UK "Brexit" referendum has undoubtedly changed the short-term outlook for the UK economy. The resulting uncertainty has led to more modest expectations for the growth rate of the UK economy over the next few years and the rapid depreciation of sterling, versus the currencies of our major trading partners, has reset inflation expectations higher.

Despite the very real possibility of the UK importing price inflation it seems that the MPC, having recently cut the UK bank rate to 0.25%, may even consider additional stimulatory measures in the near-term. Unfortunately for cash savers, this may result in further downward pressure on interest rates.



Clive Bridge, BSc, FCIPD, FIoD, CDir

Chief Executive

Wesleyan Unit Trust Managers Limited

15 August 2016

Fund and benchmark performance

	01/03/1999	30/06/2015	03/06/2016	Change	
				30/06/2015 - 03/06/2016	Since Launch
Cash Fund Unit Price	100.00p	148.73p	149.19p	0.31%	49.19%
IA Short Term Money Market Average*	-	-	-	0.14%	41.71%

*Source: Financial Express

Comparative table

	Series 1 units		
	2016 pence per unit	2015 pence per unit	2014 pence per unit
Change in net assets per unit			
Opening net asset value per unit	148.73	148.27	147.82
Return before operating charges*	(148.73)	0.46	0.45
Operating charges	-	-	-
Return after operating charges*	(148.73)	0.46	0.45
Closing net asset value per unit	-	148.73	148.27
Retained distributions on accumulation units	0.45	0.47	0.45
*after direct transactions costs ¹ of:	-	-	-
Performance			
Return after charges	(100.00%)	0.31%	0.30%
Other information			
Closing net asset value (£)	-	3,539,762	3,647,430
Closing number of units	-	2,380,000	2,460,000
Operating charges	-	-	-
Direct transaction costs	-	-	-
Prices			
Highest unit price	149.19	148.73	148.27
Lowest unit price	148.74	148.28	147.82

¹ 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 investment.

Fund facts

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

Ongoing Charge Figure*% for the period ended 03/06/2016	Ongoing Charge Figure*% for the year ended 30/06/2015
Nil	Nil

*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.

Accumulation summary

Unit type	Total Distribution (pence) for the period to 03/06/2016	Total Distribution (pence) for the year to 30/06/2015
Accumulation	0.4556	0.4650

Investment objective and policy

The aim of the Manager is to provide an attractive yield compatible with a high level of security, principally through investments in the UK in short-term deposits and money market instruments and also, at the Manager’s discretion, in fixed interest securities. It is intended that the Fund will at all times be a qualifying investment for Individual Savings Accounts (ISAs).

Risk profile

The main risks faced by Wesleyan Cash Fund arise from:

- ▶ 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 Cash Fund has historically invested in certificates of deposit.

Portfolio of investments

There are no investments held at 30 June 2016.

Investment	Value £	Percentage of total net assets %
Cash Deposits (100.03%)		
Total Cash Deposits	-	-
Portfolio of investments	-	-
Net other liabilities (-0.03%)	-	-
Net assets	-	-

30 June 2015 comparatives in brackets

Major holdings

The major holdings at the end of the previous year are shown below.

Holding	% of Trust as at 30/06/2015
Royal Bank of Scotland 0.40% 27/7/15	18.50
Skipton Building Society 0.40% 6/7/15	18.16
Coventry Building Society 0.40% 13/7/15	17.19
Nationwide Building Society 0.43% 27/7/15	15.89
Lloyds Banking Group 0.40% 13/7/15	15.88
Clydesdale Bank 0.40% 13/7/15	14.41

Other information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the Fund 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 Fund 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 (Chief Executive)* C.C. Ward, BSc, FIA* M. Lawrence, BSc, ASIP* 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

*The following changes to the board of Wesleyan Unit Trust Managers came into effect on 21 April 2016: C. Bridge appointed as Chief Executive. C. Ward stepped down as Chief Executive and became Director. M. Lawrence appointed to the board of Wesleyan Unit Trust Managers as Director.

Wesleyan Cash Fund 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, large print or audio format, please contact 0345 351 2352.

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: www.wesleyan.co.uk.

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WI-REP-12-08/16

