

WESLEYAN GROWTH TRUST

FINAL SHORT REPORT FOR THE YEAR
ENDED 30 JUNE 2016

*Manager's Report
August 2016*

MANAGER'S REPORT

Trust Review

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

This is the final report of the Wesleyan Growth Trust covering the period to 3 June 2016. Over the period the offer price of units in Series 1 decreased by 4.5% to 356.00p. After adjusting for the latest distribution, which is retained within the Trust to enhance the unit price, the underlying decrease was 6.7%. For comparison purposes the two key benchmarks, the FTSE 100 and FTSE All-Share indices, fell by 4.8% and 4.3% respectively. Unitholders should note that the long-term performance of the Trust remains encouraging. 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 period from 1 July 2015 to 3 June 2016 proved to be a volatile one for both the global and UK stockmarkets. Lingering concerns about the outlook for the Chinese economy and the tepid growth rates of most eurozone countries led to steep declines in the prices of a number of commodities. This affected the share price performance of many mining firms. As commodity prices declined – so too did global inflation expectations. With inflation beginning to moderate, the outlook for modest interest rate increases in the UK began to diminish, which created headwinds for the profitability of many major banks and insurance companies.

UK gross domestic product (GDP) growth remained resilient during the period with the annual growth rate of the economy estimated at a respectable 2.2%. As the period drew to a close the impending UK referendum on its EU membership began to dominate global headlines, creating additional uncertainty for international markets to contend with.

During the period the Trust made purchases, amongst others, in AstraZeneca, Halfords, Hays, ITV, Mitchells & Butler and Tate & Lyle. Sales were made in 3i Group, after excellent performance, as well as exiting a position in US-listed Verizon Communications after strong performance of the shares which were received as part of a transaction with Vodafone.

Trust Outlook

The result of the UK "Brexit" referendum created heightened uncertainty for the UK stock market. In the immediate aftermath – sterling depreciated against the currencies of many of its major trading partners. This led to a boost in the share prices of many multinational companies who, although form part of the UK stockmarket, are much less dependent on the UK economy. Shares in many smaller UK-focussed companies were adversely impacted by the referendum decision as investors tapered their expectations of short-term economic growth. To counteract this – UK policymakers seem set to provide additional fiscal and monetary policy support to the economy until they become more confident in the outlook. The UK seems likely to encounter further periods of volatility but these can often provide valuable opportunities to purchase stocks that we believe are likely to provide long-term capital appreciation for unitholders.

With interest rates set to remain at historically low levels for some time to come – we continue to believe that UK equities are relatively attractive versus low-yielding asset classes such as bonds and cash.



Clive Bridge, BSc, FCIPD, FloD, CDir

Chief Executive

Wesleyan Unit Trust Managers Limited

15 August 2016

Trust and benchmark performance

	11/12/1995	30/06/2015	03/06/2016	Change	
				30/06/2015 - 03/06/2016	Since launch
Unit Offer Price (Series 1)	102.14p	372.64p	356.00p	-4.47%	248.54%
– adjusted for distribution	–	–	–	-6.69%	133.41%
FTSE 100 Index	3,652.10	6,520.98	6,209.63	-4.77%	70.03%
FTSE Actuaries All-Share Index	1,782.04	3,570.58	3,416.10	-4.33%	91.70%

	03/01/2013	30/06/2015	03/06/2016	Change	
				30/06/2015 - 03/06/2016	Since launch
Unit Offer Price (Series 2*)	282.92p	363.10p	346.11p	-4.68%	22.33%
– adjusted for distribution	–	–	–	-6.57%	18.76%
FTSE 100 Index	6,047.34	6,520.98	6,209.63	-4.77%	2.68%
FTSE Actuaries All-Share Index	3,170.26	3,570.58	3,416.10	-4.33%	7.75%

*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.

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	355.69	341.82	301.80
Return before operating charges*	(351.18)	18.87	44.80
Operating charges	(4.51)	(5.00)	(4.78)
Return after operating charges*	(355.69)	13.87	40.02
Closing net asset value per unit	-	355.69	341.82
Retained distributions on accumulation units	8.33	7.41	6.61
*after direct transactions costs ¹ of:	0.12	0.11	0.14
Performance			
Return after charges	(100.00%)	4.06%	13.26%
Other information			
Closing net asset value (£)	-	62,477,444	63,654,684
Closing number of units	-	17,565,000	18,622,497
Operating charges**	1.43%	1.42%	1.42%
Direct transaction costs	0.04%	0.03%	0.04%
Prices			
Highest unit price	383.20p	397.19p	368.79p
Lowest unit price	298.32p	311.02p	300.45p

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

**Operating charges figure is as at 03/06/2016 due to the share class closing on this date.

Comparative table

	Series 2 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	346.50	333.14	294.90
Return before operating charges*	(341.36)	19.14	43.86
Operating charges	(5.14)	(5.78)	(5.62)
Return after operating charges*	(346.50)	13.36	38.24
Closing net asset value per unit	-	346.50	333.14
Retained distributions on accumulation units	6.92	5.59	4.50
*after direct transactions costs ¹ of:	0.12	0.11	0.14
Performance			
Return after charges	(100.00%)	4.01%	12.97%
Other information			
Closing net asset value (£)	-	3,811,536	1,915,539
Closing number of units	-	1,100,000	575,000
Operating charges**	1.68%	1.67%	1.68%
Direct transaction costs	0.04%	0.03%	0.04%
Prices			
Highest unit price	373.35p	387.14p	360.29p
Lowest unit price	290.16p	303.52p	294.16p

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

**Operating charges figure is as at 03/06/2016 due to the share class closing on this date.

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 03/06/2016		Ongoing Charge Figure*% as at 30/06/2015	
Series 1 units	1.43%	Series 1 units	1.42%
Series 2 units**	1.68%	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 03/06/2016	Total Distribution (pence) for the year to 30/06/2015
Accumulation Series 1	8.3298	7.4063
Accumulation Series 2**	6.9154	5.5937

**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 investment objective of the Manager 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).

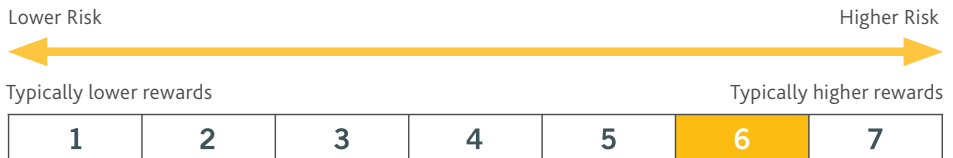
Risk profile

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

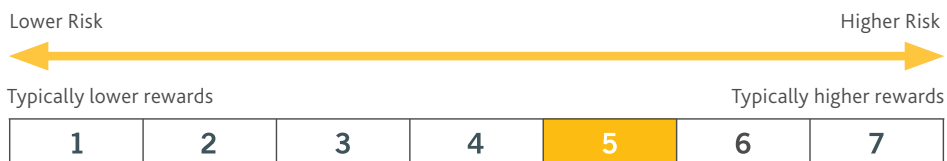
- ▶ market price risk, being the risk that the value of holdings will fluctuate because of changes in market prices caused by factors other than interest rates or currency movements;
- ▶ foreign currency risk, being the risk that changes in currency rates may cause the value of an investment to fall;
- ▶ 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

Growth Trust Series 1



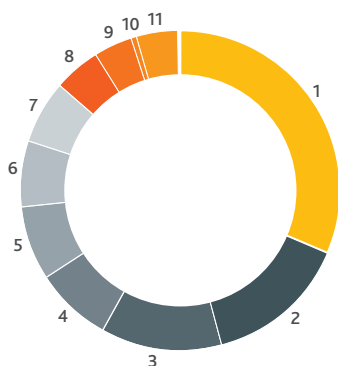
Growth Trust Series 2



- ▶ 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 risk category for Growth Trust Series 1 was 5 and has changed to 6 with effect from 19 February 2016.
- ▶ The Wesleyan Growth Trust has historically been invested in Equities.

Portfolio of investments

There are no investments held at 30 June 2016. Portfolio of investments as at 30 June 2015 were as follows.



Trust Net Asset Value as at 30/06/2016:
£nil (30/06/2015: £66.29m)

Fund Manager: Marc O'Sullivan, BSc, CFA

30/06/2015

1. Financials	31.71
2. Consumer Services	14.37
3. Oil & Gas	12.35
4. Industrials	7.75
5. Telecommunications	7.48
6. Basic Materials	6.82
7. Healthcare	6.34
8. Utilities	4.77
9. Consumer Goods	4.07
10. Technology	0.09
11. Net other assets	4.25

Major holdings

There are no investments held at 30 June 2016. The top 10 holdings at the end of the previous year are shown below.

Holding	% of Trust as at 30/06/2015
BP	4.63
BT Group	4.52
HSBC Holdings (London listed)**	4.24
Royal Dutch Shell 'B'	4.16
Prudential	4.10
BG Group	3.56
GlaxoSmithKline	2.93
AstraZeneca	2.75
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 (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 Growth 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

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.

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.

WI-REP-11-08/16

