

Wesleyan Quarterly Review

Q1 23

With Profits Growth Fund

April 23

Market View

A summary update on Q1 2023 from our in-house Investments Team

- ▶ Stock markets got off to a strong start in January, with factors such as China's re-opening helping to boost confidence. Many investors believed that inflation rates had peaked, leading to optimism that an end to central bank interest rate rises was on the horizon. This helped to push equities and bonds upwards.
- ▶ February saw a slight dip in optimism, following key central bank moves. The Bank of England, the Federal Reserve in the US, and European Central Bank (ECB) all chose to raise their interest rates once again, as part of their long-running battles against inflation.
- ▶ March saw the collapse of Silicon Valley Bank and Signature Bank in the US, which pushed investment markets into a downward spiral. Fears of contagion, and a potential repeat of 2008's Global Financial Crisis, led to a very bumpy ride for most assets, with equities, and particularly bank stocks, suffering noticeable short-term losses. Investors' fears were exacerbated when Credit Suisse – one of the world's largest financial institutions – required rescuing by rival powerhouse UBS, in a deal supported by the Swiss government.
- ▶ Despite this mixed backdrop, most major asset classes saw small, positive gains in Q1, which helped our With Profits Fund's performance.

INVESTMENT TEAM OF THE YEAR

Our Investments team aim to outperform the markets over time to achieve strong returns to help members and customers reach their long-term financial goals.

In recognition of their work, they were named "Investment Team of the Year - Re/insurer" at the Insurance Asset Risk Awards 2023, which recognises firms across the UK and Europe. It's the second time our team has won this award.



- ▶ Wages and pay rises have remained at high levels. This matters because wages in the 'private sector' act as a barometer of inflation pressure and persistence. If inflation stays high or starts to rise, central banks may have little option but to continue down the path of raising interest rates.
- ▶ Recessions appear to be less likely in the US, Eurozone and the UK than they were just a few months ago, but the risk remains. According to data from the Office for National Statistics, the UK economy did not contract in Q4 2022, meaning it managed to avoid a technical recession, but the Bank of England still expects this eventuality on home soil later this year.
- ▶ Our Investments team believes that any recessions in the UK and abroad should be less severe than previously thought, but they also anticipate a rise in unemployment rates in key markets. Coupled with banks reining in lending, this could put more strain on economies.
- ▶ As valuations become more favourable and suitable opportunities arise, our team will continue to push into overseas markets.

Wesleyan's Annual Results

2022 Annual Results Summary

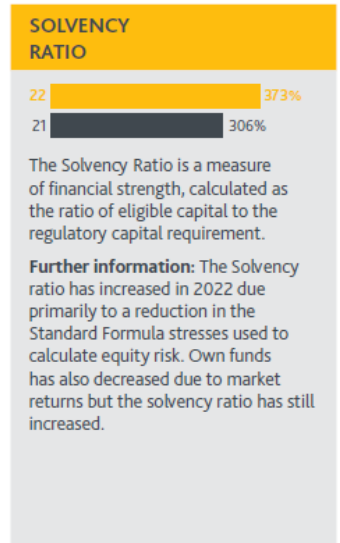
Despite the economic uncertainty of 2022, the Wesleyan Group demonstrated growth on the previous year with an increase in operating profit to £7.2m. It also recorded positive net inflows, the excess of premiums over claims, with Group premium income at a record high of £540m. Further progress was made against Wesleyan's strategic plans to enhance the sustainability of its business.

The Group demonstrated its commitment to mutuality and its specialist customer base by investing almost £5m (2021: £3.8m) in programmes designed to benefit members. This included £1m in donations through its charitable Foundation, supporting good causes linked to its professional customers and local communities.



“ Our performance in 2022 proved our business model is resilient in the face of volatile economic and geopolitical conditions. ”

GILLIAN CASS
CHIEF FINANCIAL OFFICER



* Group operating profit/loss represents profit before investment fluctuations and other accounting and tax adjustments.

Fund Performance

Performance: 12 Months Vs 40 to 85%

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling

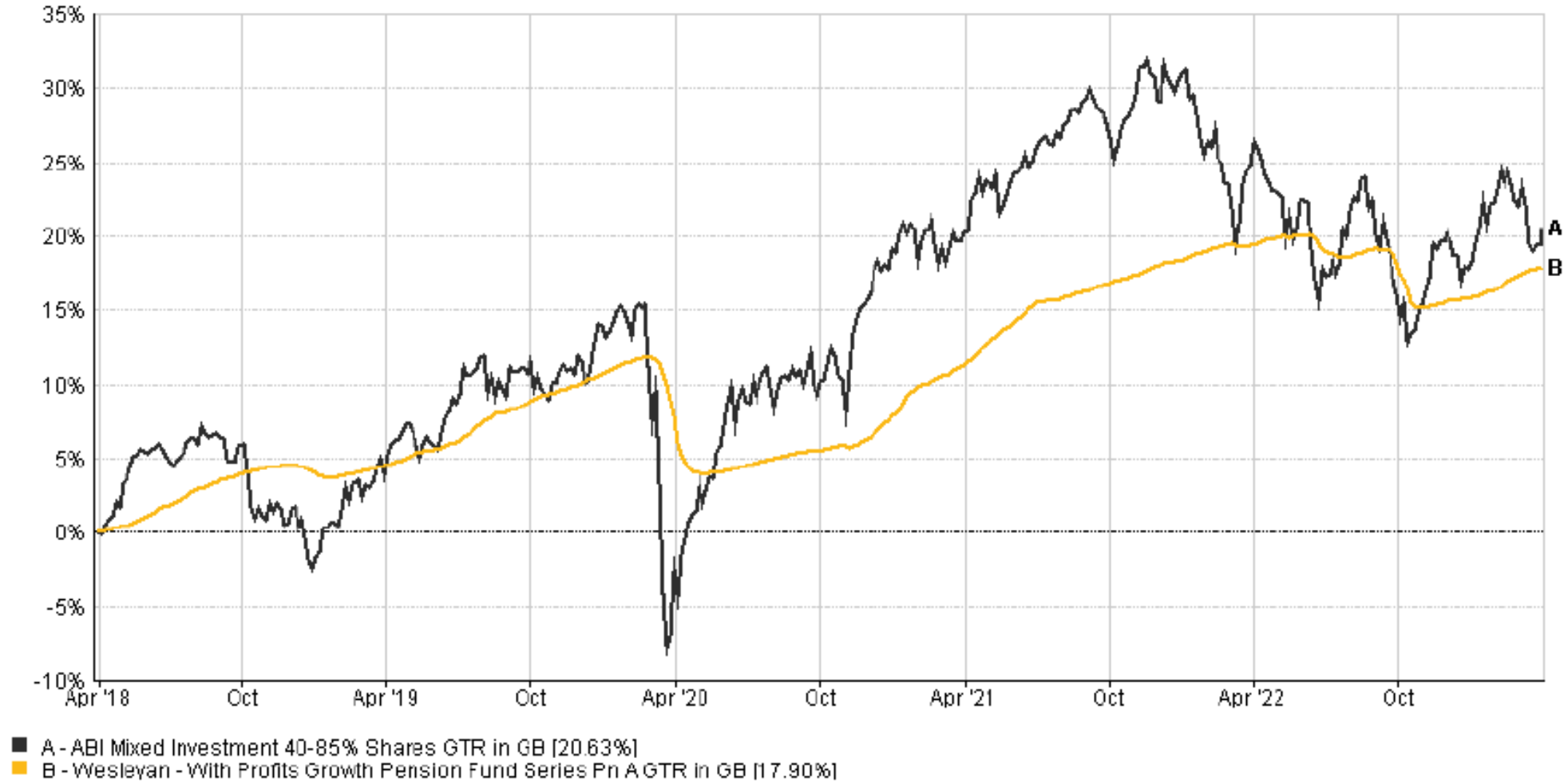


- A - Wesleyan - With Profits Growth Pension Fund Series Pn A GTR in GB [-1.26%]
- B - ABI Mixed Investment 40-85% Shares GTR in GB [-4.55%]

31/03/2022 - 31/03/2023 Data from FE fundinfo2023

Performance: 5 Years Vs 40 to 85%

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



30/03/2018 - 31/03/2023 Data from FE fundinfo2023

Performance: 10 Years Vs 40 to 85%

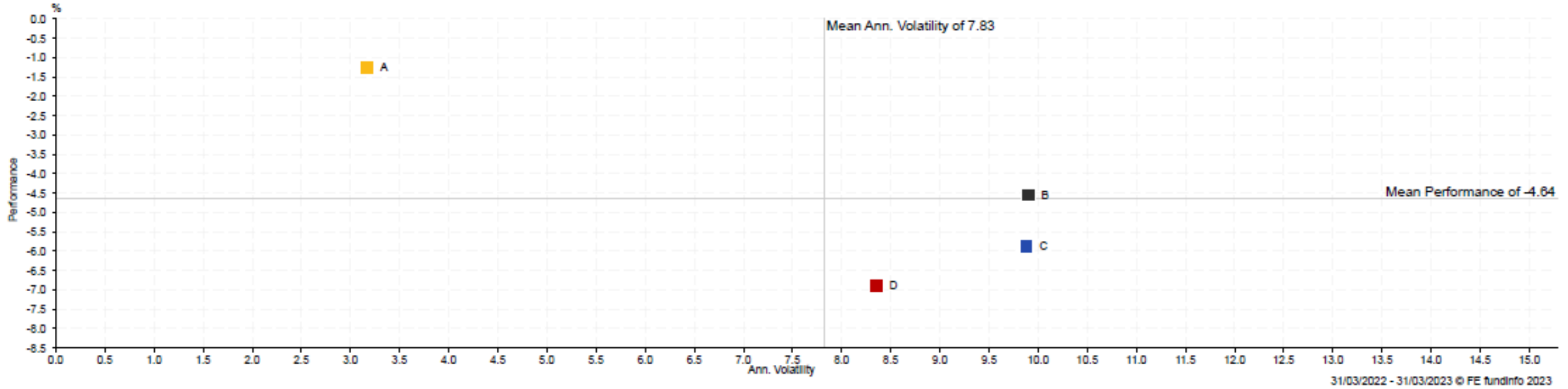
Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



29/03/2013 - 31/03/2023 Data from FE fundinfo2023

Volatility & Performance: 12 Months Vs 3 x Sect Ave

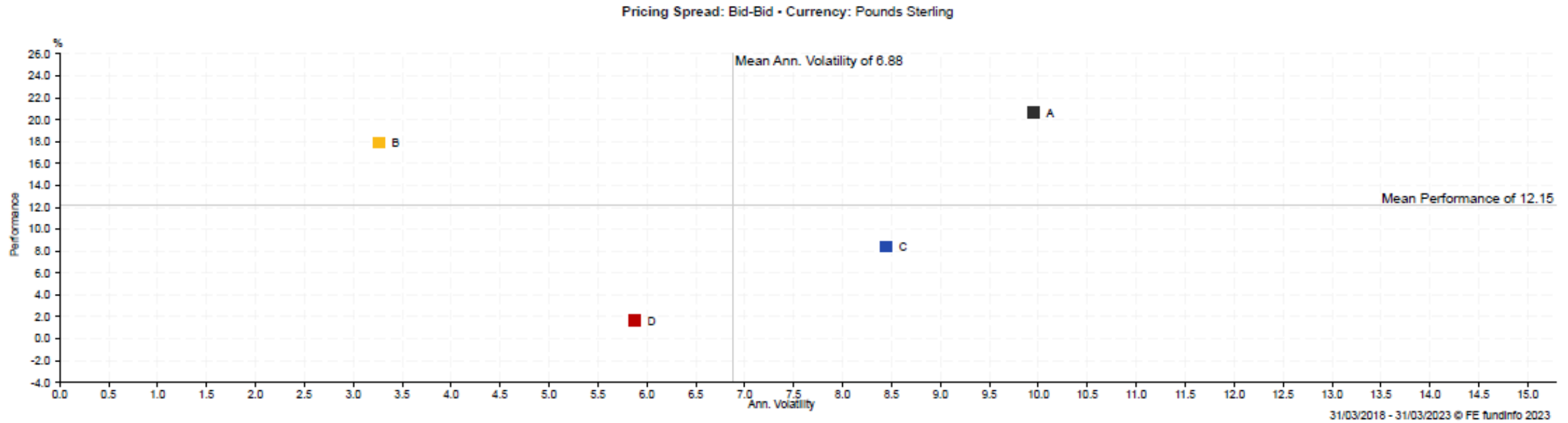
Pricing Spread: Bid-Bid • Currency: Pounds Sterling



31/03/2022 - 31/03/2023 © FE fundinfo 2023

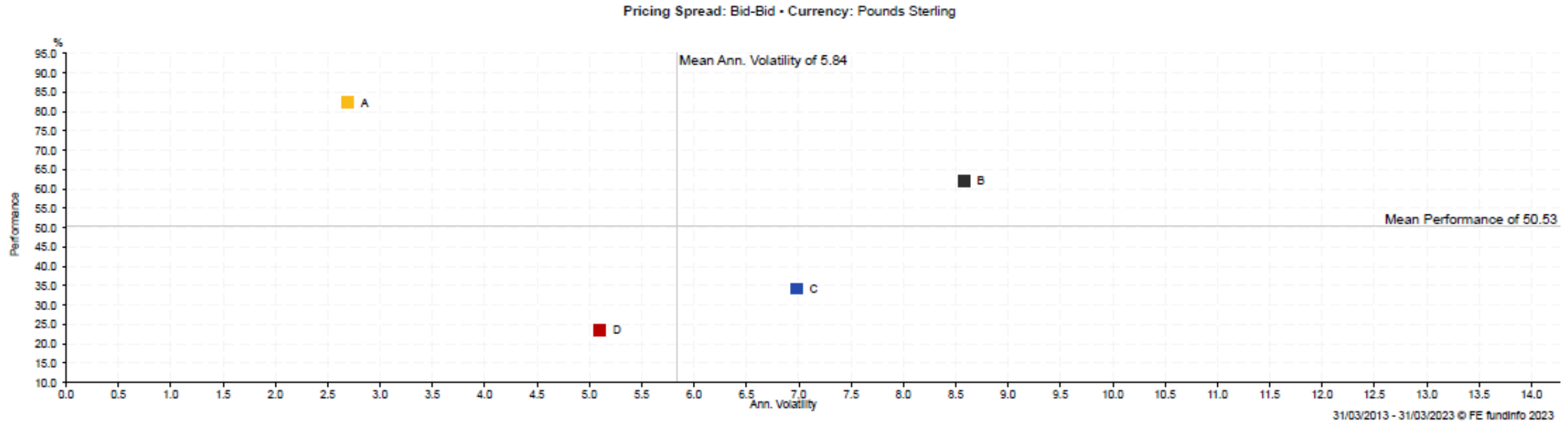
Key	Name	Performance	Volatility
A	Wesleyan - With Profits Growth Pension Fund Series Pn A GTR In GB	-1.26	3.17
B	ABI Mixed Investment 40-85% Shares GTR In GB	-4.55	9.90
C	ABI Mixed Investment 20-60% Shares GTR In GB	-5.87	9.88
D	ABI Mixed Investment 0-35% Shares GTR In GB	-6.88	8.35

Volatility & Performance: 5 Years Vs 3 x Sect Ave



Key	Name	Performance	Volatility
■ A	ABI Mixed Investment 40-85% Shares GTR In GB	20.63	9.95
■ B	Wesleyan - With Profits Growth Pension Fund Series Pn A GTR In GB	17.90	3.25
■ C	ABI Mixed Investment 20-60% Shares GTR In GB	8.40	8.44
■ D	ABI Mixed Investment 0-35% Shares GTR In GB	1.65	5.87

Volatility & Performance: 10 Years Vs 3 x Sect Ave



Key	Name	Performance	Volatility
A	Wesleyan - With Profits Growth Pension Fund Series Pn A GTR In GB	82.32	2.69
B	ABI Mixed Investment 40-65% Shares GTR In GB	62.02	8.58
C	ABI Mixed Investment 20-60% Shares GTR In GB	34.28	6.98
D	ABI Mixed Investment 0-35% Shares GTR In GB	23.50	5.10

'WESLEYAN' is a trading name of the Wesleyan Group of companies.

Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0345 351 2352. Calls may be recorded to help us provide, monitor and improve our services to you.

WESLEYAN

we are all about you