

# WESLEYAN AUTHORISED UNIT TRUST

HALF YEAR FUND MANAGER REPORT  
31 DECEMBER 2018

**Delivering results for you**

# WESLEYAN DIRECTORS



Ahmed Farooq BSc, ACMA, DIP IoD  
Chairman  
Wesleyan Unit Trust Managers

On 15 March 2018, Ahmed was appointed Chairman of WUTM and on 8 August 2018, became a Director of Wesleyan Assurance Society.

Ahmed became Chief Financial Officer in November 2015, after holding a number of senior roles at Wesleyan. He joined the Society in 2010 from the Phoenix Group and became Head of Finance in 2011, and Managing Director of Wesleyan's General Insurance division in 2014.



Robert Vaudry, MBA  
Chief Executive  
Wesleyan Unit Trust Managers

On 15 October 2018, Robert Vaudry was named Chief Executive Officer of Wesleyan Unit Trust Managers, having been a board Director since 1 February 2018.

Robert has worked in investments for 30 years, spending most of his career in senior leadership roles at multinational investment banks and wealth management firms. Currently the Chief Investment Officer at Wesleyan, Robert's former roles include Managing Director and Head of Asian Research at Morgan Stanley, and Global Head of Research at HSBC.

Prior to joining Wesleyan, Robert was Senior Partner at Quotidian Investments, winning multiple awards for Fund and Wealth Management. Most recently, Robert was named 'Chief Investment Officer of the Year' by the Insurance Asset Risk Awards (2019).

After graduating with a degree in Politics and Parliamentary Studies in 1987, Robert spent four years working as Political Secretary to the former Prime Minister, Sir Edward Heath. He also worked on Capitol Hill for former US Congressman, Bill Gradison. His interest in global politics continues to this day.



Martin Lawrence, BSc, ASIP  
Director  
Wesleyan Unit Trust Managers

On 21 April 2016, Martin was appointed to the board of Wesleyan Unit Trust Managers as a Director.

Martin has more than 20 years' experience in investment management, having worked in the industry since graduating from the University of Exeter with a degree in Mathematics. He manages a number of funds including Wesleyan's With Profits Fund, which is currently valued at over £3.5bn, and he is directly responsible for £4bn of the Society's assets.

Martin invests directly in UK and overseas equities, government and corporate bonds, cash, and UK property. He takes a long-term investment approach and keeps our customers and members front-of-mind at all times, having worked at Wesleyan since 1995.

# FUND MANAGERS



**James Hubbard, BA, CFA**  
Wesleyan International  
Growth Fund / Wesleyan Moderate-  
High Risk/Reward Income Fund

James Hubbard joined Wesleyan as an Investment Analyst in January 2011. After graduating with an MA in Economics and Business from the University of Manchester he initially worked for a Corporate Bank in London. James is a CFA (Chartered Financial Analyst) charterholder and has been a Fund Manager since April 2016.



**Martin Lawrence, BSc, ASIP**  
Wesleyan Moderate Risk/  
Reward Growth Fund

Martin Lawrence has been a Fund Manager since 2001, and has overall responsibility for managing several equity and multi-asset funds. He joined the Society as an Investment Analyst in 1995 and is a fully qualified Associate of the CFA Society of the UK. In addition, Martin is Head of Investment Research at Wesleyan and is backed by a team of Fund Managers and Analysts who are market sector specialists.



**Paul Burton, BSc, FIA**  
Wesleyan Low Risk/Reward  
Growth Fund

Paul Burton has been the Fund Manager of the Low Risk Life and Pension funds since launch in January 2012. He has also managed the assets of the Wesleyan Staff Pension Scheme since 1998, and the Society's Non Profit fund since 2012. He joined the Society in 1990, qualifying as an actuary in 1998, working as an investment analyst in the preceding five years.



**Marc O'Sullivan, BSc, CFA**  
Wesleyan Risk Averse Fund  
Wesleyan UK Growth Fund

Marc O'Sullivan has been a Fund Manager since 2012, managing investments across a number of asset classes. Marc joined the Society as an Investment Analyst in 2003, having graduated from the University of Birmingham with a degree in Economics. Marc has been a CFA (Chartered Financial Analyst) charterholder since 2008.

# WESLEYAN

## EXECUTIVE SUMMARY

"We have seen encouraging performance across our funds when compared to the market, and we will continue to strive to increase the potential returns for our clients through our funds in 2019 and beyond."

**Robert Vaudry**  
Chief Executive



At Wesleyan, our mutuality has set us apart for 177 years. Helping our members and customers to achieve their financial goals is our key objective. For Wesleyan Unit Trust Managers (WUTM), the approach we take is no different: our Fund Managers and Analysts use their expertise on a daily basis, with the aim of achieving the best possible long-term returns for our clients. In the final quarter of 2018, I was appointed as WUTM's new Chief Executive Officer, which is a real honour. In my role, my ambition is to ensure that we offer our clients a fund range and investment journey that truly meets their needs.

Due to recent events across the globe, including Brexit and ongoing international trade war rhetoric, financial markets have encountered a painful bout of turbulence. Now more than ever, the worlds of politics and economics are inextricably linked when it comes to stock market performance, which our team is constantly mindful of. At times such as these, it's important to have a strategy in place, to keep focused on the bigger picture, which is why we are proud to have won 'Investment Strategy of the Year' at the Insurance Asset Management Awards 2018, which is an acknowledgement of our commitment to strategic excellence.

It's also important to note that, where possible, our funds maintain diverse holdings within their portfolios. For those portfolios with a mandate to run a mixture of asset classes, this will be across and within asset types (cash, equities, corporate bonds and gilts). Equity funds will typically seek diversification across sectors and through exposure to a range of companies with earnings sourced from a variety of geographical regions.

Through WUTM we offer six funds, and each fund caters to different risk appetites and financial objectives among our investors. The funds are: Risk Averse Fund, Low Risk/Reward Growth Fund, Moderate Risk/Reward Growth Fund, Moderate-High Risk/Reward Income Fund, UK Growth Fund, International Growth Fund. In this report, you will find information for each fund, including performance summaries and outlooks.

During the last six months, several market predictions that my team made came to fruition, such as the burst of the 'tech bubble' and the associated market dip. We also believed that emerging markets were not an area where strong growth could be achieved, which was correct. However, we had hoped that some overseas markets would have performed better, which is a reflection of the tough economic conditions currently evident on an international scale. This aside, we have seen encouraging performance across our funds when compared to the market, and we will continue to strive to increase the potential returns for our clients through our funds in 2019 and beyond.

A handwritten signature in black ink, appearing to read 'R. Vaudry'.

**R. Vaudry**  
Chief Executive

Wesleyan Unit Trust Managers Limited  
25 February 2019

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\*Collectively, comprises of the Authorised Fund Manager Report. Additionally, in each fund it is comprised of the general information, unaudited portfolio statement and unaudited summary of material portfolio changes.

# WESLEYAN

# AUTHORISED FUND MANAGER REPORT

## Introduction

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This is the half year report of the Wesleyan Authorised Unit Trust ('Trust') for the period ended 31 December 2018.

The Trust is managed by Wesleyan Unit Trust Managers Limited ('Manager').

The Trust is an authorised unit trust in an umbrella form and was authorised by the Financial Conduct Authority (FCA) effective 4 September 2015. The Trust is classified under the Collective Investment Scheme Sourcebook ('COLL') as a collective investment scheme authorised under the UCITS Directive.

The Trust was established pursuant to a Trust Deed dated 4 September 2015 (as amended from time to time) made between the Manager and HSBC Bank Plc ('Trustee'). The Trust has an unlimited duration.

Details of the managers and advisors of the Trust are disclosed on page 98.

## Structure of the Trust

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The Trust is structured as an umbrella unit trust, in that different funds may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed.

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund.

Each fund has a specific portfolio to which that fund's assets and liabilities are attributable. So far as the Unitholders are concerned, each fund is treated as a separate entity. Unitholders are not liable for the debts of the Trust or for any other fund.

Subject to the above, each fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that fund, and within each fund charges will be allocated between classes in accordance with the terms of issue of units of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular fund may be allocated by the Manager in a manner which it believes is fair to the unit holders generally. This will normally be pro rata to the Net Asset Value of the relevant funds.

The base currency of each fund is pounds sterling.

### **As at 31 December, the Trust comprised of the following funds:**

Wesleyan International Growth Fund

Wesleyan Low Risk/Reward Growth Fund

Wesleyan Moderate- High Risk/Reward Income Fund

Wesleyan Moderate Risk/Reward Growth Fund

Wesleyan Risk Averse Fund

Wesleyan UK Growth Fund

All of the above funds are managed by the Manager. Details of other management and advisors of the funds are disclosed on page 98.

## Units

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The rights represented by units are those of a beneficial interest under the Trust. Several classes of units may be issued in respect of each fund.

Further classes of units may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new class, a revised prospectus will be prepared, setting out the details of each class.

Units in the Trust are not currently listed on any investment exchange.

Holders of income units are entitled to be paid the distributable income attributed to such units on any relevant interim and/or annual income allocation dates. The Manager, at its discretion, may also permit unit holders to elect to reinvest any such distributable income instead of receiving payment. In this event, the income will be used to purchase additional units in the same fund.

Holders of Accumulation units are not entitled to be paid the income attributed to such units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation unit.

## Units in issue

As at 31 December 2018, Accumulation ("Acc") and Income ("Inc") units are available in the following funds and in the following denominations and classes:

Fund Class	Unit Type	Base Currency	Launch Date	ISIN
<b>Wesleyan International Growth Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHT49
Class B	Acc	GBP	03/06/16	GB00BYNYHV60
Class X	Acc	GBP	03/06/16	GB00BYNYHW77
<b>Wesleyan Low Risk/Reward Growth Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDH936
Class X	Acc	GBP	06/06/16	GB00BYSW0R28
Class B	Inc	GBP	06/06/16	GB00BZ161P36
Class X	Inc	GBP	06/06/16	GB00BZ161R59
<b>Wesleyan Moderate-High Risk/Reward Income Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDHG07
Class X	Acc	GBP	06/06/16	GB00BYSW0S35
Class B	Inc	GBP	06/06/16	GB00BZ161V95
Class X	Inc	GBP	06/06/16	GB00BZ161W03
<b>Wesleyan Moderate Risk/Reward Growth Fund</b>				
Class B	Acc	GBP	06/06/16	GB00BYVDHJ38
Class X	Acc	GBP	06/06/16	GB00BYSW0W70
Class B	Inc	GBP	06/06/16	GB00BZ161S66
Class X	Inc	GBP	06/06/16	GB00BZ161T73
<b>Wesleyan Risk Averse Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHM79
Class B	Acc	GBP	03/06/16	GB00BYNYHN86
Class X	Acc	GBP	03/06/16	GB00BYNYHP01
<b>Wesleyan UK Growth Fund</b>				
Class A	Acc	GBP	03/06/16	GB00BYNYHQ18
Class B	Acc	GBP	03/06/16	GB00BYNYHR25
Class X	Acc	GBP	03/06/16	GB00BYNYHS32

None of the above funds hold units in other funds of the Trust.

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## AUTHORISED FUND MANAGER REPORT CONTINUED

### Unit Holders – Taxation

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice which are subject to change. It summarises the tax position of the funds and of direct personal investors who are United Kingdom residents and hold units as investments. This does not detail the tax treatment for corporate or trustee unit holders.

### Income

The funds may pay dividend distributions (which will be automatically retained in the relevant fund in the case of accumulation units). There is currently a tax free dividend allowance. Dividends received above this allowance from investments not held within an Individual Savings Account are taxed at a rate that depends on the investor's income tax band.

### Interest

Where a fund pays an interest distribution (which will be automatically retained in the fund in the case of accumulation units) this is gross of the basic rate of tax from 6 April 2016 for some people (depending on their tax bands).

There is currently a tax free Personal Savings Allowance (except for additional rate tax payers). Interest distributions received above this allowance from investments not held within an Individual Savings Account or Junior Individual Savings Account are taxed at a rate that depends on the investor's income tax band.

### Income Equalisation

The first income allocation received by an investor after buying units may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable, rather it should be deducted from the acquisition cost of the units for capital gains tax purposes.

### Capital Gains

Unit holders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of units. The rate of tax, and available relief's, will be as applicable from time to time. An exchange of units between classes within a fund is generally not treated as a disposal for this purpose.

Units in each of the funds may be held within Individual Savings Accounts and would be exempt from personal liability to income or capital gains tax. Unit holders who have invested in the funds through an Individual Savings Account or Junior Individual Savings Account should refer to the Key Features Document for further details of how it operates.

### Reporting Dates

The annual and interim accounting date of the Trust and the funds within are as below:

**Annual accounting date: 30 June**

**Interim accounting date: 31 December**

The following pages sets out for each of the funds within the Trust:

- ▶ Fund manager report
- ▶ Number of units in circulation and the net asset values per unit
- ▶ Annual financial statements

This half year report of the Trust and the funds within are available on our website ([www.wesleyan.co.uk/Report](http://www.wesleyan.co.uk/Report)). If you have any questions about the report, or if you would like to talk to us about your investments, you can call us on **0330 123 3813**. Lines are open Monday to Friday from 9.00am to 5.00pm.



**A. Farooq**  
**Chairman**

Wesleyan Unit Trust Managers Limited  
25 February 2019



# WESLEYAN INTERNATIONAL GROWTH FUND

## Fund Review

This is the half-year report for the Wesleyan International Growth Fund covering the period from 1 July 2018 to 31 December 2018. The underlying unit price performance generated a return of -7.7% compared to the Investment Association Global sector that returned -8.0%\*.

Global equity markets started the period under review positively across all major geographic regions. October saw this reverse with a sharp decline in equity markets and a pick-up in volatility, especially in the US, Japan and Europe, and the period ended with negative returns in sterling terms. Emerging market equities were stable over the period, although they were one of the few regions to decline in the first half of calendar year 2018.

The fund modestly outperformed the global sector by 0.3%. Positive contributions came from restaurant operator and franchisor Yum! Brands, and pharmaceutical companies Merck, Johnson & Johnson and Roche. The fund's largest holding, technology giant Microsoft, ended the year as the world's largest company despite both Apple and Amazon surpassing \$1trn market capitalisation earlier in the year, and was once again a top contributor to fund performance. The largest detractors to performance came from the fund's exposure to overseas geographies through Investment Trusts such as those focussing on Japan and China. Disappointingly, Bayer, a new position in 2017, was the largest direct equity detractor as litigation risks rose. Other detractors from performance included European bank Unicredit and technology company Samsung, both of whom reported weaker than expected financial results.

There were several notable portfolio changes over the period. The largest new addition to the fund was Facebook, as governance and privacy concerns suppressed the company value towards the end of the year. Analytical instrument maker Waters was also added to the fund, at an average cost of \$194, which after strong results now trades over \$230 at the time of writing. The fund took some profits in TJX, parent company of TK Maxx, after a period of strong performance. The fund also sold its holding in luxury jewellery company Tiffany at an average price of \$130, which subsequently declined significantly and trades at \$87 at the time of writing.

The full list of holdings can be found later in this report.

## Fund Outlook

The US-China trade war has not resolved itself as quickly as many believed. Negotiations are rarely simple with trade disputes, yet the US is not simply asking for a narrowing of the over \$500bn trade deficit between the nations, but a fundamental review of key trade policies such as those around intellectual property protection. China has offered some modest solutions to the deficit, but the more complex elements show little sign of progress.

Attention in 2019 will likely turn towards Europe for multiple reasons. Brexit will continue to dominate UK headlines, and the Italian government is not expected to operate within its agreed budget. Populist parties have risen in Eastern Europe and the Spanish government is considered weak. French President Emmanuel Macron now looks unable to progress with his proposed reforms given his remarkable downwards turn in popularity. The President of the European Central Bank, Mario Draghi, will also end his term in 2019, which may also usher in some additional uncertainty.

Much of the outlook for 2019 and 2020 depends on the ability of the Chinese to manage the natural slowing of their economy. Historical precedent suggests that China can manage the transition successfully, and we are starting to see signs of more significant government stimulus. Strong markets usually end with what is described as euphoria, which is not an apt description of today's markets in the US, Europe, Asia or Emerging Markets. Valuations have declined unevenly and in places provide an opportunity for long-term investors. We continue to prune the portfolio and endeavour to select the highest quality, resilient, global companies to invest in for the long term.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

OVERVIEW

FUND MANAGER  
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INTERNATIONAL  
GROWTH

LOW RISK/REWARD  
GROWTH

MODERATE-HIGH RISK/  
REWARD GROWTH

MODERATE RISK/  
REWARD GROWTH

RISK AVERSE

UK GROWTH

# WESLEYAN

## WESLEYAN INTERNATIONAL GROWTH FUND CONTINUED

### General Information

#### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

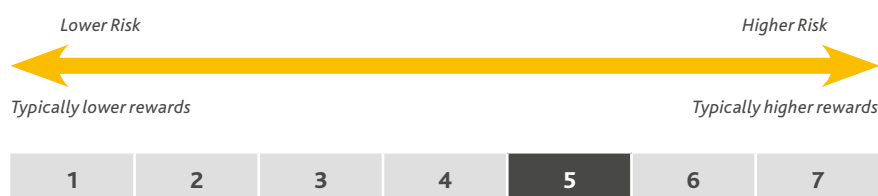
The Fund will invest predominantly in a diversified portfolio of equities.

The equities in which the Fund invests may be issued by companies anywhere in the world. The Fund may invest in various sectors.

The Fund may also invest in fixed interest and other transferable securities, cash, near cash, deposits, money-market instruments and other collective investment schemes.

The Fund may use derivatives for the purpose of efficient portfolio management.

#### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class A	Class B	Class X
Initial charge*	4%	4%	4%
Annual management charge**	1.5%	1.75%	1.25%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	Last day of February

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2018.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>United Kingdom - 7.40 % (7.43%)</b>			
15,000	BHP Billiton	247,470	0.91
70,000	BP	347,165	1.28
12,026	GlaxoSmithKline	179,332	0.66
208,433	Lloyds Banking	107,906	0.40
13,725	Rio Tinto	511,874	1.89
198	Royal Dutch Shell 'A'	4,568	0.02
21,000	Sage	126,168	0.47
9,250	Unilever	380,036	1.40
65,313	Vodafone	99,864	0.37
<b>Total United Kingdom</b>		<b>2,004,383</b>	<b>7.40</b>
<b>Continental Europe - 25.89% (25.62%)</b>			
<b>France - 8.16 % (8.06%)</b>			
3,300	Air Liquide	319,895	1.18
412	Air Liquide 'Rights'	39,938	0.15
12,044	Crédit Agricole 'Rights'	101,736	0.38
16,000	Elior Group	186,408	0.69
8,800	Engie	98,417	0.36
3,200	Legrand Promesses	141,601	0.52
3,000	LVMH Moët Hennessy	695,260	2.56
7,196	Orange	91,426	0.34
2,000	Sanofi	135,516	0.50
3,581	Schneider Electric	191,953	0.71
8,404	Société Générale	209,739	0.77
<b>Total France</b>		<b>2,211,889</b>	<b>8.16</b>

WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND

CONTINUED

UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Germany - 7.59% (7.71%)</b>			
480	Adidas	78,627	0.29
2,716	Bayer	147,853	0.55
3,000	Bayerische Motoren Werke	190,348	0.70
2,000	Daimler	82,397	0.30
5,000	Deutsche Post	107,305	0.40
17,000	E.ON	131,698	0.49
5,000	Henkel	383,039	1.41
2,000	K+S	28,363	0.10
7,800	SAP	610,564	2.25
3,000	Siemens	263,348	0.97
1,700	Uniper	34,302	0.13
<b>Total Germany</b>		<b>2,057,844</b>	<b>7.59</b>
<b>Italy - 1.42% (1.50%)</b>			
9,582	Italgas	42,917	0.16
47,913	Snam	163,937	0.60
20,056	UniCredit	178,037	0.66
<b>Total Italy</b>		<b>384,891</b>	<b>1.42</b>
<b>Netherlands - 3.79% (3.91%)</b>			
6,500	Akzo Nobel	408,163	1.51
25,000	ING Groep NV	211,154	0.78
14,631	Koninklijke Philips	405,791	1.50
<b>Total Netherlands</b>		<b>1,025,108</b>	<b>3.79</b>
<b>Spain - 1.15% (1.06%)</b>			
8,215	Acs Actividades de Construcción y Servicios	248,784	0.92
9,603	Telefónica	63,258	0.23
<b>Total Spain</b>		<b>312,042</b>	<b>1.15</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Switzerland - 3.78% (3.38%)</b>			
16,800	ABB	250,090	0.92
3,223	LafargeHolcim	103,915	0.38
6,000	Nestlé	381,262	1.41
1,500	Roche Holdings	290,737	1.07
	<b>Total Switzerland</b>	<b>1,026,004</b>	<b>3.78</b>
	<b>Total Continental Europe</b>	<b>7,017,778</b>	<b>25.89</b>
<b>Japan - 5.85% (6.59%)</b>			
216,000	Fidelity Japan Investment Trust*	270,000	1.00
165,000	JPMorgan Japanese Investment Trust*	617,100	2.28
72,000	JPMorgan Japanese Smaller Companies Investment Trust*	239,760	0.88
250,000	Schroder Japan Growth Investment Trust*	457,500	1.69
	<b>Total Japan</b>	<b>1,584,360</b>	<b>5.85</b>
<b>Pacific excluding Japan – 7.80% (8.27%)</b>			
167,226	Fidelity China Special Situations*	315,054	1.16
174,000	JPMorgan Asian Investment Trust*	574,200	2.12
175,990	Pacific Horizon Investment Trust*	503,331	1.86
180,000	Schroder Asia Pacific Investment Trust*	720,000	2.66
	<b>Total Pacific excluding Japan</b>	<b>2,112,585</b>	<b>7.80</b>
<b>United States - 45.80% (44.58%)</b>			
1,000	3M	149,560	0.55
10,000	Altaba	454,852	1.68
6,000	American Express	448,964	1.66
3,500	Apple	434,010	1.60
3,800	Automatic Data Processing	391,368	1.44
25,000	Bank of America	484,061	1.79
1,015	Becton Dickinson	179,514	0.66
1,250	Boeing	316,396	1.17
2,500	Caterpillar	249,372	0.92
3,400	Chevron	290,479	1.07
6,000	Cisco Systems	204,460	0.75
7,700	Citigroup	314,626	1.16
7,000	Coca-Cola	260,137	0.96
7,000	Cognizant Technology Solutions	348,956	1.29
5,000	Colgate-Palmolive	233,668	0.86

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INTERNATIONAL  
GROWTH

LOW RISK/REWARD  
GROWTH

MODERATE-HIGH RISK/  
REWARD GROWTH

MODERATE RISK/  
REWARD GROWTH

RISK AVERSE

UK GROWTH

WESLEYAN

# WESLEYAN INTERNATIONAL GROWTH FUND

CONTINUED

UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
7,746	DowDuPont	325,203	1.20
6,500	Estée Lauder 'A'	663,831	2.45
6,500	Exxon Mobil	348,120	1.28
4,000	Facebook	412,374	1.52
200	Garrett Motion	1,935	0.01
10,000	General Electric	59,359	0.22
2,000	Honeywell International	207,428	0.76
1,500	IBM	133,806	0.49
4,000	International Paper	126,727	0.47
4,000	Johnson & Johnson	405,339	1.50
2,500	JP Morgan Chase & Co	191,818	0.71
15,000	Kinder Morgan	181,022	0.67
5,000	Merck & Co	300,173	1.11
11,000	Microsoft	878,031	3.24
3,200	Mondelez International 'A'	100,553	0.37
12,000	Oracle	425,408	1.57
10,000	PayPal Holdings	660,726	2.44
333	Resideo Technologies	5,363	0.02
3,500	Royal Caribbean Cruises	268,683	0.99
4,000	TJX Companies	140,515	0.52
4,000	United Technologies	334,328	1.23
3,500	Wal-Mart Stores	255,959	0.94
4,000	Walt Disney	344,410	1.27
1,100	Waters	162,927	0.60
5,000	Wells Fargo & Co	180,944	0.67
5,500	Yum China	144,755	0.53
5,500	Yum! Brands	396,997	1.46
<b>Total United States</b>		<b>12,417,157</b>	<b>45.80</b>
<b>Other- 6.20% (4.53%)</b>			
450,000	Ashoka India Equity Investment Trust*	405,000	1.49
13,840	Novo Nordisk 'B'	494,987	1.83
750	Samsung Electronics GDR	510,561	1.88
40,000	Templeton Emerging Markets Investment Trust*	270,800	1.00
<b>Total Other</b>		<b>1,681,348</b>	<b>6.20</b>
<b>Portfolio of investments</b>		<b>26,817,611</b>	<b>98.94</b>
<b>Net other assets</b>		<b>286,984</b>	<b>1.06</b>
<b>Net assets</b>		<b>27,104,595</b>	<b>100.00</b>

\*UK-listed investment trust.

# UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 DECEMBER 2018

<b>Total Purchases</b>	<b>£1,317,642</b>
<b>Purchases*</b>	<b>Cost £</b>
Facebook	451,239
Ashoka India Equity Investment Trust	450,000
Waters	163,237
Legrand Promesses	161,254
Adidas	80,410
Novo Nordisk 'B'	11,502
<b>Total Sales</b>	<b>£1,140,628</b>
<b>Sales*</b>	<b>Proceeds £</b>
Tiffany	409,535
TJX Companies	220,560
Cisco Systems	220,197
Alstom	161,814
JP Morgan Chase & Co	128,514
Honeywell International	7
Crédit Agricole 'Rights'	1

\*As the total number of sales and purchases for the period was below twenty, the complete list has been provided here.

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# WESLEYAN INTERNATIONAL GROWTH FUND

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## COMPARATIVE TABLES

Class A – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	225.49	206.13	150.77
Return before operating charges*	(13.69)	23.21	58.77
Operating charges	(2.00)	(3.85)	(3.41)
Return after operating charges*	(15.69)	19.36	55.36
Distributions on accumulation units	-	(0.74)	(0.94)
Retained distributions on accumulation units	-	0.74	0.94
Closing net asset value per unit	209.80	225.49	206.13
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.01	0.02	0.04

<b>Performance</b>			
Return after charges	(6.96%)	9.39%	36.72%

<b>Other information</b>			
Closing net asset value (£)	19,630,489	21,570,816	21,322,888
Closing number of units	9,356,794	9,565,999	10,344,223
Operating charges	1.75%	1.76%	1.73%
Direct transaction costs	0.00%	0.01%	0.02%

<b>Prices</b>			
Highest unit price	238.91p	233.49p	213.22p
Lowest unit price	206.20p	206.40p	147.24p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	219.52	201.21	147.60
Return before operating charges*	(13.33)	22.61	57.44
Operating charges	(2.22)	(4.30)	(3.83)
Return after operating charges*	(15.55)	18.31	53.61
Distributions on accumulation units	-	(0.23)	(0.45)
Retained distributions on accumulation units	-	0.23	0.45
Closing net asset value per unit	203.97	219.52	201.21
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.01	0.02	0.04

<b>Performance</b>			
Return after charges	(7.08%)	9.10%	36.32%



Other information			
Closing net asset value (£)	6,208,608	6,702,230	5,617,286
Closing number of units	3,043,829	3,053,131	2,791,756
Operating charges	2.00%	2.01%	1.98%
Direct transaction costs	0.00%	0.01%	0.02%

Prices			
Highest unit price	232.60p	227.44p	208.20p
Lowest unit price	200.58p	201.52p	144.13p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	221.67	202.15	147.60
Return before operating charges*	(13.50)	22.78	57.46
Operating charges	(1.68)	(3.26)	(2.91)
Return after operating charges*	(15.18)	19.52	54.55
Distributions on accumulation units	(0.26)	(1.28)	(1.41)
Retained distributions on accumulation units	0.26	1.28	1.41
Closing net asset value per unit	206.49	221.67	202.15
*after direct transactions costs <sup>2</sup> of:	0.01	0.02	0.04

Performance			
Return after charges	(6.85%)	9.66%	36.96%

Other information			
Closing net asset value (£)	1,265,498	1,294,015	840,326
Closing number of units	612,849	583,747	415,685
Operating charges	1.50%	1.51%	1.48%
Direct transaction costs	0.00%	0.01%	0.02%

Prices			
Highest unit price	235.20p	229.74p	209.28p
Lowest unit price	203.17p	202.62p	144.16p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

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# WESLEYAN INTERNATIONAL GROWTH FUND

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## UNAUDITED INTERIM STATEMENT OF TOTAL RETURN FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital gains		(2,030,065)		2,138,713
Revenue	279,524		218,594	
Expenses	(266,111)		(254,958)	
Interest payable and similar charges	(434)		(625)	
Net revenue/(expense) before taxation	12,979		(36,989)	
Taxation	(23,614)		(11,345)	
Net revenue after taxation		(10,635)		(48,334)
<b>Total return before distributions</b>		<b>(2,040,700)</b>		<b>2,090,379</b>
Distributions		(1,562)		18
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(2,042,262)</b>		<b>2,090,397</b>

## UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
Opening net assets attributable to unitholders at 1 July		29,567,061		27,780,500
Amounts receivable on issue of units	156,640		485,878	
Amounts payable on cancellation of units	(578,409)		(999,773)	
		(421,769)		(513,895)
Change in net assets attributable to unitholders from investment activities		(2,042,262)		2,090,397
Retained distribution on accumulation units		1,565		-
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>27,104,595</b>		<b>29,357,002</b>

## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		26,817,611		28,687,240
<b>Current assets</b>				
Debtors	49,942		44,400	
Cash and bank balances	359,886		965,851	
		409,828		1,010,251
Total assets		27,227,439		29,697,491
<b>Liabilities</b>				
Bank overdraft	-		(38,115)	
Other creditors	(122,844)		(92,315)	
Total liabilities		(122,844)		(130,430)
<b>Net assets attributable to unitholders</b>		<b>27,104,595</b>		<b>29,567,061</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

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# WESLEYAN INTERNATIONAL GROWTH FUND

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UNAUDITED DISTRUBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

## Distribution tables (pence per unit)

### Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 and on or before 31 December 2018

Class A Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	-	-	-	-
Group 2	-	-	-	-

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	-	-	-	-
Group 2	-	-	-	-

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.2553	-	0.2553	-
Group 2	0.1488	0.1065	0.2553	-

### Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% franked.

### Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN LOW RISK/ REWARD GROWTH FUND

## Fund Review

This is the half-year report of the Wesleyan Low Risk/Reward Growth Fund covering the period 1 from July 2018 to 31 December 2018. The underlying unit price performance generated a return of -2.75% over the period compared to the Investment Association Mixed Investment 0%-35% Shares sector average of -2.78%\*.

Whilst it is never a pleasant task to report negative returns, this should be seen in the light of underlying market returns in the period where UK equities (in which around a third of the fund is invested) fell more than 10 percentage points whilst UK government bonds (gilts) were flat and corporate bonds marginally negative.

Due to the uncertainty surrounding the form of the UK's exit from the EU, companies have been understandably reluctant to invest new money in projects. At the time of writing, the exact method of the UK's exit from the EU remains unclear and a 'no deal' exit is still a possibility.

Internationally, many themes occupied investors' minds. These included, but were not exclusive to: the US – China trade dispute, the shutdown of the US government in an argument over financing President Trump's wall on the US-Mexico border, the resolution of the US mid-term elections resulting in the Republicans losing the House of Representatives, social unrest in France, Italy's budget squabbles with the rest of the EU, growth rates in China and the negotiations between the UK and the other 27 EU nations over the terms of the UK's scheduled exit from the EU.

Having outperformed the sector average in the first six months of 2018 by 1.7 percentage points, the marginal outperformance in the final six months of 2018 consolidated a strong relative calendar year for the fund when assessed against competitors in the same sector.

Being positioned towards the upper end of its target equity range detracted from the fund's performance in this reporting period, although the fund's equity portfolio outperformed the UK market. We saw a highly satisfying conclusion to the Sky takeover saga with the takeover price reflecting an 83% profit on the purchase in June 2016.

We continued to take advantage of volatility at the long end of the conventional and index-linked gilt markets. This manifested itself in short-term profits on several transactions equivalent to a 0.4% contribution to the fund's performance in the six-month period.

The corporate bond portfolio saw the addition of two holdings – Apple and HSBC, strong companies that provide an extra return compared to gilts that we feel outweighs any corporate risk and lack of liquidity compared to underlying UK government bonds.

A full list of holdings can be found later in this report.

## Fund Outlook

Despite the uncertainty resulting from a number of global events including the ongoing Brexit debate, we believe that UK equities reflect good long-term value compared to major equity markets and bonds. Thus, we intend to position the fund's equity asset allocation towards the upper end of its 35% limit.

Government bond yields are still below the level of inflation and so their value to a long-term investor is questionable. We will continue to look for trading opportunities to take advantage of any volatility in the prices of these bonds.

Corporate bond spreads have widened since the end of June 2018 and we are comfortable retaining just over a third of the fund in this asset class in order to earn a higher yield than the underlying government bond. It is unlikely that we will trade in this asset class too much in the immediate future, although we are prepared to add if sufficiently attractive opportunities present themselves.

We remain hopeful of successful resolutions to the aforementioned global issues, but we are also mindful of the need to try to protect the portfolio from downside risks.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND CONTINUED

## General Information

### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

The Fund will invest predominantly in a diversified portfolio of government bonds, corporate bonds, UK and International equities and cash.

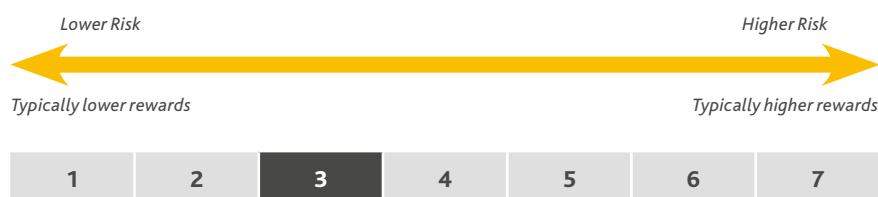
Investment will generally be made in sterling denominated assets but the Fund may at the Manager's discretion invest in non-Sterling denominated assets.

The Fund may also invest in other fixed interest and transferable securities, near cash, deposits, money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom.

The Fund may use derivatives for the purposes of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.5%	1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

## Income allocation dates

Final	31 August
Interim	Last day of February

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets shows the equivalent sector contribution as at 30 June 2018.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>EQUITIES</b>			
<b>United Kingdom - 27.24% (27.31%)</b>			
<b>Oil &amp; Gas - 3.35% (2.57%)</b>			
60,000	BP	297,570	1.58
10,000	John Wood	50,620	0.27
111	Royal Dutch Shell 'A'	2,561	0.01
12,050	Royal Dutch Shell 'B'	281,609	1.49
<b>Total Oil &amp; Gas</b>		<b>632,360</b>	<b>3.35</b>
<b>Basic Materials - 0.97% (1.19%)</b>			
1,500	Johnson Matthey	41,895	0.22
3,800	Rio Tinto	141,721	0.75
<b>Total Basic Materials</b>		<b>183,616</b>	<b>0.97</b>
<b>Industrials - 2.59% (2.74%)</b>			
10,000	Babcock International	48,930	0.26
17,500	BAE Systems	80,360	0.42
22,500	Balfour Beatty	56,048	0.30
7,440	Capita	8,351	0.04
5,000	IMI	47,200	0.25
56,799	Melrose Industries	93,065	0.49
2,500	Morgan Sindall Group	26,350	0.14
7,500	Rolls-Royce	62,160	0.33
345,000	Rolls-Royce Holding 'C' **	-	-
3,000	Smiths Group	40,860	0.22
2,500	Travis Perkins	26,750	0.14
<b>Total Industrials</b>		<b>490,074</b>	<b>2.59</b>
<b>Consumer Goods - 2.93% (3.37%)</b>			
2,700	Associated British Foods	55,161	0.29
6,500	Diageo	181,675	0.96
2,500	Persimmon	48,250	0.25
1,825	Reckitt Benckiser	109,701	0.58
30,000	Taylor Wimpey	40,875	0.22
2,900	Unilever	119,147	0.63
<b>Total Consumer Goods</b>		<b>554,809</b>	<b>2.93</b>

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Healthcare - 1.71% (1.83%)</b>			
1,750	AstraZeneca	102,620	0.54
14,794	GlaxoSmithKline	220,608	1.17
<b>Total Healthcare</b>		<b>323,228</b>	<b>1.71</b>
<b>Consumer Services - 3.27% (3.76%)</b>			
4,807	Compass Group	79,075	0.42
2,250	InterContinental Hotels Group	95,220	0.50
65,000	ITV	81,153	0.43
70,000	Marston's	65,835	0.35
15,000	Merlin Entertainments	47,625	0.25
5,000	RELX	80,825	0.43
40,000	Tesco	76,040	0.40
2,000	Whitbread	91,580	0.49
<b>Total Consumer Services</b>		<b>617,353</b>	<b>3.27</b>
<b>Telecommunications - 1.22% (1.15%)</b>			
35,000	BT	83,317	0.44
96,000	Vodafone	146,784	0.78
<b>Total Telecommunications</b>		<b>230,101</b>	<b>1.22</b>
<b>Utilities - 1.46% (1.75%)</b>			
25,000	Centrica	33,725	0.18
12,083	National Grid	92,338	0.49
5,500	SSE	59,427	0.31
3,000	Severn Trent	54,420	0.29
5,000	United Utilities	36,770	0.19
<b>Total Utilities</b>		<b>276,680</b>	<b>1.46</b>
<b>Financials - 9.11% (8.18%)</b>			
12,500	Aviva	46,937	0.25
80,000	Barclays	120,400	0.64
47,500	Coupland Cardiff Japan Income & Growth Trust*	66,500	0.35
75,000	Downing Strategic Micro Cap*	56,250	0.30
100,000	Empiric Student Property	92,400	0.49
56,000	GCP Student Living REIT	83,104	0.44
50,000	Grainger Trust	104,900	0.55



Holding	Investment	Bid-market value £	Percentage of total net assets %
10,000	Hammerson REIT	32,940	0.17
22,500	HSBC Holdings (London listed)	145,530	0.77
7,750	Land Securities REIT	62,341	0.33
15,000	Legal & General	34,650	0.18
305,000	Lloyds Banking	157,899	0.84
40,678	LXi REIT	49,017	0.26
50,000	Man Group	66,500	0.35
15,520	Paragon Banking	59,907	0.32
58,410	PRS REIT	54,789	0.29
10,000	Prudential	140,200	0.74
100,000	Residential Secure REIT	87,200	0.46
3,728	RSA Insurance	19,072	0.10
50,000	Schroder European REIT	53,000	0.28
8,500	St. James's Place Capital	80,138	0.42
12,500	St Modwen Properties	49,500	0.26
48,500	Tritax Euro Box REIT	44,620	0.24
11,000	Tritax Big Box REIT	14,443	0.08
<b>Total Financials</b>		<b>1,722,237</b>	<b>9.11</b>
<b>Other Equities - 0.63% (0.77%)</b>			
24,808	Tatton Asset Management	49,616	0.26
43,332	XPS Pensions	69,331	0.37
<b>Total Other Equities</b>		<b>118,947</b>	<b>0.63</b>
<b>Total United Kingdom</b>		<b>5,149,405</b>	<b>27.24</b>

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Channel Islands - 2.98% (2.33%)</b>			
<b>Financials - 2.98% (2.33%)</b>			
34,414	Foresight Solar	36,995	0.19
97,553	GCP Asset Backed Income Fund	101,455	0.54
64,722	HICL Infrastructure*	101,743	0.54
60,000	International Public Partnership*	91,920	0.49
90,000	John Laing Environmental Assets	94,500	0.50
100,000	The Renewables Infrastructure Group*	113,000	0.60
20,460	Sequoia Economic Infrastructure Income Fund*	23,222	0.12
<b>Total Financials</b>		<b>562,835</b>	<b>2.98</b>
<b>Total Channel Islands</b>		<b>562,835</b>	<b>2.98</b>
<b>Germany - 0.57% (0.27%)</b>			
<b>Basic Materials - 0.17% (0.27%)</b>			
586	Bayer	31,901	0.17
<b>Total Basic Materials</b>		<b>31,901</b>	<b>0.17</b>
<b>Consumer Goods - 0.40% (0.00%)</b>			
1,000	Henkel	76,608	0.40
<b>Total Consumer Goods</b>		<b>76,608</b>	<b>0.40</b>
<b>Total Germany</b>		<b>108,509</b>	<b>0.57</b>
<b>Luxembourg - 0.68% (0.56%)</b>			
<b>Financials - 0.68% (0.56%)</b>			
83,626	Bilfinger Berger Global Infrastructure	129,620	0.68
<b>Total Financials</b>		<b>129,620</b>	<b>0.68</b>
<b>Total Luxembourg</b>		<b>129,620</b>	<b>0.68</b>
<b>Netherlands - 0.45% (0.00%)</b>			
<b>Financials - 0.45% (0.00%)</b>			
10,000	ING Groep NV	84,462	0.45
<b>Total Financials</b>		<b>84,462</b>	<b>0.45</b>
<b>Total Netherlands</b>		<b>84,462</b>	<b>0.45</b>
<b>Total Equities</b>		<b>6,034,831</b>	<b>31.92</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>BONDS</b>			
<b>Corporate Bonds - 35.86% (34.92%)</b>			
£200,000	3i Group 5.75% 03.12.2032	241,772	1.28
£100,000	Anglian Water Services Financing 2.625% 15.06.2027	93,740	0.50
£200,000	Anheuser Busch 2.25% 24.05.2029	183,884	0.97
£200,000	Apple 3.05% 31.07.2029	214,102	1.13
£125,000	Barclays 3.125% 17.01.2024	123,421	0.65
£150,000	BP Capital Markets 2.03% 14.02.2025	148,377	0.79
£177,000	BP Capital Markets 2.274% 03.07.2026	175,612	0.93
£150,000	British Telecommunications 3.125% 21.11.2031	143,986	0.76
£100,000	BUPA Finance 5% 08.12.2026	104,685	0.55
£100,000	Centrica 4.375% 13.03.2029	110,459	0.58
£100,000	Close Brothers Group 4.25% 24.01.2027	102,960	0.54
£100,000	Coöperatieve Rabobank 5.25% 14.09.2027	112,186	0.59
£150,000	Electricité de France 6.125% 02.06.2034	196,808	1.04
£100,000	Equinor 6.875% 11.03.2031	146,982	0.78
£137,000	Gatwick Funding 3.125% 28.09.2041	128,859	0.68
£100,000	Hammerson 3.5% 27.10.2025	98,665	0.52
£175,000	HSBC 6% 29.03.2040	208,859	1.10
£106,000	HSBC Bank 5.375% 04.11.2030	119,558	0.63
£125,000	InterContinental Hotels Group 2.125% 24.08.2026	116,211	0.62
£100,000	Intu Debenture 5.562% 31.12.2027	90,843	0.48
£100,000	John Lewis 6.125% 21.01.2025	106,890	0.57
£250,000	Land Securities Capital Markets 1.974% 08.02.2026	249,843	1.32
£200,000	Leeds Building Society 3.75% VRN 25.04.2029	175,000	0.93
£200,000	Legal & General Finance 5.875% 11.12.2031	266,506	1.41
£117,000	Lloyds Banking Group 2.25% 16.10.2024	111,891	0.59
£200,000	Longstone Finance 4.774% 19.04.2036	227,820	1.21
£100,000	Manchester Airport Group Funding 2.875% 31.03.2039	92,538	0.49
£150,000	Marks & Spencer 4.75% 12.06.2025	156,721	0.83
£125,000	Marstons Issuer 5.1774% VRN 15.07.2032	135,009	0.71
£100,000	Mondelez International 4.5% 03.12.2035	110,040	0.58
£125,000	Next 4.375% 02.10.2026	132,015	0.70
£100,000	Northumbrian Water Finance 1.625% 11.10.2026	92,787	0.49
£136,000	Prudential 5.625% VRN 20.10.2051	135,424	0.72
£100,000	Prudential 5.875% 11.05.2029	130,819	0.69
£100,000	Prudential 6.875% 20.01.2023	120,233	0.64
£100,000	Scottish & Southern Energy 6.25% 27.08.2038	137,126	0.73

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
£150,000	Segro 2.875% 11.10.2037	136,907	0.72
£160,000	Severn Trent Water Utilities 2.75% 05.12.2031	156,025	0.83
£100,000	Sky 6% 21.05.2027	124,837	0.66
£107,000	Thames Water Utilities Cayman Finance 2.625% 24.01.2032	99,483	0.53
£101,000	Vodafone Group 5.9% 26.11.2032	131,394	0.70
£150,000	Wales & West Utilities Finance 5% 07.03.2028	179,098	0.95
£122,000	Wells Fargo 2.125% 20.12.2023	120,834	0.64
£200,000	Wells Fargo 2% 28.07.2025	193,280	1.02
£200,000	Western Power Distribution South West 2.375% 16.05.2029	190,740	1.01
£200,000	Whitbread Group 3.375% 16.10.2025	202,665	1.07
<b>Total Corporate Bonds</b>		<b>6,777,894</b>	<b>35.86</b>
<b>Government Bonds - 27.26% (27.29%)</b>			
£550,000	UK Treasury 0.5% 22.07.2022	544,302	2.88
£500,000	UK Treasury 0.75% 22.07.2023	496,665	2.63
£450,000	UK Treasury 1.5% 22.01.2021	456,728	2.42
£400,000	UK Treasury 1.5% 22.07.2047	371,936	1.97
£200,000	UK Treasury 1.625% 22.10.2071	193,644	1.02
£250,000	UK Treasury 1.75% 07.09.2037	250,218	1.32
£200,000	UK Treasury 1.75% 22.07.2057	201,286	1.06
£500,000	UK Treasury 2% 22.07.2020	509,440	2.69
£250,000	UK Treasury 3.5% 22.01.2045	334,883	1.77
£450,000	UK Treasury 4.25% 07.12.2027	568,345	3.01
£200,000	UK Treasury 4.25% 07.06.2032	266,470	1.41
£150,000	UK Treasury 4.25% 07.12.2040	217,248	1.15
£250,000	UK Treasury 5% 07.03.2025	309,862	1.64
£300,000	UK Treasury 6% 07.12.2028	432,645	2.29
<b>Total Government Bonds</b>		<b>5,153,672</b>	<b>27.26</b>
<b>Government Index-Linked - 2.05% (1.10%)</b>			
£200,000	UK Treasury 0.125% IL 22.11.2056	388,029	2.05
<b>Total Government Index-Linked</b>		<b>388,029</b>	<b>2.05</b>
<b>Total Bonds</b>		<b>12,319,595</b>	<b>65.17</b>
<b>Portfolio of investments</b>		<b>18,354,426</b>	<b>97.09</b>
<b>Net other assets</b>		<b>549,665</b>	<b>2.91</b>
<b>Net Assets</b>		<b>18,904,091</b>	<b>100.00</b>

\* UK-listed investment trust.

\*\* Corporate Action – 'C' shares are non-cumulative, unquoted redeemable Preference Shares given in lieu of cash dividend.

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Bond credit ratings <sup>+</sup>	Bid-market value £	Percentage of total net assets %
Investments of investment grade	11,291,791	59.73
Unrated bonds	1,027,804	5.44
<b>Total Bonds</b>	<b>12,319,595</b>	<b>65.17</b>
Equities	6,034,831	31.92
<b>Total value of investments</b>	<b>18,354,426</b>	<b>97.09</b>

<sup>+</sup> ratings supplied by credit agencies

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES  
FOR THE PERIOD ENDED 31 DECEMBER 2018

Total Purchases		£7,626,803
Purchases		Cost £
UK Treasury 0.125% IL 22.11.2056		1,953,456
UK Treasury 2.5% 22.07.2065		699,225
UK Treasury 2% 22.07.2020		512,805
UK Treasury 3.25% 22.01.2044		497,256
UK Treasury 6% 07.12.2028		431,352
UK Treasury 1.625% 22.10.2071		405,424
UK Treasury 1.5% 22.07.2047		378,240
UK Treasury 0.375% IL 22.03.2062		251,873
Apple 3.05% 31.07.2029		218,301
The Renewables Infrastructure Group*		217,000
Anheuser Busch 2.25% 24.05.2029		194,901
Prudential 5.625% VRN 20.10.2051		135,399
HSBC Bank 5.375% 04.11.2030		119,250
Prudential		105,919
Grainger Trust		105,063
BP		104,980
GCP Asset Backed Income Fund		100,000
ING Groep NV		93,950
Foresight Solar		91,218
Royal Dutch Shell 'B'		89,763

\*UK-Listed investment trust.

Total Sales		£5,386,112
Sales		Proceeds £
UK Treasury 0.125% IL 22.11.2056		1,803,030
UK Treasury 2.5% 22.07.2065		707,088
UK Treasury 3.25% 22.01.2044		509,946
UK Treasury 1.75% 22.07.2019		503,635
UK Treasury 1.5% 22.07.2047		384,720
UK Treasury 3.5% 22.01.2045		344,475
UK Treasury 0.375% IL 22.03.2062		256,887
UK Treasury 1.625% 22.10.2071		206,960
The Renewables Infrastructure Group*		112,057
Sky		86,400
GCP Infrastructure Investments*		74,438
Smith & Nephew		65,568
GCP Student Living		61,823
Foresight Solar		57,207
LXI REIT		54,854
Sequoia Economic Infrastructure Income Fund*		52,097
Bilfinger Berger Global Infrastructure		45,043
Greencoat UK Wind		34,239
3i Infrastructure*		23,997
Intu Debenture 5.562% 31.12.2027		1,648

\*UK-Listed investment trust.

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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## COMPARATIVE TABLES

Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	110.14	107.40	100.00
Return before operating charges*	(2.09)	4.54	9.41
Operating charges	(0.93)	(1.80)	(1.99)
Return after operating charges*	(3.02)	2.74	7.42
Distributions on accumulation units	(0.51)	(1.02)	(0.89)
Retained distributions on accumulation units	0.51	1.02	0.87
Closing net asset value per unit	107.12	110.14	107.40
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.05	0.08	0.32
<b>Performance</b>			
Return after charges	(2.74%)	2.55%	7.42%
<b>Other information</b>			
Closing net asset value (£)	15,761,032	15,501,633	10,715,282
Closing number of units	14,713,972	14,074,386	9,977,285
Operating charges	1.68%	1.66%	1.68%
Direct transaction costs	0.05%	0.07%	0.30%
<b>Prices</b>			
Highest unit price	111.55p	111.11p	110.67p
Lowest unit price	106.79p	105.25p	97.44p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.



Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	111.26	107.94	100.00
Return before operating charges*	(2.11)	4.59	9.45
Operating charges	(0.66)	(1.27)	(1.41)
Return after operating charges*	(2.77)	3.32	8.04
Distributions on accumulation units	(0.80)	(1.58)	(1.52)
Retained distributions on accumulation units	0.80	1.58	1.42
Closing net asset value per unit	108.49	111.26	107.94
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.05	0.08	0.32
<b>Performance</b>			
Return after charges	(2.49%)	3.08%	8.04%
<b>Other information</b>			
Closing net asset value (£)	1,998,032	1,226,164	505,303
Closing number of units	1,841,646	1,102,026	468,116
Operating charges	1.18%	1.16%	1.18%
Direct transaction costs	0.05%	0.07%	0.30%
<b>Prices</b>			
Highest unit price	112.77p	112.25p	111.22p
Lowest unit price	108.18p	106.15p	97.49p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

CONTINUED

## COMPARATIVE TABLES

Class B – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	108.32	106.59	100.00
Return before operating charges*	(2.07)	4.52	9.45
Operating charges	(0.91)	(1.78)	(1.99)
Return after operating charges*	(2.98)	2.74	7.46
Distributions on income units	(0.50)	(1.01)	(0.87)
Closing net asset value per unit	104.84	108.32	106.59
*after direct transactions costs <sup>2</sup> of:	0.05	0.07	0.31
<b>Performance</b>			
Return after charges	(2.75%)	2.57%	7.46%
<b>Other information</b>			
Closing net asset value (£)	1,087,357	1,123,414	1,105,485
Closing number of units	1,037,172	1,037,172	1,037,172
Operating charges	1.68%	1.66%	1.70%
Direct transaction costs	0.05%	0.07%	0.30%
<b>Prices</b>			
Highest unit price	109.64p	109.82p	110.56p
Lowest unit price	104.95p	104.02p	97.44p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	108.34	106.60	100.00
Return before operating charges*	(2.08)	4.54	9.53
Operating charges	(0.64)	(1.25)	(1.41)
Return after operating charges*	(2.72)	3.29	8.12
Distributions on income units	(0.77)	(1.55)	(1.52)
Closing net asset value per unit	104.85	108.34	106.60
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.05	0.07	0.31
<b>Performance</b>			
Return after charges	(2.51%)	3.09%	8.12%
<b>Other information</b>			
Closing net asset value (£)	57,670	59,585	58,630
Closing number of units	55,000	55,000	55,000
Operating charges	1.18%	1.16%	1.20%
Direct transaction costs	0.05%	0.07%	0.30%
<b>Prices</b>			
Highest unit price	109.72p	110.09p	110.78p
Lowest unit price	105.23p	104.10p	97.49p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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## UNAUDITED INTERIM STATEMENT OF TOTAL RETURN FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(623,609)		232,471
Revenue	246,853		168,555	
Expenses	(153,758)		(113,882)	
Net revenue before taxation	93,095		54,673	
Taxation	(1,412)		(91)	
Net revenue after taxation		91,683		54,582
<b>Total return before distributions</b>		<b>(531,926)</b>		<b>287,053</b>
Distributions		(91,684)		(54,585)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(623,610)</b>		<b>232,468</b>

## UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders at 1 July</b>		17,910,796		12,384,700
Amounts receivable on issue of units	1,933,100		3,200,524	
Amounts payable on cancellation of units	(406,396)		(33,324)	
		1,526,704		3,167,200
Change in net assets attributable to unitholders from investment activities		(623,610)		232,468
Retained distribution on accumulation units		90,201		56,848
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>18,904,091</b>		<b>15,841,216</b>

## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		18,354,426		16,795,988
<b>Current assets</b>				
Debtors	211,673		288,246	
Cash and bank balances	465,502		1,064,235	
		677,175		1,352,481
Total assets		19,031,601		18,148,469
<b>Liabilities</b>				
Creditors				
Other creditors	(121,869)		(230,925)	
Distribution payable on income units	(5,641)		(6,748)	
Total liabilities		(127,510)		(237,673)
<b>Net assets attributable to unitholders</b>		<b>18,904,091</b>		<b>17,910,796</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

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# WESLEYAN LOW RISK/ REWARD GROWTH FUND

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UNAUDITED DISTRIBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

## Distribution tables (pence per unit)

### Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 and on or before 31 December 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.5129	-	0.5129	0.4078
Group 2	0.2218	0.2911	0.5129	0.4078

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.8000	-	0.8000	0.6873
Group 2	0.4649	0.3351	0.8000	0.6873

Class B Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.5028	-	0.5028	0.4024
Group 2	0.2246	0.2782	0.5028	0.4024

Class X Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.7744	-	0.7744	0.6739
Group 2	0.4039	0.3705	0.7744	0.6739

## Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% unfranked.

### Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND

## Fund Review

This is the half-year report for the Wesleyan Moderate-High Risk/Reward Income Fund covering the period from 1 July 2018 to 31 December 2018. The underlying unit price performance generated a return of -8.2% compared to the Investment Association Mixed Investment 40-85% sector that returned -6.6%\*.

In the period under review, investor exuberance was tempered across equity markets as the era of global "synchronised" growth ended and we saw a slowdown in economic data, albeit from a high base. Equity markets started the period under review with positive returns across developed and emerging markets, until the start of October, which saw volatility rise and markets fall sharply. The UK equity market declined by 11% over the six-month period under review as global growth concerns were combined with UK-specific worries as Brexit deadlines neared and no deal was forthcoming from the UK government. This compared to global equity markets (excluding the UK) that declined by 5.1%.

The key driver of the fund's underperformance relative to peers is the mandated UK focus of the fund, relative to a sector that is much more globally focussed.

The largest positive contributions within the fund's UK portfolio came from beverage companies AG Barr and Diageo, utilities aggregator Telecom Plus, and telecommunications giant BT Group. Internationally, Microsoft and Deutsche Telekom were the biggest positive contributors over the period. Negative contributions came from engineering services company Babcock International, aerospace and defence company Senior and packaging company DS Smith. Internationally, travel company TUI, chemicals company Bayer and travel information technology company Amadeus IT contributed negatively.

The largest additions to the fund were new holdings in Intertek, a product testing company and Equiniti, a provider of administration and payment services. A notable addition to the fund was retailer Tesco, which after a decade of poor-performing investment decisions is trimming non-core operations and refocussing the business.

In the period, the fund sold its position in Shire, after it was bid for by Japan listed Takeda Pharmaceutical. The fund also sold some of its holdings in pharmaceutical company Circassia and property developer U&I. The fund took some profits in 3i Infrastructure and Telecom Plus.

The full list of holdings can be found later in this report.

## Fund Outlook

Brexit discussions and negotiations continue following the resounding defeat of Theresa May's Withdrawal Agreement in January 2019, although the vote of no confidence in her leadership failed. Consequentially, the UK market has fallen out of favour with global asset allocators, especially UK-focussed companies, where we see particularly attractive valuations.

Global growth should slow but not collapse, as it is reasonable to expect a soft landing for Asian economies. However, we do expect volatility to rise – while central banks may not raise interest rates as much as previously expected, they are likely to press on with their plans to reduce asset purchases, continuing the tightening of global liquidity.

In terms of the US-China trade war, the Chinese government have proposed some concessions (such as the promise to purchase increased agricultural products) but the US is focussing on elements such as intellectual property reform, which are less likely to be forthcoming. Therefore, while there are strong incentives for both sides to reach an agreement in 2019, it relies on flexibility from both. President Trump will continue to focus on foreign policy as domestically he has been weakened by the loss of the House of Representatives to the Democrats.

Focus in 2019 will likely turn to Europe, as Brexit, the Italian budget, the populist turn in Eastern Europe and a weak minority Spanish government provide challenges for the market to absorb. Key leadership changes in Europe present the opportunity for further uncertainty, and the President of the European Central Bank, Mario Draghi, approaches the end of his term. In France, President Emmanuel Macron's initial popularity swiftly waned, and civil unrest has led to reactive short-term policies, and significantly reduced the possibility of meaningful reform.

Cash, whilst providing minimal returns, provides optionality that is expected to be used where volatility increases and investment opportunities present themselves.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

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## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### General Information

#### Investment objective and policy

The Fund aims to provide a competitive level of income, together with the potential for long term capital growth.

The Fund will invest in UK and international equities (largely dividend paying) with the remainder largely being invested in fixed interest securities.

The Fund may also invest in other transferable securities (including non-UK equities), cash, near cash, deposits, money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom.

The Fund may use derivatives for the purpose of efficient portfolio management.

#### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.7%	1.2%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	30 November, Last day of February, 31 May



# UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2018.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>EQUITIES</b>			
<b>United Kingdom - 60.46% (55.83%)</b>			
<b>Oil &amp; Gas - 0.68% (0.80%)</b>			
16,900	BP	83,816	0.68
	<b>Total Oil &amp; Gas</b>	<b>83,816</b>	<b>0.68</b>
<b>Basic Materials - 1.86% (1.41%)</b>			
2,700	Croda International	126,495	1.03
1,000	Rio Tinto	37,295	0.30
21,000	Scapa	64,344	0.53
	<b>Total Basic Materials</b>	<b>228,134</b>	<b>1.86</b>
<b>Industrials - 11.75% (9.75%)</b>			
28,599	Babcock International	139,935	1.14
48,750	Capita	54,722	0.45
60,000	Equiniti	129,900	1.06
1,000	Halma	13,540	0.11
10,000	IMI	94,400	0.77
5,400	Intertek	259,200	2.11
8,000	Morgan Sindall	84,320	0.69
2,200	Renishaw	93,104	0.76
53,000	Senior	99,640	0.81
51,829	DS Smith	154,969	1.26
16,500	Smiths Group	224,730	1.83
39,932	Tyman	93,840	0.76
	<b>Total Industrials</b>	<b>1,442,300</b>	<b>11.75</b>
<b>Consumer Goods - 14.28% (13.63%)</b>			
23,000	A G Barr	181,470	1.48
2,700	Associated British Foods	55,161	0.45
5,816	Bellway	146,272	1.19
10,000	Britvic	79,900	0.65
7,000	Burberry	121,100	0.99
11,650	Diageo	325,618	2.65

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# WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND

CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
10,400	Galliford Try	64,636	0.53
6,400	Persimmon	123,520	1.01
4,250	Reckitt Benckiser	255,468	2.08
2,800	Ted Baker	43,344	0.35
8,650	Unilever	355,385	2.90
	<b>Total Consumer Goods</b>	<b>1,751,874</b>	<b>14.28</b>
<b>Healthcare - 4.84% (4.93%)</b>			
1,500	AstraZeneca	87,960	0.72
19,305	Circassia	9,266	0.08
12,000	Clinigen	90,000	0.73
384	Dechra Pharmaceuticals	7,941	0.06
13,550	GlaxoSmithKline	202,058	1.65
13,400	Smith & Nephew	196,176	1.60
	<b>Total Healthcare</b>	<b>593,401</b>	<b>4.84</b>
<b>Consumer Services - 11.96% (10.89%)</b>			
10,796	Compass Group	177,594	1.45
10,500	Daily Mail & General Trust	60,375	0.49
11,000	Dignity	76,395	0.62
11,685	Domino's	27,238	0.22
7,000	Greene King	36,876	0.30
7,100	InterContinental Hotels Group	300,472	2.45
44,000	ITV	54,934	0.45
63,800	Marston's	60,004	0.49
33,000	Merlin Entertainments	104,775	0.85
2,100	Next	83,811	0.68
14,250	RELX	230,351	1.88
41,311	Restaurant Group	58,868	0.48
59,000	Tesco	112,159	0.91
1,850	Whitbread	84,712	0.69
	<b>Total Consumer Services</b>	<b>1,468,564</b>	<b>11.96</b>
<b>Telecommunications - 2.20% (2.27%)</b>			
38,000	BT	90,459	0.74
5,065	Telecom Plus	72,531	0.59
70,000	Vodafone	107,030	0.87
	<b>Total Telecommunications</b>	<b>270,020</b>	<b>2.20</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Utilities - 1.63% (1.67%)</b>			
18,041	National Grid	137,869	1.12
5,800	SSE	62,669	0.51
	<b>Total Utilities</b>	<b>200,538</b>	<b>1.63</b>
<b>Financials - 8.08% (8.37%)</b>			
12,300	British Land REIT	65,584	0.53
49,000	Legal & General	113,190	0.92
328,000	Lloyds Banking	169,806	1.38
75,000	Odyssean Investment Trust*	71,250	0.58
70,092	PRS REIT	65,746	0.54
9,000	Prudential	126,180	1.03
7,550	Schroders (Non voting)	154,020	1.25
10,800	St. James Place Capital	101,822	0.83
60,364	U & I Group	124,652	1.02
	<b>Total Financials</b>	<b>992,250</b>	<b>8.08</b>
<b>Technology - 3.18% (2.11%)</b>			
8,000	EMIS	72,720	0.59
1,852	Micro Focus International	25,595	0.21
22,500	Rightmove	97,256	0.79
32,500	Sage	195,260	1.59
	<b>Total Technology</b>	<b>390,831</b>	<b>3.18</b>
	<b>Total United Kingdom</b>	<b>7,421,728</b>	<b>60.46</b>
<b>United States - 6.75% (7.75%)</b>			
<b>Basic Materials - 0.68% (0.81%)</b>			
2,000	DowDuPont	83,967	0.68
	<b>Total Basic Materials</b>	<b>83,967</b>	<b>0.68</b>
<b>Industrials - 1.17% (1.16%)</b>			
1,400	Automatic Data Processing	144,188	1.17
	<b>Total Industrials</b>	<b>144,188</b>	<b>1.17</b>

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# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Consumer Goods - 2.05% (3.01%)</b>			
2,000	Colgate-Palmolive	93,467	0.76
1,000	Estée Lauder	102,128	0.83
1,500	Keurig Dr Pepper	30,186	0.25
300	PepsiCo	26,017	0.21
	<b>Total Consumer Goods</b>	<b>251,798</b>	<b>2.05</b>
<b>Healthcare - 0.83% (0.82%)</b>			
350	Becton Dickinson	61,901	0.50
400	Johnson & Johnson	40,534	0.33
	<b>Total Healthcare</b>	<b>102,435</b>	<b>0.83</b>
<b>Financials - 0.20% (0.25%)</b>			
600	Citigroup	24,516	0.20
	<b>Total Financials</b>	<b>24,516</b>	<b>0.20</b>
<b>Technology - 1.82% (1.70%)</b>			
2,350	Microsoft	187,579	1.53
1,000	Oracle	35,451	0.29
	<b>Total Technology</b>	<b>223,030</b>	<b>1.82</b>
	<b>Total United States</b>	<b>829,934</b>	<b>6.75</b>
<b>Channel Islands - 1.11% (2.69%)</b>			
<b>Healthcare - 0.00% (1.30%)</b>			
<b>Consumer Services - 0.62% (0.88%)</b>			
9,000	WPP	76,194	0.62
	<b>Total Consumer Services</b>	<b>76,194</b>	<b>0.62</b>
<b>Financials - 0.49% (0.51%)</b>			
23,121	3i Infrastructure	59,768	0.49
	<b>Total Financials</b>	<b>59,768</b>	<b>0.49</b>
	<b>Total Channel Islands</b>	<b>135,962</b>	<b>1.11</b>

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
	<b>Denmark - 1.88% (1.28%)</b>		
	<b>Healthcare - 1.88% (1.28%)</b>		
6,450	Novo Nordisk B	230,684	1.88
	<b>Total Healthcare</b>	<b>230,684</b>	<b>1.88</b>
	<b>Total Denmark</b>	<b>230,684</b>	<b>1.88</b>
	<b>France - 0.76% (0.77%)</b>		
	<b>Consumer Goods - 0.76% (0.77%)</b>		
1,700	Danone	93,384	0.76
	<b>Total Consumer Goods</b>	<b>93,384</b>	<b>0.76</b>
	<b>Total France</b>	<b>93,384</b>	<b>0.76</b>
	<b>Germany - 4.13% (4.16%)</b>		
	<b>Basic Materials - 0.58% (0.89%)</b>		
1,304	Bayer	70,987	0.58
	<b>Total Basic Materials</b>	<b>70,987</b>	<b>0.58</b>
	<b>Consumer Goods - 1.49% (0.86%)</b>		
200	Adidas	32,761	0.27
1,950	Henkel	149,385	1.22
	<b>Total Consumer Goods</b>	<b>182,146</b>	<b>1.49</b>
	<b>Consumer Services - 0.88% (1.30%)</b>		
9,600	TUI UK	107,856	0.88
	<b>Total Consumer Services</b>	<b>107,856</b>	<b>0.88</b>
	<b>Telecommunications - 0.87% (0.77%)</b>		
8,000	Deutsche Telekom	106,452	0.87
	<b>Total Telecommunications</b>	<b>106,452</b>	<b>0.87</b>
	<b>Technology - 0.31% (0.34%)</b>		
480	SAP	37,573	0.31
	<b>Total Technology</b>	<b>37,573</b>	<b>0.31</b>
	<b>Total Germany</b>	<b>505,014</b>	<b>4.13</b>
	<b>India - 0.73% (0.00%)</b>		
	<b>Financials - 0.73% (0.00%)</b>		
100,000	Ashoka India Equity Investment Trust*	90,000	0.73
	<b>Total Financials</b>	<b>90,000</b>	<b>0.73</b>
	<b>Total India</b>	<b>90,000</b>	<b>0.73</b>

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# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
	<b>Japan - 0.71% (0.90%)</b>		
	<b>Financials - 0.71% (0.90%)</b>		
40,000	Fidelity Japanese Values Investment Trust*	50,000	0.41
10,000	JPMorgan Japanese Investment Trust*	37,400	0.30
	<b>Total Financials</b>	<b>87,400</b>	<b>0.71</b>
	<b>Total Japan</b>	<b>87,400</b>	<b>0.71</b>
	<b>Netherlands - 0.15% (0.20%)</b>		
	<b>Financials - 0.15% (0.20%)</b>		
2,200	ING Groep NV	18,582	0.15
	<b>Total Financials</b>	<b>18,582</b>	<b>0.15</b>
	<b>Total Netherlands</b>	<b>18,582</b>	<b>0.15</b>
	<b>Pacific excluding Japan - 0.26% (0.29%)</b>		
	<b>Financials - 0.26% (0.29%)</b>		
8,000	Schroder Asia Pacific Investment Trust*	32,000	0.26
	<b>Total Financials</b>	<b>32,000</b>	<b>0.26</b>
	<b>Total Pacific Excluding Japan</b>	<b>32,000</b>	<b>0.26</b>
	<b>Spain - 1.82% (1.85%)</b>		
	<b>Technology - 1.82% (1.85%)</b>		
4,100	Amadeus IT Group	223,894	1.82
	<b>Total Technology</b>	<b>223,894</b>	<b>1.82</b>
	<b>Total Spain</b>	<b>223,894</b>	<b>1.82</b>
	<b>Switzerland - 0.35% (0.30%)</b>		
	<b>Healthcare - 0.35% (0.30%)</b>		
220	Roche Holdings	42,641	0.35
	<b>Total Healthcare</b>	<b>42,641</b>	<b>0.35</b>
	<b>Total Switzerland</b>	<b>42,641</b>	<b>0.35</b>
<b>Total Equities</b>		<b>9,711,223</b>	<b>79.11</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>BONDS</b>			
<b>Corporate Bonds - 7.32% (7.42%)</b>			
£100,000	Deutsche Telekom International Finance 1.25% 06.10.2023	96,756	0.79
£100,000	Equinor 6.875% 11.03.2031	146,982	1.20
£100,000	HSBC 6% 29.03.2040	119,348	0.97
£125,000	InterContinental Hotels Group 2.125% 24.08.2026	116,211	0.95
£50,000	Johnson & Johnson 5.5% 06.11.2024	60,433	0.49
£100,000	Longstone Finance 4.774% 19.04.2036	113,910	0.93
£150,000	Unilever 1.875% 15.09.2029	143,523	1.17
£100,000	Whitbread Group 3.375% 16.10.2025	101,332	0.82
<b>Total Corporate Bonds</b>		<b>898,495</b>	<b>7.32</b>
<b>Government Bonds - 8.67% (8.69%)</b>			
£200,000	UK Treasury 0.5% 22.07.2022	197,928	1.61
£100,000	UK Treasury 0.75% 22.07.2023	99,333	0.81
£300,000	UK Treasury 1.5% 22.01.2021	304,485	2.48
£100,000	UK Treasury 2% 22.07.2020	101,888	0.83
£100,000	UK Treasury 3.75% 07.09.2021	107,910	0.88
£200,000	UK Treasury 4.25% 07.12.2027	252,598	2.06
<b>Total Government Bonds</b>		<b>1,064,142</b>	<b>8.67</b>
<b>Total Bonds</b>		<b>1,962,637</b>	<b>15.99</b>
<b>Portfolio of investments</b>		<b>11,673,860</b>	<b>95.10</b>
<b>Net other assets</b>		<b>601,547</b>	<b>4.90</b>
<b>Net Assets</b>		<b>12,275,407</b>	<b>100.00</b>

\* UK-listed investment trust.

## SUMMARY OF PORTFOLIO INVESTMENTS

Bond credit ratings*	Bid-market value £	Percentage of total net assets %
Investment grade	1,745,094	14.22
Below investment grade	217,543	1.77
<b>Total Bonds</b>	<b>1,962,637</b>	<b>15.99</b>
Equities	9,711,223	79.11
<b>Total value of investments</b>	<b>11,673,860</b>	<b>95.10</b>

\* ratings supplied by credit agencies

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 DECEMBER 2018

<b>Total Purchases</b>	<b>£1,805,500</b>
<b>Purchases</b>	<b>Cost £</b>
Intertek	248,139
Equiniti	128,739
Tesco	122,777
IMI	115,586
Ashoka India Equity Investment Trust	100,000
Rightmove	96,337
DS Smith	96,151
Dignity	86,544
Bellway	66,522
Novo Nordisk B	63,002
Associated British Foods	61,535
Henkel	51,416
Legal & General	48,551
Reckitt Benckiser	47,716
Scapa	43,135
Sage	40,758
Rio Tinto	39,293
Babcock International	36,149
Schroders (Non voting)	35,632
InterContinental Hotels	35,326
<b>Total Sales</b>	<b>£289,615</b>
<b>Sales*</b>	<b>Proceeds £</b>
Shire	170,015
Keurig Dr Pepper	83,996
Telecom Plus	13,347
3i Infrastructure	12,445
U & I Group	5,378
Circassia	4,433

\* As the total number of sales for the period was below twenty, the complete list has been provided here.



## COMPARATIVE TABLES

Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	115.71	111.23	100.00
Return before operating charges*	(8.31)	6.64	13.47
Operating charges	(1.12)	(2.16)	(2.24)
Return after operating charges*	(9.43)	4.48	11.23
Distributions on accumulation units	(1.29)	(3.07)	(3.24)
Retained distributions on accumulation units	1.29	3.07	3.24
Closing net asset value per unit	106.28	115.71	111.23
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.07	0.13	0.54
<b>Performance</b>			
Return after charges	(8.15%)	4.03%	11.23%
<b>Other information</b>			
Closing net asset value (£)	10,367,182	10,535,443	7,229,119
Closing number of units	9,754,487	9,104,885	6,499,306
Operating charges	1.95%	1.91%	1.90%
Direct transaction costs	0.06%	0.12%	0.51%
<b>Prices</b>			
Highest unit price	118.77p	117.86p	114.98p
Lowest unit price	105.19p	106.73p	93.90p
<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.			
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.			
Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	116.88	111.87	100.00
Return before operating charges*	(8.40)	6.63	13.52
Operating charges	(0.84)	(1.62)	(1.65)
Return after operating charges*	(9.24)	5.01	11.87
Distributions on accumulation units	(1.31)	(3.10)	(3.31)
Retained distributions on accumulation units	1.31	3.10	3.31
Closing net asset value per unit	107.64	116.88	111.87
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.07	0.13	0.54
<b>Performance</b>			
Return after charges	(7.91%)	4.48%	11.87%

## WESLEYAN

WESLEYAN MODERATE-HIGH RISK/  
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## COMPARATIVE TABLES

Other information			
Closing net asset value (£)	762,951	500,113	89,888
Closing number of units	708,805	427,901	80,351
Operating charges	1.46%	1.42%	1.40%
Direct transaction costs	0.06%	0.12%	0.51%

Prices			
Highest unit price	120.14p	119.09p	115.61p
Lowest unit price	106.58p	107.73p	93.95p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	109.25	107.89	100.00
Return before operating charges*	(7.80)	6.43	13.36
Operating charges	(1.05)	(2.12)	(2.21)
Return after operating charges*	(8.85)	4.31	11.15
Distributions on income units	(1.21)	(2.95)	(3.26)
Closing net asset value per unit	99.19	109.25	107.89
*after direct transactions costs <sup>2</sup> of:	0.06	0.13	0.53

Performance			
Return after charges	(8.10%)	3.99%	11.15%

Other information			
Closing net asset value (£)	1,089,981	1,174,737	1,041,112
Closing number of units	1,098,921	1,075,288	965,000
Operating charges	1.95%	1.95%	1.90%
Direct transaction costs	0.06%	0.12%	0.51%

Prices			
Highest unit price	112.08p	112.36p	114.21p
Lowest unit price	98.68p	102.27p	93.90p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	110.45	108.51	100.00
Return before operating charges*	(7.90)	6.50	13.41
Operating charges	(0.79)	(1.59)	(1.63)
Return after operating charges*	(8.69)	4.91	11.78
Distributions on income units	(1.23)	(2.97)	(3.27)
Closing net asset value per unit	100.53	110.45	108.51
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.13	0.53
<b>Performance</b>			
Return after charges	(7.87%)	4.52%	11.78%
<b>Other information</b>			
Closing net asset value (£)	55,293	60,746	59,678
Closing number of units	55,000	55,000	55,000
Operating charges	1.45%	1.45%	1.40%
Direct transaction costs	0.06%	0.12%	0.51%
<b>Prices</b>			
Highest unit price	113.38p	113.54p	114.21p
Lowest unit price	99.99p	103.23p	93.95p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### UNAUDITED INTERIM STATEMENT OF TOTAL RETURN FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(1,106,757)		288,421
Revenue	149,230		115,138	
Expenses	(121,922)		(90,531)	
Interest payable and similar charges	(31)		(9)	
Net revenue before taxation	27,277		24,598	
Taxation	(2,209)		(1,179)	
Net revenue after taxation		25,068		23,419
<b>Total (deficit)/return before distributions</b>		<b>(1,081,689)</b>		<b>311,840</b>
Distributions		(142,952)		(110,969)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(1,224,641)</b>		<b>200,871</b>

### UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders at 1 July</b>		12,271,039		8,419,797
Amounts receivable on issue of units	1,184,355		2,118,151	
Amounts payable on cancellation of units	(87,925)		-	
		1,096,430		2,118,151
Change in net assets attributable to unitholders from investment activities		(1,224,641)		200,871
Retained distribution on accumulation units*		132,579		104,694
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>12,275,407</b>		<b>10,843,513</b>

\* Includes quarterly distribution as at 30 September 2018.

## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		11,673,860		11,305,782
<b>Current assets</b>				
Debtors	52,802		138,784	
Cash and bank balances	616,736		885,203	
		669,538		1,023,987
Total assets		12,343,398		12,329,769
<b>Liabilities</b>				
Creditors				
Other creditors	(60,881)		(46,061)	
Distribution payable on income units	(7,110)		(12,669)	
Total liabilities		(67,991)		(58,730)
<b>Net assets attributable to unitholders</b>		<b>12,275,407</b>		<b>12,271,039</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

# WESLEYAN

## WESLEYAN MODERATE-HIGH RISK/ REWARD INCOME FUND CONTINUED

### UNAUDITED DISTRIBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

#### Distribution tables (pence per unit)

##### First Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 and on or before 30 September 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 30 November 2018	Accumulated 30 November 2017
Group 1	0.6355	-	0.6355	0.6058
Group 2	0.2229	0.4126	0.6355	0.6058

Class X Accumulation Units	Net Income	Equalisation	Accumulated 30 November 2018	Accumulated 30 November 2017
Group 1	0.6424	-	0.6424	0.6091
Group 2	0.1825	0.4599	0.6424	0.6091

Class B Income Units	Net Income	Equalisation	Paid 30 November 2018	Paid 30 November 2017
Group 1	0.5990	-	0.5990	0.5867
Group 2	0.1650	0.4340	0.5990	0.5867

Class X Income Units	Net Income	Equalisation	Paid 30 November 2018	Paid 30 November 2017
Group 1	0.6057	-	0.6057	0.5903
Group 2	0.0702	0.5355	0.6057	0.5903

#### Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% franked.

#### Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

## Second Interim

Group 1: Units purchased prior to 1 October 2018

Group 2: Units purchased on or after 1 October 2018 and on or before 31 December 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.6562	-	0.6562	0.7001
Group 2	0.4261	0.2301	0.6562	0.7001

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.6645	-	0.6645	0.7053
Group 2	0.3969	0.2676	0.6645	0.7053

Class B Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.6158	-	0.6158	0.6750
Group 2	0.2512	0.3646	0.6158	0.6750

Class X Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.6236	-	0.6236	0.6801
Group 2	0.1529	0.4707	0.6236	0.6801

## Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% franked.

## Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND

## Fund Review

This is the half-year report of the Wesleyan Moderate Risk/Reward Growth Fund covering the period from 1 July to 31 December 2018. The underlying unit price performance generated a return of -6.83% compared to the Investment Association Mixed Investment 20-60% Shares sector average of -4.70%\*.

Investment markets faced many headwinds in the second half of 2018 and returns to investors proved disappointing. Calm summer months gave way to high volatility in the autumn and subsequent big falls in equity markets, particularly for the Brexit-impacted UK and for US technology shares. A flight to safety by nervous investors at the end of the year caused government bonds to outperform equities. This fund, with a heavier equity bias, therefore underperformed its peers during this short period. It should be noted, however, that the fund is managed for much longer-term investment horizons.

Trade tensions between the US and China unsettled equity markets initially as President Trump imposed numerous tranches of tariffs on Chinese exports to the US. Meanwhile, global bond markets were facing headwinds of their own. Steady interest rate rises by the US Federal Reserve and the continued unwind of quantitative easing caused the US yield curve to 'flatten' and increased fears that this could be a harbinger, as in the past, of a forthcoming US recession. Oil prices also fell heavily.

After UK government resignations, long cabinet meetings and much debate over the Irish border 'backstop agreement', the EU eventually signed Theresa May's Brexit Withdrawal Agreement on 25 November 2018, but the deal still required UK parliamentary approval.

Europe had internal issues of its own to deal with. The stable climate of German politics was challenged as Angela Merkel, whilst continuing as Chancellor, stepped down from leading her CDU party following heavy election losses. Meanwhile, Italy struggled to reach agreement with the EU over its budget and President Macron faced public riots in France. The European Central Bank confirmed expectations that their own quantitative easing programme would finish at the end of 2018.

In the six-month period, further investments in the fund were made in house builders such as Bellway, Persimmon and Taylor Wimpey, plus property companies Land Securities and Grainger as these share prices appeared unduly punished by Brexit concerns. Other investments were made in industrial-related companies including Johnson Matthey (auto catalysts) in the UK, 3M (adhesives) in the United States, Legrand (electricals) in France and Continental (tyres) in Germany. Takeover proceeds were received from the fund's holdings in Laird (technology) and holdings in Shire (pharmaceuticals), Sky (media) and property developer U&I were also sold following strong share price gains.

The core UK equity portfolio benefited from strong gains by BT (telecoms), Whitbread (leisure) and AstraZeneca (pharmaceuticals), but performance was held back by heavy falls in the share prices of Keller (construction) and Babcock (defence contractor). No corporate bonds were purchased during the period as prices were unattractive, but the fund's existing holdings produced positive returns. UK government bond purchases were made during the period, with a mixture of maturity dates, to help balance the overall risk profile of the fund.

The full list of holdings can be found later in this report.

## Fund Outlook

Despite signs of a modest economic slowdown, from healthy starting positions, in regions such as the US and Europe we see real scope for positive long-term returns from equity markets as valuations are now meaningfully cheaper, most notably in the UK, and corporate profitability and dividends remain healthy.

Subsequent to this reporting period, Theresa May's Withdrawal Agreement was resoundingly voted down by the UK parliament with a majority of 230 votes against it. Brexit news-flow has served to lessen the attraction of UK shares for overseas investors and dampened both UK consumer and business confidence. As Brexit uncertainty dissipates, the attractions of shares in the UK should become more apparent and buyers are likely to return.

In fixed income, we see limited value in holding longer-dated UK Government bonds, given the low yields now available and following many years of strong returns. However, we do see trading opportunities to profit from the current volatility. Corporate bonds will become more attractive if credit spreads continue to widen and the yields available to investors commensurately increase.

Cash returns remain minimal, but would improve if the Bank of England's Monetary Policy Committee follow through on their guidance for higher UK interest rates post-Brexit. Cash will also continue to be used tactically during periods where we believe the valuations of other asset classes look stretched.

\* Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.



## General Information

### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

The Fund will invest predominantly in a diversified portfolio of UK and international equities, government bonds, corporate bonds and cash.

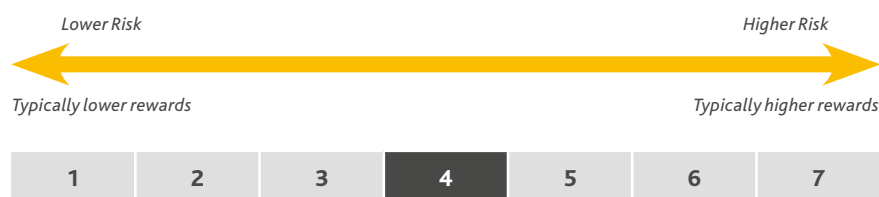
Investments will be made across various sectors and may include companies anywhere in the world.

The Fund may also invest in other fixed interest and transferable securities, near cash, deposits and money-market instruments and other collective investment schemes.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom

The Fund may use derivatives for the purposes of efficient portfolio management.

### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class B	Class X
Initial charge*	4%	4%
Annual management charge**	1.6%	1.1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	Last day of February

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2018.

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
EQUITIES			
United Kingdom - 40.43% (38.98%)			
Oil & Gas - 0.78% (0.94%)			
42,000	BP	208,299	0.78
	Total Oil & Gas	208,299	0.78
Basic Materials - 2.24% (2.34%)			
3,000	Croda International	140,550	0.52
7,050	Johnson Matthey	196,907	0.73
3,500	Rio Tinto	130,532	0.49
43,728	Scapa	133,983	0.50
	Total Basic Materials	601,972	2.24
Industrials - 6.68% (6.92%)			
25,000	Babcock International	122,325	0.46
40,000	BAE Systems	183,680	0.68
9,000	Bunzl	212,580	0.79
25,000	Capita	28,062	0.10
18,000	IMI	169,920	0.63
20,500	Keller	100,757	0.38
67,600	Melrose Industries	110,763	0.41
9,000	Morgan Sindall	94,860	0.35
20,500	RPC	133,537	0.50
71,034	Senior	133,544	0.50
55,000	SIG	60,390	0.22
46,818	DS Smith	139,986	0.52
13,000	Smiths Group	177,060	0.66
12,000	Travis Perkins	128,400	0.48
	Total Industrials	1,795,864	6.68

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Consumer Goods - 5.88% (4.90%)</b>			
8,300	Associated British Foods	169,569	0.63
7,085	Bellway	178,188	0.66
20,000	Britvic	159,800	0.60
9,000	Diageo	251,550	0.94
18,282	Galliford Try	113,623	0.42
7,500	Persimmon	144,750	0.54
3,150	Reckitt Benckiser	189,346	0.71
120,000	Taylor Wimpey	163,500	0.61
5,000	Unilever	205,425	0.77
	<b>Total Consumer Goods</b>	<b>1,575,751</b>	<b>5.88</b>
<b>Healthcare - 2.21% (2.22%)</b>			
3,000	AstraZeneca	175,920	0.66
14,200	GlaxoSmithKline	211,750	0.79
14,000	Smith & Nephew	204,960	0.76
	<b>Total Healthcare</b>	<b>592,630</b>	<b>2.21</b>
<b>Consumer Services - 5.05% (5.62%)</b>			
9,730	Compass Group	160,058	0.60
15,000	Inchcape	82,725	0.31
2,585	InterContinental Hotels Group	109,397	0.41
90,000	ITV	112,365	0.42
85,000	Marston's	79,942	0.30
27,506	Merlin Entertainments	87,332	0.33
2,460	Next	98,179	0.37
11,500	RELX	185,897	0.69
30,000	Sainsbury (J)	79,500	0.30
884,709	Tesco	190,100	0.71
253,904	Thomas Cook	78,101	0.29
1,872	Whitbread	85,719	0.32
	<b>Total Consumer Services</b>	<b>1,349,315</b>	<b>5.05</b>

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Telecommunications - 1.48% (1.59%)</b>			
99,000	BT	235,669	0.88
105,000	Vodafone	160,545	0.60
	<b>Total Telecommunications</b>	<b>396,214</b>	<b>1.48</b>
<b>Utilities - 3.46% (3.48%)</b>			
99,000	Centrica	133,551	0.50
20,166	National Grid	154,109	0.57
17,303	Pennon	119,875	0.45
8,500	Severn Trent	154,190	0.57
17,500	SSE PLC	189,087	0.70
24,500	United Utilities	180,173	0.67
	<b>Total Utilities</b>	<b>930,985</b>	<b>3.46</b>
<b>Financials - 11.65% (10.07%)</b>			
150,000	Ashoka India Equity Investment Trust*	135,000	0.50
24,000	Aviva	90,120	0.34
100,000	Barclays	150,500	0.56
28,000	British Land REIT	149,296	0.56
75,000	CC Japan Income & Growth Trust*	105,000	0.39
44,419	Direct Line Insurance	141,474	0.53
75,000	GCP Student Living REIT	111,300	0.41
76,333	Grainger Trust*	160,147	0.60
35,000	HSBC Holdings (London listed)	226,380	0.84
20,000	JP Morgan Indian Investment Trust*	139,800	0.52
25,687	Land Securities REIT	206,626	0.77
75,000	Legal & General	173,250	0.65
345,000	Lloyds Banking	178,606	0.67
91,935	LXi REIT	110,782	0.41
100,000	Odyssean Investment Trust*	95,000	0.35
75,934	PRS REIT	71,226	0.27
14,500	Prudential	203,290	0.76
30,000	RSA Insurance	153,480	0.57
50,000	Schroder Japan Investment Trust*	91,500	0.34
12,000	St. James's Place Capital	113,136	0.42
25,812	Standard Life Aberdeen	66,221	0.25
17,500	Standard Life UK Smaller Companies*	71,050	0.26
49,227	Strategic Equity Capital	95,993	0.36
64,502	Tritax Big Box REIT	84,691	0.32
	<b>Total Financials</b>	<b>3,123,868</b>	<b>11.65</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Technology - 1.00% (0.90%)</b>			
10,000	EMIS	90,900	0.34
29,500	Sage	177,236	0.66
	<b>Total Technology</b>	<b>268,136</b>	<b>1.00</b>
	<b>Total United Kingdom</b>	<b>10,843,034</b>	<b>40.43</b>
<b>United States - 6.37% (7.18%)</b>			
<b>Oil &amp; Gas - 0.90% (1.08%)</b>			
1,400	Chevron	119,609	0.44
2,300	Exxon Mobil	123,181	0.46
	<b>Total Oil &amp; Gas</b>	<b>242,790</b>	<b>0.90</b>
<b>Consumer Goods - 1.49% (1.64%)</b>			
2,200	Colgate-Palmolive	102,814	0.38
1,500	Estée Lauder 'A'	153,192	0.57
2,500	Nike 'B'	145,493	0.54
	<b>Total Consumer Goods</b>	<b>401,499</b>	<b>1.49</b>
<b>Consumer Services - 0.30% (0.77%)</b>			
600	Home Depot	80,978	0.30
	<b>Total Consumer Services</b>	<b>80,978</b>	<b>0.30</b>
<b>Financials - 0.81% (0.84%)</b>			
4,000	Citigroup	163,442	0.61
1,500	Wells Fargo	54,283	0.20
	<b>Total Financials</b>	<b>217,725</b>	<b>0.81</b>
<b>Healthcare - 0.64% (0.61%)</b>			
1,700	Johnson & Johnson	172,269	0.64
	<b>Total Healthcare</b>	<b>172,269</b>	<b>0.64</b>
<b>Industrials - 1.27% (1.16%)</b>			
1,100	3M	164,516	0.61
800	Grainger	177,362	0.66
	<b>Total Industrials</b>	<b>341,878</b>	<b>1.27</b>

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Technology - 0.96% (1.08%)</b>			
700	Apple	86,802	0.32
1,500	Cognizant Technology Solutions	74,776	0.28
1,200	Microsoft	95,785	0.36
<b>Total Technology</b>		<b>257,363</b>	<b>0.96</b>
<b>Total United States</b>		<b>1,714,502</b>	<b>6.37</b>
<b>Channel Islands - 2.04% (2.52%)</b>			
<b>Consumer Services - 0.41% (0.60%)</b>			
13,000	WPP	110,058	0.41
<b>Total Consumer Services</b>		<b>110,058</b>	<b>0.41</b>
<b>Healthcare - 0.00% (0.58%)</b>			
<b>Financials - 1.05% (0.84%)</b>			
107,429	Renewables Infrastructure*	121,395	0.45
141,818	Sequoia Economic Infrastructure Income Fund*	160,963	0.60
<b>Total Financials</b>		<b>282,358</b>	<b>1.05</b>
<b>Industrials - 0.58% (0.50%)</b>			
3,084	Ferguson	154,508	0.58
<b>Total Industrials</b>		<b>154,508</b>	<b>0.58</b>
<b>Total Channel Islands</b>		<b>546,924</b>	<b>2.04</b>
<b>France - 3.13% (3.21%)</b>			
<b>Basic Materials - 0.29% (0.30%)</b>			
804	Air Liquide	77,938	0.29
<b>Total Basic Materials</b>		<b>77,938</b>	<b>0.29</b>
<b>Financials - 0.40% (0.53%)</b>			
4,300	Société Générale SA	107,315	0.40
<b>Total Financials</b>		<b>107,315</b>	<b>0.40</b>
<b>Industrials - 0.53% (0.26%)</b>			
3,200	Legrand Promesses	141,601	0.53
<b>Total Industrials</b>		<b>141,601</b>	<b>0.53</b>

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Consumer Goods - 0.67% (0.73%)</b>			
1,800	Danone	98,876	0.37
350	LVMH Moët Hennessy	81,114	0.30
	<b>Total Consumer Goods</b>	<b>179,990</b>	<b>0.67</b>
<b>Consumer Services - 1.24% (1.39%)</b>			
2,000	Accor	66,223	0.24
400	Kering	147,705	0.55
1,500	Sodexo	120,015	0.45
	<b>Total Consumer Services</b>	<b>333,943</b>	<b>1.24</b>
	<b>Total France</b>	<b>840,787</b>	<b>3.13</b>
<b>Germany - 2.89% (2.38%)</b>			
<b>Basic Materials - 0.53% (0.53%)</b>			
2,630	Bayer	143,171	0.53
	<b>Total Basic Materials</b>	<b>143,171</b>	<b>0.53</b>
<b>Telecommunication - 0.67% (0.62%)</b>			
13,500	Deutsche Telekom	179,638	0.67
	<b>Total Basic Materials</b>	<b>179,638</b>	<b>0.67</b>
<b>Consumer Goods - 1.69% (1.23%)</b>			
750	Adidas	122,855	0.46
1,300	Continental	140,430	0.52
800	Daimler	32,959	0.12
2,066	Henkel	158,272	0.59
	<b>Total Consumer Goods</b>	<b>454,516</b>	<b>1.69</b>
	<b>Total Germany</b>	<b>777,325</b>	<b>2.89</b>

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Liberia - 0.36% (0.38%)</b>			
<b>Consumer Services - 0.36% (0.38%)</b>			
1,250	Royal Caribbean Cruises	95,958	0.36
	<b>Total Consumer Services</b>	<b>95,958</b>	<b>0.36</b>
	<b>Total Liberia</b>	<b>95,958</b>	<b>0.36</b>
<b>Luxembourg - 0.72% (0.00%)</b>			
<b>Financials - 0.72% (0.00%)</b>			
125,000	Bilfinger Berger Global Infrastructure	193,750	0.72
	<b>Total Financials</b>	<b>193,750</b>	<b>0.72</b>
	<b>Total Luxembourg</b>	<b>193,750</b>	<b>0.72</b>
<b>Netherlands - 0.55% (0.74%)</b>			
<b>Financials - 0.55% (0.74%)</b>			
17,500	ING Groep NV	147,808	0.55
	<b>Total Financials</b>	<b>147,808</b>	<b>0.55</b>
	<b>Total Netherlands</b>	<b>147,808</b>	<b>0.55</b>
<b>Switzerland - 0.64% (0.58%)</b>			
<b>Healthcare - 0.64% (0.58%)</b>			
893	Roche Holding	173,086	0.64
	<b>Total Healthcare</b>	<b>173,086</b>	<b>0.64</b>
	<b>Total Switzerland</b>	<b>173,086</b>	<b>0.64</b>
<b>Total Equities</b>		<b>15,333,174</b>	<b>57.13</b>



Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
BONDS			
Corporate Bonds - 23.81% (25.23%)			
£200,000	Anglian Water Services Financing 2.625% 15.06.2027	187,480	0.70
£100,000	Bank of Montreal 1.375% 29.12.2021	98,967	0.37
£143,000	BMW International Investment 1% 17.11.2021	139,646	0.52
£200,000	BP Capital Markets 2.03% 14.02.2025	197,835	0.74
£125,000	British Telecommunications 8.625% 26.03.2020	135,447	0.50
£150,000	British Telecommunications 3.125% 21.11.2031	143,986	0.54
£100,000	Cadent Finance 1.125% 22.09.2021	98,586	0.37
£100,000	Centrica 4.375% 13.03.2029	110,459	0.41
£150,000	Compass Group 2% 03.07.2029	144,757	0.54
£225,000	Deutsche Telekom International Finance 1.25% 06.10.2023	217,701	0.81
£150,000	Electricité de France 6.125% 02.06.2034	196,808	0.73
£100,000	Equinor ASA 6.875% 11.03.2031	146,982	0.55
£109,000	Gatwick Funding 3.125% 28.09.2041	102,523	0.38
£100,000	GlaxoSmithKline 5.25% 10.04.2042	136,403	0.51
£100,000	Glencore Finance Canada 7.375% 27.05.2020	107,091	0.40
£100,000	Hammerson 3.5% 27.10.2025	98,665	0.37
£125,000	HSBC 6% 29.03.2040	149,185	0.56
£100,000	Intu Debenture 5.562% 31.12.2027	90,843	0.34
£100,000	Johnson & Johnson 5.5% 06.11.2024	120,866	0.45
£100,000	Land Securities 4.875% VRN 29.09.2025	112,950	0.42
£150,000	Land Securities Capital Markets 1.974% 08.02.2026	149,906	0.56
£100,000	Legal & General Finance 5.875% 11.12.2031	133,253	0.50
£100,000	Legal & General Group 5.375% VRN 27.10.2045	102,881	0.38
£108,000	Lloyds Banking Group FRN 16.01.2020	108,035	0.40
£117,000	Lloyds Banking Group 2.25% 16.10.2024	111,891	0.42
£150,000	Longstone Finance 4.774% 19.04.2036	170,865	0.64
£145,000	Marks & Spencer 4.75% 12.06.2025	151,497	0.56
£100,000	Mondelez International 4.5% 03.12.2035	110,040	0.41
£100,000	Nationwide Building Society 3.25% 20.01.2028	103,376	0.38
£125,000	Next 4.375% 02.10.2026	132,015	0.49
£100,000	Northumbrian Water Finance 1.625% 11.10.2026	92,787	0.35
£150,000	Northumbrian Water Finance 2.375% 05.10.2027	145,177	0.54
£100,000	Prudential 5.875% 11.05.2029	130,819	0.49
£100,000	Prudential 6.875% 20.01.2023	120,233	0.45
£130,000	Royal Bank of Canada 1.125% 22.12.2021	128,874	0.48
£125,000	Scottish & Southern Energy 6.25% 27.08.2038	171,408	0.64
£120,000	Severn Trent Water Utilities 2.75% 05.12.2031	117,019	0.44
£100,000	Sky 6% 21.05.2027	124,837	0.46

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# WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value	Percentage of total net assets
		£	%
£100,000	Southern Gas Networks 2.5% 03.02.2025	100,628	0.37
£100,000	SPD Finance UK 5.875% 17.07.2026	122,706	0.46
£125,000	Tesco 5.5% 13.01.2033	142,876	0.53
£100,000	Thames Water Utilities Caymen Finance 1.875% 24.01.2024	97,112	0.36
£100,000	Unilever 1.125% 03.02.2022	98,890	0.37
£150,000	Unilever 1.875% 15.09.2029	143,523	0.53
£125,000	Vodafone Group 5.625% 04.12.2025	149,737	0.56
£100,000	Vodafone Group 5.9% 26.11.2032	130,093	0.48
£125,000	Wells Fargo 2% 28.07.2025	120,800	0.45
£100,000	Wells Fargo 2.125% 20.12.2023	99,044	0.37
£150,000	Western Power Distribution South West 2.375% 16.05.2029	143,055	0.53
<b>Total Corporate Bonds</b>		<b>6,390,557</b>	<b>23.81</b>
<b>Government Bonds - 15.89% (11.97%)</b>			
£425,000	UK Treasury 0.5% 22.07.2022	420,597	1.57
£350,000	UK Treasury 0.75% 22.07.2023	347,666	1.30
£150,000	UK Treasury 2.25% 07.09.2023	159,089	0.59
£150,000	UK Treasury 1.75% 07.09.2022	155,042	0.58
£150,000	UK Treasury 3.75% 07.09.2021	161,865	0.60
£300,000	UK Treasury 4.25% 07.12.2027	378,897	1.41
£200,000	UK Treasury 1.75% 07.09.2037	200,174	0.75
£225,000	UK Treasury 4.25% 07.09.2039	321,806	1.20
£100,000	UK Treasury 4.5% 07.09.2034	139,741	0.52
£225,000	UK Treasury 5% 07.03.2025	278,876	1.04
£300,000	UK Treasury 1.75% 22.07.2019	301,536	1.12
£200,000	UK Treasury 2% 22.07.2020	203,776	0.76
£200,000	UK Treasury 6% 07.12.2028	288,430	1.07
£200,000	UK Treasury 4.25% 07.06.2032	266,470	0.99
£150,000	UK Treasury 4.25% 07.03.2036	207,560	0.77
£150,000	UK Treasury 3.25% 22.01.2044	192,441	0.72
£250,000	UK Treasury 1.625% 22.10.2071	242,055	0.90
<b>Total Government Bonds</b>		<b>4,266,021</b>	<b>15.89</b>
<b>Total Bonds</b>		<b>10,656,578</b>	<b>39.70</b>
<b>Portfolio of investments</b>		<b>25,989,752</b>	<b>96.83</b>
<b>Net other assets</b>		<b>851,422</b>	<b>3.17</b>
<b>Net Assets</b>		<b>26,841,174</b>	<b>100.00</b>

\* UK-listed investment trust.

## SUMMARY OF PORTFOLIO INVESTMENTS

	Bid-market value	Percentage of total net assets
Credit breakdown*	£	%
Investments of investment grade	10,050,942	37.45
Investments of below investment grade	142,876	0.53
Unrated Bonds	462,760	1.72
<b>Total Bonds</b>	<b>10,656,578</b>	<b>39.70</b>
Equities	15,333,174	57.13
<b>Total value of investments</b>	<b>25,989,752</b>	<b>96.83</b>

\* ratings supplied by credit agencies

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 DECEMBER 2018

<b>Total Purchases</b>	<b>£4,764,824</b>
<b>Purchases</b>	<b>Cost £</b>
UK Treasury 6% 07.12.2028	289,162
UK Treasury 4.25% 07.06.2032	263,198
UK Treasury 1.625% 22.10.2071	251,374
Tesco	212,716
UK Treasury 4.25% 07.03.2036	206,076
Bellway	197,883
UK Treasury 3.25% 22/01/2044	193,073
Bilfinger Berger Global Infrastructure	175,001
Thomas Cook Group	170,241
RSA Insurance	164,247
HSBC Holdings (London listed)	162,625
Ashoka India Equity Investment Trust Plc	150,000
Direct Line Insurance	143,702
Prudential	140,088
Adidas	120,836
BAE Systems	115,630
GCP Student Living	112,125
Legrand Promesses	95,265
Continental	94,939
DS Smith	87,486
<b>Total Sales</b>	<b>£630,003</b>
<b>Sales*</b>	<b>Proceeds £</b>
Sky	182,046
Shire	158,896
TJX Companies	126,102
U & I Group	89,509
Whitbread	29,848
Renewables Infrastructure	17,602
Puma	14,325
Standard Life Aberdeen	10,027
Intu Debenture 5.562% 31.12.2027	1,648

\* As the total number of sales for the period was below twenty, the complete list has been provided here.

## COMPARATIVE TABLES

Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	116.19	111.75	100.00
Return before operating charges*	(6.93)	6.42	13.88
Operating charges	(1.01)	(1.98)	(2.13)
Return after operating charges*	(7.94)	4.44	11.75
Distributions on accumulation units	(0.41)	(1.04)	(0.99)
Retained distributions on accumulation units	0.41	1.04	0.99
Closing net asset value per unit	108.25	116.19	111.75
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.14	0.41
<b>Performance</b>			
Return after charges	(6.83%)	3.97%	11.75%
<b>Other information</b>			
Closing net asset value (£)	22,534,676	22,115,582	14,645,765
Closing number of units	20,817,415	19,034,326	13,105,637
Operating charges	1.75%	1.74%	1.76%
Direct transaction costs	0.06%	0.12%	0.38%
<b>Prices</b>			
Highest unit price	118.37p	117.71p	114.91p
Lowest unit price	107.45p	109.49p	96.52p
<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.			
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.			
Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	117.37	112.31	100.00
Return before operating charges*	(7.00)	6.49	13.86
Operating charges	(0.73)	(1.43)	(1.55)
Return after operating charges*	(7.73)	5.06	12.31
Distributions on accumulation units	(0.71)	(1.62)	(1.56)
Retained distributions on accumulation units	0.71	1.62	1.56
Closing net asset value per unit	109.64	117.37	112.31
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.14	0.41

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### COMPARATIVE TABLES

Performance			
Return after charges	(6.59%)	4.51%	12.31%

Other information			
Closing net asset value (£)	3,224,157	2,423,039	548,526
Closing number of units	2,940,804	2,064,528	488,393
Operating charges	1.25%	1.24%	1.27%
Direct transaction costs	0.06%	0.12%	0.38%

Prices			
Highest unit price	119.72p	118.94p	115.50p
Lowest unit price	108.88p	110.52p	96.57p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	114.32	110.91	100.00
Return before operating charges*	(6.82)	6.40	14.00
Operating charges	(0.99)	(1.97)	(2.15)
Return after operating charges*	(7.81)	4.43	11.85
Distributions on income units	(0.40)	(1.02)	(0.94)
Closing net asset value per unit	106.11	114.32	110.91
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.14	0.40

Performance			
Return after charges	(6.83%)	3.99%	11.85%

Other information			
Closing net asset value (£)	1,023,976	1,103,158	1,070,301
Closing number of units	965,000	965,000	965,000
Operating charges	1.75%	1.75%	1.80%
Direct transaction costs	0.06%	0.12%	0.38%

Prices			
Highest unit price	116.32p	116.43p	114.75p
Lowest unit price	105.58p	108.29p	96.52p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Income	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	114.34	110.92	100.00
Return before operating charges*	(6.82)	6.41	14.02
Operating charges	(0.71)	(1.41)	(1.56)
Return after operating charges*	(7.53)	5.00	12.46
Distributions on accumulation units	(0.69)	(1.58)	(1.54)
Closing net asset value per unit	106.12	114.34	110.92
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.06	0.14	0.40

<b>Performance</b>			
Return after charges	(6.59%)	4.51%	12.46%

<b>Other information</b>			
Closing net asset value (£)	58,365	62,886	61,008
Closing number of units	55,000	55,000	55,000
Operating charges	1.25%	1.25%	1.30%
Direct transaction costs	0.06%	0.12%	0.38%

<b>Prices</b>			
Highest unit price	116.43p	116.71p	115.50p
Lowest unit price	105.86p	108.43p	96.57p

<sup>1</sup> As the fund launched on 6 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### UNAUDITED INTERIM STATEMENT OF TOTAL RETURN FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(2,025,866)		476,006
Revenue	335,714		214,213	
Expenses	(227,968)		(163,213)	
Interest payable and similar charges	(364)		(2)	
Net revenue before taxation	107,382		50,998	
Taxation	(3,507)		(2,372)	
Net revenue after taxation		103,875		48,626
<b>Total return before distributions</b>		<b>(1,921,991)</b>		<b>524,632</b>
Distributions		(103,885)		(48,622)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(2,025,876)</b>		<b>476,010</b>

### UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders at 1 July</b>		25,704,665		16,325,600
Amounts receivable on issue of units	3,355,432		5,309,980	
Amounts payable on cancellation of units	(300,196)		(111,172)	
		3,055,236		5,198,808
Change in net assets attributable to unitholders from investment activities		(2,025,876)		476,010
Retained distribution on accumulation units		107,149		54,051
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>26,841,174</b>		<b>22,054,469</b>



## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		25,989,752		23,949,969
<b>Current assets</b>				
Debtors	222,964		302,804	
Cash and bank balances	746,704		1,675,157	
		969,668		1,977,961
Total assets		26,959,420		25,927,930
<b>Liabilities</b>				
Other creditors	(113,968)		(215,454)	
Distribution payable on income units	(4,278)		(7,811)	
Total liabilities		(118,246)		(223,265)
<b>Net assets attributable to unitholders</b>		<b>26,841,174</b>		<b>25,704,665</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

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## WESLEYAN MODERATE RISK/REWARD GROWTH FUND CONTINUED

### UNAUDITED DISTRIBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

#### Distribution tables (pence per unit)

##### Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 on or before 31 December 2018

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.4141	-	0.4141	0.2749
Group 2	0.1656	0.2485	0.4141	0.2749

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.7122	-	0.7122	0.5665
Group 2	0.3630	0.3492	0.7122	0.5665

Class B Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.4041	-	0.4041	0.2689
Group 2	0.1738	0.2303	0.4041	0.2689

Class X Income Units	Net Income	Equalisation	Payable 28 February 2019	Paid 28 February 2018
Group 1	0.6881	-	0.6881	0.5533
Group 2	0.3597	0.3284	0.6881	0.5533

#### Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% franked.

#### Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN RISK AVERSE FUND

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## Fund Review

This is the half-year report of the Wesleyan Risk Averse Fund covering the period from 1 July 2018 to 31 December 2018. The underlying price of units in the fund increased by 0.32% over the period. Although small in absolute terms, this compares favourably to the Investment Association Short Term Money Market sector average return of 0.21%\*.

The UK economy began the review period with inflation, as measured by the annual change in the Consumer Prices Index (CPI), at 2.4%. Rising transportation costs and higher prices of recreational activities led to inflation accelerating during the summer of 2018, peaking at 2.7% in August. This data point was stubbornly higher than the 2.0% level targeted by the Bank of England's Monetary Policy Committee (MPC).

Elevated CPI inflation, an unemployment rate of around 4% (the lowest rate since the mid-1970s) and increasing wages provided strong evidence for raising interest rates. The MPC, in acknowledgment, voted unanimously at their August meeting to raise the key rate by a quarter of a percentage point to 0.75%. Subsequently, UK inflation declined as prices for clothing & footwear, and food & drink began to fall. The annual level of CPI inflation in the UK economy ended 2018 at 2.1%, modestly above the 2.0% target level.

The full list of holdings can be found later in this report.

## Fund Outlook

Financial markets remain highly sensitive to developments in the ongoing Brexit negotiations. The range of outcomes from these protracted talks may have a significant bearing on the expected path of future interest rates in the UK. An amicable agreement with the EU will likely provide markets with more certainty, thereby allowing the MPC to place more focus on the underlying strength in the UK economy. Leaving the EU without an exit agreement is likely to create additional uncertainty for a period, which may permeate through the economy and weaken consumer confidence. UK interest rates would be more likely to fall in this scenario, at least until economic stability is regained.

It should be highlighted at this juncture that, following earlier correspondence to existing unitholders, the fund has now completed the change to its asset composition: switching its short-term cash deposits with Banks and Building Societies into UK government bonds ("gilts"). Although gilt prices rise and fall, investing in a range of gilts should provide the fund with a high level of capital security and an opportunity to capture higher yields from assets with longer maturities than short-term cash deposits.

\*Source: Financial Express. Fund shown is the A-Class Accumulation series, bid prices at noon.

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## WESLEYAN RISK AVERSE FUND

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## General Information

## Investment objective and policy

The Fund aims to provide an attractive level of yield together with a high level of capital security.

The Fund will invest predominantly through sterling denominated short term deposits, money market instruments and government and public securities.

More than 35% of the Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom.

The Fund may use derivatives for the purposes of efficient portfolio management.

## Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class A	Class B	Class X
Initial charge*	0%	4%	4%
Annual management charge**	0%	0.5%	0%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

## Income allocation dates

Final	31 August
Interim	Last day of February

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all investments are cash deposits and bonds which are quoted and listed on a recognised exchange. Percentage in bracket shows the equivalent as at 30 June 2018.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Cash Deposits</b>			
<b>Cash Deposits - 84.30% (99.95%)</b>			
501,547	BNP Paribas 0.79% 31.01.2019	501,547	16.68
504,814	Clydesdale Bank 0.60% 21.01.2019	504,814	16.79
507,053	Lloyds Banking Group 0.68% 21.01.2019	507,053	16.87
516,344	Royal Bank of Scotland 0.62% 21.01.2019	516,344	17.18
504,328	Skipton Building Society 0.51% 14.01.2019	504,328	16.78
<b>Total Cash Deposits</b>		<b>2,534,086</b>	<b>84.30</b>
<b>BONDS</b>			
<b>Government Bonds - 15.43% (0.00%)</b>			
£211,000	UK Treasury 1.75% 22.07.2019	212,080	7.06
£250,000	UK Treasury 4.5% 07.03.2019	251,638	8.37
<b>Total Bonds</b>		<b>463,718</b>	<b>15.43</b>
<b>Portfolio of investments</b>		<b>2,997,804</b>	<b>99.73</b>
<b>Net other assets</b>		<b>8,080</b>	<b>0.27</b>
<b>Net assets</b>		<b>3,005,884</b>	<b>100.00</b>

## SUMMARY OF PORTFOLIO INVESTMENTS

Bond credit ratings*	Bid-market value £	Percentage of total net assets %
Investment grade	463,718	15.43
<b>Total Bonds</b>	<b>463,718</b>	<b>15.43</b>
Cash deposits	2,534,086	84.30
<b>Total value of investments</b>	<b>2,997,804</b>	<b>99.73</b>

\* ratings supplied by credit agencies

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## WESLEYAN RISK AVERSE FUND

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UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES  
FOR THE PERIOD ENDED 31 DECEMBER 2018

<b>Total Purchases</b>	<b>£465,456</b>
<b>Purchases*</b>	<b>Cost £</b>
UK Treasury 1.75% 22.07.2019	212,399
UK Treasury 4.5% 07.03.2019	253,057

\*As the total number of sales and purchases for the period was below twenty, the complete list has been provided here.

<b>Total Sales</b>	<b>£0</b>
<b>Sales</b>	
There were no sales during the period ended 31 December 2018.	

## COMPARATIVE TABLES

Class A – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	150.12	149.58	149.19
Return before operating charges*	0.47	0.54	0.45
Operating charges	-	-	-
Return after operating charges*	0.47	0.54	0.45
Distributions on accumulation units	(0.48)	(0.54)	(0.50)
Retained distributions on accumulation units	0.48	0.54	0.44
Closing net asset value per unit	150.59	150.12	149.58
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-	-
<b>Performance</b>			
Return after charges	0.31%	0.36%	0.30%
<b>Other information</b>			
Closing net asset value (£)	1,059,514	1,056,208	1,052,419
Closing number of units	703,571	703,571	703,571
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest unit price	150.60p	150.12p	149.63p
Lowest unit price	150.13p	149.63p	149.19p
<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.			
<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.			
Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	99.63	99.77	100.00
Return before operating charges*	0.31	0.36	0.29
Operating charges	(0.25)	(0.50)	(0.52)
Return after operating charges*	0.06	(0.14)	(0.23)
Distributions on accumulation units	(0.06)	-	-
Retained distributions on accumulation units	0.06	-	-
Closing net asset value per unit	99.69	99.63	99.77
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-	-

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## WESLEYAN RISK AVERSE FUND

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## COMPARATIVE TABLES

Performance			
Return after charges	0.06%	(0.14%)	(0.23%)

Other information			
Closing net asset value (£)	937,051	936,484	1,296,975
Closing number of units	940,000	940,000	1,300,000
Operating charges	0.50%	0.50%	0.50%
Direct transaction costs	0.00%	0.00%	0.00%

Prices			
Highest unit price	99.69p	99.80p	100.01p
Lowest unit price	99.62p	99.63p	99.80p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	100.62	100.26	100.00
Return before operating charges*	0.31	0.36	0.29
Operating charges	-	-	-
Return after operating charges*	0.31	0.36	0.29
Distributions on accumulation units	(0.32)	(0.36)	(0.29)
Retained distributions on accumulation units	0.32	0.36	0.26
Closing net asset value per unit	100.93	100.62	100.26
<i>*after direct transactions costs<sup>2</sup> of:</i>	-	-	-



Performance			
Return after charges	0.31%	0.36%	0.29%
Other information			
Closing net asset value (£)	1,009,319	1,006,169	1,002,560
Closing number of units	1,000,000	1,000,000	1,000,000
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price	100.94p	100.62p	100.29p
Lowest unit price	100.63p	100.29p	100.00p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

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## WESLEYAN RISK AVERSE FUND

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UNAUDITED INTERIM STATEMENT OF TOTAL RETURN  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital losses		(110)		-
Revenue	9,494		4,190	
Expenses	(2,361)		(2,470)	
Interest payable and similar charges	-		(20)	
Net revenue before taxation	7,133		1,700	
Taxation	-		-	
Net revenue after taxation		7,133		1,700
<b>Total return before distributions</b>		<b>7,023</b>		<b>1,700</b>
Distributions		(7,133)		(2,829)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(110)</b>		<b>(1,129)</b>

UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO  
UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders at 1 July</b>		2,998,861		3,351,954
Amounts receivable on issue of units	-		73,763	
Amounts payable on cancellation of units	-		(432,984)	
		-		(359,221)
Change in net assets attributable to unitholders from investment activities		(110)		(1,129)
Retained distribution on accumulation units		7,133		2,829
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>3,005,884</b>		<b>2,994,433</b>

## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		2,997,804		2,997,293
<b>Current assets</b>				
Debtors	6,615		1,705	
Cash and bank balances	2,633		633	
		9,248		2,338
Total assets		3,007,052		2,999,631
<b>Liabilities</b>				
Other creditors	(1,168)		(770)	
Total liabilities		(1,168)		(770)
<b>Net assets attributable to unitholders</b>		<b>3,005,884</b>		<b>2,998,861</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

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## WESLEYAN RISK AVERSE FUND

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## UNAUDITED DISTRIBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

## Distribution tables (pence per unit)

## Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 and on or before 31 December 2018

Class A Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.4755	-	0.4755	0.2060
Group 2	0.2854	0.1901	0.4755	0.2060

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.0639	-	0.0639	-
Group 2	0.0639	0.0000	0.0639	-

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	0.3187	-	0.3187	0.1380
Group 2	0.3187	0.0000	0.3187	0.1380

## Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% unfranked.

## Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

# WESLEYAN UK GROWTH FUND

## Fund Review

This is the half-year report of the Wesleyan UK Growth Fund covering the period from 1 July 2018 to 31 December 2018. The underlying unit price fell by 12.4% during a very turbulent and weak end to the period. Although this drop was very disappointing, the performance was ahead of the Investment Association UK All Companies sector average which declined by 13.5%\*.

UK stocks endured a challenging period in the six-month period to 31 December 2018. Having modestly appreciated in value in July, UK markets fell in August on news that President Trump was intending to move ahead with his plan to impose significant trade tariffs on China. Stocks regained a small degree of poise in September but this provided little respite, given the volatility and market falls that ensued in the final quarter of 2018. Global trade concerns pushed commodity prices and major stock markets lower in October, while simmering political tensions in the UK were a catalyst for declines in November. December proved to be another poor month for equities, although UK equities retreated by less than global markets given their lower exposure to out-of-favour technology companies.

The UK economy, somewhat surprisingly given the market turbulence, performed robustly during the period. Inflation, as measured by the annual change in the Consumer Prices Index, began the period at 2.4%. Due to increases in transportation and recreational prices, inflation reached 2.7% in August – much higher than the 2.0% level targeted by the Bank of England's Monetary Policy Committee (MPC). The UK maintained an unemployment rate of around 4% during the period, an impressive level last reached in the mid-1970s, and clearly indicative of a healthy labour market. With robust data highlighting strength in the UK economy, the MPC voted unanimously at their August meeting to raise the key interest rate to 0.75%.

During the review period the fund chose to dispose of its holding in the biotech company Shire, ahead of its impending takeover by a Japanese peer. Profits were also taken in AstraZeneca, another pharmaceutical company, on the back of strong share price performance. The fund made well-timed purchases of conglomerate Associated British Foods and Lloyds Banking Group, while also choosing to support property developer Grainger in their financing of an acquisition.

The full list of holdings can be found later in this report.

## Fund Outlook

The fragility exhibited by global markets in the second half of 2018 will, unsurprisingly, remain a feature of 2019. Uncertainty tends to inhibit consumer spending, corporate investment and global trade, three fundamental components of economic growth. Resolutions to key issues such as Brexit, and the trade dispute between the US and China, would certainly be welcomed by financial markets because they may provide catalysts to boost consumer confidence and corporate optimism.

While Brexit-related uncertainty persists, it is likely that the MPC will refrain from raising UK interest rates until a resolution is reached on the current impasse. This backdrop is likely to curb the available returns from cash and fixed-income assets. With low yields available from cash and bonds, the stock market correction that buffeted markets in late 2018 has only increased the relative long-term attractiveness of a diversified portfolio of UK equities.

\*Source: Financial Express. Fund shown is the X-Class Accumulation series, bid prices at noon.

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# WESLEYAN UK GROWTH FUND

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### General Information

#### Investment objective and policy

The Fund aims to provide capital growth over the medium to long term.

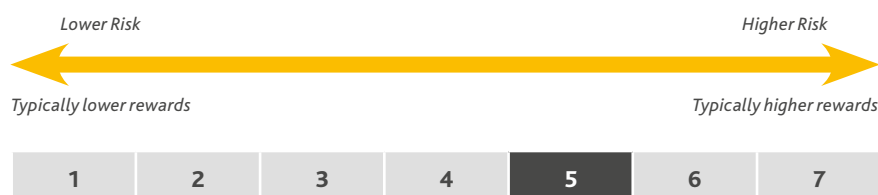
The Fund will invest predominantly in a diversified portfolio of UK equities.

Under normal circumstances the emphasis will be on equity shares in the UK. The Fund may invest in various sectors.

The Fund may also invest in fixed interest and other transferable securities (including non-UK equities), cash, near cash, deposits, money-market instruments and other collective investment schemes.

The Fund may use derivatives for the purposes of efficient portfolio management.

#### Risk and reward profile



The risk category is based on the rate the fund's value has moved up and down in the past and has remained unchanged from the last year.

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 Securities Markets Authority (ESMA) 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).

Charges	Class A	Class B	Class X
Initial charge*	4%	4%	4%
Annual management charge**	1.25%	1.5%	1%

\*built into the price of the unit

\*\*% per annum of the Net Asset Value

### Income allocation dates

Final	31 August
Interim	Last day of February

## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange. Percentages in brackets show the equivalent sector distribution as at 30 June 2018.

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>United Kingdom - 92.14% (91.00%)</b>			
<b>Oil &amp; Gas - 14.54% (14.43%)</b>			
725,000	BP	3,595,638	5.89
27,262	Royal Dutch Shell 'A'	628,934	1.03
199,248	Royal Dutch Shell 'B'	4,656,426	7.62
<b>Total Oil &amp; Gas</b>		<b>8,880,998</b>	<b>14.54</b>
<b>Basic Materials - 8.78% (8.18%)</b>			
50,960	Anglo American	890,271	1.46
105,926	BHP Group	1,747,567	2.86
22,537	Johnson Matthey	629,458	1.03
56,165	Rio Tinto	2,094,674	3.43
<b>Total Basic Materials</b>		<b>5,361,970</b>	<b>8.78</b>
<b>Industrials - 6.69% (7.52%)</b>			
19,036	Aggreko	139,344	0.23
35,000	Babcock International	171,255	0.28
221,835	BAE Systems	1,018,666	1.67
96,428	Balfour Beatty	240,202	0.39
220,000	Hays	308,000	0.51
411,567	Melrose Industries	674,353	1.10
57,119	Rolls Royce Group	473,402	0.78
2,627,474	Rolls Royce Holdings 'C'**	-	-
91,775	Senior	172,537	0.28
100,000	SIG	109,800	0.18
43,609	Smiths Group	593,955	0.97
17,262	Travis Perkins	184,703	0.30
<b>Total Industrials</b>		<b>4,086,217</b>	<b>6.69</b>
<b>Consumer Goods - 8.23% (6.33%)</b>			
24,000	Associated British Foods	490,320	0.80
51,428	Diageo	1,437,413	2.36
201	Galliford Try	1,249	-
152,061	Tate & Lyle	1,003,603	1.64
51,000	Unilever	2,095,335	3.43
<b>Total Consumer Goods</b>		<b>5,027,920</b>	<b>8.23</b>

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## WESLEYAN UK GROWTH FUND

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## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Healthcare - 9.63% (8.25%)</b>			
46,914	AstraZeneca	2,751,037	4.50
170,396	GlaxoSmithKline	2,540,945	4.16
40,454	Smith & Nephew	592,247	0.97
	<b>Total Healthcare</b>	<b>5,884,229</b>	<b>9.63</b>
<b>Consumer Services - 8.79% (10.89%)</b>			
42,134	Dixons Carphone	50,561	0.08
85,000	Halfords	216,750	0.35
49,220	Informa	310,086	0.51
825,528	ITV	1,030,672	1.69
229,918	Kingfisher	476,850	0.78
153,983	Marks & Spencer	380,492	0.62
300,000	Marston's	282,150	0.46
84,227	Merlin Entertainments	267,421	0.44
212,741	Mitchells & Butlers	545,042	0.89
15,000	Next	598,650	0.98
219,693	Sainsbury (J)	582,186	0.95
288,000	Tesco	547,488	0.90
270,814	Thomas Cook	83,302	0.14
	<b>Total Consumer Services</b>	<b>5,371,650</b>	<b>8.79</b>
<b>Telecommunications - 4.54% (4.05%)</b>			
656,782	BT	1,563,470	2.56
130,000	Kcom	94,120	0.15
730,120	Vodafone	1,116,353	1.83
	<b>Total Telecommunications</b>	<b>2,773,943</b>	<b>4.54</b>
<b>Utilities - 3.56% (3.47%)</b>			
400,809	Centrica	540,691	0.89
32,083	National Grid	245,178	0.40
50,000	Scottish & Southern Energy	540,250	0.88
15,977	Severn Trent	289,823	0.47
76,494	United Utilities	562,537	0.92
	<b>Total Utilities</b>	<b>2,178,479</b>	<b>3.56</b>



Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Financials - 27.38% (27.88%)</b>			
70,000	3i Group	541,380	0.89
187,839	Aviva	705,335	1.15
308,865	Barclays	464,842	0.76
100,000	British Land REIT	533,200	0.87
250,000	Downing Strategic Micro Cap*	187,500	0.31
366,666	Grainger	769,265	1.26
130,000	Hammerson REIT	428,220	0.70
130,000	Henderson Smaller Companies Investment Trust*	993,200	1.63
538,468	HSBC Holdings (London listed)	3,482,811	5.70
52,058	Intu Properties	59,008	0.10
98,891	Land Securities REIT	795,479	1.30
540,497	Legal & General	1,248,548	2.04
2,177,738	Lloyds Banking Group	1,127,415	1.85
300,000	Man Group	399,000	0.65
1,385,200	Miton UK MicroCap Trust*	720,304	1.18
153,741	Primary Health Properties REIT	170,345	0.28
166,083	Prudential	2,328,484	3.81
62,991	Royal Bank of Scotland	136,187	0.22
82,961	RSA Insurance	424,428	0.69
19,046	Schroders	465,294	0.76
77,785	Standard Chartered	473,944	0.78
67,433	Standard Life UK Smaller Companies*	273,778	0.45
<b>Total Financials</b>		<b>16,727,967</b>	<b>27.38</b>
<b>Total United Kingdom</b>		<b>56,293,373</b>	<b>92.14</b>
<b>Channel Islands - 3.94% (5.06%)</b>			
<b>Basic Materials - 1.14% (1.22%)</b>			
240,000	Glencore	698,880	1.14
<b>Total Basic Materials</b>		<b>698,880</b>	<b>1.14</b>

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## WESLEYAN UK GROWTH FUND

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## UNAUDITED PORTFOLIO STATEMENT AS AT 31 DECEMBER 2018

Holding	Investment	Bid-market value £	Percentage of total net assets %
<b>Industrials - 2.46% (2.23%)</b>			
54,585	Experian Group	1,039,571	1.70
9,259	Ferguson	463,876	0.76
	<b>Total Industrials</b>	<b>1,503,447</b>	<b>2.46</b>
<b>Healthcare - 0.00% (1.19%)</b>			
<b>Financials - 0.34% (0.42%)</b>			
135,592	River And Mercantile UK Micro Cap Investment*	208,134	0.34
	<b>Total Financials</b>	<b>208,134</b>	<b>0.34</b>
	<b>Total Channel Islands</b>	<b>2,410,461</b>	<b>3.94</b>
<b>Germany - 1.14% (1.09%)</b>			
<b>Consumer Services - 1.14% (1.09%)</b>			
46,851	TUI UK	694,896	1.14
	<b>Total Consumer Services</b>	<b>694,896</b>	<b>1.14</b>
	<b>Total Germany</b>	<b>694,896</b>	<b>1.14</b>
<b>Spain - 1.16% (1.06%)</b>			
<b>Consumer Services - 1.16% (1.06%)</b>			
114,500	International Consolidated Airlines	707,610	1.16
	<b>Total Consumer Services</b>	<b>707,610</b>	<b>1.16</b>
	<b>Total Spain</b>	<b>707,610</b>	<b>1.16</b>
<b>Portfolio of investments</b>		<b>60,106,340</b>	<b>98.38</b>
<b>Net other assets</b>		<b>988,893</b>	<b>1.62</b>
<b>Net assets</b>		<b>61,095,233</b>	<b>100.00</b>

\* UK-Listed Investment Trust.

\*\* Corporate Action – 'C' shares are non-cumulative, unquoted redeemable Preference Shares given in lieu of cash dividend.

## UNAUDITED SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 DECEMBER 2018

<b>Total Purchases</b>	<b>£1,170,916</b>
<b>Purchases*</b>	<b>Cost £</b>
Associated British Foods	551,405
Lloyds Banking Group	208,264
Grainger	207,665
TUI UK	202,430
Galliford Try	1,152
<b>Total Sales</b>	<b>£1,845,892</b>
<b>Sales*</b>	<b>Proceeds £</b>
Shire	915,935
Ei Group	334,691
AstraZeneca	282,211
Morrison (Wm) Supermarkets	248,924
River and Mercantile UK Micro Cap Investment	34,821
Debenhams	29,310

\* As the total number of purchases and sales for the period was below twenty, the complete list has been provided here.

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## WESLEYAN UK GROWTH FUND

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## COMPARATIVE TABLES

Class A – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	447.72	399.75	340.08
Return before operating charges*	(51.61)	53.94	65.37
Operating charges	(3.07)	(5.97)	(5.70)
Return after operating charges*	(54.68)	47.97	59.67
Distributions on accumulation units	(5.36)	(11.28)	(11.04)
Retained distributions on accumulation units	5.36	11.28	11.04
Closing net asset value per unit	393.04	447.72	399.75
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.03	0.06	0.08

<b>Performance</b>			
Return after charges	(12.21%)	12.00%	17.55%

<b>Other information</b>			
Closing net asset value (£)	54,614,138	64,228,348	61,568,155
Closing number of units	13,895,334	14,345,698	15,401,508
Operating charges	1.42%	1.41%	1.41%
Direct transaction costs	0.01%	0.01%	0.02%

<b>Prices</b>			
Highest unit price	454.44p	462.27p	415.98p
Lowest unit price	386.94p	398.95p	314.70p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class B – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	432.86	387.50	330.63
Return before operating charges*	(49.88)	52.17	63.40
Operating charges	(3.49)	(6.81)	(6.53)
Return after operating charges*	(53.37)	45.36	56.87
Distributions on accumulation units	(4.66)	(9.92)	(9.75)
Retained distributions on accumulation units	4.66	9.92	9.75
Closing net asset value per unit	379.49	432.86	387.50
<i>*after direct transactions costs<sup>2</sup> of:</i>	0.03	0.06	0.08

<b>Performance</b>			
Return after charges	(12.33%)	11.71%	17.20%

Other information			
Closing net asset value (£)	5,299,709	6,045,069	5,147,830
Closing number of units	1,396,531	1,396,531	1,328,463
Operating charges	1.67%	1.66%	1.66%
Direct transaction costs	0.01%	0.01%	0.02%

Prices			
Highest unit price	439.53p	447.25p	403.44p
Lowest unit price	373.79p	386.81p	305.91p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Class X – Accumulation	31 December 2018	30 June 2018	30 June 2017 <sup>1</sup>
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	437.23	389.46	330.63
Return before operating charges*	(50.45)	52.58	63.42
Operating charges	(2.48)	(4.81)	(4.59)
Return after operating charges*	(52.93)	47.77	58.83
Distributions on accumulation units	(5.77)	(12.06)	(11.74)
Retained distributions on accumulation units	5.77	12.06	11.74
Closing net asset value per unit	384.30	437.23	389.46
*after direct transactions costs <sup>2</sup> of:	0.03	0.06	0.08

Performance			
Return after charges	(12.11%)	12.27%	17.79%

Other information			
Closing net asset value (£)	1,181,386	1,201,528	907,363
Closing number of units	307,415	274,802	232,982
Operating charges	1.17%	1.16%	1.16%
Direct transaction costs	0.01%	0.01%	0.02%

Prices			
Highest unit price	444.13p	451.63p	405.42p
Lowest unit price	378.62p	388.94p	306.00p

<sup>1</sup> As the fund launched on 3 June 2016, three years of comparative information is unavailable.

<sup>2</sup> 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 investments.

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## WESLEYAN UK GROWTH FUND

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UNAUDITED INTERIM STATEMENT OF TOTAL RETURN  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		31 December 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(9,410,553)		4,415,191
Revenue	1,336,058		1,285,486	
Expenses	(488,919)		(494,888)	
Net revenue before taxation	847,139		790,598	
Taxation	(8,474)		(10,734)	
Net revenue after taxation		838,665		779,864
<b>Total return before distributions</b>		<b>(8,571,888)</b>		<b>5,195,055</b>
Distributions		(838,667)		(779,861)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(9,410,555)</b>		<b>4,415,194</b>

UNAUDITED INTERIM STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO  
UNITHOLDERS FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018		2017	
	£	£	£	£
<b>Opening net assets attributable to unitholders at 1 July</b>		71,474,945		67,623,348
Amounts receivable on issue of units	131,668		267,111	
Amounts payable on cancellation of units	(1,927,953)		(2,315,275)	
		(1,796,285)		(2,048,164)
Change in net assets attributable to unitholders from investment activities		(9,410,555)		4,415,194
Retained distribution on accumulation units		827,128		765,416
<b>Closing net assets attributable to unitholders at 31 December</b>		<b>61,095,233</b>		<b>70,755,794</b>

## UNAUDITED DISTRIBUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

	31 December 2018		30 June 2018	
	£	£	£	£
<b>Assets</b>				
Investments		60,106,340		70,196,659
<b>Current assets</b>				
Debtors	227,654		424,814	
Cash and bank balances	1,071,259		1,114,822	
		1,298,913		1,539,636
Total assets		61,405,253		71,736,295
<b>Liabilities</b>				
Other creditors	(310,020)		(261,350)	
Total liabilities		(310,020)		(261,350)
<b>Net assets attributable to unitholders</b>		<b>61,095,233</b>		<b>71,474,945</b>

This report was approved by the Directors of Wesleyan Unit Trust Managers Limited on 25 February 2019 and is signed on their behalf by:



**A. Farooq**  
Chairman



**R. Vaudry**  
Chief Executive

WESLEYAN

## WESLEYAN UK GROWTH FUND

CONTINUED

## UNAUDITED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

## Distribution tables (pence per unit)

## Interim

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 and on or before 31 December 2018

Class A Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	5.3567	-	5.3567	4.6968
Group 2	2.7825	2.5742	5.3567	4.6968

Class B Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	4.6587	-	4.6587	4.0519
Group 2	2.2087	2.4500	4.6587	4.0519

Class X Accumulation Units	Net Income	Equalisation	Accumulated 28 February 2019	Accumulated 28 February 2018
Group 1	5.7696	-	5.7696	5.0933
Group 2	1.0763	4.6933	5.7696	5.0933

## Corporate unitholders information (Unaudited)

For corporate unitholders, all of the income relating to the distribution is 100% franked.

## Equalisation (Unaudited)

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.



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# NOTES TO THE TRUST'S FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

## Accounting policies

### 1. Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Authority's Collective Investments Schemes sourcebook. They have been prepared in accordance with applicable UK accounting standards, Trust Deed and in accordance with FRS 102 and in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 (the 2014 SORP).

### 2. Taxation

The charge for taxation is based on the results for the period. In general, the tax accounting treatment follows that of the original amount. Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences.

Deferred tax is provided at the average rate of tax expected to apply.

Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Note that deferred tax assets are recognised only to the extent they are regarded as recoverable.

# MANAGERS AND ADVISERS

<b>Manager</b>	<p>Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR</p> <p><b>Directors of the Manager:</b> A. Farooq, BSc, ACMA, DIP IoD (Chairman) R. Vaudry, MBA* M. Lawrence, BSc, ASIP</p>
<b>Trustee</b>	<p>HSBC Bank plc 8 Canada Square London E14 5HQ</p>
<b>Registrar</b>	<p>DST PO Box 9033 Chelmsford CM99 2WQ</p>
<b>Independent Auditors</b>	<p>Ernst &amp; Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX</p>
<b>Legal Advisers</b>	<p>Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL</p>

\*The following changes to the board of Wesleyan Unit Trust Managers came into effect on 15 October 2018: R Vaudry was appointed as Chief Executive to the board of Wesleyan Unit Trust Managers.

Wesleyan Unit 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.



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## Wesleyan Unit Trust Managers Limited

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Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0121 200 3003. Fax: 0121 200 2971.

Website: <http://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.