

WESLEYAN INTERNATIONAL TRUST

FINAL SHORT REPORT FOR THE YEAR
ENDED 31 MARCH 2016

*Manager's Report
May 2016*

MANAGER'S REPORT

Trust Review

The offer price of units in the Wesleyan International Trust declined by 5.25% over the year to 31 March 2016. This is after distributions of 0.8139p (Series 1) and 0.3905p (Series 2) which have, as usual, been transferred to your capital account. Full performance details, including a comparison against the key benchmark, are given on pages 4-6 of this report.

Despite a poor first six months ending 30 September 2015, global stock markets regained a large part of their losses in the second half as concerns about a Greek exit from the Euro and slowing global growth faded. As a result, in December, the U.S. Federal Reserve raised interest rates for the first time since 2006. The second half recovery to the end of March 2016 was interrupted by a period of weakness in the early months of 2016 as global stock markets declined on renewed concerns about a slowing global economy and fears of a hard landing in China.

Although global growth expectations have moderated in aggregate, we continue to see pockets of value and as a result we have made several significant purchases over the review period. We took an opportunity to purchase shares in the technology company PayPal after the shares fell post the separation from eBay, we believe the company remains a key beneficiary of e-commerce growth.

We have added several other new companies to the portfolio including C R Bard, a medical equipment manufacturer and Precision Castparts, a manufacturer of metal components and products. Precision Castparts was subsequently acquired by Warren Buffett's Berkshire Hathaway at a healthy premium to the market price. We took advantage of the market declines over the period to add to our financial holdings, such as US Banks Wells Fargo and Bank of America.

Elsewhere, we sold Intel from the portfolio in December as we expect continued weakness in PC shipments and believe there is the potential for some longer term headwinds in their server markets. Furthermore, we sold SABMiller after it received a takeover offer from Anheuser Busch Inbev. The strength of U.S. equities and the U.S. Dollar over the period also allowed the Trust to make sales in a number of American companies such as McDonalds, Mondelez and Home Depot.

MANAGER'S REPORT (CONTINUED)

Outlook

The strong market performance since September has enabled the offer prices of units in the Trust to recover a good part of the decline we reported at the half year, when fears of a Greek exit from the Euro led to more general concerns about the health of the global economy.

We expect volatility to remain elevated as the market navigates several key risks facing the global economy including the UK referendum to remain in the European Union (EU).

Within the environment we find ourselves in we remain confident that equity valuations remain favourable on a long-term basis when compared to other asset classes such as government bonds and that volatility can provide us opportunities to invest at attractive prices.

Finally, we are pleased to announce that James Hubbard has taken over as manager of the International Trust from 1 April 2016. James is a CFA (Chartered Financial Analyst) charterholder and has been with Wesleyan for over five years.



Clive Bridge, BSc, FCIPD, FloD, CDir

Chief Executive

Wesleyan Unit Trust Managers Limited

16 May 2016

Trust and benchmark performance

	24/07/2000	31/03/2015	31/03/2016	Change	
				Last 12 months	Since launch
Unit Offer Price (Series 1)	104.39p	163.13p	155.45p	-4.71%	48.91%
– adjusted for distribution	-	-	-	-5.25%	37.43%
FTSE All-World Index (\$)	206.00	280.05	263.07	-6.06%	27.70%
– £ adjusted	-	-	-	-2.98%	34.63%

	03/01/2013	31/03/2015	31/03/2016	Change	
				Last 12 months	Since launch
Unit Offer Price (Series 2*)	122.40p	160.16p	152.25p	-4.94%	24.39%
– adjusted for distribution	-	-	-	-5.21%	23.42%
FTSE All-World Index (\$)	228.48	280.05	263.07	-6.06%	15.14%
– £ adjusted	-	-	-	-2.98%	29.45%

*Series 2 units were launched on 2 January 2013 with the first valuation taking place on 3 January 2013. Prior to this date only Series 1 units were in issue.

Comparative table

	Series 1 units		
	2016 pence per unit	2015 pence per unit	2014 pence per unit
Change in net assets per unit			
Opening net asset value per unit	155.98	139.07	129.88
Return before operating charges*	(4.37)	19.62	11.65
Operating charges	(2.61)	(2.71)	(2.46)
Return after operating charges*	(6.98)	16.91	9.19
Closing net asset value per unit	149.00	155.98	139.07
Retained distributions on accumulation units	0.81	0.61	0.66
*after direct transactions costs ¹ of:	0.10	0.13	0.09
Performance			
Return after charges	(4.47%)	12.16%	7.08%
Other information			
Closing net asset value (£)	16,852,234	18,304,407	16,973,397
Closing number of units	11,310,000	11,735,000	12,204,912
Operating charges	1.79%	1.85%	1.82%
Direct transaction costs	0.07%	0.09%	0.07%
Prices			
Highest unit price	169.20p	165.41p	147.47p
Lowest unit price	129.21p	136.08p	125.77p

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

Comparative table

	Series 2 units		
	2016 pence per unit	2015 pence per unit	2014 pence per unit
Change in net assets per unit			
Opening net asset value per unit	152.91	136.64	127.89
Return before operating charges*	(4.32)	19.28	11.53
Operating charges	(2.91)	(3.01)	(2.78)
Return after operating charges*	(7.23)	16.27	8.75
Closing net asset value per unit	145.68	152.91	136.64
Retained distributions on accumulation units	0.39	0.21	0.19
*after direct transactions costs ¹ of:	0.1	0.13	0.09
Performance			
Return after charges	(4.73%)	11.91%	6.84%
Other information			
Closing net asset value (£)	3,889,526	2,928,150	1,127,306
Closing number of units	2,670,000	1,915,000	825,000
Operating charges	2.04%	2.09%	2.08%
Direct transaction costs	0.07%	0.09%	0.07%
Prices			
Highest unit price	166.12p	156.16p	139.61p
Lowest unit price	126.64p	133.81p	124.05p

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

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

Trust facts

Interim/Annual accounting dates	Payment dates
30 September	30 November
31 March	31 May

Ongoing Charge Figures % as at 31/03/2016		Ongoing Charge Figures % as at 31/03/2015	
Series 1 units	1.79%	Series 1 units	1.85%
Series 2 units*	2.04%	Series 2 units*	2.09%

The Ongoing Charge Figure takes into account the Manager's fee and any fixed expenses expressed as a percentage of the average daily net asset values over the period. The Ongoing Charge Figure includes the cost of the Ongoing Advice Service (OAS) that Wesleyan Financial Services provide. This charge is included when we set the unit price for this fund. For customers who opt out of the OAS, 0.5% is effectively refunded by crediting the equivalent units to your account.

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

Total purchases, including transaction charges, were £4,210,737 (31 March 2015: £3,528,149).

Total sales proceeds, net of transaction charges, were £3,732,313 (31 March 2015: £2,289,823).

Accumulation summary

Unit type	Total Distribution (pence) for the year to 31/03/2016	Total Distribution (pence) for the year to 31/03/2015
Accumulation Series 1	0.8139p	0.6108p
Accumulation Series 2*	0.3905p	0.2066p

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

Investment objective and policy

The investment objective of the Wesleyan International Trust is to maximise long-term capital appreciation from the active management of a diversified global portfolio of securities. Under normal circumstances the emphasis will be on equity shares. However, the Manager reserves the right to invest a portion of the Trust in bonds, other fixed interest securities and convertibles should such investment be deemed advantageous in view of prevailing market conditions, taxation arrangements, and Individual Savings Account (ISA) regulations. The Manager also retains the freedom to hedge any currency risk in the Trust when considered appropriate. Capital growth will be sought through various sectors and companies believed to have good growth prospects. The Manager intends that the Trust will at all times be a qualifying investment for Individual Savings Accounts (ISAs).

Risk profile

The main risks faced by Wesleyan International Trust and which arise from financial instruments are:

- ▶ market price risk, the risk that the value of holdings will fluctuate because of changes in market prices caused by factors other than interest rates or currency movements;
- ▶ foreign currency risk, the risk that changes in currency rates may cause the value of an investment to fall;
- ▶ interest rate risk, the risk that interest rates could fall and growth is lower than expected;
- ▶ inflation risk, the risk that inflation could reduce the value of your investment; and
- ▶ investment in derivatives carries the risk of loss and/or increased volatility in adverse conditions.

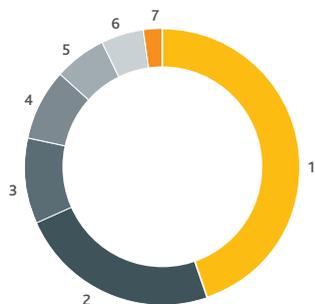
Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is calculated based on historical volatility over a rolling 5 year period. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



- ▶ The risk category is based on the rate the fund's value has moved up and down in the past. The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.
- ▶ This risk category is calculated in line with European Union rules using historical data.
- ▶ This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.
- ▶ A fund in the lowest category does not mean a 'risk-free' investment.
- ▶ A fuller explanation of the risk and reward profile of the fund is contained in the fund's Key Investor Information Document (KIID).
- ▶ The Wesleyan International Trust has historically been invested in Equities.

Portfolio of investments



	Positions as at:	
	31/03/2016	31/03/2015
1. United States	44.23%	38.41%
2. Continental Europe	22.71%	23.05%
3. United Kingdom	10.03%	15.69%
4. Rest of World	8.30%	6.78%
5. Pacific ex. Japan	6.87%	7.67%
6. Japan	5.40%	6.41%
7. Net other assets	2.46%	1.99%
Net assets	100	100

Trust Net Asset Value as at 31/03/2016: £20.7m.

Fund Manager: Martin Lawrence, BSc, ASIP

Major holdings

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

Holding	% of Trust as at 31/03/2016	Holding	% of Trust as at 31/03/2015
Schroder Asia Pacific Investment Trust	2.35	Schroder Asia Pacific Investment Trust	2.53
JP Morgan Fleming Japanese Investment Trust	2.20	Templeton Emerging Markets Investment Trust	2.45
Templeton Emerging Markets Investment Trust	2.04	JP Morgan Fleming Japanese Investment Trust	2.24
Microsoft	2.04	JP Morgan Fleming Asian Investment Trust	2.03
SAP	1.90	Pacific Horizon Investment Trust	1.98
Exxon Mobil	1.82	Schroder Japan Growth Investment Trust	1.84
JP Morgan Fleming Asian Investment Trust	1.80	Rio Tinto	1.80
Procter & Gamble	1.78	Exxon Mobil	1.77
LVMH Moet Hennessy	1.73	Procter & Gamble	1.70
Schroder Japan Growth Investment Trust	1.67	LVMH Moet Hennessy	1.68

Other information

The information in this report is designed to enable unitholders to make an informed judgement on the activities of the trust during the period it covers and the results of those activities at the end of the period.

Report and Accounts

Copies of the annual and half-yearly long-form report and accounts of this trust are available free of charge on request to the Manager, by calling 0345 351 2352 or via our website www.wesleyan.co.uk.

Manager and Advisers

Manager:	Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR
Directors:	C.W. Errington, C Dir, FloD (Chairman) C. Bridge, BSc, FCIPD, FloD, CDir (Chief Executive)* C.C. Ward, BSc, FIA* M. Lawrence, BSc, ASIP* S.J. Porter, Dip IoD (Resigned 31 July 2015)
Trustee	HSBC Bank plc 8 Canada Square London E14 5HQ
Registrar:	International Financial Data Services Limited PO Box 9033 Chelmsford CM99 2WQ
Independent Auditors:	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Legal Advisers to the Manager:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL

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

Wesleyan International 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.

If you would like this document in Braille, large print or audio format, please contact 0345 351 2352.

Wesleyan Unit Trust Managers Limited

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