

# Growth Trust

Manager's Half-Year Short Report 2012



**WESLEYAN**

Financial care since 1841

# Manager's report

## Trust Review

This is the half-yearly report of the Wesleyan Growth Trust covering the six months from 1 July to 31 December 2012. Stockmarkets around the world generally produced positive returns during the period despite relatively subdued economic activity. The offer price of units in the Trust rose by 9.0% to end the year at 283.02p. After adjusting for the half-yearly distribution of 2.6811p, which is retained within the Trust as usual to enhance the unit price, the change in the unit price was 8.0%. This compares favourably with the increases in both the FTSE 100 index and the wider FTSE Actuaries All-Share index of 5.9% and 7.0% respectively. The normal table of detailed performance statistics is shown on page 3 and this continues to demonstrate the above-average long-term performance record of the Trust against both of these indices.

After a relatively volatile first half of 2012, caused by ongoing uncertainties regarding elevated debt levels in a number of eurozone economies, investor confidence returned in the final six months of the year. Markets rallied after the European Central Bank gave a strong commitment to help the financially weaker countries in the eurozone and ensuring that there would be no imminent break-up of the European single currency.

The FTSE 100 index rose in every month from July through to December and shares in smaller and so-called 'mid-cap' companies significantly outperformed. The Wesleyan Growth Trust, which holds a relatively diverse portfolio of UK equities, in line with our long-term low portfolio turnover strategy, benefited from this market strength.

## Outlook

With pressure on government finances in many countries around the world it appears likely that economic growth, particularly in developed world economies, will remain modest in the near future. Despite this background, UK shares have continued to rally in the early weeks of 2013 partly due to the relative unattractiveness of alternative investments such as cash and government bonds. With short-term interest rates likely to remain at low levels for some time we continue to see good long-term value in a balanced portfolio of UK shares, while recognising that the somewhat difficult economic environment will result in periods of short-term volatility.



**Clive C. Ward, Bsc, FIA**

Chief Executive

Wesleyan Unit Trust Managers Limited

14 February 2013

## Trust and benchmark performance

	11/12/1995	30/6/2012	31/12/2012	Change	
				Last 6 months	Since launch
Unit Offer Price	<b>102.14</b>	<b>259.65</b>	<b>283.02</b>	<b>9.00%</b>	<b>177.09%</b>
– adjusted for distribution	–	–	–	<b>7.97%</b>	<b>100.18%</b>
FTSE 100 Index	<b>3,652.10</b>	<b>5,571.15</b>	<b>5,897.81</b>	<b>5.86%</b>	<b>61.49%</b>
FTSE Actuaries All-Share Index	<b>1,781.53</b>	<b>2,891.45</b>	<b>3,093.41</b>	<b>6.98%</b>	<b>73.64%</b>

## Performance record

Date	Net asset value per unit (pence)	Change over period	Number of units in issue
30/6/08	<b>209.97</b>	<b>-17.10%</b>	<b>29,422,497</b>
30/6/09	<b>176.37</b>	<b>-16.00%</b>	<b>28,042,497</b>
30/6/10	<b>207.03</b>	<b>17.38%</b>	<b>26,517,497</b>
30/6/11	<b>255.94</b>	<b>23.62%</b>	<b>24,012,497</b>
30/6/12	<b>247.71</b>	<b>-3.22%</b>	<b>21,742,497</b>
31/12/12	<b>269.88</b>	<b>8.95%</b>	<b>20,647,497</b>

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

## Trust facts

Interim/Annual Accounting dates	Payment dates
31 December	28 February
30 June	31 August

Ongoing Charges Figures* % at 31/12/12	Ongoing Charges Figures* % as at 30/6/12
1.45%	1.45%

\*The Ongoing Charges take into account the Manager's fee and any fixed expenses expressed as a percentage of the average daily net asset values over the period. Following the adoption of the requirements of UCITS IV in June 2012, Ongoing Charges have replaced the Total Expense Ratio ("TER"). The comparative figures have not been restated. The main difference between the two calculations is the inclusion of custody-related transaction charges in the Ongoing Charges Figure.

## Accumulation summary

Unit type	Total Distribution (p) for the period ended 31/12/12	Total Distribution (p) for the period ended 31/12/11
Accumulation	2.6811	2.5839

Total purchases for the period ended 31 December 2012, including transaction charges, are £344,754 (31 December 2011: £1,626,081). Total sales proceeds for the period ended 31 December 2012, net of transaction charges, are £2,008,829 (31 December 2011: £2,791,138).

## Investment objective and policy

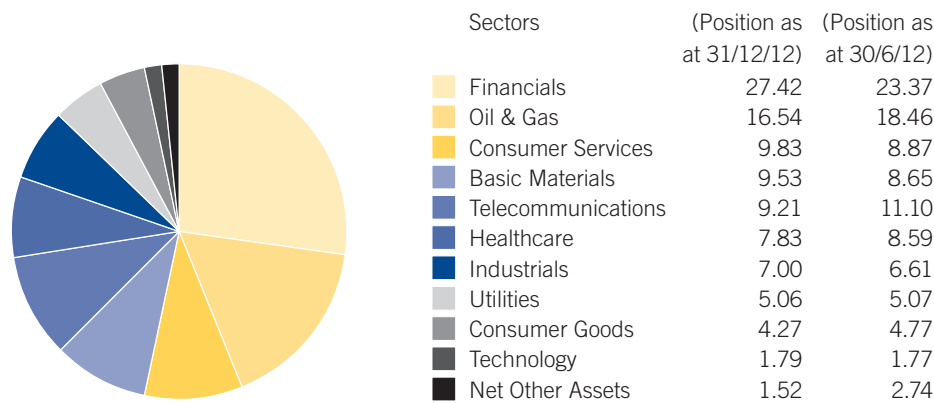
The investment objective of Wesleyan Growth Trust is to produce capital appreciation and an increasing income from the active management of a diversified portfolio of securities. Under normal circumstances the emphasis will be on equity shares. However, the Manager reserves the right to invest a portion of the Trust in bonds, other fixed interest securities and convertibles should such investment be deemed advantageous in view of prevailing market conditions, taxation arrangements, and Individual Savings Account 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.

# Risk profile

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

- market price risk, being the risk that the value of holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement;
- foreign currency risk, being the risk that changes in currency rates may cause the value of an investment to fall;
- interest rate risk, being the risk that interest rates could fall resulting in lower growth than illustrated; and
- inflation risk, being the risk that inflation could erode the value of your investment.

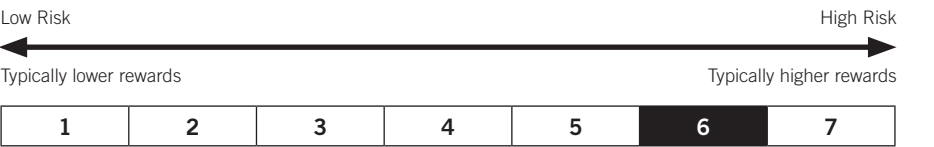
## Portfolio of investments



**Fund Net Asset Value as at 31/12/12:** £55.7m

**Fund Manager:** Clive C. Ward, BSc, FIA

## Risk and reward profile



- The risk category is based on the rate the fund's value has moved up and down in the past. The fund's value can be influenced by changes in stock market prices, currencies and interest rates which can be affected by factors such as political and economic events.
- This risk category is calculated in line with European Union rules using historical data.
- This is not a guarantee and may not be a reliable indication of the fund's future risk and reward category.
- A fund in the lowest category does not mean a 'risk free' investment.

## Major holdings

<b>Holding</b>	<b>% of Trust as at 31/12/12</b>	<b>Holding</b>	<b>% of Trust as at 30/6/12</b>
BP	6.46	Vodafone Group	7.87
Vodafone Group	6.29	Royal Dutch Shell 'B'	6.59
Royal Dutch Shell 'B'	6.23	BP	6.58
HSBC Holdings (London listed)*	5.59	HSBC Holdings (London listed)*	5.04
GlaxoSmithKline	4.21	BG Group	4.71
BHP Billiton	3.69	GlaxoSmithKline	4.67
BG Group	3.56	AstraZeneca	3.44
Rio Tinto	3.54	BHP Billiton	3.21
AstraZeneca	3.13	Rio Tinto	3.15
BT Group	2.74	BT Group	2.96

\*A related party to the Trust

## Other information

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

## Report and Accounts

Copies of the annual and half-yearly long-form report and accounts of this trust are available free of charge on request to the Manager, by calling 0845 351 2352 or via our website [www.wesleyan.co.uk/report](http://www.wesleyan.co.uk/report)

## Manager and Advisers

Manager:	Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR
Directors:	C.W. Errington, CDir, FIoD (Chairman) M.G. Lewis, MA, FIA (Resigned 19 October 2012) S.J. Porter, Dip IoD C.C. Ward, BSc, FIA
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 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Legal Advisers to the Manager:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL

Wesleyan Growth 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 Services Authority.



If you would like this document in Braille, large print or audio tape, please contact 0845 351 2352.

**Wesleyan Unit Trust Managers Limited**

Administration Centre: PO Box 9033

Chelmsford CM99 2WQ

Telephone: 0870 601 6129

Registered in England and Wales (No. 2114859)

Head Office: Colmore Circus

Birmingham B4 6AR

Wesleyan Unit Trust Managers Ltd is a subsidiary of Wesleyan Assurance Society (founded in 1841) and is authorised and regulated by the Financial Services Authority. Wesleyan Unit Trust Managers Ltd is also a member of IMA. Registered in England and Wales (No. 2114859). Telephone calls may be recorded for monitoring and training purposes. Copies of the scheme prospectus, and the most recent Annual Report and Half-Yearly Report on authorised funds are available free of charge from the Administration Centre.

WI-REP-10-02/13

