

Assessment of Value

WAY MA Portfolio

Including Sub-Funds

WAY MA Cautious Portfolio Fund

31st March 2022



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Assessment of Value - Overview

As the Authorised Fund Manager (AFM), WAY Fund Managers Limited (WFM) has completed this assessment of value to consider whether the payments that the WAY MA Portfolio (the “Fund”) prospectus allows to be taken from the Fund or its sub-funds are justified in the context of the overall value delivered to the sub-funds’ shareholders.




WFM’s Product Governance Committee carries out the initial assessment annually for each sub-fund taking into consideration the factors laid out below. This assessment is then passed to WFM’s independent non-executive directors (iNEDs) for scrutiny and agreement, ensuring that the outcome reflects a clear and fair assessment. A final review is carried out by the WFM Board before publication.

WFM believes that value for investors does not necessarily mean the lowest costs. Investors seek value in many ways. Higher costs may be incurred because of the investment adviser’s style, for example by ‘active’ or ‘passive’ investment, or by seeking greater asset diversification that is often achieved where investment is based on a ‘fund of funds’ approach.

WFM’s assessment of value examines the controls it has in place to manage costs, whilst assessing the actual returns achieved by investors relative to the investment objective(s) of each sub-fund. To this end, WFM has considered the following factors for each class of shares within each sub-fund:

- The range and quality of services that are provided;
- The performance of the sub-fund against its objective(s) and benchmark;
- The cost of investing;
- Any economies of scale that WFM may achieve;
- A comparison of the market rates paid to external third parties for fund services;
- A comparison to other funds that WFM manages to ensure that WFM is charging on a ‘like for like’ basis; and
- The specific range of share/unit classes available.

WFM has adopted a traffic light system to show how it has rated each sub-fund against the above criteria to enable it to provide an overall rating of the value received by investors.

	GREEN	This means WFM has determined that the sub-fund provides value to investors
	AMBER	This means WFM has determined that the sub-fund provides value to investors, but may merit some action or further monitoring
	RED	This means WFM has determined that the sub-fund does not currently provide value to investors








More detail on the delivery of objectives and costs can be found in the Fund’s Annual Financial Statements for the period ending 31st March 2022 which can be viewed using this link <https://www.wayfunds.com/Funds>

The Outcome of this Assessment

Each sub-fund of WAY MA Portfolio will have its own assessment. This will be set out as the overall grade for the complete assessment, together with grading for each of the factors considered above.

EXAMPLE = EF Fund - “Sub-Fund” graded as Providing value to the investor










Range & Quality of service	Performance	Cost of investing	Economies of scale	Comparable market rates	Comparable services	Class of units
						

Non-UCITS Retail Scheme OEIC

Sub-Fund – WAY MA Cautious Portfolio Fund

This means WFM has determined that the sub-fund provides value to investors, but may merit some action or further monitoring

WFM has shown its assessment of each of the individual criteria below. Overall, it is WFM's opinion that an investment into the sub-fund provides value to investors and that the charges are justified in the context of the overall value delivered to investors.

Range & Quality of service	Performance	Cost of investing	Economies of scale	Comparable market rates	Comparable services	Class of units
						

The range of services that WFM provides to investors

As the AFM, WFM is responsible for overseeing any third-party that provides services to its funds. Being based in Wimborne, Dorset allows operating costs to typically be lower than a London-based organisation and, as a smaller business, WFM has built strong relationships with its third-party service providers. This allows WFM to nimbly exchange expertise and business development ideas for the benefit of investors and to provide a good quality personal service. The Wimborne-based Transfer Agency was originally developed by WFM specifically for its own funds and that close relationship continues, with a dedicated team all experienced in the understanding of the full WFM fund range and typical investor requirements. The Wimborne office also provides in-house corporate governance and oversight expertise in investment, product, risk, and other operational arrangements.

WFM engages with and monitors the following outsourced operational service providers:

Investment Management – Brompton Asset Management Ltd

Sponsor – Brompton Asset Management Holdings Ltd

Depositary – Northern Trust Investor Services Limited (London)

Fund Accountant – Apex Fund and Corporate Services (UK) Ltd

Auditor – PKF Littlejohn LLP

Transfer Agent and Registrar – Investor Administration Solutions Ltd (an Appointed Representative of WFM)

Outcome of the assessment

WFM considers that a good level of service is provided to shareholders by all parties involved and it is commensurate to the amounts paid by the sub-fund for those services and provides value to the investor. Therefore, no further action is planned.

Performance of the sub-fund

WFM assesses the value represented by the investment performance achieved by the sub-fund after charges, at the end of each annual review period. Taking into consideration the sub-fund's investment objective(s), its policy, its benchmark, its recommended holding period and, where relevant, its relative exposure to investment risk to achieve this.

The objective of the Fund is to seek capital growth. The Fund will seek to achieve its objective from an actively managed portfolio of collective investment schemes, investment trusts, other transferable securities including listed securities, cash or near cash, deposits and money market instruments. The Fund will typically invest between 20% to 60% of its portfolio in equity securities. There will be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector.

Investment in the sub-fund should be regarded as long-term, which is at least five years.

The sub-fund's risk and reward profile is 4, on a scale of 1 to 7, where 1 represents typically lower risk and reward and 7 higher risk and reward.

The sub-fund's comparator benchmark is the IA Mixed Investment 20-60% Shares Sector

Comparison of Performance data (Performance less costs)				
Share Class	5 Year	3 Year	1 Year	Performance Grading (over 5 years)
IA Mixed Investment 20-60% Shares Sector	19.33%	15.11%	3.30%	
B Acc	17.01%	18.19%	1.13%	
B Inc	17.00%	18.19%	1.13%	
E Acc	19.95%	19.97%	1.63%	
E Inc	19.96%	19.98%	1.63%	
S Inc	19.96%	19.98%	1.63%	
T Inc	18.17%	18.89%	1.33%	

The sub-fund met its objective of long-term capital growth ahead of the sector benchmark for 5 year performance. Therefore, the sub-fund has been determined by WFM as meeting its objectives. The B class has a legacy trail commission which may impact the performance growth.



Outcome of the assessment

The sub-fund is meeting its objective, providing value to the investor. Therefore, there is no further action planned.

The Cost of investing

All expenses and general disbursements paid by the sub-fund, such as the annual management charge, the cost of any investment advisory services, regulatory reporting, accounting, transfer agency, platform services, depositary and custodian services, together with the synthetic cost of investing into any other underlying funds (in respect of a Fund of Funds, shown as "FoF" in the table below), are reflected in the ongoing charges figure ("OCF").

Share Class	Total OCF	AMC	Synthetic cost for FoF	Other fees	Transaction Costs
**B Acc	2.21%	1.45%	0.56%	0.18%	0.02%
**B Inc	2.21%	1.45%	0.56%	0.18%	0.02%
E Acc	1.71%	0.95%	0.56%	0.18%	0.02%
E Inc	1.71%	0.95%	0.56%	0.18%	0.02%
*T Inc	2.01%	1.25%	0.56%	0.18%	0.02%
*S Inc	1.71%	0.95%	0.56%	0.18%	0.02%

*Over a number of years, the Fund's Income classes have been available exclusively to investors investing via flexible trust-based inheritance tax planning solutions and trust services (IHT Trusts). The IHT Trust-related charges are taken from the investment funds themselves. These charges cover the additional costs associated with the day-to-day administration and ongoing trust licensing incurred for providing the IHT Trusts. As the additional services do not relate to investment in the Funds themselves, but to the IHT Trust services (i.e. they

are not retained by WFM), WFM does not express any views as to whether the additional services themselves offer reasonable value for money.

**Legacy share class, paying IFA commission (see “Classes of units” sector below) and is no longer available for advised investment.

Outcome of the assessment

The overall cost of investing in the last accounting period is considered higher than its peer group and WFM have determined that the Fund is not currently providing value to the investor in this section. However, WFM acknowledges that there are commission agreements which impact the OCF and that as a true of fund of funds is subject to the inclusion of the underlying cost of those funds (Synthetic cost) which may raise its OCF higher than a mixed investment fund. WFM has recommended the Investment Manager continues to monitor whether funds with a high underlying OCF are adding value to the Fund’s overall return. This position is under periodic review.

Comparable market rates

Given the confidential nature of commercial arrangements, it is not possible to objectively compare the rates that WFM is paying for its services against its competitors. WFM has, however, completed an assessment of the sub-fund’s overall costs against similar funds in the marketplace, to provide an indication as to how competitive the sub-fund may be.

As this sub-fund is a ‘Fund of funds’ (FoF), WFM has compared the cost of investing in this sub-fund’s primary share class, against similarly sized FoFs within the same Investment Association sector.

The assessment was completed using FE Analytics data against a range of funds with a net asset value of under £25 million and being similar constituents of the IA Mixed Investment 20-60% Shares sector (the sub-fund’s Investment Association (IA) “peer group”).

Primary Share Class	Total OCF	AMC Fees and Investment Adviser’s fees	Other fees from fund	Transaction Cost which are not included in the OCF calculations
Average of comparator sector	1.27%	0.66%	0.61%	0.11%
B Acc	2.21%	1.45%	0.76%	0.02%
B Inc	2.21%	1.45%	0.76%	0.02%
E Acc Primary Class	1.71%	0.95%	0.76%	0.02%
E Inc	1.71%	0.95%	0.76%	0.02%
T Inc	2.01%	1.25%	0.76%	0.02%
S Inc	1.71%	0.95%	0.76%	0.02%

It should be noted that this section does not separate the synthetic costs from the other fees considered in the “Cost of Investing” section above because these fees are not published outside of the report and accounts of a fund. They are, therefore, not available from the FE Analytics report used.

Outcome of the assessment

The overall cost of investing in the last accounting period is considered higher than its peer group and WFM have determined that the Fund is not currently providing value to the investor in this section. However, WFM acknowledges that there are commission agreements which impact the OCF and that as a true of fund of funds is subject to the inclusion of the underlying cost of those funds (Synthetic cost) which may raise its OCF higher than a mixed investment fund. WFM has recommended the Investment Manager continues to monitor whether funds with a high underlying OCF are adding value to the Fund’s overall return. This position is under periodic review.

Economies of scale

WFM has used its overall asset base to negotiate the best possible terms available with its current outsourced service providers, for the benefit of its entire fund range.

Service arrangements are reviewed on an ongoing basis and WFM negotiates fee rates on an appropriate sliding scale, with lower percentage fees applying as the funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the funds and their investors. This means that as a fund grows, it benefits from the improved economies of scale. Certain services may have fixed or minimum fees. WFM seeks to ensure that each fund offers value to investors and is viable considering the impact of any fixed or minimum fees.

Outcome of the assessment

All available savings from economies of scale achieved by WFM or the sub-fund are passed to the investors. No further action planned.

Comparable services

With regard to AFM services, WFM provides a similar range of services across its entire fund range. This means WFM adheres to all applicable financial regulations in the UK and provides the information and dealing services that its investors need. WFM's added value is its customer service and WFM prides itself on high quality personal service compared to other institutions.

Charging structures may vary between funds, because the size, investment nature and risk can vary between different funds, depending on its investment objective(s) and policy. However, WFM endeavours to ensure that the ongoing fees paid by the funds are similar to those paid by other comparable funds in its range.

Shareholders can compare the charges across WFM's fund range at:

<https://www.wayfunds.com/Funds/FundChargesandCosts>

Outcome of the assessment

All investors are provided with the same service and fees charged for similar funds across WFM's fund range are comparable.

Classes of units

Each fund may have several share classes, each with different characteristics and charging structures, to cater for the ways in which they may have been marketed. It is important to point out, however, that WFM has no control over the selection of share class by investors or their financial advisers.

WFM conducts a review of each of the share classes across the sub-fund to compare them with the share classes of funds and sub-funds within its other fund ranges. This is to ensure, as far as WFM reasonably can, that shareholders are in the correct unit/share class given the size of their holding.

	Distribution Channel
**B Acc	RDR Trail commission paying share classes
**B Inc	RDR Trail commission paying share classes
E Acc	Primary Retail Share Class
E Inc	Primary Retail Share Class
*S Inc	WAY Trust Investors ONLY
*T Inc	WAY Trust Investors ONLY

*Over a number of years, the Fund's Income classes have been available exclusively to investors investing via flexible trust-based inheritance tax planning solutions and trust services (IHT Trusts). The IHT Trust-related charges are taken from the investment funds themselves. These charges cover the additional costs associated with the day-to-day administration and ongoing trust licensing incurred for providing the IHT Trusts. As the additional services do not relate to investment in the Funds themselves, but to the IHT Trust services (i.e. they

are not retained by WFM), WFM does not express any views as to whether the additional services themselves offer reasonable value for money.

** The B class is a pre-RDR (Retail Distribution Review) class which continues to pay commission to an associated IFA and is no longer available for advised investment.

A review of share classes and registered holders is part of the annual product review. If it is discovered that there is a more appropriate share class available to an investor, WFM will write to the Investor's financial adviser, or directly to them if they do not have an adviser registered and offer a free conversion to another share class. All investors with commission paying shares, but without a registered financial adviser, have been written to and offered a free conversion to non-commission paying shares. Investors who have responded have had their holdings converted to a more favourable share class.

Should Investors believe that there is a more appropriate share class available to them they should contact WFM or their Financial Adviser.



Outcome of the assessment

WFM has taken action to ensure that all shareholders are in the most appropriate share classes. Share classes are monitored for continued suitability. WFM is in the process of updating the Fund's prospectus to permit it to switch shareholders to the most appropriate share class, where it can be demonstrated to be in the best interests of the investor, without obtaining their prior permission. Until that time WFM will continue with the above-mentioned project of writing to the investors. No other action is currently planned.
