



**WAY Fund Managers**

# Assessment of Value

## WAY MA Portfolio Fund

Incorporating sub-fund

WAY MA Cautious Portfolio Fund

Period ending: 31<sup>st</sup> March 2023



**BROMPTON**  
ASSET MANAGEMENT



## **WAY Fund Managers Limited & Brompton Asset Management Holdings Limited**

WAY Fund Managers Limited (WFM), as the Authorised Fund Manager (AFM) offers an independent fund structuring and fund operation facility to regulated asset management professionals such as investment managers, wealth managers, IFAs, stockbroking firms and other financial institutions, who are looking to establish new, or maintain existing, regulated collective investment schemes in the UK.

WFM's flexible approach is built around a solid core operating model which allows it to adapt its service offering and level of interaction to meet the business needs of its professional clients and in turn, its mutual investors.

WFM, the AFM and Brompton Asset Management Holdings Limited, the Sponsor act as joint manufacturer to the WAY Global Growth Portfolio Fund, and have appointed Brompton Asset Management Limited (Brompton) the investment adviser of the fund.



## **Assessment of Value-an overview**

The assessment of value (AoV) is undertaken annually by WFM to determine whether the payments taken for each class of shares or units of a fund or a sub-fund, are justified in the context of the overall service and value delivered to investors, taking into consideration regulation and guidance from the FCA.

WFM's Product Governance Committee carries out the initial assessment of a fund/sub-fund taking into consideration the 'Value Factors' detailed 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.

## **Outcome of the Assessment**



To provide a clear presentation of the value assessment outcomes in this report WFM has adopted the grading method that the wider investment industry uses for sharing with distributors and intermediaries. To make these outcomes easier to read at the end of the values section you will find a table for each fund/sub-fund and unit/share class using the below grading.





	Charges are justified based on assessment and any action identified or, where the first assessment is not yet due, based on initial product design
	Charges are not justified; significant action is required



For each share or unit class, WFM uses a green (justified)/red (not justified) signal for each of the Value Factors, to indicate whether it believes the charges are justified in the context of the overall service and value delivered to investors.

## Value factors that contribute to our assessment of value

WFM considers, but is not limited to considering, the following value factors for each class of shares within each fund or sub-fund:

	<p><b>The range of services provided to investors by the Sponsor</b></p>	<p>Brompton is a discretionary fund manager investing on behalf of clients via multi-asset funds of funds. Brompton aims to provide sound and sustainable returns by diversifying risk across a broad range of asset classes. As investment Manager, Brompton is responsible for the provision of investment management services to the fund. Recognising that asset allocation plays a critical role in delivering healthy risk-adjusted returns, Brompton's investment team has developed a dynamic asset allocation approach. This combines determining the asset allocation to reflect the team's prevailing views on economic trends and market valuations with the selection of the best fund managers it can find and blending those managers into a portfolio that meets investors' needs.</p> <p>To support investors, Brompton provides monthly fund factsheets and quarterly marketing updates, both of which are available via the Brompton website, and commentaries for annual and half-yearly reports. The investment team may also give briefings and presentations to advisers and investors.</p> <p>Brompton has experienced staff in risk, product development, operations and compliance, supporting the investment management team.</p>
	<p><b>Investor Service &amp; Fund Governance from the AFM</b></p>	<p>As the AFM, WFM is responsible for overseeing any third-party that provides services to its funds/sub-funds. Being based in Wimborne, Dorset allows WFM's 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/sub-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, compliance, risk, and other operational arrangements.</p>

	<p><b>Comparable Services</b></p>	<p>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/sub-funds, because the size, investment nature and risk can vary between different funds/sub-funds, depending on its investment objective(s) and policy. However, WFM endeavours to ensure that the ongoing fees paid by a fund/sub-fund are similar to those paid by other comparable funds/sub-funds in its range. Unit/Shareholders can compare the charges across WFM's fund range at: Important information <a href="https://www.wayfunds.com/Funds/FundChargesandCosts">https://www.wayfunds.com/Funds/FundChargesandCosts</a></p>
	<p><b>Economies of Scales</b></p>	<p>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/sub-funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the funds/sub-funds and their investors. This means that as a fund/sub-fund grows, it benefits from the improved economies of scale. Certain services may have fixed or minimum fees, which are applied to each individual fund/sub-fund. WFM seeks to ensure that each fund/sub-fund offers value to investors and is viable considering the impact of any fixed or minimum fees.</p>
	<p><b>Performance of the Fund/ Sub-fund</b></p>	<p>WFM assesses the value represented by the investment performance achieved by a fund/sub-fund after charges, at the end of each annual review period, taking into consideration the fund's/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. If a fund/sub-fund has been assessed as charges not being justified, WFM will provide a table of the relevant period's performance data, together with any explanation or proposed action, later in this report for further information.</p>
	<p><b>The Cost of Investing</b></p>	<p>All expenses and general disbursements paid by a fund/sub-fund, such as the annual management charge, the cost of any investment advisory services, regulatory reporting, accounting, transfer agency, platform services, depository and custody services, together with the synthetic cost arising where investment is made into any underlying funds are reflected in the ongoing charges figure ("OCF"). The cost of investing may be different depending upon the share or unit class selected.</p>

	<p><b>Classes of shares or units available</b></p>	<p>Each fund/sub-fund may have a number of share classes, each with different characteristics and charging structures, to cater for the ways in which they may have been previously or are currently distributed. These are determined by the fund's/sub-fund's Sponsor. The selection of the appropriate share class is made by investors or their financial advisers. During this assessment WFM will review each of the share classes across a fund/sub-fund to ensure, as far as WFM reasonably can, that unit/shareholders are in the correct unit/share class given the size of their holding. However, WFM is unable to determine whether one unit/share class is more suitable for an individual investor than another. A table setting out the characteristics of each unit/share class is provided later in this report.</p>
	<p><b>Comparable Market Rates</b></p>	<p>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. As described above not all unit/share classes can be comparable to each other across different funds/sub-funds. However, all funds/sub-funds have a "primary" unit/share class registered with the Investment Association. WFM has, therefore, used the primary unit/share class in its assessment. Using data supplied to FE Fund Analytics by AFMs for publication, WFM can compare funds/sub-funds of a similar size, structure and Investment Association Sector for an average investment cost. It should be noted that this section is based on the total charges incurred and includes the asset transaction costs charged to the fund/sub-fund, which are not included in the OCF calculation.</p>

The investment objective of the Fund is to seek capital growth.

Share/Unit Class	ISIN	Share Class AoV Rating	AFM Investor Service & Governance	Comparable Services	Economies of Scale	Performance of the Sub-Fund	Cost of Investing	Share/Unit classes Available	Comparable Market Rates
B Accumulation	GB00B39TFG94	●	●	●	●	●	●	●	●
B Income	GB00B39TFD63	●	●	●	●	●	●	●	●
C Income	GB00BQNKFK38	●	●	●	●	●	●	●	●
E Accumulation	GB00B87X8G93	●	●	●	●	●	●	●	●
E Income	GB00B8JGQM80	●	●	●	●	●	●	●	●
S Income	GB00BGH13Q46	●	●	●	●	●	●	●	●
T Income	GB00B8YPMQ64	●	●	●	●	●	●	●	●

**Summary of Grading:** Charges are justified based on assessment and any action identified.

The sub-fund has been graded as justifying its charges and has met its object to seek capital growth and has outperformed its IA Sector IA Mixed Investment 20-60% Shares Sector. However, when comparing the individual share class charging structure against its IA Sector peer group, for a fund of a similar size and structure the OCF is higher. This has been accepted as each share classes was designed for a particular purpose, which is described in the Share/Unit class section below. Where the Annual Management Charge (AMC) is higher it will include additional payments agreed between the investor and intermediary for financial advisory services.

## Performance

The fund has performed well against its IA Sector IA Mixed Investment 20-60% Shares Sector and met its objective of capital growth. WFM has determined that the fund is providing value for the individual investors.

## Classes of shares/units

WFM endeavours to ensure that all shareholders are in the most appropriate share classes. However, the selection of share class is driven by an investor's choice, their financial adviser and the relevant distribution channel. A review of share/unit classes and registered holders is part of the annual product review. If it is discovered that there is a more appropriate share/unit class available to an investor, WFM will write to the Investor's financial adviser, or directly to them if they do not have a financial adviser registered, to offer a free of charge conversion to another share/unit class. All investors within commission paying shares, but without a registered financial adviser, have been written to and offered a free conversion to non-commission paying shares. Investors receiving such letters should consider them legitimate and respond, or, if unsure, should contact the telephone number on WFM's website for confirmation.

Share/Unit Class	Distribution Channel
** B Accumulation	These share classes are for investments arranged before 31/12/2012 (or in respect of an investment made after this date for which no financial advice has been given to the investor) and include a commission that is paid to the financial intermediary
** B Income	
C Income	This is an unbundled share class only available for new WAY Trustees Limited (WTL) investors from the 01/11/2022.
E Accumulation	E Accumulation is the Primary Retail Share Class
E Income	These are unbundled classes open to all investors
* T Income	This is an unbundled share class only available to existing WAY Trustees Limited (WTL) investors. This includes additional charges for the services provided by WTL as agreed with investors and their intermediary and is not available to new investors.
* S Income	This is an unbundled share class only available to existing WAY Trustees Limited (WTL) investors who invested before 01/07/2017. This includes additional charges for the services provided by WTL as agreed with investors and their intermediary and is not available to new investors

\* 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 financial adviser and is no longer available for advised investment.

The C Income class was introduced in November 2022 as a class for WAY Trust Investors paying trust fees directly to WAY Trustees Limited.

### **The Cost of Investing**

*WFM considered both the performance return and the above information regarding its distribution channels/share classes during its assessment when considering if the costs are justified. The Fund is competitive in its charging structure with its IA Peer group. WFM has assessed that the Fund is providing value to its investors.*

### **Comparable Market Rates**

*WFM has compared the charges of this Fund's primary share class with that of other 'Fund of Funds' with a similar structure and size within the Fund's peer group, the Investment Association (IA) Mixed Investment 20-60% Shares Sector and the overall cost of investing in the Fund's primary share class is competitive. WFM has, therefore, determined that the Fund does not currently provides value for all of its investors in this section of the assessment*

### **Quality of Service**

*A good level of service is provided to shareholders by all parties involved and is commensurate to the amounts paid by the sub-fund for those services and provides value to the investor.*

### **Comparable Services**

*All investors are provided with the same services by WFM, and the sub-fund has the same direct service providers across the WAY Fund range.*

### **Economies of Scale**

*All available savings from economies of scale obtained by WFM or the sub-fund are passed to the investor.*