

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT A PROFESSIONAL ADVISER.**

WAY Fund Managers Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. WAY Fund Managers Limited accepts responsibility accordingly.

## **Prospectus**

**of the**

# **WAY MA PORTFOLIO**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000660)**

**(A Non UCITS Retail Scheme)**

This document constitutes the Prospectus for **WAY MA Portfolio** which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

**This Prospectus is dated and is valid as at 10 December 2024.**

Copies of this Prospectus have been sent to the FCA and the Depositary.



## WAY MA PORTFOLIO

### THIS PROSPECTUS IS IMPORTANT

**IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.**

**INVESTORS SHOULD CHECK WITH THE ACD THAT THIS IS THE LATEST VERSION OF THE PROSPECTUS AND THAT THERE HAVE BEEN NO REVISIONS OR UPDATES BEFORE DECIDING TO PURCHASE SHARES IN THE COMPANY. PLEASE NOTE THAT NOTIFIABLE CHANGES WHICH ARE IN THE PROCESS OF BEING IMPLEMENTED OR WHICH HAVE ALREADY BEEN IMPLEMENTED MAY NOT BE DISCLOSED IN THE CURRENT PROSPECTUS.**

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should investigate and observe the legal requirements within their own countries for the acquisition of shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and its share classes as is made available by the Authorised Corporate Director for the purposes of the UK's Product Governance regime including, without limitation, target market information. Distributors and intermediaries may obtain such information by e-mailing the ACD at [compliance@wayfunds.com](mailto:compliance@wayfunds.com) or by calling 01202 855856 (+44 (0)1202 855856 from outside of the UK).

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of shares.

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the shareholders. A copy of the Instrument of Incorporation is available on request from WAY Fund Managers Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by WAY Fund Managers Limited.

#### **International Tax Reporting**

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs ("HMRC") in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

#### **Information for US Persons**

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons. The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "US Person", for the purposes of the above paragraph, is a person who is in either of the following two categories:

- (a) a person included in the definition of "US Person" under Rule 902 of Regulation S under the 1933 Act, or
- (b) a person excluded from the definition of a "Non-United States Person" as used in the US Commodity Futures Trading Commission ("CFTC") Rule 4.7.



For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of “US Person” only if he or it does not satisfy any of the definitions of “US Person” in Rule 902 and qualifies as a “Non-United States Person” under CFTC Rule 4.7.

“US Person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organisation or incorporated under the laws of the United States;
- (c) any estate which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a non-US entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - i. organised or incorporated under the laws of any non-US jurisdiction; and
  - ii. formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised on incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

#### **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited (“we”/“us”) operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application, we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner’s Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856 (+44 (0)1202 855856 from outside of the UK).

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner’s Office through their website which can be found at: <https://ico.org.uk/for-the-public/raising-concerns/>



## DEFINITIONS

The following definitions are used in this document:

<b>“the Act”</b>	the Financial Services and Markets Act 2000 as amended, restarted, re-enacted or replaced from time to time;
<b>"ACD"</b>	WAY Fund Managers Limited, the authorised corporate director of the Company;
<b>"Administrator" or</b>	means Apex Fund & Corporate Services (UK) Limited or such other person appointed from time to time to be the administrator to the Company;
<b>“Administrators”</b>	
<b>“AIFM”</b>	Alternative Investment Fund Manager pursuant to the AIFMD;
<b>“AIFM Directive”</b>	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as amended by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/328) to following the UK’s withdrawal from the European Union;
<b>“AIFMD Rules”</b>	the provisions of (i) Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and (ii) the provisions of the FCA Rules (such as the FUND Sourcebook) and any other applicable regulations implementing AIFMD, including, where applicable those in any other EEA member state; and (iii) the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom; in each case may be altered, amended, added to or cancelled from time to time.
<b>"Business Day"</b>	means any day on which the London Stock Exchange is open for normal business except for any day in respect of which the ACD has notified the Depositary that it is not open for normal business due to a concessionary company holiday or otherwise as agreed between the ACD and the Depositary;
<b>"the Company"</b>	WAY MA Portfolio;
<b>"COLL Sourcebook" or "COLL"</b>	The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority (as may be amended, replaced or restated from time to time);
<b>“CRS”</b>	OECD Common Reporting Standard;
<b>"Depositary"</b>	the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations, being Northern Trust Investor Services Limited as at the date of this Prospectus;
<b>“EUWA”</b>	As defined in the FCA Glossary;
<b>"FATCA"</b>	Means the Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and the US Treasury Regulations promulgated thereunder (as amended from time to time);
<b>"FCA"</b>	Financial Conduct Authority, 12 Endeavour Square, London E20 1JN and any successor entity;
<b>"Funds"</b>	The sub-funds from time to time of the Company and "Fund" shall mean one of the sub-funds;



<b>“FUND Sourcebook”</b>	the Investment Funds Sourcebook issued by the FCA as amended or replaced from time to time;
<b>“Instrument”</b>	means the instrument of incorporation constituting the Company, as amended from time to time;
<b>"Investment Adviser(s)"</b>	Brompton Asset Management Limited, which is the investment adviser to the WAY MA Cautious Portfolio Fund, and;  FACET Investment Management Limited, which is the investment adviser to the WAY Absolute Return Portfolio Fund;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>“Leverage”</b>	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
<b>"Net Asset Value" or "NAV"</b>	the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument;
<b>"Non-UCITS Retail Scheme"</b>	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 (as may be amended from time to time), which regulate the incorporation and operation of the Company;
<b>"Office Hours"</b>	from 9am to 5pm on any Business Day;
<b>“PRN”</b>	FCA Product Reference Number;
<b>“Professional Liability Risks”</b>	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook
<b>"Regulations"</b>	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
<b>“Specified US Person”</b>	a shareholder who falls within the definition of “Specified U.S. Person” for the purposes of FATCA;
<b>"Sterling"</b>	pounds sterling of the United Kingdom;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13 <sup>th</sup> July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time) as it forms part of the laws of the member states of the United Kingdom by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK’s withdrawal from the European Union);
<b>"VAT"</b>	UK value added tax.

Subject to the above, unless otherwise expressly provided terms used in this document shall have the same meanings as in the Regulations.



## SUMMARY

The information on the WAY MA Portfolio set out below should be read in conjunction with the full text of this document, from which it is derived.

**Structure:** The Company is an open-ended investment company incorporated as an investment company with variable capital. It is a non-UCITS Retail Scheme which complies with chapter 5 of the COLL Sourcebook and is also an umbrella Company for the purposes of the OEIC Regulations.

The Company has two sub-funds as follows: -

*WAY MA Cautious Portfolio Fund*

*WAY Absolute Return Portfolio Fund*

*(As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination).*

**Base currency:** Pounds Sterling, or such other currency which becomes the legal currency in the United Kingdom.

**Share Classes:** The Company is authorised to issue both income and accumulation shares. Sub-divisions into currencies are shown in the full text.

**Distribution policy:** Income accrued, if any, shall be distributed on 31<sup>st</sup> May each year.

**Annual accounting date:** 31<sup>st</sup> March each year.

**Dealing days and valuations:** Regular valuations are made in respect of the Funds on each dealing day as at the valuation point which will be at 12:00 noon (UK time). Any Business Day will constitute a “dealing day”. Shares will be dealt in at a price determined at the valuation point after the request for shares is received. Therefore if a request is received after 12:00 noon on a dealing day it will be dealt with at a price determined on the next dealing day's valuation point.

**Pricing:** The prices of shares will be calculated as at the valuation point on each dealing day and will be on a forward basis. The price of your shares and relevant notices may be obtained by accessing <https://www.wayfunds.com/Sponsors/WMCapitalManagementLimited>. The same information may also be obtained by telephone, by calling the following number 01202 855856 (+44 (0)1202 855856 from outside of the UK), or by e-mailing [customerservice-wayfunds@apexgroup.com](mailto:customerservice-wayfunds@apexgroup.com). Telephone calls will be recorded and the recordings will be stored for up to seven years.

The prices quoted will relate to the actual dealing prices applicable on the immediately preceding Business Day.

The above is a summary of the information contained in this document. Potential investors should read **all** of the document as well as having taken appropriate professional advice, before purchasing shares in the Funds.



## DIRECTORY

### Authorised Corporate Director

WAY Fund Managers Limited (authorised and regulated by the Financial Conduct Authority), whose registered and head office address is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. The register of shareholders can be inspected at this address.

### Depositary

Northern Trust Investor Services Limited (authorised and regulated by the Financial Conduct Authority), its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

### Investment Advisers

Brompton Asset Management Limited, which is the Investment Adviser to the WAY MA Cautious Portfolio Fund, and is authorised and regulated by the Financial Conduct Authority, whose registered and head office address is 1 Knightsbridge Green, London, SW1X 7QA; and

FACET Investment Management Limited (in Administration), acted as the Investment Adviser to the WAY Absolute Return Portfolio Fund and was formerly authorised and regulated by the Financial Conduct Authority. Their head office address was at 2 Charlwood Court, Merlin Centre, County Oak Way, Crawley, West Sussex, RH11 7XA. *(As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination).*

### Auditor

PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London E14 4HD.

### Administrator

Apex Fund & Corporate Services (UK) Limited, 6th Floor, Bastion House, 125 London Wall, London EC2Y 5AS.

### Transfer Agent and Registrar

Investor Administration Solutions Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. The Register can be inspected at this address.



## CONSTITUTION OF THE COMPANY

### *Structure*

The WAY MA Portfolio is an open-ended investment company with variable capital incorporated in England and Wales (FCA registered number: IC000660) under the OEIC Regulations. It is a “non-UCITS retail scheme” which complies with the requirements of Chapter 5 of COLL Sourcebook and is also an umbrella company for the purposes of the OEIC Regulations. The authorisation of the Company was made effective on 30<sup>th</sup> May 2008. The Company has an unlimited duration. The FCA product reference number for the Company is 480653.

### *Head and Registered office*

The head and registered office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

### *UCITS status*

The Company will operate as a non-UCITS retail scheme under Chapter 5 of the COLL Sourcebook.

Subject to the terms set out in this Prospectus, holders of shares in the Funds are entitled to receive (or have accumulated) the net income derived from the Funds and to redeem their shares at a price linked to the value of the property of the Funds. Shareholders do not have any proprietary interest in the underlying assets of Funds.

### *Capital and base currency*

The base currency is Pounds Sterling, or such other currency which becomes the legal currency in The United Kingdom. The minimum size of the Company’s capital is £1 and the maximum size is £100,000,000,000 or the equivalent value in any currency which becomes legal currency of the United Kingdom.

### *Governing laws and instruments*

The operation of the Company is governed by the OEIC Regulations, the COLL Sourcebook, the Company’s Instrument of Incorporation and this Prospectus

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### *No liability for debts*

The shareholders of the Company will not be liable for the debts of the Company.

### *Leverage*

The AIFMD prescribes two methods for calculating the overall Leverage exposure of a Fund: the “gross method” and the “commitment method”. These methodologies are set out in full detail in the AIFMD. However, they can be summarised as follows:

- The gross method is a more conservative way of representing leverage as it does not take into account the netting or hedging arrangements employed by a Fund. This method also takes into account incremental exposures as well as the Fund’s own physical holdings and cash.
- The commitment method takes account of the hedging and netting arrangements employed by a Fund at any given time (i.e. purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes incremental exposures as well as the Fund’s own physical holdings and cash.

The maximum level of leverage which the ACD may employ on behalf of a Fund is equal to 300% and 200% of the Net Asset Value of a Fund when respectively calculated in accordance with the “gross” and “commitment” methods are set out under the AIFMD rules.

The ACD may change the maximum level of Leverage from time to time. Any change will be disclosed to Shareholders in accordance with the Regulations.



### *Liquidity Management*

The ACD maintains a liquidity management policy to monitor the liquidity risk of the Fund's portfolio against thresholds set by reference to each Fund's redemption policy. The ACD seeks to ensure that each Fund will remain within the liquidity limits set for it. The ACD is also able to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be set out as outlined below. Other arrangements may also be used in response to redemption requests which, if activated, will restrict the redemption rights Shareholders benefit from in the ordinary course. The ACD may also temporarily suspend redemptions in certain circumstances.

### *Winding up*

Please see page 52 for a summary of the circumstances and procedure for, and the rights of shareholders under, a winding up of the Company.

### *Segregated Liability*

Investors should note that the Company's Funds will be segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring-fenced" from the liabilities of other Funds of the Company.

### *Contracts with Directors*

The Company has a single director, being the ACD. The principal features of the contract between the Company and the ACD can be found below, in the section entitled 'The Authorised Corporate Director – Service Agreement'. Shareholders can request a copy of the contract from the ACD.



## INVESTMENT OBJECTIVE AND POLICY

The investment objective and policy of the Funds are set out below:

### *WAY MA Cautious Portfolio Fund*

PRN: 638971

#### ***Investment Objective***

The objective of the Fund is to seek capital growth.

#### ***Investment Policy***

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% and 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.

The use of derivatives and/or hedging transactions will be permitted in connection with the efficient portfolio management of the Fund (typically hedging, including investing in hedged share classes, which attempts to mitigate against falls in the value of the Fund's assets and the effects of changes in currency exchange rates against the Fund's base currency, which is pounds sterling). Borrowing of up to 10% of the Fund's net asset value will be permitted.

**On giving 60 days notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.**

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS retail schemes.

#### ***Benchmark***

The ACD believes that the appropriate benchmark against which the performance of the Fund can be measured is its industry sector group which is currently the Investment Association's (IA) Mixed Investment 20-60% Shares sector. This represents a comparator benchmark because the Fund's performance can be compared to funds which also sit within this industry sector.

Any publications relating to the Fund that refer to its performance will also show the performance of the IA Mixed Investment 20-60% Shares sector average as a comparison.

### *WAY Absolute Return Portfolio Fund*

***(As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination)***

PRN: 638974

#### ***Investment Objective***

The objective of the Fund is to achieve long term capital appreciation in the form of a positive absolute return for investors in all market conditions on a 12-month basis. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 12-month period or in respect of any other period.

#### ***Investment Policy***

The Fund will aim to achieve its investment objective by utilising a diversified portfolio of transferable securities (including investment trusts), collective investment schemes, warrants, cash or near cash, deposits and money market instruments, seeking to deliver absolute returns using a variety of suitable strategies.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector at any time. The Fund may also invest in unregulated collective investment schemes (where investment in such funds is consistent with the investment objective and policy of the Fund).



The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted in accordance the Regulations. The Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

## **THE AUTHORISED CORPORATE DIRECTOR**

### *Structure*

The authorised corporate director of the Company is WAY Fund Managers Limited, incorporated in England and Wales, as a private limited company on 9<sup>th</sup> June 2000 with registered number 4011838. The ACD is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

### *Registered and head office*

The registered and head office of the ACD is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

### *Share capital*

As at the date of this Prospectus, the amount of the ACD's issued share capital is £1,660,000, fully paid.

### *Principal business activity*

The ACD's principal business activity is as an operator of UK collective investment schemes.

### *The executive director of the ACD is:*

- Vincent Hoare
- Alison Dean

### *The non-executive directors of the ACD are:*

- David Kane (independent)
- Philippa Woodman (independent)

The Company has no other directors.

### *Other collective investment schemes*

The ACD also acts as Authorised Corporate Director and unit trust manager to the following collective investment schemes authorised in the United Kingdom:

### ICVCs

- EF 8AM Investment Funds;
- EF Brompton Multi Manager OEIC;
- EF Brunswick Portfolio Fund;
- EF FACET Discretionary Portfolios;
- EF New Horizon Fund;
- EF Rosevine Capital ICVC
- EF Tellsons ICVC;
- EF UCITS ICVC;
- EF WM NURS Portfolio;
- EF WM UCITS Portfolio;
- WAY Global Cautious Portfolio Fund;
- WAY Momentum Portfolio
- WAY Global Growth Portfolio.

### Unit Trusts

- WAY Global Balanced Portfolio Fund; and
- WAY Flexible Global Growth Fund.



### *Service agreement*

The ACD provides its services to the Company under the terms of a service agreement. The material provisions of that service agreement are as follows:

The service agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The service agreement will also terminate on expiry of notice given by the depositary in accordance with Rule 6.5.4(3) of the COLL Sourcebook (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The service agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Company and carrying out its duties as authorised corporate director of the Company except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Financial Services and Markets Act 2000 ("FSMA") or the regulatory system under FSMA.

The ACD has delegated the following functions to third-parties:

**General Administration** – (principally fund valuation and fund accounting) – delegated to Apex Fund & Corporate Services (UK) Limited, 6<sup>th</sup> Floor, 125 London Wall, London EC2Y 5AS.

**Investment Management** (to the Investment Advisers) – management of the investments held by the Funds from time-to-time. The names of the Investment Advisers are shown above. The Investment Advisers are authorised and regulated by the Financial Conduct Authority.

**Transfer Agency & Registration** - Delegated to Investor Administration Solutions Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB. Investor Administration Solutions Limited is an appointed representative of WAY Fund Managers Limited.

The ACD remains responsible for ensuring that the companies to whom it delegates such functions, perform those delegated functions in compliance with the rules in the COLL Sourcebook and the FUND Sourcebook. In accordance with the Regulations the ACD may terminate the above agreements with immediate effect where it is in the interests of shareholders to do so.

The Manager may provide investment services to other clients and funds and to companies in which the Fund may invest in accordance with the Regulations. When managing investments of the Fund, the Manager will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the Manager but properly does not come to the notice of an individual managing the assets of the Fund.

In accordance with the Regulations the Manager has in place a number of policies which set out how it operates and manages the Fund in a number of key areas. The Manager's voting policy (which sets out how and when voting rights attached to the Fund's investments are to be exercised), best execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Fund) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may be received or made by a third party in respect of the Fund) are available on request from the Manager and are also available on the following website: [www.wayfunds.com](http://www.wayfunds.com).

Note that investors in the Funds may request from the Manager information about entities where trade orders are transmitted or placed for execution.

### **THE DEPOSITARY**

The Depositary of the Company is Northern Trust Investor Services Limited, a private limited company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Depositary is authorised and regulated by the Financial Conduct Authority.

The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.



The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook and the FUND Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds. The Depositary is also responsible for monitoring the cash flows of the Company and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Depositary and the Company, the Shareholders or the ACD, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, will be made available to Shareholders on request.

Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Shareholders' personal information as a data controller where these details are provided to it in connection with Shareholders' investment in the Company. Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at [www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

#### *Terms of Appointment*

The appointment of the Depositary has been made under a written agreement (as amended and novated from time to time), between the Company, the ACD and the Depositary (the "**Depositary Agreement**").

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its safekeeping duties as depositary. As at the date of this Prospectus, the Depositary has delegated custody services to The Northern Trust Company, London Branch (the "**Custodian**"). The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Company may invest.

As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions.

The Depositary Agreement may be terminated by not less than six months' written notice by the ACD or not less than six month's written notice by the Depositary, provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

The Depositary is entitled to the fees, charges and expenses as set out in more detail below in the section headed "**The Fees and Expenses of the Depositary**". The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in Scheme Property or the supply of services to the Company.

#### *Conflicts of Interest*

##### *(i) General*

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Depositary and the Company, the Shareholders or the ACD. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Shareholders. In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Shareholders where such action may not be in the interests of the ACD.



(ii) Affiliates

From time-to-time conflicts may arise from the appointment by the Depositary of any of its delegates, as applicable. The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the FCA Handbook and its duties to the Depositary and the ACD.

(iii) Conflicting commercial interests

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

(iv) Management of conflicts

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

## INVESTMENT ADVISER

### ***WAY MA Cautious Portfolio Fund***

#### *Name and authorisation*

The ACD has appointed Brompton Asset Management Limited (the "Investment Adviser") as the investment adviser to the ACD in relation to the Fund. The Investment Adviser is authorised and regulated by the FCA. The Investment Adviser's principal activity is the provision of investment management services.

#### *Investment advisory agreement*

Under the terms of an agreement dated 30<sup>th</sup> April 2017 between the Investment Adviser and the ACD (the "Investment Management Agreement"), the Investment Adviser has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Fund, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Fund. The Investment Adviser is also authorised to deal on behalf of the Fund. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders.

Under the terms of the Investment Management Agreement, the Investment Adviser may delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

### ***WAY Absolute Return Fund***

***(The WAY Absolute Return Fund is in the process of termination as at the date of this Prospectus and is therefore no longer available for investment).***

#### *Name and authorisation*

The ACD appointed FACET Investment Management Limited (the "Investment Adviser") as the investment adviser to the ACD in relation to the Fund. The Investment Adviser was formerly authorised and regulated by the FCA. The Investment Adviser's principal activity was the provision of investment management services.



### *Investment advisory agreement*

With effect from 1<sup>st</sup> April 2017, under the terms of an agreement between the Investment Adviser and the ACD (the "Investment Management Agreement"), the Investment Adviser had the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Fund, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Fund. The Investment Adviser was also authorised to deal on behalf of the Fund. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders.

Under the terms of the Investment Management Agreement, the Investment Adviser was able delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

### **AUDITOR**

The auditor of the Company is PKF Littlejohn LLP whose address is 15 Westferry Circus, Canary Wharf, London E14 4HD.

### **REGISTER**

A register of shareholders is maintained by the Registrar at Cedar House, 3 Cedar Park, Wimborne, Dorset, BH21 7SB. Certificates are not issued, and no bearer shares are issued.

The register is prima facie evidence as to matters properly entered in it. No notice of any trust express, implied or constructive may be entered in the register or be receivable by the Company. The Registrar is not obliged to register more than four persons as the joint holders of any shares.

Should any shareholder require evidence of title to shares the ACD will, upon such proof of identity as the Registrar may reasonably require, supply the shareholder with a certified copy of the relevant entry in the register relating to the shareholder's holding of shares.

Shareholders must notify the Registrar of any change of name or address.

Shares in the Funds are not listed or dealt in on any investment exchange.

### **SHARES IN THE COMPANY**

#### **Share classes**

Currently the following share classes are available for investment:

#### **WAY MA Cautious Portfolio Fund**

- Class B Pounds Sterling (£) Income Shares
- Class B Pounds Sterling (£) Accumulation Shares
- Class C Pounds Sterling (£) Income Shares
- Class E Pounds Sterling (£) Income Shares
- Class E Pounds Sterling (£) Accumulation Shares
- Class S Pounds Sterling (£) Income Shares
- Class T Pounds Sterling (£) Income Shares

#### **WAY Absolute Return Portfolio Fund**

*(As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination).*

- Pounds Sterling (£) Income Shares
- Pounds Sterling (£) Accumulation Shares
- Class A Pounds Sterling (£) Income Shares
- Class E Pounds Sterling (£) Income Shares
- Class E Pounds Sterling (£) Accumulation Shares
- Class S Pounds Sterling (£) Income Shares
- Class T Pounds Sterling (£) Income Shares
- Class Z Pounds Sterling (£) Income Shares
- Class Z Pounds Sterling (£) Accumulation Shares



Further Classes of Shares may be established from time to time by the ACD with the approval of the FCA (where required by the Regulations), the agreement of the Depositary, and in accordance with the Instrument and the applicable Regulations. On the introduction of a new Class of Share a revised Prospectus will be prepared setting out the details of the Share Class.

The base currency for each new Class of Share will be determined at the date of creation and set out in the Prospectus.

Each Share is deemed to represent one undivided unit of entitlement in the property of the Fund. No bearer Shares are issued.

Holders of income Shares are entitled to be paid the distributable income attributable to such Shares on any relevant interim or annual allocation dates.

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

The Instrument allows the Company to issue gross income and gross accumulation shares as well as net income and net accumulation shares, however only gross shares are currently issued. Gross shares are shares in respect of which income allocated to them is distributed periodically to the relevant shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, without any deduction of tax. Net shares are income or accumulation shares where, in accordance with relevant tax law, distribution or allocation of income is made with any tax being deducted or accounted for by the Company. Full details concerning taxation may be found on page 32.

If both income and accumulation Shares are in existence, the income of the Fund is allocated as between income Shares and accumulation Shares according to the respective units of entitlement in the property of the Fund represented by the accumulation Shares and income Shares in existence at the end of the relevant accounting period.

Where the Fund has different Share Classes, each Class may attract different charges and so monies may be deducted from the scheme property attributable to such Classes in unequal proportions.

The rights attaching to the Shares of all Classes may be expressed in two denominations and, in each of these Classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

No certificates will be issued in respect of a holding of Shares. Ownership of Shares will be evidenced by an entry in the Company's register of Shareholders. Should any Shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the register relating to the Shareholder's holding of Shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

Creation of such further classes will not affect the rights of holders of shares of the existing classes.

### **Voting rights**

Voting rights attached to each class of shares are described under "Voting" on pages 40 and 41.

### **Mandatory redemption**

Shares may be compulsorily redeemed in the circumstances described on page 25.

## **TRANSFER OF SHARES**

A shareholder is entitled (subject as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the register. An electronic transfer cannot currently be accepted.

The Company or the Registrar may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.



## VALUATIONS

### General

Valuations of property of a Fund for the purposes of the calculation of share prices will be carried out in accordance with the rules for single priced funds in COLL. Each share linked to a Fund represents the overall property attributable to that Fund. Therefore, valuation of shares of any given class in the Fund is achieved by valuing the property in the Fund attributable to that class, less expenses and charges, and dividing that value by the number of shares of the relevant class in issue.

### Valuations

Regular valuations are made in respect of the Funds on each Business Day as at 12.00 noon (UK time), which is the valuation point.

The calculation of prices of shares commences at or about the valuation point on each dealing day. The ACD may carry out additional valuations in accordance with the Regulations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings. The ACD is required to notify share prices to the Depositary on completion of a valuation.

The property of the Funds is valued on the following basis in accordance with the Company's Instrument of Incorporation:

- All the scheme property (including receivables) of the Funds is to be included, subject to the following provisions.
- Property which is not cash (or other asset dealt with below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - o units or shares in a collective investment scheme -
    - ☐ if a single price for buying and selling units is quoted, at the most recent quoted price; or
    - ☐ if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - ☐ where applicable the fair value price (see below).
  - o exchange-traded derivative contracts -
    - ☐ if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - ☐ if separate buying and selling prices are quoted, at the average of the two prices.
  - o over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary.
  - o any other investment -
    - ☐ if a single price for buying and selling the security is quoted at that price; or
    - ☐ if separate buying and selling prices are quoted, the average of those two prices; or
    - ☐ where applicable the fair value price of the security (see below).
  - o property other than that described above
    - ☐ at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- Cash and amounts held in current, deposit accounts and margin accounts and other time-related deposits shall be valued at their nominal values.
- In determining the value of the scheme property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all consequential action required by the Regulations or the Company's Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- Subject to the two paragraphs below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under the paragraph above.



- All agreements are to be included under the second paragraph above which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Funds; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, and stamp duty will be deducted.
- An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- Any other credits or amounts due to be paid into the scheme property will be added.
- A sum representing any interest, or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received will be added.
- The total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares will be added.
- Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
- Where the ACD has reasonable grounds to believe that no reasonable price exists for a security at a valuation point or the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point, it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).
- The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- The Company is permitted to invest in immovable property directly in accordance with the Instrument of Incorporation however currently the Funds of the Company will only invest indirectly in immovable property primarily through investing in collective investment schemes and/or property companies which themselves invest directly in immovable property. In the event that the Prospectus is amended to permit the Funds of the Company to invest directly in immovable property, such immovable property will be valued in accordance with the following provisions:
  - ☐ by a standing independent valuer (as defined in the glossary to the FCA Rules) appointed by the ACD with the approval of the Depositary, on the basis of an 'open market value' as defined in Practice Statement 3 in the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual (first edition published September 1995) as updated and amended from time to time;
  - ☐ on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and
  - ☐ on the basis of the last full valuation, at least once a month

For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

### **Allocation of assets and liabilities**

Each Fund has credited to it the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Fund are charged to it.

### **Prices of shares**

The Company deals on a forward price basis, that is at the price for each class of share in each Fund at the next valuation point following receipt of a request to issue or redeem shares.

The Company operates on the basis of "single pricing" (i.e. subject to the dilution levy referred to below and the initial charge, the issue and redemption price of a share at a particular valuation point will be the same). The price of a share is calculated (to at least four significant figures) by:



- taking the value of the property attributable to the relevant Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund);
- dividing the result by the number of shares of the Fund in the relevant class in issue immediately before the valuation concerned;
- in relation to classes of shares which are denominated in a currency other than the designated currency of a Fund, applying a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

The prices of shares may also be obtained by telephone, by calling 01202 855856 (+44 (0)1202 855856 from outside of the UK). Telephone calls will be recorded and the recordings will be stored for up to seven years.

The ACD issues and redeems shares in the Company on a forward pricing basis, not on the basis of the published prices. The ACD shall have no liability for the prices, wherever published, being incorrect unless the prices are incorrect as a direct result of the acts or omissions of the ACD.

### **Dilution Policy**

**What is ‘dilution’?** - Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of units/shares, it will generally incur a cost, made up of dealing costs and any cash between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder and which is referred to as “dilution”.

To mitigate the effects of dilution (which, if material disadvantages continuing shareholders and could adversely affect the future growth of a Fund) the ACD has discretion to charge a dilution levy on the purchase or redemption of shares in a Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD. This levy (if charged) is paid directly to the Fund and is intended to reduce the effect of dilution on the future growth of the relevant Fund.

**The ACD’s policy regarding the Dilution Levy** – At its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- Where a Fund experiences a large level of net redemptions on any dealing day, relative to its size (i.e. net redemptions equivalent to greater than 2% of its Net Asset Value);
- Where a Fund is in continuing decline, in terms of Net Asset Value, as a result of poor market conditions or continual net redemptions;
- On large deals, which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset Value of the relevant Fund.

The amount is not retained by the ACD but is paid into the affected Fund.

**How will it affect investors?** - On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Fund. As dilution is directly related to the inflows and outflows of monies from the scheme it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in “**The ACD’s policy regarding the Dilution Levy**” above, will be negligible.

The ACD does not currently envisage that a Dilution Levy will be applied to any dealing in the Funds, as it is unlikely that any single holder will have control of greater than 2% of a Fund. However, where it is applied, the ACD believes that the amount will not normally exceed 2% of the net asset value of units/shares being bought or sold. A typical dilution levy may range from 0% to 0.2% based on historic data.



## ISSUE, REDEMPTION AND SWITCHING OF SHARES

### General

Requests for the issue, redemption and switching of shares are normally dealt with by the issue or cancellation of shares by the Company in respect of the Funds. However, in certain circumstances the ACD may, in accordance with the Regulations, deal with such requests by selling shares to, and/or repurchasing them from, the applicant as appropriate. The ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding; it is required by the Regulations to procure the issue or cancellation of shares by the Company where necessary to meet any obligation to sell or redeem shares.

The ACD may not sell a share at a higher price, or redeem a share at a lower price (in both cases before application of any initial charge, dilution levy as applicable), than the price notified to the Depositary in respect of the valuation point concerned.

The ACD, the Investment Advisers, Registrar and the Depositary or any affected person are under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed and will not do so.

### Issue

#### - Applications

Dealings are at forward prices (i.e. at a price calculated by reference to the next valuation point following receipt of an application). Shares to satisfy an application received before the valuation point on a dealing day will be issued at a price based on that day's valuation point and shares to satisfy an application received after that time, or on a day which is not a dealing day, will be issued at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Applications may be made by completing an application form and delivering it with payment to the ACD. Application forms are available from the ACD. Applications are irrevocable. Subject to its obligations under the Regulations, the ACD reserves the right to reject any application in whole or in part. In that event, application moneys or any balance will be returned to the applicant by post at his or her risk.

The Company and the ACD are subject to the UK's anti-money laundering regulations, and any associated legislation, and the ACD will always require verification of identity and address from any person(s) applying for shares. For full details of the ACD's requirements, please contact the ACD.

Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to investors. In the case of a purchase of shares, where the Applicant is not willing or is not able to provide the information requested within a reasonable period, the ACD also reserves the right to sell the shares purchased and return to the proceeds to the account from which the subscription was made. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out.

Applications will not be acknowledged but a contract note will be sent to the Applicant (or the first named Applicant in the case of joint applications), or his or her regulated intermediary, if the application was received via the intermediary, on the Business Day next following the relevant dealing day. Where the total price payable for all shares for which the application is made would include a fraction of the smaller currency denomination (e.g. one penny, one cent etc.) it will be rounded up or down to the nearest smaller currency denomination.

No interest payment will be made on client money held by the ACD prior to investment in the Funds. Client Money will be held in an account with HSBC Bank Plc.

If an Applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of shares, the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the relevant Fund. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your



Investment to HMRC. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company, providing the Company or its delegate with any information, that the Company determines is necessary to satisfy such obligations. By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their interest in the Company.

- **In specie issue**

Where the application for issue of shares is equivalent to five per cent or more of the Net Asset Value of the relevant Fund, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the relevant Fund and subject to the investment restrictions of the Funds and of the Company.

- **Minimum initial purchase and subsequent investments**

*Lump Sum* - In respect of Class B, E, F, S, T, Z, WAY shares, Elite Retail shares and Class E Elite shares, the minimum value of shares which may be the subject of any one initial and subsequent transaction or purchase of shares is £1,000 (or the equivalent value in the currency applicable to the relevant share class). In respect of Class A shares and Elite Institutional shares\*, the minimum value of shares which may be the subject of any one initial and subsequent transaction or purchase of shares is £50,000 (or the equivalent value in the currency applicable to the relevant share class). In respect of Class C, the minimum initial and subsequent purchase are £10,000 and £1,000 respectively.

Fund	Share Class	Minimum Initial Investment	Minimum Subsequent Investment
WAY Absolute Return Portfolio Fund*	Class E, S, T, Z, WAY Retail shares	£1,000	£1,000
	Class A shares	£50,000	£50,000
WAY MA Cautious Portfolio Fund	Class B, E, S, T	£1,000	£1,000
	Class C	£10,000	£1,000

*\*As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination.*

*Regular Savings Plan* - The ACD also offers a Regular Savings Plan, linked to Class B shares, C shares, E shares, F shares, Z shares, WAY Retail shares, Elite Retail shares and Class E Elite Retail shares, whereby shares can be purchased monthly, the settlement for which is collected by direct debit. The minimum value of shares which may be the subject of any one single transaction is £100.

The above minimum holding and transaction levels are, at all times, at the absolute discretion of the Authorised Corporate Director.

- **Minimum holding**

*Lump Sum* - In respect of Class B, E, F, S, T, Z, WAY Retail shares, Elite Retail shares and E Elite Retail shares, the minimum value of shares which any one person may hold is £1,000 (or the equivalent value in the currency applicable to the relevant share class). In respect of Class A shares and Elite Institutional shares, the minimum value of shares which any one person may hold is £50,000 (or the equivalent value in the currency applicable to the relevant share class). In respect of Class C shares, the minimum value of shares which any one person may hold is £10,000 (or the equivalent value in the currency applicable to the relevant share class)



Fund	Share Class	Minimum Holding
WAY Absolute Return Portfolio Fund*	Class E, S, T, Z, WAY Retail shares	£1,000
	Class A shares	£50,000
WAY MA Cautious Portfolio Fund	Class B, E, S, T	£1,000
	Class C	£10,000

*\*As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination.*

*Regular Savings Plan* – The minimum values shown under *Lump Sum* above will only apply where regular monthly contributions have been discontinued.

The value of shares for this purpose is calculated by reference to their current price, net of any initial charge and before any application of a dilution levy. “Smaller denomination shares” (in effect, fractions of shares equal to 1/1000th of an ordinary share) may be issued and all investments will be rounded up or down to the nearest smaller denomination share. The minimum holding requirements will not be treated as being breached if the value of shares held falls below the relevant minimum solely as a result of a fall in the share price.

## Redemption

### - Application

Shares in the Funds may be redeemed on any dealing day. Dealings are at forward prices as explained under “Issue” above. Shares to be redeemed pursuant to a redemption request received before the valuation point on a dealing day will be redeemed at a price based on that day's valuation point and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a dealing day, at a price calculated at the valuation point on the next dealing day. Any Business Day will constitute a dealing day.

Redemption instructions may be given by delivering to the ACD written instructions for redemption by letter, or by telephoning the ACD between 9.00am and 5.00pm on any business day. Redemption instructions are irrevocable.

A redemption contract note will be sent on the Business Day next following the relevant dealing day, together with a form of renunciation for completion and execution by the shareholder(s). The redemption proceeds will be paid not later than the close of business on the fourth business day after the later of the following times:

- the valuation point immediately following the receipt by the ACD of sufficient written instructions to redeem the shares; and
- the time when the ACD has received the form of renunciation (or other sufficient written instructions) duly signed by the relevant shareholder(s) together with such evidence as the Company may lawfully require as proof of the identity of the shareholder and all other duly executed instruments and authorisations as effect (or enable the Registrar to effect) transfer of title to the shares.

But neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where it is considered necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the Money Laundering Regulations 2007).

### - In specie redemption

Where a shareholder requests redemption of a number of shares equivalent to 5% or more of the Net Asset Value of the relevant Fund, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second business day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his or her shares but instead there shall be a transfer to that holder of property of the Fund having the appropriate value. Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the third business day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale. The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his or her shares than to continuing shareholders. The relevant Fund may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount in respect of any applicable exit charge on the redemption of the shares.



## - **Minimum redemption**

Unless the ACD in its discretion allows otherwise, a partial redemption request may not be made in respect of the investor's shares of a Fund:

- (a) if it would result in a holding in a Fund of less than the minimum value (see page 22); or
- (b) if it relates to shares of a Fund having a value (calculated by reference to their current price net of any initial charge and before any dilution levy) of less than £1,000 in respect of Class B, C, E, F, S, T and Z shares, Class WAY Retail Shares, Class Elite Retail shares and Class E Elite Retail shares, and £50,000 (initial and subsequent) for Class A shares.

## **Conversions**

Subject to any restrictions on the eligibility of investors for a particular share class, a shareholder may opt to convert shares in one class in a Fund for shares in a different class in the same Fund subject to the investment minima as set out in this Prospectus.

Conversions will be effected by the ACD recording the change of share class on the register of the Company.

Conversions will be effected at the next valuation point. The number of shares to be issued in the new class will be calculated relative to the price of shares being converted from. The ACD will notify shareholders once the conversion has been effected. Conversions will not generally be treated as a disposal for capital gains tax purposes.

There is no fee on a conversion between classes of the same Fund.

## **Switches**

Where shares in more than one Fund are available, Shareholders may (subject to the qualifications below) exchange shares in one Fund for shares in a different Fund.

The right to exchange is subject to the following:

- (a) the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above);
- (b) the ACD may decline to permit an exchange into a share class where it would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Exchanges between classes of shares may be subject to a charge (See "**Switching Charge**" below).

It should be noted that an exchange of shares in a Fund for shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation.

In no circumstances will a shareholder who exchanges shares in one Fund for shares in any other Fund (or who converts between classes of shares) be given a right by law to withdraw from or cancel the transaction.

## **Application**

A shareholder wishing to switch or convert shares should apply in the same way as for a redemption (see above). A switch will be effected at prices based on the valuation made on the next Business Day following acceptance of the request.

A contract note giving details of the exchange will be sent on or before the next Business Day following the relevant Business Day.

## **Method of delivery of applications or other instructions to deal in shares**

Instructions (including applications and redemptions) sent to the ACD by fax (the ACD's fax no is 01202 855850 (+44 (0)1202 855850 from outside of the United Kingdom)) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the ACD that the ACD has received the fax. After sending the fax, the applicant or the applicant's authorised agent is required to telephone the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the United Kingdom) promptly to obtain confirmation from a named representative of the ACD that the ACD has received the fax. Without procuring such verbal confirmation from the ACD, the applicant and the applicant's authorised



representative acknowledge that the ACD shall not be under any liability in relation to any and all fax messages not received by the ACD.

### **Restrictions on sale and redemption**

Subject to the FCA Rules the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so. If requested redemptions at a valuation point exceed 10% of a Fund's value, the ACD may defer redemptions to the next valuation point in accordance with the FCA Rules and in accordance with procedures that ensure the consistent treatment of shareholders who have sought to redeem at that valuation point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier valuation point are completed before those relating to a later valuation point.

### **Suspension of dealings**

The ACD may with the prior agreement of the Depositary, and will if the Depositary so requires, at any time suspend the issue, cancellation, sale, redemption and exchange of any class of shares in the Fund ("**dealing**") if it, or the Depositary in the case of any requirement by the Depositary, is of the opinion that due to exceptional circumstances there is a good and sufficient reason to do so having regard to the interests of shareholders or potential shareholders of that class of shares. The ACD will inform the FCA and shareholders as soon as is practicable on suspension. The period of any suspension will be kept to the absolute minimum and will be regularly reviewed by the ACD and the Depositary at least every 28 days. The ACD will inform the FCA the results of this review including any changes to the circumstances surrounding the suspension. The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing unless revoked at the request of the shareholder. The calculation of the share price may continue during the period of suspension for the sole purpose of providing an indicative price.

### **Mandatory redemption or transfer of shares**

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) may result in shares of a particular class being acquired or held by any person not falling within the categories of persons (if any) who are permitted to hold shares of such class,

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request in writing the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a 30-day period to have requested their redemption.

### **Publication of prices**

The prices of shares may be obtained by telephone, by calling 01202 855856 (+44 (0)1202 855856 from outside of the United Kingdom), during normal business hours.

The prices quoted will relate to the actual dealing prices applicable on the immediately preceding business day. Telephone calls will be recorded and the recordings will be stored for up to seven years.

The ACD issues and redeems shares in the Funds on a forward pricing basis, not on the basis of the published prices. The ACD shall have no liability for the prices, wherever published, being incorrect unless the prices are incorrect as a direct result of the acts or omissions of the ACD.

## **DISTRIBUTIONS AND ACCUMULATION**

The annual accounting period for the Company and each of the Funds ends on 31<sup>st</sup> March (the "accounting reference date"). The interim accounting date is the 30<sup>th</sup> September.



The amount of income to be distributed or accumulated by a share class linked to a Fund is calculated on the last day of the annual accounting period. Income is accumulated up until 31<sup>st</sup> March in respect of the Funds. In the case of accumulation shares (when available), income is transferred to the capital account on 31<sup>st</sup> May. The distribution date for the Company is 31<sup>st</sup> May.

In accordance with the Regulations, both the ACD and the Depositary have agreed that if the average amount of income per shareholder available for distribution or accumulation is below a certain threshold, then the income, if any, will revert to the Fund. For retail share classes the threshold will be if the average amount of income per shareholder is less than £20. For institutional share classes the threshold will be if the average amount of income per shareholder is less than £200. In this scenario both the ACD and the Fund's Auditor will agree as to whether the money reverts back as income to be paid at the next scheduled accounting period (should the Fund's investment objective specifically aim to generate an income) or, alternatively, paid to the Fund's capital account (should the Fund's investment objective place an emphasis on capital growth).

Tax vouchers will be sent to shareholders at least once in each accounting year, but only where net income is available for distribution. A direct credit or warrant for the amount of the net distribution will, where applicable, be sent to the bank account or the registered address and made payable to the order of the shareholder (or, in the case of joint holders, made payable and sent to the registered address of the first named holder on the register).

### **Determination of distributable income**

The income available for distribution or accumulation (when available) in relation to a Fund is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Fund, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the Regulations, in relation to taxation and other matters. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Fund. The payment of any unclaimed distribution, interest or other sum payable by the Fund on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

### **Unclaimed Distributions**

The Company is entitled to reclaim any distribution which has been unclaimed for a period of six years from the date payment was due, and such reclaimed distribution shall become part of the capital of the Company for the benefit of all shareholders.

### **Income equalisation**

The price of a share of a particular class in a particular Fund is based on the value of that class's entitlement in the relevant Fund including the income of the Fund since the previous distribution or, in the case of accumulation shares (when available), deemed distribution. In the case of the first distribution received or accumulation made in respect of a share, except where shares have been purchased during the initial offer period for the Fund, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder. This amount is, however, in the case of income shares, deducted from the cost of the share in computing any capital gains. In the case of accumulation shares (when available), the equalisation amount may only be eligible for taper relief/indexation allowance from the date of allocation (as distinct from the date of acquisition of the original shares).

Equalisation applies only to shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all shares of the Fund issued during the period.

## **THE FEES AND EXPENSES OF THE AUTHORISED CORPORATE DIRECTOR**

### **Initial charge**

The current initial charge rates applicable to the relevant share classes of the Funds, can be seen in the table below:

<b>Share Class</b>	<b>Charge</b>
Class A, Class B, Class Elite Retail, Class Elite Institutional, Class WAY Retail, Retail	<b>3%</b> (of gross initial investment)
Class C, Class E,	<b>No initial charge</b>



Class S, Class T, Class E Elite, Class E WAY, Class S WAY, Class T WAY	
Class Z	<b>1.00%</b> (of Gross initial investment)

#### Switching charge

The ACD is not entitled to make a charge in respect of a switch of shares of one class linked to one Fund for shares of the same class or another class linked to the same Fund or another Fund. Furthermore, no dilution levy will be charged in respect of the shares being sold and purchased as part of the switch.

#### Periodic charge

The ACD is entitled to make a periodic charge, calculated and accruing on each dealing day at each valuation point (the "Calculation Date"), and payable out of the property of each Fund, by way of remuneration for the services of the ACD. The periodic charge is payable to the ACD monthly in arrears. The charge will be calculated separately in respect of each Fund as a percentage rate per annum of the total value of the shares of entitlement in the property of each Fund represented by the class on the Calculation Date.

Share Class	WAY MA Cautious Portfolio Fund	WAY Absolute Return Portfolio Fund*
	AMC	AMC
Class A	N/A	<b>1.50%</b>
Class B	<b>1.45%</b>	N/A
Class C	<b>0.65%</b>	N/A
Class E	<b>0.95%</b>	<b>0.50%</b>
Class E Elite	N/A	N/A
Class E WAY	N/A	N/A
Class S	<b>0.95%</b>	<b>1.00%</b>
Class S WAY	N/A	N/A
Class T	<b>1.25%</b>	<b>0.80%</b>
Class T WAY	N/A	N/A
Class Z	N/A	<b>0.85%</b>
Class Elite Retail	N/A	N/A
Class Elite Institutional	N/A	N/A
Class WAY Retail	N/A	N/A
Retail	N/A	<b>1.00%</b>

*\*As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination.*

The first accrual will be in respect of the day on which the first valuations of the relevant Fund is made. The periodic charge will cease to be payable in relation to a Fund on the date of commencement of its termination, and in relation to the Company as a whole on the date of the commencement of its winding-up or, if earlier the date of the termination of the ACD's appointment as such.

#### Exit charge

At present no charge is levied on the redemption of shares, although the ACD is permitted to charge a dilution levy if applicable (see "Dilution Policy" on page 18). The ACD has the right (subject to the Regulations) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction.

#### Expenses

Certain expenses incurred by the ACD may be reimbursed by the Company.



## Charges to capital

All or part of the remuneration of the ACD may be treated as a capital charge to the Funds, which may result in an erosion of capital or a constraint of capital growth. In accordance with the Regulations, all or part of the charges and expenses of the Funds may be treated as a capital charge if agreed by the ACD and the Depositary.

The ACD's standard policy for the Funds is to charge all relevant expenses, plus the full amount of the ACD's Periodic Charge, to the Fund's income account.

## Performance fee

*(In respect of the WAY Absolute Return Portfolio Fund only excluding Z class shares)*

*(As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund, which is the only sub-fund with a share class paying a performance fee, was in the process of termination)*

In addition to the periodic charge outlined above, the ACD is entitled to charge by way of further remuneration a performance-related investment management fee (the "**Performance Fee**") in respect of the funds named above. The Performance Fee is taken from the scheme property of the relevant Fund and is based on the performance of the relevant Fund since the start of the current period as against the minimum performance requirement. The Performance Fee is calculated and payable after consideration of all other payments however any income distribution made in the calculation period will be added back in for calculation purposes.

*When is a performance fee payable?*

The Performance Fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending on 31<sup>st</sup> March in each year (the "**Annual Calculation Period**"). The Performance Fee will accrue daily as if each day were the end of an Annual Calculation Period. However, the first such Annual Calculation Period will be the period commencing on the Business Day immediately following the close of the initial offer period for each relevant Fund and ending on 31<sup>st</sup> March 2011 (with each performance band reduced pro rata to take account of the reduced period).

Therefore taking WAY Absolute Return Portfolio Fund as an example in respect of the first such Calculation Period only the calculation shall be made as follows,

Performance Band	Performance Fee
0 to 3.33%	Nil%
3.33 to 10%	10%
In excess of 10%	20%

Thereafter each Annual Calculation Period will be each successive twelve-month period.

The Performance Fee accrues and is reflected in the calculation of the Net Asset Value per share on a daily basis. The differences in the Net Asset Value per Share for each Class available to a Fund may result in differences in the Performance Fee calculation for each Class.

The amount of the Performance Fee will be calculated by the Administrator and verified by the ACD. As the Performance Fee depends on the performance of the Net Asset Value per Share of the Class in question, it is not possible to predict the amount of Performance Fee that will be payable. There is no limit to potential outperformance, accordingly there is no limit to the Performance Fee that could be payable and it is therefore impossible to quantify in advance.

*What is the value of the Performance Fee?*

The fund performance in respect of a Calculation Period is the arithmetic difference between the Net Asset Value per Share on the last Business Day of the previous Calculation Period (the "**Opening NAV**") and on the last Business Day of the current Calculation Period, expressed as a percentage of the Opening NAV (the "**Fund Performance**").

The amount of Performance Fee payable in respect of each Calculation Period is a Sterling amount equivalent to the product of (a) the Net Asset Value per Share on the last Business Day of the relevant Calculation Period; (b) the excess performance within the qualifying performance band; (c) the relevant performance fee increment (%); and (d) the average number of Shares in issue during the Calculation Period. In instances where cumulative performance spans two or more performance bands then separate calculations are completed and totalled to yield the overall performance fee.



As previously stated, in order to smooth the effect of the charge on the pricing of shares in the relevant Fund the charge will be calculated daily as if it were the end of the Annual Calculation Period. This is designed to be in the best interests of all holders and will result in an adjustment to the accrual each day which in turn either increases or reduces the share price. In this way positive performance above the target will increase the accrual and as such reduce the share price, whereas periods of performance less than target will release the accrual and as such increase the share price.

Therefore, as the calculation shows, the ACD is entitled to charge a sum that represents the relevant performance fee increment (%) of the positive Fund Performance (if any) in respect of the relevant calculation period as detailed below

#### WAY Absolute Return Portfolio Fund

Performance Band	Performance Fee
0 to 5%	Nil%
5 to 15%	10%
In excess of 15%	20%

In calculating the Net Asset Value per Share for Performance Fee purposes no deduction is made on account of Performance Fees accrued in the Calculation Period. All other payments and expenses are deducted however any income distribution made in the calculation period will be added back in for calculation purposes.

The average number of shares of the relevant Fund is calculated by taking the total number of shares in issue in the relevant class on each day of a Calculation Period and dividing that by the number of days within that Calculation Period.

If redemptions are above a certain level (normally 5% of the shares in issue), the average number of shares can be reset to the current level (i.e. the number of shares in issue after the large redemption had been accounted for), thereby ensuring that the post-redemption performance fee taken from the Fund is suitably reduced because of the reduction in the average number of shares. This is deemed to be in the best interests of the continuing Shareholders in the Fund.

In respect of Calculation Periods where Fund Performance is negative (the “Net Percentage Underperformance”), any negative Fund Performance will not be carried forward.

Each fund must exceed the initial performance band (the “Performance Fee Hurdle”) for a Performance Fee to be payable.

**The performance of a Fund and payment of the Performance Fee is measured and determined entirely by reference to the performance of the Fund in that Calculation Period only and in that respect there is no high watermark and the ACD is not required to match or exceed its previous best performance in order for a Performance Fee to be payable.**

The level of the Performance Fee will not be changed unless, 60 days before the change, the ACD gives notice of its intentions and the date of commencement of the change to Shareholders and has revised and made available the Prospectus to reflect such changes.

Investors may request additional information on the way in which the Performance Fee calculation works from the ACD.

#### *Worked examples of Performance Fee*

The worked examples below illustrate the Performance Fee that would be earned in any one Calculation Period, and the effect this would have on the Net Asset Value of the Company. All examples assume that the Performance Fee is charged at rates relevant in respect of the WAY Absolute Return Portfolio Fund.

#### **Example 1:-**

Assuming:

- the Net Asset Value per Share on the first Business Day of the first Calculation Period is 100.00p,
- the Net Asset Value per Share on the last Business Day of the Calculation Period (before deduction for a Performance Fee) is 106.00p;
- the average number of Shares in issue during the Calculation Period is 50,000,000.



Then the Fund Performance is  $(106.00-100.00)/100.00 \times 100 = 6.00\%$ ;

The Performance Fee payable for the Calculation Period is:

$$106.00 \times 1.00\% \times 10\% \times 50,000,000 = 5,300,000\text{p} = \text{£}53,000$$

#### **Example 2:-**

Assuming:

- the Calculation Period in this example is that immediately following the one in example 1 above, the Net Asset Value per Share on the last Business Day of the previous Calculation Period (after the deduction of 0.11p for a Performance Fee) is 105.89p;
- the Net Asset Value per Share on the last Business Day of this Calculation Period (before deduction for a Performance Fee) is 129.00p; and
- the average number of Shares in issue during the Calculation Period remains at 50,000,000.

Then the Fund Performance is  $(129.00-105.89)/105.89 \times 100 = 21.82\%$ ;

The Performance Fee payable for the Calculation Period is:

$$129.00 \times 10\% \times 10\% \times 50,000,000 = 64,500,000\text{p} = \text{£}645,000$$

Plus,

$$129.00 \times 6.82\% \times 20\% \times 50,000,000 = 87,978,000\text{p} = \text{£}879,780$$

$$\text{£}879,780 + \text{£}645,000 = \text{£}1,524,780$$

#### **Example 3:-**

Assuming:

- the Calculation Period in this example is that immediately following the one in example 2 above, the Net Asset Value per Share on the last Business Day of the previous Calculation Period (after the deduction of 3.05p for a Performance Fee) is 125.95p;
- the Net Asset Value per Share on the last Business Day of this Calculation Period (before deduction for a Performance Fee) is 125.00p;
- the average number of Shares in issue during the Calculation Period is 50,000,000.

Then the Fund Performance is  $(125.00-125.95)/125.95 \times 100 = (-0.75)\%$ ;

The Fund Performance is negative and therefore there will be no Performance Fee payable.

#### **Example 4:-**

Assuming:

- the Calculation Period in this example is that immediately following the one in example 3 above, the Net Asset Value per Share on the last Business Day of the previous Calculation Period (after the deduction of Nil p for a Performance Fee) is 125.00p;
- the Net Asset Value per Share on the last Business Day of this Calculation Period (before deduction for a Performance Fee) is 130.00p;
- the average number of Shares in issue during the Calculation Period is 50,000,000.



Then the Fund Performance is  $(130.00-125.00)/125.00 \times 100 = 4.00\%$ ;

The Fund Performance is below the Performance Fee Hurdle and therefore there will be no Performance Fee payable.

The above examples exist purely in order to demonstrate clearly the scenarios under which a performance fee is or is not payable and is in no way indicative of the volatility that the Fund may experience.

### THE FEES AND EXPENSES OF THE DEPOSITARY

The Depositary is paid a monthly periodic fee plus VAT in remuneration for its services from the property of the Funds. The Depositary fee is calculated, accrued and payable on the same basis as the periodic charge except that if the Fund is being wound up, the periodic charge will cease to be payable on the date of the final distribution, or in the case of a winding up following the passing of an extraordinary resolution approving a scheme of amalgamation or scheme of construction in relation to the Fund, down to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property of the Fund.

The current fee payable is:-

Fund value to first £250 million	0.04%
£250 million to £500 million	0.03%
£500 million to £1 billion	0.02%
Over £1 billion	0.01%
Subject to a minimum fee of £15,000 per annum	

VAT at the prevailing rate is added to this fee.

In addition to the above periodic fee, the Depositary levies transaction charges and custody charges which are currently as follows:

#### UK Assets

- Safekeeping fee of 0.015% (based on mid-market asset values at the end of a calendar month).
- Transaction charges of £12 per payment.
- Cash Payment charges will range from £10 to £30 per payment.

#### Non-UK assets

Non-UK assets will be dependent on the individual market and the safe keeping fees applicable for that market and will range between the following:

- Safekeeping fees currently range from 0.009% per annum to 0.7% per annum. These fees are based on mid-market asset values at the end of a calendar month.
- Transaction charges currently range from £6 to £200 per transaction.
- Cash Payment charges will range from £10 to £30 per payment.

Custody of assets is subject to a minimum fee of £7,500 per Fund per annum (£625 per Fund per month).

Charges are accrued within the Funds on a daily basis and paid monthly in arrears.

In addition to payment of the periodic charge the amount payable to the Depositary out of the property of the Funds by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the Regulations or the general law) as depositary of the Company referable to (i) custody of assets (including overseas custody services) as specified above; (ii) the acquisition holding and disposal of property; (iii) the collection of dividends, interest and



any other income; (iv) the maintenance of distribution accounts; (v) the conversion of foreign currency; (vi) registration of assets in the name of the Depositary or its nominees or agents; (vii) borrowings, stock lending or other permitted transactions (including any deposit or loan authorised under this deed or the Regulations); (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; or (xi) the Depositary's report as set out in annual reports of the Company and its Funds.

## **Expenses**

The Depositary is entitled to be reimbursed out of the Fund's property for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations, together with any VAT payable.

In addition, the Depositary may be paid the following expenses or disbursements (plus VAT):

- i. all expenses of registration of assets in the name of the Depositary or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with shareholders, the ACD, the Registrar or other persons in respect of the Fund, relating to any inquiry by the Depositary into the conduct of the ACD and any report to holders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers; and
- ii. all charges of nominees or agents in connection with any of the matters referred to in i. above; and
- iii. any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Depositaries. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of a Fund, the expenses and disbursements hereby authorised to be paid to the Depositary out of the property of the relevant Fund shall extend to the remuneration of such persons as approved by the Depositary and the ACD provided that in respect of a custodian such expenses to be paid out of the property of the relevant Fund as relates to its remuneration shall be equal to (or less than) the current rates (subject to the maximum) stated above under "UK Assets" and "Non-UK Assets".

## **OTHER PAYMENTS OF THE COMPANY**

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD:

1. broker's commission, fiscal charges and other disbursements which are:-
  - i. necessary to be incurred in effecting transactions for the Company, and
  - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
2. interest on borrowings permitted under the Instrument of Incorporation and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
3. taxation and duties payable in respect of the property of the Company, the Instrument of Incorporation or the issue of shares;
4. any costs in modifying the Instrument of Incorporation and the Prospectus constituting the Company, including costs incurred in respect of meetings of shareholders convened for the purpose, where the modification is:-
  - i. necessary to implement any change in the law (including changes to the regulations); or
  - ii. necessary as a direct consequence of any change in the law (including changes to the Regulations); or



- iii. expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
  - iv. to remove obsolete provisions from the Instrument of Incorporation and the Prospectus constituting the Company;
- 5. any costs incurred in respect of any other meeting of shareholders, including meetings convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of shareholders convened by the Depositary alone; in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- 6. the audit fees of the Auditor and VAT thereon and any expenses of the Auditor;
- 7. the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- 8. the fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;
- 9. the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company;
- 10. any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
- 11. the costs of printing the key investor information documents, or equivalent document;
- 12. the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
- 13. the costs of listing the prices of the relevant shares classes in publications and information services selected by the ACD;
- 14. the fees and expenses of the Transfer Agent in relation to dealing in shares of the Company by new and existing shareholders at £15 per transaction;
- 15. the fees of the Registrar for providing administration services for the Company and maintaining the register. The fees for maintaining the register for each shareholder. The current charge is £10 per annum;
- 16. The Registrar will also maintain sub-registers in respect of Individual Savings Account entitlements. The current fees for maintaining the sub-registers will be £16 per annum for each shareholder;
- 17. the costs of preparing documentation required by the regulations of any country or territory in which shares of the Company are to be marketed or authorised;
- 18. any costs incurred in producing and despatching any payment made by the Company;
- 19. any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 20. the periodic fees of the FCA together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- 21. the cost of any licences required, to enable the Company to use, or quote, names which would normally be under copyright, in any country or territory, including the United Kingdom;
- 22. any costs or fees arising in connection with pursuing or defending litigation on behalf of the Company;
- 23. any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 24. any costs associated with the admission of shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the shares and the periodic renewal of that listing), any offer of shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of shares associated with such prospectus;



25. any expense incurred with respect to the publication and circulation of details of the Net Asset Value of the Company;
26. subject to the Regulations, any amount payable to the Company under any indemnity provisions provided for in the Instrument of Incorporation or any agreement to which the Company is party;
27. value added tax in respect of any of the costs, expenses, fees and charges payable by the Company; and
28. any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations.

Expenses may be payable out of the capital property and/or income property of the Company at the discretion of the ACD, subject to any restrictions set out in the Instrument of Incorporation, and to the Regulations. Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

#### **Allocation of fees and expenses between funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

### **SET-UP COSTS**

Subject to the Regulations, the ACD and the Depositary will seek reimbursement (in one or more tranches) of set-up costs incurred in relation to the creation of the Company. In accordance with the Regulations, set-up costs are not amortised.

### **TAXATION**

***THE TAXATION OF BOTH THE COMPANY AND SHAREHOLDERS IN IT IS SUBJECT TO THE FISCAL LAW AND PRACTICE OF THE UK AND OF THE JURISDICTIONS IN WHICH SHAREHOLDERS ARE RESIDENT OR OTHERWISE SUBJECT TO TAX. THE FOLLOWING SUMMARY OF THE ANTICIPATED TAX TREATMENT IN THE UK DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND APPLIES ONLY TO PERSONS HOLDING SHARES AS AN INVESTMENT. IT IS NOT A GUARANTEE TO ANY INVESTOR OF THE TAX RESULTS OF INVESTING IN THE COMPANY.***

***IN PARTICULAR, THIS SUMMARY DOES NOT TAKE ACCOUNT OF PARTICULAR INVESTORS' INDIVIDUAL CIRCUMSTANCES, DOES NOT ADDRESS THE TAXATION CONSEQUENCES FOR INVESTORS WHO MAY BE SUBJECT TO TAXATION OR EXCHANGE CONTROL IN A JURISDICTION OTHER THAN THE UK AND DOES NOT ADDRESS INVESTORS FALLING INTO PARTICULAR CATEGORIES (SUCH AS LIFE INSURANCE COMPANIES OR EMPLOYEES OF ENTITIES CONNECTED TO THE COMPANY) WHICH MAY BE SUBJECT TO SPECIAL RULES.***

***PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS ON THE TAX AND EXCHANGE CONTROL IMPLICATIONS OF MAKING AN INVESTMENT IN, HOLDING OR DISPOSING OF SHARES AND THE RECEIPT OF DISTRIBUTIONS WITH RESPECT TO SHARES UNDER THE LAWS OF THE COUNTRIES IN WHICH THEY MAY BE LIABLE TO TAXATION.***

***THIS SUMMARY IS BASED ON THE UK TAXATION LAW AND HM REVENUE & CUSTOMS' PRACTICE IN FORCE AT THE DATE OF THIS DOCUMENT, BUT PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THE RELEVANT FISCAL RULES AND PRACTICE OR THEIR INTERPRETATION MAY CHANGE.***

#### **The Company**

The UK tax regime applicable to the Company is primarily set out chapter 2 of Part 13 Corporation Tax Act 2010 and in the Authorised Investment Funds (Tax) Regulations 2006 SI 2006/964 (the "Tax Regulations"). Each Fund is regarded as a separate taxable entity in its own right and the Company as a whole is not so regarded.

The Funds are exempt from UK corporation tax on chargeable gains arising on the disposal of its investments and are not entitled to corporation tax relief on losses which are treated as capital in nature.

The Funds will not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which they derive from their creditor loan relationships or their derivative contracts, to the extent that those profits, gains or losses are treated as "capital profits, gains or losses". Provided the Funds prepare accounts in accordance with UK GAAP, capital profits, gains or losses for this purpose are those profits, gains or losses arising from such creditor loan relationships or derivative contracts which fall to be dealt with under the heading "net capital gains/losses" in the Fund's statement of total return for the accounting period in question.



The Funds will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20 per cent, on its taxable income from investments after relief for allowable expenses. Dividend distributions or yearly interest distributions received by the Funds from other authorised investment funds (broadly UK OEICs and authorised unit trusts) will be taxed on the Funds in accordance with the rules described below.

However, the Funds are not generally subject to tax on dividends and similar distributions from both UK and non-UK resident companies.

To the extent that the Funds receive income from, or realise gains on investments issued in, foreign countries, they may be subject to withholding tax or other taxation in those jurisdictions.

Where the Funds distribute their income as yearly interest (as to which see below) the amount of income so distributed will be deducted from the income of the Fund in computing their liability to corporation tax.

There is no specific exemption from UK stamp taxes for the Funds. Broadly speaking, stamp duty is paid on a transaction involving stock or marketable securities, and the rate is 0.5% of the value of the stock or securities. The Funds may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

SDRT may also apply in cases where an investor redeems shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).

## **Taxation of Shareholders**

### ***Taxation of Distributions***

The type of distribution made by the Funds may depend on their investments. Authorised funds which have more than 60 per cent by market value of their investments in "qualifying investments", broadly meaning debt securities, money placed at interest (other than cash awaiting investment), building society shares or holdings in authorised unit trusts or OEICs with, broadly, more than 60 per cent of their investments similarly invested ("Bond Funds") can make a yearly interest distribution or a dividend distribution. Funds which are not Bond Funds can only pay dividend distributions.

It is not the ACD's intention that the Funds will qualify as a 'Bond Fund' (as defined above). It is the ACD's intention that the Funds will make dividend distributions and will not distribute income as yearly interest.

Where the Funds make dividend distributions, such distributions will be paid gross and a UK resident individual holder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of the first £500 (2024/25 tax year) of dividend income received from all sources in the tax year (although such income will still count towards the basic, higher and additional rate thresholds). The current tiers and rates of tax are as follows and will be based upon an individual's level of income:

Basic Rate Taxpayers — 8.75% (basic rate)

Higher Rate Taxpayers — 33.75%

Additional Rate Taxpayers — 39.35%

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

A UK resident individual holder who holds their shares in an ISA will be exempt from income tax on dividend distributions in respect of such shares.

For shareholders holding accumulation shares, the UK tax treatment will be the same as if they held income shares, albeit that they do not receive the income represented by the distribution at the time of that distribution and that income is instead re-invested. Such shareholders will be treated for UK tax purposes as if they had received the re-invested income and should be issued with tax vouchers accordingly.

### ***Corporate Shareholders within the scope of corporation tax***

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate shareholder within the charge to corporation tax in respect of its investment in the Fund will be split into franked and unfranked parts according to the underlying gross income of the Fund. Very broadly, the unfranked part corresponds to such part of the Fund's gross income as does not derive from franked investment income. The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a



corresponding gross amount and the corporate shareholder will be liable to corporation tax on it accordingly, but with the benefit of credit for, or (subject to any applicable restrictions) repayment of, the income tax deducted at source.

### ***Non-UK resident Shareholders***

Dividend distributions will be made gross to shareholders who are not UK resident. Non-resident shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non-resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

### ***Yearly interest distributions***

Interest distributions will be paid gross to shareholders (with no income tax deducted from the payment).

UK resident individual shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation shares) from the Fund.

A UK resident individual shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual shareholder who holds their shares in an ISA will be exempt from income tax on interest distributions in respect of such shares.

A corporate shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

Non-United Kingdom resident shareholders may be entitled to a refund from HM Revenue and Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

### ***Taxation of Capital Gains***

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year. An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual Shareholders will find further information in HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

### ***Corporate Shareholders within the scope of corporation tax***

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its shares in the Fund. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

Shareholders who are not within the charge to UK taxation on chargeable gains, which will generally include Shareholders who are resident in jurisdictions other than the UK for tax purposes unless they are carrying on a trade in the UK through a permanent establishment, will not generally be charged to UK tax on gains made on a disposal of shares. Their tax position is likely to depend on the law and practice on taxation in the jurisdiction in which they are resident.

### ***Inheritance Tax***

Shares held in the Funds will generally form part of an individual's estate and will therefore potentially be subject to inheritance tax (IHT). Shares held by trustees are potentially subject to special rules which may charge IHT periodically.

IHT is chargeable on the death of a person, on certain gifts made within the seven years before an individual's death and (immediately) on gifts to most types of trusts. The rate of tax is 0% up to a cumulative nil-rate limit. The excess is charged at 20% where the tax is charged during an individual's lifetime and 40% if the tax is charged on or by reference to the



individual's death. Where tax is charged both during lifetime and again on death by reference to the same transfer, credit is given for the lifetime tax suffered. For these purposes gifts may include transfers at less than full market value unless the transferor can show that there was no gratuitous intent.

## **ISAs**

It is intended that Shares in the Funds will satisfy the eligibility requirements to be qualifying investments for a stocks and shares ISA.

## **General**

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation and a tax voucher will be issued to the shareholder to provide the appropriate details for their returns.

## **OECD Common Reporting Standard (CRS)**

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by 'The International Tax Compliance Regulations 2015'.

The ACD is required to compile information about all accounts in existence as of 31 December 2015, and all new accounts opened on or after 1 January 2016, and report the information to HM Revenue and Customs.

## **FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to the International Tax Reporting section of this Prospectus which precedes the contents pages.

## **REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 31 March.

The long-form accounts (long report) will be published on 31 July (final) and 30 November (interim) and will be available, free of charge, from the ACD's website at [www.wayfunds.com](http://www.wayfunds.com) or upon written request.

Copies of the most recent annual and half yearly reports may be inspected at, and copies obtained free of charge from, the ACD at its head office. Such requests should be submitted to the Authorised Corporate Director.

The long reports of the Company shall (if relevant) contain details of:

- a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

## **ANNUAL GENERAL MEETING**

The Company will not have an Annual General Meeting. All investors have the right to request copies of the service contracts in place between the Company and its providers.

## **VOTING**

### **Voting rights**

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company as at a cut-off date selected by the ACD which is a reasonable time before the notices of the relevant meetings are sent out.



Persons who are entitled to receive a notice of meeting will receive not less than 14 days' written notification by post.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within 15 minutes of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned to such day and time not being less than seven days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to be counted in a quorum present at the meeting will be a quorum.

At a meeting of shareholders, on a show of hands every holder who is present in person has one vote. On a poll, votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of all shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his or her votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointer or his or her attorney or, if the appointer is a corporation, either under the common seal or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders only the vote of the first named in the register of holders can be taken.

The ACD is entitled to attend any meeting but, except in relation to third party shares, or in the case of a "Written Resolution" (see below) is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose, third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

### **Powers of a shareholders' meeting**

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund (see section 8 "Shareholder Meetings and Voting Rights" for further details). However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

- Fundamental events which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval. Fundamental changes require prior approval at a meeting of shareholders.
- Significant events are those which would materially affect an investor's investment, affect a shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.

Notifiable events for which the ACD would decide when and how shareholders should be notified, depending on the type of event. In these cases notification could be after the event. This may take the form of the sending of an immediate notification to shareholders or the information being included in the next long report of the Company.

### **INVESTMENT, BORROWING POWERS AND LEVERAGE**

The Company in relation to each of the Funds may exercise the full authority and powers permitted by COLL applicable to a non-UCITS retail scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument of Incorporation and to each Fund's investment objective and policy.



Save for any investment acquired for the purposes of utilising for investment purposes, Efficient Portfolio Management and hedging (referred to in more detail below), the property of each Fund may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of that Fund.

In accordance with the investment policy of each of the Funds, each Fund may invest in transferable securities, units in collective investment schemes, cash and near cash, deposits, money market instruments and derivatives. The capital property attributable to each Fund is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to non-UCITS retail schemes and as set out below.

The ACD shall ensure that, taking into account the investment objective of each of the Funds, the scheme property of each of the Funds aims to provide a prudent spread of risk.

**The ACD does not anticipate that the use of derivatives will change or alter the overall risk profiles of the Funds.**

#### **Collective investment schemes**

The scheme property attributable to the Funds may consist of units and/or shares in collective investment schemes. Not more than 35% in value of the property of the Funds may consist of units or shares in any one collective investment scheme.

The Funds may not invest in units or shares of a collective investment scheme (the "second scheme") unless the second scheme satisfies all of the requirements referred to in (a) to (d) below:

- (a) the second scheme:
  - (i) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (ii) is a non-UCITS retail scheme; or
  - (iii) is a recognised scheme; or
  - (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme;
  - (v) is a scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (in aggregate with other such schemes and including any transferable securities which are not approved securities) is invested.
- (b) the second scheme must operate on the principle of the prudent spread of risk;
- (c) the second scheme must **be prohibited from investing** more than 15% in value of the scheme property consisting of units and/or shares in collective investment schemes;
- (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
  - (i) related to the net value of the property to which the units relate; and
  - (ii) which are determined in accordance with the scheme.

Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section (a) – (d) above.

The Funds may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD. However, if the Fund invests in units or shares in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Fund before the close of the business on the fourth Business Day after the agreement to invest or dispose of units:

- (e) on investment – if the ACD pays more for the units issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- (f) on a disposal – any amount charged by the issuer on the redemption of such units.



A Fund may invest in or dispose in shares of another Fund within the Company (the "second fund") only if the following conditions are satisfied:

- (a) the second fund does not hold shares in any other sub-fund of the Company;
- (b) the conditions in COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in group schemes) are complied with (each as modified by COLL 5.2.15R(2)); and
- (c) the investing or disposing Fund must not be a feeder UCITS to that second fund.

### **Transferable Securities and Money Market Instruments**

The Funds may invest up to 100% of the scheme property in transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible securities market (as set out in Appendix 2); or
- (b) are recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
- (c) money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, being an 'approved money market instrument' in accordance with COLL which fulfil the following requirements:
  - (i) the issue or the issuer is regulated for the purpose of protecting investors and savings, and
  - (ii) the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

Not more than 20% in value of the property of the Funds may consist of transferable securities which do not fall within (a) to (c) above or which are money market instruments which are liquid and have a value which can be determined accurately at any time.

The Company may also invest in an approved money market instrument provided the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles (as defined in COLL) which benefit from a banking liquidity line (as defined in COLL).

The requirements of COLL 5.2.10BR are that the money market instrument must be:

- (a) issued or guaranteed by a central, regional or local authority or central bank of an EEA State or if the EEA State is a federal state, one of the members making up the federation, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State, or in the case of a federal state, one of the members making up the federation, or by a public international body to which one or more EEA State belongs; or
- (b) an establishment subject to prudential supervision in accordance with criteria defined by Community law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by Community law; or
- (c) issued by a body, any securities of which are dealt in on an eligible market.

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

Not more than 10% in value of the property of the Funds may consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R however, the limit of 10% is raised to 25% in respect of covered bonds.

### **Covered bonds**

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

### **Government and Public Securities**

The scheme property attributable to a Fund may consist of government and public securities provided no more than 35% in value of the scheme property attributable to the Fund is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.



Where no more than 35% in value of the Scheme Property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

The Company or any Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- (a) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Fund;
- (b) no more than 30% in value of the Scheme Property consists of such securities of any one issue;
- (c) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
- (d) the disclosures required by the FCA have been made.

In giving effect to the foregoing object no funds currently invest more than 35% of their Scheme Property in Government and other public securities issued by any one body.

Subject to the clauses above, in applying the 20% limit with respect to a single body, government and public securities issued by that body shall be taken into account.

### **Warrants**

Not more than 5% in value of the scheme property attributable to the Funds may consist of warrants.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening COLL.

Cash and near cash

The scheme property attributable to the Funds may consist of cash or near cash to enable:

- (a) the pursuit of the Fund's investment objectives; or
- (b) the redemption of shares; or
- (c) the efficient management of the Funds in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Fund.

The ACD does not anticipate the Funds consisting of more than 50% of cash or near cash at any one time. Liquidity may be at the upper end of, or even exceed this range under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated, or the Company is in receipt of large cash sums upon the creation of shares or realisation of investments.

Cash forming part of the property of the Funds may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### **Derivatives**

As at the date of this Prospectus the WAY MA Cautious Portfolio Fund may only use derivatives for the purpose of efficient portfolio management and hedging purposes as set out below under the heading "**Derivatives – Efficient Portfolio Management**". Subject to obtaining and maintaining the requisite permissions from the FCA under the Regulations, on giving no less than 60 days' prior written notice to all Shareholders in the relevant Fund, the ACD will no longer solely operate the relevant Fund under efficient portfolio management, but may also utilise, derivatives and forward transactions for investment purposes as explained further under the heading "**Derivatives – General**" below.

**If the ACD elects to use derivatives in this way, it is not intended that this will change risk profile of the relevant Fund.**

#### **Derivatives – Efficient Portfolio Management**

The Funds may invest in derivatives for the purposes of efficient portfolio management (including hedging). Such derivatives will be covered and usually exchange-traded. Where derivatives are used for hedging or in accordance with efficient portfolio management techniques, this will not alter the risk profile of the Funds.



Efficient portfolio management enables the Funds to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques which relate to transferable securities and approved money market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims;
  - (i) the reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.
- (c) In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:
  - (i) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the Fund holds or may properly hold;
  - (ii) by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.
- (d) To be economically appropriate to the Fund, the ACD must reasonably believe that:
  - (i) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
  - (ii) for transactions undertaken to generate additional capital or income, the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

A transaction may not be entered into if its purpose could reasonably be regarded as speculative.

A forward currency transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Funds and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the Regulations. A permitted transaction may at any time be closed out.

Any forward transaction must be with an eligible institution or an approved bank.

No transaction may be entered into unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the forward contract, is covered in accordance with the Regulations.

### **Derivatives General**

As mentioned above, other than in respect of the WAY Absolute Return Portfolio Fund which is able to invest in derivatives for investment purposes, the following provisions will apply to the WAY MA Cautious Portfolio Fund. In the event that these Funds intend to use derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging) shareholders will be required to have been given 60 days' prior written notice of such change.

**The ACD does not anticipate that the use of derivatives will alter the risk profile of the relevant Fund.**

### **Permitted Transactions (derivatives and forwards)**

A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified below and the transaction is covered.

A derivatives transaction may be either an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 3) or an over-the-counter derivative in accordance with the applicable FCA rules.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following:



- (a) transferable securities;
- (b) money market instruments;
- (c) deposits (permitted under COLL 5.2.26R);
- (d) derivatives and forward transactions (permitted under COLL 5.6.13R);
- (g) units in collective investment schemes (permitted under COLL 5.6.10R);
- (h) financial indices (which satisfy the criteria set out in COLL 5.2.20AR);
- (i) interest rates;
- (j) foreign exchange rates; and
- (k) currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the general spread limits in accordance with COLL 5.6.7R (Spread: general), COLL 5.6.8R (Spread: government and public securities) and COLL 5.6.5R(2), except for index-based derivatives where the following rules apply.

Where a Fund invests in an index-based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee, and it is characterised by daily mark-to-market valuation of the derivative positions and at least daily margining.

#### **Over-the-counter ("OTC") transactions in derivatives**

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission as published in the FCA register, or whose Home State authorisation, permits it to enter into such transactions as principal off-exchange.
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the Manager:
  - (i) carries out at least a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction) and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value arrived at under the reliable market value basis or pricing model agreed under paragraph (c) below;
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the ACD and the depositary have agreed is reliable; or



- (ii) if the value referred to in (i) is not available, on the basis of the pricing model which the ACD and the Depositary have agreed uses an adequate recognized methodology; and
- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

#### **Collateral required under OTC derivative transactions**

A Fund's exposure in respect of an over-the-counter derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions below such that the collateral must be:

- (a) marked -to -market on a daily basis and exceed the value of the amount of risk;
- (b) exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (c) held by a third-party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- (d) be fully enforceable by the Fund at any time.

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III of the Banking Consolidation Directive; and are based on legally binding agreements.

#### **Risk Management: derivatives**

The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund. However, the Investment Adviser's investment in derivative techniques has the overall intention of reducing the volatility of returns, reflecting the investment policy for the Fund(s) generally.

#### **Derivative exposure**

The Fund(s) may invest in derivatives and forward transactions only where the exposure to which the Fund(s) is committed by that transaction itself is suitably covered from within the Fund's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Funds are not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Fund's property. Therefore, the Fund(s) must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed. The detailed requirements for cover of the Funds are set out below.

Cover used in respect of one transaction in derivatives or forwards transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

#### **Cover for transactions in derivatives and forward transactions**

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the s or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the scheme property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.

Cash not yet received into the scheme property of the Company but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.



The total exposure relating to derivatives held in the Company may not exceed the net value of the property.

### **Deposits**

The scheme property attributable to a Fund may consist of deposits (as defined in COLL) but only if it:

- is with an approved bank;
- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

### **Immovable property**

Whilst the Company may invest in immovable property it is currently not intended that the Company should have any interest in any immovable property.

### **Gold**

Whilst the Company may invest in gold it is currently not intended that the scheme property of the Company will be directly invested in gold.

### **Spread – general**

In applying any of the restrictions referred to above:

- Not more than 10% in value of the scheme property of a Fund is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R). In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.
- The exposure to any one counterparty in an over-the-counter derivative transaction must not exceed 10% in value of the scheme property.
- Not more than 20% in value of the scheme property is to consist of deposits with a single body.

The rules relating to the spread of investments will not apply during any period in which it is not reasonably practical to comply, provided that at all times the scheme property aims to provide a prudent spread of risk.

### **Borrowing**

Subject to the Regulations, the Company may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing for the latter purpose. Such borrowing may only be made from an eligible institution or an approved bank. The borrowing of the Company must not, on any business day, exceed 10% of the value of its property.

The above provisions on borrowing do not apply to "back-to-back" borrowing for efficient portfolio management purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD, the Directors or any Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Company as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### **Stock lending**

The Company or the Depositary may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is an authorised person, or a person authorised by a home state regulator, or a counterparty otherwise specified in COLL 5.4.4R(1)(b); and



- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above, and is acceptable to the Depositary and must also be adequate and sufficiently immediate as set out in COLL. These requirements do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

A stock lending arrangement is the disposal of a designated investment (such as shares or warrants by way of example) which is subject to an obligation or right to reacquire the same or a similar designated investment from the same counterparty.

### Eligible Markets

Eligible markets consist of any securities market which is an eligible securities market or eligible derivatives market under the Regulations to the extent that power to do so is conferred by the Regulations or to the extent that the power to do so is conferred by the Regulations irrespective of any issue of eligibility. The eligible securities markets for the WAY MA Portfolio are listed in Appendix 2 to this Prospectus.

### Leverage

The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this section and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

## RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

### (a) Market Risk

Past performance is not a guide to the future. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements variations in the exchange rates between currencies. The ACD's preliminary charge (as set out "**Initial Charge**") is deducted from an investment at the outset and various other charges accrue daily, therefore an equivalent rise in the value of the shares is required before the original investment can be recovered;

### (b) Derivatives

The WAY Absolute Return Portfolio Fund may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. **On giving 60 days' notice to shareholders, the WAY MA Cautious Portfolio Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.**

### (c) Taxation

The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances.

### (d) Income

The levels of income generated by the Funds will fluctuate and are not guaranteed.

### (e) Unregulated Collective Investment Schemes

Subject to COLL, the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these schemes may not be under the regulation of a competent regulatory authority, may use leverage techniques and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.

### (f) Capital expenses

All charges and expenses will be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth.



(g) Specialised Sectors

Funds which invest in growth-orientated sectors such as new technologies benefit from investor optimism about the future of such sectors, and their value may fall if sentiment deteriorates. New technologies are also more susceptible to changes in law and regulation. Funds which invest in specialised sectors of industry are more likely to experience volatility than more diversified funds.

(h) Emerging Markets

Where a Fund invests in emerging markets, such investment may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. There may also be a lack of liquidity and increased volatility in the underlying securities of companies domiciled in emerging markets.

(i) Exchange Rate Risk

The Funds may invest in other currencies. As a result, changes in the rates of exchange between currencies may cause the value of the shares to go up or down. Accordingly, investors may not receive back the amount invested

(j) Leverage

Leverage of the Company's assets is limited to the permanent borrowing referred to in the "Leverage" section of "Investment, Borrowing Powers and Leverage" section of the Prospectus.

(k) Charges to capital

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee and other expenses may be charged against capital instead of against income. This treatment of the ACD's fee and other expenses will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned but may constrain capital growth. Details of which of the Funds charge the ACD fee and other expenses against capital can be found in Appendix I.

(l) Suspension of dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

(m) Pricing and liquidity

Where a Fund has exposure to alternative asset classes there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be materially less than the value implied by the Fund's price.

(n) Currency exchange rates

Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

(o) Emerging markets

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

1. **Fraudulent securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.



2. **Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.
3. **Currency fluctuations** – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
4. **Settlement and custody risks** – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.
5. **Investment and remittance restrictions** – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.
6. **Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

(p) Smaller companies

Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

(q) Overseas bonds and currencies

From time to time, a Fund may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect the underlying funds and accordingly carry a higher degree of risk.

(r) Performance risk

There will be a variation in performance between Funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the Fund chosen.

(s) Inflation Risk

Inflation will, over time, reduce the value of your investments in real terms.

(t) Counterparty Risk

If a Fund enters into a derivative contract, it will be exposed to the credit of the other party (usually referred to as 'counterparty') and their ability to wholly or partly satisfy the terms of the contract.

In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge a Fund's assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to a Fund.

(u) Credit and Fixed Interest Security

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit rating (also known as sub-investment grade bonds)



are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard and Poor's credit rating of below BBB or equivalent.

(v) Regulatory divergence from the European Union

As a result of the UK leaving the European Union on the 31 January 2020, it is possible that the UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

## THE PROFILE OF A TYPICAL INVESTOR

This Prospectus sets out below a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the UK's Product Governance regime which may be obtained separately by distributors and other intermediaries by e-mailing the ACD at [compliance@wayfunds.com](mailto:compliance@wayfunds.com) or by calling 01202 855856 (+44 (0)1202 855856 from outside of the United Kingdom).

The ACD considers that the shares in the Funds are suitable for medium risk investors who see collective investment schemes as a convenient and cost-effective way of reducing the overall risks associated with participation in stock market investment and performance, whilst giving scope for worthwhile growth of capital over the long-term. The Fund's objective is capital growth and therefore the Fund is not suitable for investors looking for a fund which generates income. As the investment may occasionally experience periods of price volatility, the Funds would be more suitable for investors who can afford to set aside the invested capital for a minimum period of 5 years. In general, however, the ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing. Attention should also be drawn to the final paragraph shown in Appendix 1 (Historical Performance), which refers to the reliance on the past performance of the Funds, or the indices against which the performance of the Funds are benchmarked, together with the specific Risk Factors contained in the relevant Simplified Prospectus document and in the RISKS section shown above.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in the Funds.

## WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS

### Winding up the Company and Termination of Funds

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may be terminated under chapter 7.3 of COLL or wound up under Part V of the Insolvency Act 1986 (as modified by the OEIC Regulations) as an unregistered company. Winding up of the Company or termination of a Fund (or winding up) under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the Fund will be able to meet all its liabilities within twelve months of the date of the statement (a "solvency statement").

Subject to the foregoing, the Company or the relevant Fund will be wound up or terminated (as appropriate) under COLL:

- if an extraordinary resolution of shareholders of either the Company or the Fund (as appropriate) to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of the Fund.

The ACD may request that a Fund be terminated or wound up in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £10 million.

The winding up of the Company or termination or winding up of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the relevant Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders. The distribution made in respect of each Fund will be made to



the holders of shares linked to that Fund, in proportion to the units of entitlement in the property of that Fund which their shares represent.

Shareholders will be notified of any decision to wind up the Company or terminate or wind up any of the Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

On completion of the winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

## **OTHER INFORMATION**

### **Delegation**

The ACD and, subject to exceptions specified in the Regulations, the Depositary may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the Regulations apply.

### **Conflicts of interest**

The Depositary, the ACD or any associate of them may (subject to the Regulations) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to, the Company and its Funds, so long as the services concerned are provided on arm's-length terms (as set out in the Regulations) and in the case of holding money on deposit or lending money the Depositary, ACD or any associate of them is an eligible institution.

The Depositary, the ACD, or any associate of any of them may sell or deal in the sale of property to the Company and its Funds or purchase property from the Company and its Funds provided the applicable provisions of the Regulations apply and are observed.

Subject to compliance with the Regulations the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to on page 7.

The ACD, the Investment Advisers and other companies within their respective groups may, from time to time, act as investment advisers to other schemes, funds or sub-funds which follow similar objectives to the Funds. It is therefore possible that the ACD and or the Investment Advisers may in the course of their business have potential conflicts of interest with the Company. Each of the ACD and each Investment Adviser will have regard in such an event to its obligations under the Instrument of Incorporation and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investments business where potential conflicts of interest may arise.

The Depositary may, from time to time, act as trustee, depositary or custodian of other collective investment schemes.

### **No liability to account**

Subject to applicable laws and regulations, the Depositary, the ACD, or any associate of any of them will not be liable to account to the Company or any other person, including the holders of shares or any of them, for any profit or benefit made or derived from or in connection with:

- their acting as agent in the sale or purchase of property to or from the Company and its Funds; or
- their part in any transaction or the supply of services permitted by the Regulations; or
- their dealing in property equivalent to any owned by (or dealt in for the account of) the Company and its Funds.

### **Liability and indemnity**

With the exceptions mentioned below:

- the ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.



The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions;
- any breach by the ACD or the Depositary of their respective obligations under the Financial Services and Markets Act 2000 or any rules made under or in pursuance of that Act.

#### *Professional Liability Risks*

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFMD, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the Regulations) and maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

#### **Financial Services Compensation Scheme**

**Shareholders who are “Eligible Complainants” for the purposes of the FCA “Dispute Resolutions Complaints” rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD or the Depositary to the Financial Ombudsman Service (“FOS”) (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme (“FSCS”) if they have claims against the ACD, Depositary or another FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at [www.fscs.org.uk](http://www.fscs.org.uk). To determine eligibility in relation to either the FOS or the FSCS, unit holders should consult the respective websites above and speak to their legal advisers.**

#### **Fair Treatment of Investors**

**Under the AIFMD, the ACD must treat all Shareholders fairly. The ACD has a number of policies and procedures in place to ensure that it will act honestly, fairly, professionally, independently and in the interest of the Company and its investors. For example, the ACD ensures the fair treatment of Shareholders through an organisational structure which employs robust review and oversight procedures.**

**Furthermore, the ACD adheres to its “Conflicts of Interest Policy”, which establishes requirements to identify and manage conflicts of interest in line with regulatory requirements, including potential conflicts of interest that could arise between investors. The ACD will endeavour to avoid situations whereby its own interests, or its duty to any persons on behalf of whom it acts, conflicts with its duty to clients.**

**In addition, the ACD adheres to its “Treating Customers Fairly Policy”, the purpose of which is to ensure that Shareholders understand the risks inherent in the markets and securities in which they invest and clearly understand the nature of the services the ACD provides, including terms, conditions and charges.**

#### **Rebate of fees and commission**

The ACD may at its sole discretion rebate its initial or periodic charges in respect of any application for, or holding of, shares. Similarly, the Company may rebate or waive its charges in relation to any exchange of shares. A proportion of the initial charge may be rebated to the introducer (the investor’s financial intermediary) in the form of commission payment. The investor should check with the intermediary the amount of commission he or she has received.

#### **General**

- At launch, shares in the Funds will qualify for investment by Individual Savings Accounts (ISAs).
- Any complaint should be referred to the ACD at its head office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9SR. More details about the Financial Ombudsman Service and a copy of the ACD's complaints procedure are available on request.
- All documents and remittances are sent at the risk of the shareholder.



- A notice of an applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Financial Services and Markets Act 2000.

An applicant who is entitled to cancel and does so, will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the Registrar (on behalf of the ACD), because an amount equal to such fall (the "shortfall") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the Registrar (on behalf of the ACD) on or before the 14th day after the date on which the applicant receives the Notice of the Right to Cancel.

- The address for service on the Company of notices or other documents required or authorised to be served on it is the ACD's Registered and Head Office address.
- Copies of this Prospectus may be inspected at, and obtained from, the ACD at the ACD's Registered and Head Office address between 9am and 5pm on any Business Day.
- Copies of the Instrument of Incorporation and any amendments thereto and the most recent annual and half-yearly long reports may be inspected and copies obtained from the ACD and the Depositary at their respective Registered and Head Office addresses. A fee is charged for copies of the Instrument of Incorporation.
- This Prospectus describes the constitution and operation of the Company and its Funds at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.
- The ACD will provide, at the request of a shareholder, supplementary information to this Prospectus, including:
  - (a) the quantitative limits applying to the risk management of the Company;
  - (b) the methods used in relation to (a) above; and
  - (c) any recent development of the risk and yields of the main categories of investment.
- The Company will communicate with shareholders and serve notices on shareholders by post at the shareholder's nominated address or via an e-mail address provided by the shareholder. General notices may, in addition to being sent to shareholders, be published in a national newspaper.

### **Individual Savings Accounts (ISA)**

The ACD may, at its absolute discretion, offer shares in the Funds linked to such accounts. Restrictions imposed by HM Revenue & Customs, however, could mean that the ACD does not offer shares in the Company under its ISA wrapper at any time in the future.

### **Financial Services Compensation Scheme**

The Financial Services Compensation Scheme has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

### **Telephone calls and electronic communications**

Please note that the ACD and the Administrator will record telephone calls and electronic communications. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and, where requested by the FCA, for up to seven years.

### **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited ("we"/"us") operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application, we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.



We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website [www.wayfunds.com](http://www.wayfunds.com).

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at:

**Data Protection Office**, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: [DPO@wayfunds.com](mailto:DPO@wayfunds.com) Tel: 01202 855856 +44 (0)1202 855856 from outside of the UK).

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner's Office through their website which can be found at <https://ico.org.uk/for-the-public/raising-concerns/>

### **Governing law**

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### **Shareholder's rights**

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time).

Shareholders may have no direct rights against the service providers to the Company set out in this Prospectus.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

### **Information available to Shareholders**

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- (a) the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;
- (c) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and
- (d) any material changes to the information above.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.



## LEGAL IMPLICATIONS OF AN INVESTMENT IN THE COMPANY

In order to subscribe for Shares, applicants must complete an appropriate application form (“Form”). By doing so, Shareholders agree to subscribe for Shares and to be bound by the terms of this Prospectus and the Instrument of Incorporation (each Form, the Prospectus and the Instrument of Incorporation together the “Subscription Documents”). All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Instrument of Incorporation, copies of which are available from the ACD. The provisions of the Instrument of Incorporation are binding on the ACD, the Depositary and all Shareholders.

The Subscription Documents are governed by English law and the courts of England shall have jurisdiction in relation to claims made under them against parties domiciled in England or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No 44/2001. Judgments from overseas courts may be recognised and enforced by the Courts of England and Wales without re-examination of the merits where some form of reciprocal enforcement arrangement is in place. Instruments governing such reciprocal enforcement arrangements include the Brussels Regulation and the Brussels and Lugano Conventions in respect of judgments from the courts of EU member states, Iceland, Switzerland and Norway (the Brussels regime) and by the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 (covering most Commonwealth and some other countries – the “Statutory regime”). In other cases, under the English common law a final and conclusive foreign judgment given by a competent court potentially creates an obligation that is actionable in England and Wales through the institution of fresh legal proceedings, to which various defences are available to a defendant.

There is also provision in England and Wales for the enforcement of European Enforcement Orders obtained under the European Enforcement Orders Regulation, European Orders for Payment, judgments obtained under the European Small Claims Procedure, Community judgments and judgments from other parts of the UK. Where a judgment falls within the scope of the Brussels regime, an application can be made to register it. A registration order must be made if the required formalities have been complied with. There are limited grounds of appeal against the making of the order.

Where a judgment falls under the Statutory regime an application can be made to register it. There are various grounds for non-registration and on which registration will be set aside. Once registered under either regime, a judgment will be treated as if it was a judgment of the English court for enforcement purposes. The Company is reliant on the performance of service providers, including the ACD, the Depositary and the Investment Manager. None of the agreements appointing the ACD, the Depositary, the Investment Manager, the Administrator, the auditors, legal counsel or any other of the Company’s service providers provides for any third party rights for investors. Absent a direct contractual relationship between the Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, *prima facie*, the Company itself.



## APPENDIX 1

### Historical Performance

Below we have shown the historical performance, for the period to 31<sup>st</sup> December 2023. Where possible, we have shown the performance over and the last 5 years, for each complete year, to 31<sup>st</sup> December.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested.

#### WAY MA Cautious Portfolio Fund - Class B Pounds Sterling (£) Accumulation shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.30%	7.95%	7.93%	-10.53%	5.44%

**Launch Date: 23 June 2008**

#### WAY MA Cautious Portfolio Fund - Class B Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.30%	7.95%	7.93%	-10.53%	5.44%

**Launch Date: 23 June 2008**

#### WAY MA Cautious Portfolio Fund - Class C Pounds Sterling (£) Income shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
N/A	N/A	N/A	N/A	6.45%

**Launch Date: 1<sup>st</sup> November 2022**

#### WAY MA Cautious Portfolio Fund - Class E Pounds Sterling (£) Accumulation shares

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.85%	8.50%	8.46%	-10.08%	5.97%

**Launch Date: 31 December 2012**



**WAY MA Cautious Portfolio Fund - Class E Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.84%	8.49%	8.47%	-10.08%	5.97%

**Launch Date: 31 December 2012****WAY MA Cautious Portfolio Fund - Class S Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.85%	8.49%	8.47%	-10.08%	5.97%

**Launch Date: 25 November 2013****WAY MA Cautious Portfolio Fund - Class T Pounds Sterling (£) Income shares**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
10.51%	8.17%	8.14%	-10.35%	5.65%

**Launch Date: 14 January 2013****WAY MA Cautious Portfolio Fund – Comparator Benchmark: IA Mixed Investment 20-60% Shares sector**

Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021	Percentage Growth year to 31 December 2022	Percentage Growth year to 31 December 2023
11.84%	3.51%	7.20%	-9.47%	6.81%

- **As at the date of this Prospectus, the WAY Absolute Return Portfolio Fund was in the process of termination. As such, no performance information is currently available.**

**Investors and potential investors should note the following statements**

- The prices of shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. An investor may not get back the amount originally invested.
- Past performance is not necessarily a guide to future investment returns.

*Source of all data: FE Analytics, in the currency of share class.*



## APPENDIX 2

### ELIGIBLE SECURITIES MARKETS

Set out below are the securities markets through which the Funds may invest or deal in approved securities (subject to the investment objective and policy of each Fund):

- (a) a "regulated market" as defined in COLL;
- i. a securities market established in the UK or any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden) which is regulated, operates regularly and is open to the public; or
  - ii. the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
Australia	Australian Stock Exchange (ASX)
Canada	Montreal Exchange Toronto Stock Exchange (TSX)
China Peoples' Rep. of	Shanghai Stock Exchange Shenzhen Stock Exchange
Hong Kong	The Stock Exchange Of Hong Kong
India	BSE Ltd National Stock Exchange of India
Indonesia	Jakarta Stock Exchange
Japan	Osaka Exchange Tokyo Stock Exchange
Korea	Korea Exchange (KOSDAQ)
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
New Zealand	New Zealand Exchange Ltd
Philippines	Philippine Stock Exchange Inc
Singapore	Singapore Exchange (SGX)
South Africa	Johannesburg Stock Exchange (JSE)
Switzerland	SIX Swiss Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand (SET)
United States of America	Chicago Stock Exchange (CHX) NASDAQ NASDAQ BX NASDAQ PHLX New York Stock Exchange (NYSE) NYSE American NYSE National

The Alternative Investment Market (AIM) of the London Stock Exchange in the UK is also an eligible securities market for the purpose of each fund.



### APPENDIX 3

#### ELIGIBLE DERIVATIVES MARKETS

Subject to its investment objectives and policy, the Company may deal through derivatives markets established in the UK or any EEA States\* on which transferable derivatives admitted to official listing in the member State are dealt in or traded.

*\*EEA States include: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and Slovenia.*

Set out below are the additional derivatives markets through which the Company may invest or deal (subject to its investment objective and policy) when dealing in approved derivatives.

Country	Market
Australia	Australian Securities Exchange (ASX)
Canada	Montreal Exchange Toronto Stock Exchange (TSX)
Hong Kong	The Stock Exchange Of Hong Kong
Japan	Osaka Exchange Tokyo Stock Exchange
New Zealand	NZX Futures
Singapore	Singapore Exchange (SGX)
South Africa	South Africa Futures Exchange (SAFEX)
Switzerland	Eurex
United States of America	Chicago Board of Trade (CBOT) Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange (CME) NYSE American ICE Futures U.S. New York Stock Exchange (NYSE) NASDAQ PHLX