WAY Fund Managers Limited

WAY Global Cautious Portfolio Fund

Interim Report and Unaudited Financial Statements
for the accounting period ended 30th September 2009

Issue date 16th December 2009

WAY GLOBAL CAUTIOUS PORTFOLIO FUND

Authorised Corporate Director's Report and Accounts
(unaudited) for the period ended 30th September 2009

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WAY GLOBAL CAUTIOUS PORTFOLIO FUND

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REPORT OF THE DIRECTOR

CONSTITUTION
WAY Global Cautious Portfolio Fund ("the Company" or "Fund") is an open-ended investment company with variable capital incorporated in England and Wales (number: IC000381) under the OEIC Regulations. It is a "Non-UCITS Retail Scheme" which complies with the requirements of Chapter 5 of the COLL sourcebook. The authorisation of the Company by the FSA was made effective on 25th February 2005. The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.

INVESTMENT OBJECTIVE AND POLICY
The objective of the Fund is total investment return, through conservative investment in a diversified portfolio of collective investment schemes, investment trusts, other listed securities, cash or near cash, deposits and money market instruments.

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, including cash, at any time. Unregulated collective investment schemes may be used up to the full extent permitted by the Regulations.

The portfolio will be actively managed. Derivatives will not be used. Currency hedging transactions may be used where appropriate, and borrowing will be permitted on a temporary basis under the terms of the Regulations.

REPORT OF THE INVESTMENT ADVISER

(unaudited) for the period ended 30th September 2009

Performance to 30th September 2009

Over the last six months since the previous period end, the WAY Global Cautious Portfolio Trust produced a return of 14.74% (Class B), behind the IMA Cautious Managed sector average return of 19.62%. While this is a rather disappointing result, it is nevertheless pleasing to note that the Fund remains ahead of the peer group over the longer term, having produced an overall return since launch in 2005 of 16.39% compared to the peer group return of 10.08%.

Cumulative Performance to 30th September

	6 Months %	12 months %	2 Year %	3 Year %	4 Year %	From 28/02/05* Annualised %
WAY Global Cautious Portfolio Fund (Acc)	14.90	9.83	-	-	-	-
WAY Global Cautious Portfolio Fund (Inc)	14.74	9.60	-0.69	4.76	10.43	16.39
IMA Cautious Managed Sector Average Index	19.62	6.91	-5.93	-2.28	3.62	10.08

Discrete Performance

	*2005 %	2006 %	2007 %	2008 %	YTD %
WAY Global Cautious Portfolio Fund (Acc)	-	-	-	-5.48	11.48
WAY Global Cautious Portfolio Fund (Inc)	9.10	4.95	2.01	-5.77	11.28

Source: Financial Express. Total return in £, Accumulation

*inception date.

Performance of Underlying Funds

Underlying fund performance over the last six months was slightly disappointing, with many of the funds held lagging their respective peer groups. Some of this can be attributed to the fact that many managers were sceptical about the rally, and believed that there would be a significant correction or "normalisation". As a result, many managers were underweight in lower quality cyclicals and also financial stocks, which have been the key drivers of the market rally. Nevertheless, it is still reassuring that some of the funds held produced strong relative and absolute returns, including GLG Japan CoreAlpha, Schroder UK Alpha Plus and Baillie Gifford High Yield Bond.

Portfolio Review

Equity markets during March and the next few months thereafter were notable for their contrast to the preceeding six months, as investor confidence and risk appetite returned with a vengeance. The good news was that the slowing deterioration of macroeconomic indicators and positive corporate news for the first quarter earnings season were the initial catalysts. There were subsequently followed by other events such as G20 undertakings in April and the successful stress testing of the US banking system. The general upward movement of equity markets over the last six months has however, been punctuated by brief spells of profit taking, unsurprising given the lingering uncertainties over the longer term economic growth prospects (high unemployment levels, lack of US housing demand and rising public deficits).

A continuation of the rally going forward will largely depend on the outcome of the third Quarter 2009 earnings reporting season – the last couple of quarters were positive, but were mainly down to cost-cutting measures, it remains to be seen whether there has been any real improvement in earnings or revenue to support growth going forward.

We started the period on a cautious note, having been positioned defensively and favouring cash and bonds. As markets continued in their upward trend, we started deploying cash to increase our equity exposure. Areas that we tended to focus on were those with stronger growth prospects, such as Asia ex Japan, Emerging Markets and Resources. We also increased exposure to Technology, through the introduction of the Seligman Global Technology Fund. As well as building up exposure to growth areas, we also added to some of our more aggressively managed, or growth orientated funds, such as Fidelity South East Asia, UBS US Growth and Nevsky Global Emerging Markets.

Outlook

All risky assets continued to perform well over the summer in an environment where investors remained cautious and even government bonds delivered positive performance after long term yields reached a peak last June. Economic indicators continued to improve and positively surprised in most cases, inflation trends remain on the downside and Central Banks reaffirmed strongly that they will maintain accommodative monetary and fiscal policies. Many economists have revised their growth forecasts for 2010 and the general consensus view seems to be that the positive economic momentum should continue over the next few months.

Despite the good news, we see many investors who are sceptical about this recovery and believe that we could have renewed economic weakness once the positive impact of inventory restocking and fiscal policies have passed. This scepticism was particularly apparent amongst European equity managers, where only 30% of them were able to outperform the market over the last three months. This can be mostly explained by the fact that the Financials sector has been a major contributor to market gains and where many investors remain underweight even now.

REPORT OF THE INVESTMENT ADVISER
(unaudited) for the period ended 30th September 2009 - continued

The possibility of economic weakness in 2010 cannot be excluded at this stage, but we feel it is too early to be positioned for that scenario. Given the present positive economic momentum the outcome could be better than generally expected, and there is the possibility of some capitulation from the many investors that are still sceptical about the strong equity rebound. The release of third quarter results will be important for financial markets as company management have been very cautious with their guidance figures. Markets appear to be waiting for any news of better top line growth or positive announcements from companies in order to resume the rally.

Some commentators believe that the rise in bond, stock and commodity valuations has been too swift. This does not necessarily mean that they will now collapse; the global economy has now stabilised and parts are growing vigorously and policy settings are very accommodative. The positive economic momentum is clearly supportive for equity markets even if investors' reaction to positive economic releases is becoming more restrained. The last earnings season surprised on the upside and this could also be the same for the third quarter releases as expectations remain reasonable. Valuations do not look stretched compared to past periods of economic recovery and many investors have remained on the sidelines so far getting miserable returns on their cash and other defensive instruments.

Within bonds, government bonds should continued to receive support in the short term from accommodative monetary policies and declining inflation, although the progressive withdrawal of Quantitative Easing is likely to impact at some point. Corporate credit is still benefiting from significantly improving downgrade/upgrade ratios, but this is mostly priced in already so returns from this asset class are likely to be more modest going forward.

FundQuest UK Limited
Investment Adviser to the Fund

26th November 2009

PERFORMANCE RECORD

Fund Size

Date	Net asset value (£)	Net asset value pence per share 'A' Acc	'B' Acc	'B' Inc	No. of shares in issue 'A' Acc	'B' Acc	'B' Inc
31st March 2007	75,293,684	-	114.94	114.94	-	21,305,054	44,201,955
31st March 2008	96,161,889	111.16	111.12	111.16	3,233,523	53,300,522	29,991,114
31st March 2009	90,362,628	100.67	100.32	100.32	9,234,412	47,987,706	32,817,580
30th September 2009	109,111,022	117.04	116.46	116.49	14,046,315	46,188,899	33,374,944

Share Price Range

	'A' Acc**		'B' Acc		'B' Inc	
Calendar Year	Highest (pence)	Lowest (pence)	Highest (pence)	Lowest (pence)	Highest (pence)	Lowest (pence)
2005*	-	-	109.10	98.26	109.10	98.26
2006	-	-	114.60	107.10	114.60	107.10
2007	-	-	119.70	111.50	119.70	111.50
2008	115.60	82.00	117.60	96.89	117.60	96.92
2009***	116.97	98.05	116.39	97.71	116.42	97.75

Date		'A' Acc** Pence per share	'B' Acc Pence per share	'B' Inc Pence per share
28th February 2005	Launch Date	-	100.00	100.00
21st January 2008	Launch Date	100.00	-	-
30th September 2009	Accounts	116.97	116.39	116.42
13th November 2009	Latest Date	117.23	116.61	116.64

Net Income Distribution/Accumulation

	'A' Acc**		'B' Acc		'B' Inc	
Calendar Year	Pence share	Per £1,000 invested 14/01/08	Pence share	Per £1,000 invested 28/02/05	Pence per share	Per £1,000 invested 28/02/05
2005*	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009***	-	-	-	-	-	-

* 28th February 2005 to 31st December 2005

** Share Class 'A' Acc was launched 21st January 2008

*** 1st January 2009 to 30th September 2009

Total Expense Ratio (TER)

The TER of the Fund as at:

31st March 2009

Class A - 1.87%

Class B - 2.17%

PortfolioTurnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a twelve month period The PTR is calculated by taking the sum of all transactions in the Fund's share and is expressed as a percentage of Fund's average net asset value.

The PTR of the Fund (unaudited) as at 30th September 2009 was: -14.78% (31st March 2009: 76.69%)

Authorised Status

WAY Global Cautious Portfolio Fund is an Investment Company with Variable Capital incorporated under the Open-Ended Investment Companies Regulations 2001 and is regulated by the Financial Services Authority as a Non-UCITS Retail Scheme pursuant to the Collective Investment Schemes sourcebook ("COLL").

Directors' Statement

The financial statements on pages 10 to 13 were approved by the ACD and signed on its behalf by:

A Stevens (Director)
V Hoare (Director)

WAY Fund Managers Limited
16th December 2009

PORTFOLIO STATEMENT
(unaudited) as at 30th September 2009

Holding		Market Value £	Percentage of total net assets %
	Continental Europe 2.26% (2.80%)		
457,987	CF Odey Continental European (Acc)	**2,468,731**	**2.26**
	Far East 8.49% (7.26%)		
945,329	CF Morant Wright Japan Fund 'B' (Inc)	1,817,300	1.67
378,228	Fidelity South East Asia Fund (Acc)	2,136,990	1.96
883,804	First State Asia Pacific Leaders Fund 'B' (Acc)	2,586,275	2.37
3,311,620	GLG Japan CoreAlpha (Acc)	2,720,827	2.49
		9,261,392	**8.49**
	Global 17.13% (18.66%)		
684,328	First State Global Resources Fund 'B' (Acc)	1,992,216	1.83
1,051,924	Franklin Templeton Global Bond Fund (Acc)	11,457,819	10.50
50,267	Nevsky Global Emerging Market Fund (Inc)	2,071,987	1.90
4,551,611	New Star International Property Fund	1,248,052	1.14
30,368	Schroder Agriculture Fund 'C'	1,910,573	1.76
		18,680,647	**17.13**
	United Kingdom 59.82% (60.96%)		
1,388,000	Absolute Return Trust	1,623,960	1.49
1,834,826	Advance Frontier Markets Fund	708,746	0.65
594,120	Baillie Gifford High Yield Bond Fund 'B' (Acc)	714,132	0.65
3,362,228	Close UK Escalator 100 Fund (Acc)	5,455,428	5.00
14,664,368	Fidelity MoneyBuilder Fund (Inc)	4,367,049	4.00
292,230	Fidelity Special Situations Fund (Acc)	5,283,519	4.84
458,254	Invesco Perpetual Income Fund (Inc)	5,161,085	4.73
72,703	JP Morgan Income Opportunity 'A'	6,146,331	5.63
27,832,098	Legal & General All Stocks Index Linked Fund (Acc)	19,354,441	17.74
6,272,108	New Star Diversified Absolute Return Fund	3,393,838	3.11
10,033,659	Premier Absolute Growth	5,210,479	4.78
7,568,560	Schroder UK Alpha Plus 'A' (Acc)	7,856,165	7.20
		65,275,173	**59.82**
	United States 3.39% (2.93%)		
68,268	Findlay Park American Smaller Companies Fund	1,562,720	1.43
3,518,379	UBS US Growth 'B' (Acc)	2,136,711	1.96
		3,699,431	**3.39**

PORTFOLIO STATEMENT
(unaudited) as at 30th September 2009 - continued

Holding		Market Value £	Percentage of total net assets %
	Portfolio of Investments 91.09% (92.61%)	**99,385,374**	**91.09**
	Net other assets	9,725,648	8.91
	Net assets	**109,111,022**	**100.00**

Note: Comparative figures shown in brackets relate to 31st March 2009

All holdings are Collective Investment Schemes unless stated.

STATEMENT OF TOTAL RETURN
(unaudited) for the period ended 30th September 2009

	2009		2008	
	£'000	**£'000**	£'000	£'000
Income				
Net capital gains/(losses)		**14,918**		(4,460)
Revenue	**638**		591	
Expenses	**(804)**		(727)	
Finance costs: Interest	**(1)**		-	
Net expense before taxation	**(167)**		(136)	
Taxation	**8**		6	
Net expense after taxation		**(159)**		(130)
Total return before distributions		**14,759**		(4,590)
Finance costs: Distributions		**8**		8
Change in net assets attributable to unitholders from investment activities		**14,767**		(4,582)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS'
(unaudited) for the period ended 30th September 2009

	2009		2008	
	£'000	**£'000**	£'000	£'000
Opening net assets attributable to unitholders		**90,363**		97,476
Amount receivable on creation of units	**7,002**		6,632	
Amounts payable on cancellation of units	**(3,126)**		(8,665)	
		3,876		(2,033)
Change in net assets attributable to unitholders from investment activities (see above)		**14,767**		(4,582)
Stamp Duty Reserve Tax		**(11)**		(8)
Capital trailer commission		**116**		124
Closing net assets attributable to unitholders		**109,111**		90,977

The opening net assets attributable to unitholders for 2009 differs to the closing position in 2008 by the change in unitholders' net assets for the second half of the comparative financial year.

BALANCE SHEET
(unaudited) as at 30th September 2009

	30/09/2009 £'000	31/03/2009 £'000
Assets		
Investment assets	**99,385**	83,684
Debtors	**530**	1,037
Cash and bank balances	**9,726**	5,799
Total other assets	**10,256**	6,836
Total assets	**109,641**	90,520
Liabilities		
Creditors	**(313)**	(157)
Bank overdrafts	**(217)**	-
Total other liabilities	**(530)**	(157)
Total liabilities	**(530)**	(157)
Net assets attributable to unitholders	**109,111**	90,363

Notes to the Financial Statements

Accounting policies

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31st March 2009. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in November 2008 (the IMA SORP 2008).

During the period, the fund has adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains and transaction charges are now classified as capital gains or capital losses. The effect of this is to remove £202,857 (2008: £21,811) from 'Currency gains', and to reduce 'Expenses' by £2,397 (2008: £4,032), with a corresponding change in 'Net capital losses'.

GENERAL INFORMATION

The Fund
WAY Global Cautious Portfolio Fund is an Investment Company with Variable Capital (ICVC). It was authorised by the Financial Services Authority with effect from 25th February 2005 and is categorised as a Non-UCITS Retail Scheme.

The Authorised Corporate Director ('ACD')
The ACD is the sole director of WAY Global Cautious Portfolio Fund and is responsible for all aspects of administration and management within the ICVC. The ACD is WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

WAY Fund Managers Limited is authorised and regulated by the Financial Services Authority and is a member of the IMA (Investment Management Association).

The Depositary
The Depositary acts as the custodian for all assets relating to WAY Global Cautious Portfolio Fund. The Depositary is State Street Trustees Limited, 20 Churchill Place, Canary Wharf, London, E14 5HJ. The Depositary is authorised and regulated by the Financial Services Authority.

Prospectus
Copies of the Fund's Prospectus are available free of charge from the ACD upon request.

Share Type
The Fund issues Income and Accumulation shares.

Pricing and Dealing
Mid prices are always quoted for shares in the Fund.

Dealing in all ICVCs operated by WAY Fund Managers Limited may be carried out between 09:00 and 17:00 hours on any business day. Investors and advisers may normally buy and sell shares over the telephone. Prices are quoted on a 'forward' basis. This means that all deals are based on a price that is calculated at the next valuation point (which is 12:00 hours on each business day) following receipt of instructions. Instructions received before 12:00 hours will be priced at 12:00 hours that day, whilst those deals taken later in the day will receive the next dealing price which is fixed at 12:00 hours on the following business day.

In respect of large deals, which for the purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset value of the Fund, the ACD may charge a dilution levy on the price of shares. In respect of a purchase, this is added to the cost and, in respect of a redemption, this is deducted from the proceeds. The amount is not retained by the ACD but is paid into the Fund.

GENERAL INFORMATION - continued

The minimum initial lump sum investment in the Fund is £5,000 (£100,000 for the WAY Inheritor Plan) and the minimum amount you may sell back to the ACD at any one time is £1,000, providing you maintain a balance of £5,000 (£100,000 for the WAY Inheritor Plan). At its absolute discretion, the ACD may accept a lower minimum amount for the purchase and sale of shares.

A contract note in respect of any purchase will be issued immediately and full settlement, in cleared funds, is due within four business days of the purchase date (for the WAY Inheritor Plan, full settlement is required before shares can be purchased). Share certificates will not be issued. Instructions to sell your shares may be required to be given in writing to WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. A contract note confirming the instruction to sell will be issued immediately. Following receipt of a correctly completed Form of Renunciation, a cheque in settlement will be sent direct to you or your bank/building society within four business days.

Dilution

The actual cost to the Fund of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the share price, e.g., due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the Fund. Under certain circumstances (e.g. large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called ‘dilution’, WAY Fund Managers has the power to charge a dilution levy on the sale and/or redemption of shares. The dilution levy will be applied at outset and will be paid into and will become part of the Fund. The dilution levy for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfer taxes.

Management Charges, Spreads and Yields

The initial charge for the Fund is 5.25% and the periodic charge is 1.15% for Share Class 'A' Acc and 1.45% for Share Classes 'B' Inc and 'B' Acc.

Certain other expenses are met by the Fund, the nature of which are detailed in the Fund’s Prospectus.

Reports

Reports, in their “short-form”, will be sent to all shareholders on an annual and half-yearly basis. The “long-form” accounts are available free of charge on request from the ACD.

GENERAL INFORMATION - continued

Publication of Prices

The price of shares in the Fund is quoted daily on the web pages of Financial Express at www.fundlistings.com.

Stamp Duty Reserve Tax

Stamp Duty Reserve Tax ("SDRT") is a 0.5% tax that may be payable by the ACD, for which the Depositary may become liable when shareholders sell their shares in the Fund. This may have an affect on you as the shareholder depending on how the ACD will be treating this particular charge. Subject to limits contained within the Fund's Prospectus, any SDRT liability incurred by WAY Global Cautious Portfolio Fund will be charged to the Fund, which could mean that less of your money will be invested for potential capital and income growth.

Capital Gains Tax

As an ICVC, the Fund is exempt from UK Capital Gains tax. An individual's first £10,100 of net gains on disposals in the 2009/2010 tax year are exempt from tax. Gains in excess of £10,100 for 2000/2010 will be taxed according to how long the investment has been held for years after 6th April 1998.

Important Information

It is important to remember that the price of shares, and the income from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a guide to future performance. Changes in the rate of exchange of currencies, particularly where overseas securities are held, may also affect the value of your investment. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard ICVC investment as long term.

Additional Information

Shareholders of the WAY Global Cautious Portfolio Fund are hereby notified that, with effect from the 15th March 2010, the ACD has agreed to introduce a transaction charge of £15 per deal to remunerate the Registrar for its services. Provision for this has been available since the launch of the Fund and is only now being utilised to ensure its impact is not detrimental to the performance of the Fund.

This is standard industry practice and in turn will permit the Fund access to wider distribution channels with the objective of increasing the size of the Fund. This charge is not considered material given the size of the Fund.

Therefore with effect from the 15th March 2010 the Registrar's charge to the Fund will be £15 per transaction. There is no change to the annual Registrar Fee which remains at £10 per annum per registered holder (also chargeable to the Fund).