



# **WAY MA Cautious Portfolio**

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

Issue date 30th November 2009

# WAY MA Cautious Portfolio

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

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Management and Professional Service Details                     | 2           |
| Constitution  | 3           |
| Investment Objective and Policy                                 | 4           |
| Report of the Investment Adviser                                | 4           |
| Performance Record  | 8           |
| Authorised Status   | 9           |
| Directors' Statement  | 9           |
| Statement of Total Return                                       | 13          |
| Statement of Change in Net Assets Attributable to Shareholders' | 13          |
| Balance Sheet   | 14          |
| General Information   | 15          |

## **WAY MA Cautious Portfolio**

### **Authorised Corporate Director (“the ACD”)**

WAY Fund Managers Limited  
Cedar House  
3 Cedar Park  
Cobham Road  
Wimborne  
Dorset BH21 7SB  
Telephone: 01202 855 856

### **Independent Auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

### **Directors of WAY Fund Managers Limited**

P Wilcox (Chairman)  
P Legg  
V Hoare

### **Investment Adviser**

Northern Investment Partners Limited  
Lion House, Red Lion Street  
London WC1R4GB

### **Depository**

State Street Trustees Limited  
20 Churchill Place  
Canary Wharf  
E14 5HJ

### **Registrar**

WAY Fund Managers Limited  
Cedar House  
3 Cedar Park  
Cobham Road  
Wimborne  
Dorset BH21 7SB

## **REPORT OF THE DIRECTOR**

### **CONSTITUTION**

WAY MA Cautious Portfolio ("the Company" or "Fund") is an open-ended investment company with variable capital incorporated in England and Wales (number: IC000660) under the OEIC Regulations. It is a Non-UCITS Retail Scheme which complies with the requirements of Chapter 5 of the Collective Investment Schemes sourcebook ("COLL") issued by the Financial Services Authority and is authorised and regulated by the FSA with effect from 29th May 2008. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

## **REPORT OF THE INVESTMENT ADVISER**

(unaudited) for the period ended 30th September 2009

### **INVESTMENT OBJECTIVE AND POLICY**

The objective of the Company is to seek capital growth, achieved through investment in a portfolio of collective investment schemes, investment trusts, other transferable securities including 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. The Company may also invest in unregulated collective investment schemes (where investment in such funds is consistent with the investment objective and policy of the Company). The portfolio will be actively managed. The use of derivatives and/or hedging transactions will be permitted in connection with the efficient portfolio management of the Company. Borrowing will be permitted in accordance with the Regulations.

On giving 60 days notice to Shareholders, the Company 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 Company.

Subject to the above, the Company 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.

### **Performance**

The World's financial markets have staged a remarkable and dramatic rebound over the last six months with investor confidence improving significantly from the extreme lows in March. The global financial system which faced near collapse in late 2008 has been rescued by the concerted efforts of governments and central banks worldwide. With interest rates down to historic lows and unprecedented fiscal stimulus, liquidity has flooded the markets. In this environment, investors' appetite for risk assets has returned once more. Against this backdrop, the WAY MA Cautious Portfolio Fund rose by 17.72% against the IMA Cautious Managed Sector average fund 20.03% for the period under review.

## REPORT OF THE INVESTMENT ADVISER

(unaudited) for the period ended 30th September 2009 - continued

### Discrete Annual Performance

|                               | <b>*2008</b> | <b>YTD</b> |
|-------------------------------|--------------|------------|
| WAY MA Cautious Portfolio ACC | 4.59%        | 14.07%     |

### Cumulative Performance

#### Performance to 30th September 2009

|                               | <b>6 months</b> | <b>12 months</b> | <b>*Since Launch</b> |
|-------------------------------|-----------------|------------------|----------------------|
| WAY MA Cautious Portfolio ACC | 17.72%          | 8.08%            | 4.59%                |
| IMA Cautious Managed Sector   | 20.02%          | 7.68%            | 0.80%                |

Source: *Financial Express*. Total Return in £, income reinvested.

\* Launch date 23/06/2008

### Market Review

The much needed signs of stability in the World's financial markets failed to appear at the beginning of the year as the recession became much deeper than initially expected. The credit crisis deteriorated further as Western banks sank deeper into trouble with governments and central banks working overtime to provide bail outs and rescue packages. Prudent monetary policy was abandoned as interest rates were slashed close to zero. In addition, governments announced unprecedented fiscal measures in an attempt to support and reflate their failing economies. Understandably investors treated these actions with suspicion and fear, a sign of desperation on behalf of the authorities and we witnessed the classic capitulation in markets in March.

With equities now priced at bargain prices, value investors began to appear again. The announcement of Quantitative Easing in the US and UK, where authorities inject further liquidity into the markets by buying government and corporate bonds, also helped to ease investor fears. It was then that equity markets staged a strong rally together with credit and commodity markets on hopes of a recovery.

The rally in equities gathered pace in the second quarter as expectations of an economic recovery continued to grow. We saw a fall in volatility, improvement in interbank lending, credit spreads tightening and rising commodity prices. The "we're not bust rally" saw heavily indebted cyclical stocks surge, the so called injured and walking wounded of the market. The return of investors' appetite for risk saw emerging markets outperform developed markets, corporate bonds beat sovereign debt and smaller companies rise more than blue chips.

## **REPORT OF THE INVESTMENT ADVISER**

(unaudited) for the period ended 30th September 2009 - continued

### **Market Review - *continued***

Banks in the UK and US underwent a stress test to determine their ability to withstand further damage from a global slowdown. Even though the results of in the UK were not disclosed and the rigor of the US examination questionable, the effect on sentiment was positive. With the threat of nationalisation abating, the banking sector led the rebound in markets. These results also helped confidence in the money markets and LIBOR returned to levels seen before the Lehman Brothers collapse last September. Against this background corporate bonds made good headway. On the other hand, government bonds were weak with concerns over ever increasing supply and a change of investor attitude to risk assets.

After the sharp rebound in risk assets in early March, the rally stalled in June. The market consolidated as investors grew increasingly concerned about the lack of hard evidence of economic recovery as opposed to less bad news. In recent weeks an improvement in economic data and more upbeat earnings revisions have boosted investors' confidence in the global economic recovery. Developed economies such as Germany, Japan and Australia have already come out of recession, the US and UK should return to growth fairly soon.

### **Portfolio Activity**

After a broad market rally, we believe dispersion in sectors and individual stocks will reappear. A market which is willing to reward winners will suit the active fund managers. As such we have begun to sell down our holdings in index tracking Exchange Traded Funds in favour of active stock pickers. This theme is best highlighted in the overseas markets and we have invested in AXA Framlington American Growth Fund. This Fund has been managed for over a decade by Stephen Kelly who has a focus on growth and quality. Our fixed interest holdings have also been reviewed and we made the switch from corporate bond to strategic bond funds. Funds such as Legal & General Dynamic Bond Trust and M&G Optimal Income allow experienced fund managers to tactically asset allocate across all bond sectors. Finally we have added some new names to absolute return holdings, Artemis Strategic Assets, Absolute Insight UK Equity Neutral Fund and Blackrock Hedge Selector.

## **REPORT OF THE INVESTMENT ADVISERS**

(unaudited) for the period ended 30th September 2009 - continued

### **Outlook**

There are signs of the emergence of more stable economic data and the markets are no longer anticipating a depression or a slump but rather a severe recession. Whilst many investors have decided that the fiscal and monetary stimulus will eventually succeed in leading to a recovery, the question now is how sustainable is this recovery when the economic fundamentals remain poor? Unemployment continues to rise against a background of high levels of indebtedness amongst the government, businesses and households. The fact that corporate earnings continue to surprise is more a reflection of the behavior of analysts who have swung from too optimistic to overly pessimistic in less than a year. For now corporate earnings are being driven more by cost cutting than sales or revenue growth. However, we believe that we have seen the worst in terms of this economic slowdown and that next year will see the beginnings of a recovery. Interest rates will stay low for now and short term the risk is deflation rather than inflation. In this environment we continue to favour equities and corporate bonds.

With effect from 5th June 2009 the Investment Adviser to the Fund changed to North Investment Partners Limited, Lion House, Red Lion Street, London, WC1R 4GB. The same Fund Management team will continue to be responsible for the management of the OEIC and as such there will be no change to the day to day running of the fund and investment style employed.

Source: North Investment Partners

14th October 2009

## PERFORMANCE RECORD

### Fund Size

| Date                | Net asset value (£) | Net asset value pence per share |        | No. of shares in issue |           |
|---------------------|---------------------|---------------------------------|--------|------------------------|-----------|
|                     |                     | Accumulation                    | Income | Accumulation           | Income    |
| 31st March 2009     | 4,705,903           | 88.92                           | 88.91  | 1,002,716              | 4,289,872 |
| 30th September 2009 | 6,081,545           | 104.29                          | 104.27 | 1,020,918              | 4,811,148 |

### Share Price Range

| Calendar Year | Accumulation Shares |                | Income Shares   |                |
|---------------|---------------------|----------------|-----------------|----------------|
|               | Highest (pence)     | Lowest (pence) | Highest (pence) | Lowest (pence) |
| 2008*         | 101.81              | 87.65          | 101.81          | 87.65          |
| 2009**        | 104.59              | 85.93          | 104.58          | 85.93          |

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

### Other Relevant Prices

| Date                |               | Accumulation Shares | Income Shares   |
|---------------------|---------------|---------------------|-----------------|
|                     |               | Pence per share     | Pence per share |
| 23rd June 2008      | Launch Date   | 100.00              | 100.00          |
| 30th September 2009 | Accounts Date | 104.59              | 104.58          |
| 19th November 2009  | Latest Date   | 106.11              | 106.11          |

### Total Expense Ratio (TER)

It is the Investment Manager's policy to calculate the TER in line with the audited report and financial statements after completing a full twelve months of trading following the launch date. The first occurrence for this Fund is scheduled to be the 31st March 2010 and as such has not yet been produced.

### Portfolio Turnover 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 transaction in securities and is expressed as a percentage of the fund's average net asset value.

The PTR of the Fund as at 30th September 2009 was 275.42%

## **Authorised Status**

WAY MA Cautious Portfolio 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 14 were approved by the ACD and signed on its behalf by:

A Stevens (Director)

V Hoare (Director)

30th November 2009

## PORTFOLIO STATEMENT

(unaudited) as at 30th September 2009

| Holding  | Market Value<br>£ | Percentage<br>of total<br>net assets<br>% |
|--|-------------------|---|
| <b>Europe 7.69% (14.22%)</b>                   |                   |   |
| 59,801 Neptune European Opportunities          | 196,506           | 3.23                                      |
| 653,748 Premium Portfolio Pan Europe Property  | 271,135           | 4.46                                      |
|  | <b>467,641</b>    | <b>7.69</b>                               |
| <b>Europe - Equity 0.21% (0.00%)</b>           |                   |   |
| 17,000 Medix                                   | <b>12,495</b>     | <b>0.21</b>                               |
| <b>Europe - Investment Trust 0.96% (0.00%)</b> |                   |   |
| 78,166 FRM Credit Alpha Preference Fund        | <b>58,625</b>     | <b>0.96</b>                               |
| <b>Far East 12.26% (1.79%)</b>                 |                   |   |
| 14,513 Chirin Asia Absolute Alpha "I"          | 167,340           | 2.75                                      |
| 135,836 First State Asia Pacific Leaders       | 397,307           | 6.53                                      |
| 58,490 First State Greater China Growth        | 181,471           | 2.98                                      |
|  | <b>746,118</b>    | <b>12.26</b>                              |
| <b>Far East Investment Trust 0.41% (0.36%)</b> |                   |   |
| 1,400 INVESCO Asia Trust                       | 8,698             | 0.14                                      |
| 7,000 INVESCO Asia Trust Sub Shares            | 231               | 0.00                                      |
| 10,000 Schroder Asia Pacific                   | 16,400            | 0.27                                      |
|  | <b>25,329</b>     | <b>0.41</b>                               |
| <b>Global 4.19% (0.26%)</b>                    |                   |   |
| 83,804 Allianz RCM Bric Stars (Acc)            | 130,465           | 2.15                                      |
| 56,248 Investec Global Energy Series II        | 123,869           | 2.04                                      |
|  | <b>254,334</b>    | <b>4.19</b>                               |
| <b>Japan 1.86% (0.98%)</b>                     |                   |   |
| 135,113 Martin Currie Japan Alpha              | <b>112,847</b>    | <b>1.86</b>                               |
| <b>United Kingdom 49.39% (57.87%)</b>          |                   |   |
| 332,508 Artemis Strategic Assets               | 176,395           | 2.90                                      |
| 5,150 BlackRock Gold and General               | 58,762            | 0.97                                      |
| 1,974 BlackRock UK Special Situations (Inc)    | 22,204            | 0.37                                      |
| 113,895 Cazenove Absolute Return UK Dynamic    | 114,248           | 1.88                                      |

## PORTFOLIO STATEMENT

(unaudited) as at 30th September 2009

| Holding   | Market Value<br>£ | Percentage<br>of total<br>net assets<br>% |
|---|-------------------|---|
| <b>United Kingdom - Continued</b>                     |                   |   |
| 29,000  | 18,270            | 0.30                                      |
| 485,719   | 614,434           | 10.10                                     |
| 102,040   | 110,275           | 1.81                                      |
| 116,399   | 116,399           | 1.91                                      |
| 144,479   | 156,775           | 2.58                                      |
| 67,489  | 67,489            | 1.11                                      |
| 131,400   | 678,944           | 11.16                                     |
| 26,000  | 238,160           | 3.92                                      |
| 524,265   | 314,454           | 5.17                                      |
| 25,497  | 23,598            | 0.39                                      |
|   | <b>3,003,268</b>  | <b>49.39</b>                              |
| <b>United Kingdom- Investment Trust 2.10% (1.36%)</b> |                   |   |
| 119,000   | 118,405           | 1.95                                      |
| 19,000  | 9,025             | 0.15                                      |
|   | <b>127,430</b>    | <b>2.10</b>                               |
| <b>United States Of America 13.02% (10.79%)</b>       |                   |   |
| 65,548  | 119,428           | 1.96                                      |
| 3,850   | 382,008           | 6.28                                      |
| 2,960   | 180,092           | 2.96                                      |
| 58,100  | 110,611           | 1.82                                      |
|   | <b>792,139</b>    | <b>13.02</b>                              |
| <b>Global Structured Products 7.18% (1.92%)</b>       |                   |   |
| 94,600  | 86,320            | 1.42                                      |
| 5,200,000   | 115,128           | 1.89                                      |
| 212,000   | 214,968           | 3.53                                      |
| 104,000   | 20,800            | 0.34                                      |
|   | <b>437,216</b>    | <b>7.18</b>                               |

## PORTFOLIO STATEMENT

(unaudited) as at 30th September 2009

| <b>Holding</b>                                     | <b>Market Value<br/>£</b> | <b>Percentage<br/>of total<br/>net assets<br/>%</b> |
|--|---------------------------|---|
| <b>Market Value Of Investments 99.27% (89.80%)</b> | <b>6,037,442</b>          | <b>99.27</b>  |
| Net other assets                                   | <b>44,104</b>             | <b>0.73</b>   |
| <b>Total net assets</b>                            | <b>6,081,546</b>          | <b>100.00</b>                                       |

Note: Comparative Figures in brackets relate to 31st March 2009

All holdings within the portfolio statement are Collective Investment Schemes unless

|  |                  |               |
|--|------------------|---------------|
| Collective Investment Schemes                    | 5,376,347        | 89.05         |
| Equities   | 223,879          | 3.71          |
| Structured Products                              | 437,216          | 7.24          |
| <b>Investments as shown in the balance sheet</b> | <b>6,037,442</b> | <b>100.00</b> |

## STATEMENT OF TOTAL RETURN

(unaudited) for the period ended 30th September 2009

|   | 2009       |                   |
|---|------------|-------------------|
|   | £'000      | £'000             |
| Income  |            |                   |
| Net Capital gain/(loss)   |            | 873               |
| Revenue   | 49         |                   |
| Expenses  | (47)       |                   |
| Finance costs: Interest   | -          |                   |
| Net revenue/(expense) before taxation   | <u>2</u>   |                   |
| Taxation  | <u>(1)</u> |                   |
| Net revenue/(expense) after taxation  |            | <u>1</u>          |
| <b>Total return before distributions</b>  |            | <b>874</b>        |
| <b>Change in net assets<br/>attributable to shareholders<br/>from investment activities</b> |            | <b><u>874</u></b> |

---

---

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS'

(unaudited) for the period ended 30th September 2009

|   | 2009         |                     |
|---|--------------|---------------------|
|   | £'000        | £'000               |
| <b>Opening net assets attributable to shareholders</b>                                      |              | <b>4,706</b>        |
| Amount receivable on issue of shares  | 661          |                     |
| Amounts payable on cancellation of shares   | <u>(158)</u> |                     |
|   |              | <b>503</b>          |
| Change in net assets attributable to<br>shareholders from investment activities (see above) |              | <u>873</u>          |
| <b>Closing net assets attributable to shareholders</b>                                      |              | <b><u>6,082</u></b> |

## BALANCE SHEET

(unaudited) as at 30th September 2009

|   | 30/09/09<br>£'000 | 31/03/09<br>£'000 |
|---|-------------------|-------------------|
| <b>Assets</b>                                 |                   |                   |
| Investment assets                             | <b>6,037</b>      | 4,226             |
| Debtors                                       | <b>16</b>         | 373               |
| Cash and bank balances                        | <b>42</b>         | 115               |
| Total other assets                            | <b>58</b>         | 488               |
| <b>Total assets</b>                           | <b>6,095</b>      | 4,714             |
| <b>Liabilities</b>                            |                   |                   |
| Bank overdrafts                               | <b>(1)</b>        | -                 |
| Total other liabilities                       | <b>(13)</b>       | (8)               |
| <b>Total liabilities</b>                      | <b>(13)</b>       | (8)               |
| <b>Net assets attributable to unitholders</b> | <b>6,082</b>      | 4,706             |

### 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 £nil from 'Currency gains', and to reduce 'Expenses' by £2,255, with a corresponding change in 'Net capital losses'.

## **GENERAL INFORMATION**

### **The Fund**

WAY MA Cautious Portfolio is an Investment Company with Variable Capital (ICVC). It was authorised by the Financial Services Authority with effect from 28th May 2008 and is categorised as a Non-UCITS Retail Scheme.

### **The Authorised Corporate Director ('ACD')**

The ACD is the sole director of WAY MA Cautious Portfolio 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 MA 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

### **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 1.45%.

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.

### **Publication of Prices**

The price of shares in the Fund is quoted daily on the web pages of Financial Express at [www.fundlistings.com](http://www.fundlistings.com).

## **GENERAL INFORMATION - continued**

### **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 MA Cautious Portfolio 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 2009/2010 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 MA 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 Funds and is only now being utilised to ensure its impact is not detrimental to the performance of the Funds.

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

Therefore with effect from the 15th March 2010 the Registrar's charge to the Funds 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 Funds).