



Mark Spedding  
+ 44 (0)20 7893 2426  
mark.spedding@fitzwilliamasset.co.uk

Pavan Varma  
+ 44 (0) 20 7893 3672  
pavan.varma@fitzwilliamasset.co.uk

Fitzwilliam Asset Management Limited  
55 Baker Street, London W1U 7EU  
T 020 7893 3588  
F 020 7487 3686  
E fitzwilliamOEIC@fitzwilliamasset.co.uk

[www.fitzwilliamasset.co.uk](http://www.fitzwilliamasset.co.uk)

Fitzwilliam Asset Management Limited is authorised and regulated by the Financial Services Authority.

Fitzwilliam Asset Management Limited is registered in England and Wales No 06236394. The registered office is 55 Baker Street, London W1U 7EU.

## The Elite Fitzwilliam OEIC

### Key Features

#### Elite Fitzwilliam OEIC

This document contains key information in relation to the 'Elite Fitzwilliam OEIC' ('the company'), which is an open ended investment company. This is an important document which you should read and understand prior to making an investment. You should retain it for future reference.

#### Legal structure

The Company is an open-ended investment company (OEIC) with variable capital which has been incorporated under the Open-Ended Investment Companies Regulations 2001 in the United Kingdom and is authorised by the Financial Services Authority as a Non-UCITS Retail Scheme, the date of incorporation was 28 March 2006. It is structured as an umbrella company with three sub-funds. The company is of unlimited duration.

This document refers to two of the sub-funds, the Elite Fitzwilliam Balanced Growth Fund and the Elite Fitzwilliam Strategic Bond Fund (together the 'Sub-Funds').

Unless otherwise defined, the terms in this document shall have the same meaning as in the full Fitzwilliam OEIC prospectus.

#### Investment information

##### How does an OEIC work?

You receive shares in your chosen sub-fund of the OEIC in exchange for the capital you invest. Each share represents an equal proportion of the assets of the sub-fund. Your capital may be used to purchase new assets. Over time, securities are bought and sold in the sub-fund, aiming to secure for you and other shareholders the maximum return in the form of income and/or capital growth, depending on the investment objective and policy adopted by such sub-fund. By investing your capital in a range of securities in this way, you can participate in a wide spread of investments regardless of the size of your investment.

A Depositary has control of all the investments held by an OEIC. The Depositary must act solely in the interests of the OEIC's shareholders, and also has responsibility for supervising certain activities of the Authorised Corporate Director (ACD) and through it the Investment Adviser, in accordance with the Financial Services and Markets Act 2000. The shareholders of the OEIC will not be liable for the debts of the OEIC. A shareholder is not liable to make any further payments after the price on the purchase of the shares has been paid.

## **What are the investment objectives and policies of the Fund?**

The investment objectives and policies of the sub-funds are set out below. The base currency of the company and its sub-funds is pounds sterling.

### **Elite Fitzwilliam Balanced Growth Fund**

The investment objective of this sub-fund is to provide long term capital growth by primarily investing and actively managing on a medium risk basis a diversified portfolio of units and/or shares in collective investment schemes worldwide.

As a balanced managed fund it is intended that the sub-fund will invest with some exposure to equity markets outside the UK. This exposure may be to any global market as the investment advisor sees fit with a view to improving returns for shareholders and therefore may include but not be limited to North America, Latin America, Emerging Europe, Japan, Asia Pacific and Australasia.

### **Elite Fitzwilliam Strategic Bond Fund**

The investment objective of this sub-fund is to maximise total return by investing primarily in other collective investment schemes and exchange traded funds which may invest in debt securities issued by supra-national bodies, national governments, local authorities, public authorities and companies in any sector of the world's economies including, without limitation, fixed income securities, floating rate notes, preference shares, and convertible securities.

These debt securities may comprise both investment grade and non-investment grade securities. Exchange traded funds are collective investment schemes whose shares are traded on investment exchanges worldwide.

### **Other asset classes**

Subject to the investment objectives and policies of the sub-funds as set out above, the additional asset classes in which the sub-funds are permitted to invest include transferable securities, money market instruments and deposits as permitted for non-UCITS retail schemes under the Collective Investment Schemes sourcebook (COLL) and in accordance with the Company's investment powers as summarised in the Prospectus. The sub-funds may utilise certain derivative instruments and forward transactions for the purpose of hedging the portfolio.

### **Who should invest in these sub-funds?**

The sub-funds are marketable to all eligible UK investors provided they can meet the minimum age and subscription levels. The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment

objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the sub-funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a financial adviser.

### **What happens to the income from my investment?**

For income shares, net income is distributed half-yearly to investors by the last day of April (final) and the last day of August (interim) in each year, provided sufficient income is available; in the case of accumulation shares net income is retained and accumulated for the benefit of investors and is reflected in the price of the shares.

### **Risk factors**

#### **What are the general risks involved in investing in a sub-fund?**

Any stock market investment involves risk. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply only to individual funds. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a financial adviser. Comment on the risks that an investor may be exposed to can also be found in the Prospectus.

#### **Market fluctuations**

The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in a sub-fund. There is no assurance that the investment objective of a sub-fund will actually be achieved. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on sub-funds heavily invested in that asset class or region.

#### **Tax**

The level and basis of taxation may be subject to change. Any change in a sub-fund's tax status or in legislation could affect the value of investments held by the sub-fund and affect the sub-fund's ability to provide the investor's return. See the section headed 'Taxation' in this document regarding further details in respect of the taxation of the fund.

#### **Inflation risk**

Returns will depend on your sub-fund's growth, interest rates and the effects of inflation over time.

#### **Performance risk**

There will be a variation in performance between sub-funds with similar objectives due to the different assets

selected. The degree of investment risk depends on the risk profile of the sub-fund you choose. Funds aiming for relatively high performance can incur greater risk than those adopting a more standard investment approach. This is because the Investment Advisor may seek more speculative investments for the sub-fund which, whilst having greater potential reward, may have a greater risk of loss. There is no guarantee for the performance of your investment and you may get back less than you put in. Past performance is not a guide to future returns.

### **Derivatives**

Derivatives may be used by the Funds for the purposes of reduction of risk, the reduction of cost and the generation of additional capital or income within an acceptably low level of risk.

### **What are the more specific risks involved in investing in any sub-fund, bearing in mind that risks may differ for each sub-fund?**

Each sub-fund has different areas of investment and its investment objective is listed above. The specific risks labelled below may also apply to your investment. Please note that these risks may be more relevant to some investors than others depending on their personal circumstances.

### **Currency exchange rates**

Although shares will be denominated in sterling, some of the assets of the sub-funds may be invested in securities denominated in foreign currencies. The return to investors will, therefore, be materially affected by changes in the relative value of sterling.

### **Additional capital risk – funds where charges are deducted from capital**

The ACD receives a periodic charge for managing the sub-fund. If this charge is taken from the Fund's capital this will increase the amount of income available for distribution but will constrain capital growth.

### **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 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 ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. There may be a possibility that an issuer may default on its obligations. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

### **Emerging markets**

Investment in emerging markets may expose the sub-funds to higher than usual volatility. Emerging markets may be considered less well regulated than the UK, they may be less liquid and may have less reliable custody arrangements. Political and adverse economic events may arise more readily and may potentially affect the value of investments.

### **Unregulated schemes**

The Company invests up to 20% of its assets in unregulated schemes, or schemes not covered by regulations equivalent to those in the United Kingdom. Such schemes may be less liquid than the equivalent regulated schemes.

### **Charges and expenses**

#### **What will I pay for my investment?**

The sub-funds are 'single priced'. The prices of shares for both buying and selling purposes will be the same and determined by reference to a particular valuation point. The shares in the sub-fund can be bought and sold at prices based on the value of the total assets of the sub-fund, minus their liabilities. This is known as the Net Asset Value, or NAV, of the Fund. The value of one unit is the total NAV divided by the number of shares in issue. This is calculated each business day at 9.00 p.m.

In certain cases a charge known as a 'dilution levy' may be applied to the purchase and sale of shares. See below for further details.

Your investment is subject to the following summary of charges\*:

**A preliminary charge** - A charge of up to 3.5% when you initially, and subsequently, invest in the sub-funds.

**An annual management charge (AMC)** – The AMC of 1.25% is taken from the capital or income of the sub-fund, depending on its investment objectives. It is illustrated as a % of the NAV of the Fund.

We will not increase our charges without giving at least 60 days' written notice to shareholders.

The sub-funds may invest in other collective investment schemes. These funds also have charges, which will indirectly affect your investment. These include a preliminary charge and annual management charge, however, the Investment Advisor negotiates discounts reducing the overall effect of these charges. The underlying funds will also incur additional attributable expenses similar to those mentioned below.

\* A complete range of the potential fees is shown in the full prospectus.

## What is a dilution levy?

Where the sub-fund buy or sell underlying investments in response to a request for the issue or redemption of shares, they will generally incur a cost, made up of dealing costs and any spread between the buying and selling prices of the investments concerned, which will not be reflected in the amount paid by or to the shareholder. This effect is referred to as “dilution”. It is not possible to predict accurately whether dilution will occur at any point in time. With a view to reducing this cost (which, if material, disadvantages continuing shareholders and could adversely affect the future growth of the sub-fund) the ACD is entitled to require payment of a “dilution levy” to be added to the issue price or deducted from the redemption price of shares as appropriate. This levy is paid directly into the relevant sub-fund and it is intended to reduce the effect of dilution on the future growth of the sub-fund.

The ACD’s policy is that it may charge a dilution levy, at its absolute discretion, where:

- the underlying transaction is a “large deal”, which means a single transaction representing an amount greater than 2% of the NAV of the relevant sub-fund;
- a series of related or unrelated transactions when added together amount to a “large deal”. On occasions where the dilution levy is not applied, there may be an adverse impact on the future growth of the sub-fund.

It is not possible to predict with any accuracy how frequently the ACD may charge a dilution levy.

## How do charges and expenses affect your investment?

These tables are an example showing the effects of the total charges on what you might get back on your investment. The effect on an investment of £10,000 assuming growth of 6% a year is set out below. These figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment. What you get back will depend on how your investment grows. You could get back more or less than the figures shown. (Investments held within an ISA may achieve a higher growth rate than those held outside such products because of their tax benefits.)

Please remember that inflation will reduce what you can buy in the future with the amount shown. Dealing costs are not included.

### Elite Fitzwilliam Balanced Growth Fund

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £4,164. Putting it another way, this would have the same effect as

bringing investment growth from 6% a year down to 3.2%.

At the end of year	Investment to date	Accumulation shares	
		Effect of deductions to date	What you might get back at 6% growth a year
1	£10,000	£591	£10,009
3	£10,000	£1,171	£10,740
5	£10,000	£1,858	£11,524
10	£10,000	£4,164	£13,745

### Elite Fitzwilliam Strategic Bond Fund Historic yield 5.60% (net 4.40%)

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £3,888 for income shares and £4,274 for accumulation shares. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 3.4% for income shares and 3.1% for accumulation shares.

At the end of the year	Investment to date	Income shares			Accumulation shares	
		Effect of deductions to date	Income paid out to date	What you might get back at 6% growth a year	Effect of deductions to date	What you might get back at 6% growth a year
1	£10,000	£598	£244	£9,754	£600	£10,000
3	£10,000	£1,173	£739	£9,941	£1,197	£10,714
5	£10,000	£1,828	£1,244	£10,132	£1,905	£11,478
10	£10,000	£3,888	£2,550	£10,624	£4,274	£13,635

## What are the other charges?

The Total Expense Ratio (“TER”) is the estimated annual percentage change in relation to largely fixed operating costs (annual management charge, administration fees, audit fees etc). The TERs show the annual operating expenses of the sub-funds including the cost of the underlying funds.

All funds registered in the European Union highlight the TER to help you compare the annual operating expenses of different schemes. The estimated TERs for the sub-funds are as follows.

FUND	TER (%)
Elite Fitzwilliam Balanced Growth Fund	2.20
Elite Fitzwilliam Strategic Bond Fund	2.08

These expenses are normally paid from a Fund’s income and will only be taken from capital if there is not enough income to cover them. Previous TERs can be obtained from the ACD.

## What are dealing costs and Portfolio Turnover Rate ('PTR')?

There are costs associated with buying and selling shares that include broker commission and Stamp Duty Reserve Tax ('SDRT'), currently 0.5% on the purchase of shares. The PTR represents the percentage of the sub-fund's portfolio that is bought and sold over a 12 month period. If the PTR is high, the costs incurred may have a higher impact on your investment. At the same time, active management may mean that changing investments increases the performance of the sub-fund sufficiently to outweigh these costs. The PTR is calculated and quoted in the final audited report and accounts for the sub-funds. The PTR calculation formula is laid out below:

$$\frac{(\text{Purchase of securities} + \text{Sale of securities}) - (\text{Subscription of shares} + \text{Redemption of shares})}{(\text{Average fund value over 12 months})} \times 100$$

FUND	PTR (%) × 100
Elite Fitzwilliam Balanced Growth Fund	44.90
Elite Fitzwilliam Strategic Bond Fund	68.57

## Economic information

### Taxation

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the sub-fund or to all categories of investors, some of whom may be subject to special rules. Investors and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting, or otherwise disposing of the units under the laws of their country of incorporation, establishment, citizenship, residence or domicile and in light of their particular circumstances.

The Fund is exempt from UK tax on capital gains but is liable to Corporation Tax at the lower rate of income tax (20%) on its income, other than dividends from UK companies, less its expenses of management.

### How much tax will I pay?

The rates of, and any relief from, taxation depend on your own personal circumstances and are likely to vary over time. The information given below is based on our current understanding of HM Revenue & Customs practice. It summarises the position of individual investors who are UK resident. If you are unclear of your own tax position you should take professional advice.

One of the factors that will affect your tax position is whether your distribution comes from interest or from dividends i.e. from bond funds or equity funds. It is likely that the income paid from the Strategic Bond Fund will be

interest and that from the Balanced Growth Fund will be dividend.

### Capital gains tax

If your realised gains from all investments do not exceed the capital gains tax exemption (£10,100 for 2009/2010 tax year), you will not pay any capital gains tax. Any realised gains over this exemption will be taxed at your marginal rate of income tax.

### Income tax

Distributions, whether they are paid out or accumulated, are treated as income for tax purposes. They will be in one of two forms, as follows:

Dividend distributions (Equity Funds) – These carry a tax credit of 10%. Non-taxpayers can no longer reclaim this credit. If you are a lower or basic rate taxpayer, you will not pay any further tax. Higher rate taxpayers will be liable to income tax on their grossed up dividend income at the rate of 32.5% but may offset the 10% tax credit against this. Higher rate taxpayers will therefore be liable to pay income tax equivalent to a rate of 25% of their net receipt. It is not possible for investors to reclaim any amount in respect of the tax credit.

Interest distributions (Bond/Fixed Interest Funds) - On receipt of an interest distribution, a UK resident individual shareholder will be deemed to receive a payment of annual interest (the "gross amount" of the interest distribution) from which tax has been deducted at source at the lower rate (currently 20%). A UK resident individual shareholder who is not liable to UK income tax will be able to reclaim payment from HM Revenue & Customs of the tax credit. In the case of a UK resident individual who is liable to tax at a higher rate, the tax credit will be set off against part of the higher rate tax liability.

To the extent that the interest distribution is sourced from "eligible income", a non-UK resident shareholder will receive this gross if he has certified that he is not ordinarily resident. Otherwise, shareholders resident outside the UK are treated for UK tax purposes as receiving a payment of annual interest from a UK company from which tax has been deducted at the lower rate. Such shareholders may be able to reclaim all or part of the amount deducted at source if there is in place a double taxation agreement between the UK and their jurisdiction of residence. The Strategic Bond Fund will normally distribute income as Interest.

Please see the taxation section in the Prospectus for further details.

## What is Stamp Duty Reserve Tax ('SDRT')?

HM Treasury regulations require a 0.5% SDRT charge to be imposed in respect of stampable assets, on the redemption of shares to the ACD and of any third party transfers for value (collectively, a 'surrender of shares'). This charge may have an adverse effect on the value of a sub-fund. The FSA rules allow the cost of SDRT to be met directly from a sub-fund's assets or to be recovered from investors on the purchase or redemption of units in a sub-fund. The ACD's full policy is contained within the Prospectus.

## Commercial information

### How do I buy, sell and switch shares?

Except during periods of temporary suspension, the Administrator will accept orders for the purchase, sale and switching of shares on normal business days. Instructions to issue, redeem or switch shares may be either in writing or by telephone. To confirm the transaction, a contract note or allocation letter will be issued by close of business on the next business day after the dealing date.

Instructions in writing should be sent to:

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

The minimum subscription amount for shares in each sub-fund is £5,000 or such lower amounts as may be determined by the ACD at its absolute discretion. The ACD will accept subscription payment by cheque up to an amount of £7,000, any amount above this figure must be placed electronically to the ACDs bank account.

### Can I change my mind?

If you receive advice from an authorised financial adviser on a face-to-face basis (a 'non-distance contract') you may, subject to the agreement you have with the financial adviser, qualify for cancellation rights which enable you to cancel your investment within 14 days of receipt by you of the Cancellation Notice. If you exercise your right to cancel and the value of your investment has fallen, the refund will be reduced by an amount equal to that fall in value. Please note that applications resulting from non face-to-face communication ('distance contracts') will not benefit from a right to cancel.

### Where can I find out how my investment is performing?

The prices of shares for each class of share in each sub-fund will be published daily on the website [www.fundlistings.com](http://www.fundlistings.com) (Financial Express). Prices can also be obtained by telephoning the Administrator on 01202 855 856 or by fax on 01202 855 850.

### Where can I obtain additional information?

Copies of the Prospectus, the latest annual and half yearly

reports where available, can be obtained from the Administrator, free of charge. Requests for additional information may be made to the Administrator during normal office hours, either in writing or by telephone to: 0870 606 6405.

We may record telephone conversations to offer you additional security, for the verification of facts, to resolve complaints and to improve our service standards. Conversations may also be monitored for staff training purposes.

## General information

### Does this Fund qualify for ISA investment?

Yes. Please contact your financial adviser for further information.

### What happens to my investment on death?

Shares in a sub-fund form part of your estate on death and, on production of the Death Certificate and the Grant of Probate or Letters of Administration, can be sold or re-registered in the names of the Executors or Administrators of the Estate or a beneficiary, or in the names of the surviving investor.

### Are there any compensation arrangements?

WAY Fund Managers Limited is covered by the Financial Services Compensation Scheme. You are entitled to compensation from a scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum limit of £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, 7th Floor, Lloyds Chamber, Portsoken Street, London, E1 8BN. Telephone 020 7892 7300.

### What is the governing law?

Any contract or relationship entered into with the ACD will be governed by the laws of England and Wales and will be subject to the exclusive jurisdiction of the English courts.

### How do I contact the FSA?

The FSA can be contacted at:  
Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

Telephone: from UK: 0845 606 1234 (local call rates); from overseas: +44(0)20 7066 1000.

Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

The Authorised corporate director believes that the Information in this document is correct as at April 2010.

## Contact details

### Authorised corporate director (ACD) and registrar

WAY Fund Managers Limited

Registered Office:

Cedar House

3 Cedar Park, Cobham Road

Wimborne, Dorset

BH21 7SB

(Authorised and regulated by the Financial Services Authority)

### Investment adviser

Fitzwilliam Asset Management Limited

55 Baker Street

London W1U 7EU

(Authorised and regulated by the Financial Services Authority)

### Marketing

Fitzwilliam Asset Management Limited

55 Baker Street

London W1U 7EU

E [operations@fitzwilliamasset.co.uk](mailto:operations@fitzwilliamasset.co.uk)

(Authorised and regulated by the Financial Services Authority)

### Administrator

The Bank of New York Mellon (International) Limited

The Bank of New York Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

T 0870 606 6405

(Authorised and regulated by the Financial Services Authority)

### Depositary

BNY Mellon Asset Servicing B.V.

The Bank of New York Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

(Authorised by the Dutch Central Bank (De Nederlandsche Bank) and regulated by both De Nederlandsche Bank and the Financial Services Authority)

### Auditors

Grant Thornton UK LLP

30 Finsbury Square

London EC2P 2YU