



WAY Fund Managers Limited

**EFA Allenbridge
Portfolio Fund**

Annual Report and Audited Financial Statements
for the period 14th July 2008 to 28th February 2010

Issue date: 9th June 2010

EFA Allenbridge Portfolio Fund

Authorised Corporate Director's Report and Accounts
for the period 14th July 2008 to 28th February 2010

Contents	Page
Management and Professional Service Details	2
Constitution	3
Report of the Investment Adviser	4
Portfolio Statement	8
Performance Record	10
Authorised Status	12
Directors' Statement	12
Statement of the Authorised Corporate Director's Responsibilities	13
Statement of the Depositary's Responsibilities & Report of the Depositary to Shareholders	14
Report of the Independent Auditor to the Shareholders	15
Statement of Total Return	18
Statement of Change in Net Assets Attributable to Shareholders	18
Balance Sheet	19
Notes to the Financial Statements	20
General Information	30

EFA Allenbridge 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
A Stevens

Investment Adviser

Capital Advisory Partner Limited
47 Montpelier Square
London
SW7 1JX

Depository

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

Registrar

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

REPORT OF THE DIRECTOR

CONSTITUTION

EFA Allenbridge Portfolio ("the Company") is an open-ended investment company with variable capital incorporated in England and Wales (number: IC000592) under the OEIC Regulations. It is a "Non-UCITS Retail Scheme" which complies with Chapter 5 of the Collective Investment Schemes sourcebook ("COLL") issued by the Financial Services Authority structured as an "umbrella" company. It is authorised and regulated by the FSA with effect from 31st January 2008. The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.

The Company currently has one sub-fund:

- EFA Strategic Alpha Fund

GENERAL

As a sub-fund is not a legal entity, if the assets attributable to any one sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to the other sub-funds of EFA Allenbridge Portfolio Fund.

REPORT OF THE INVESTMENT ADVISER:

EFA Strategic Alpha Fund

for the period 14th July 2008 to 28th February 2010

Investment Objective and Policy

The objective of the Fund is to provide capital growth.

The Fund will achieve its investment objective by gaining exposure to a diversified portfolio of equity, fixed interest investments and cash, selected from various markets worldwide, through investment in a portfolio of collective investment schemes, transferable securities (including investment trusts), warrants, deposits and money market instruments.

The portfolio will be actively managed and normally remain fully invested save for such operational liquidity as is required from time to time. The assets of the Fund will be managed in such a way that the units in the Fund will be qualifying investments for Individual Savings Accounts.

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 under the terms of 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.

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.

Performance of the Fund (period to 28th February 2010)

Since launch on 14th July 2008, the Fund has outperformed the Active Managed Sector with a return of 5.26% compared to the benchmark return of 3.82%. The Fund achieved this return with significantly less downside volatility than the sector.

Over a twelve months period to the end of February 2010, the Fund returned 22.21% compared to the benchmark return of 35.87%, a function of deliberately having less Beta (0.70) than the benchmark, with a more broadly diversified portfolio.

REPORT OF THE INVESTMENT ADVISER:

EFA Strategic Alpha Fund

for the period 14th July 2008 to 28th February 2010 - continued

	6 months	12 months	Since 14/07/2008
EFA Strategic Alpha Fund	7.22%	22.21%	5.26%
IMA Active Managed Sector	8.49%	35.87%	3.82%

Discrete Performance

	Since 14/07/2008	2009	YTD
EFA Strategic Alpha Fund	-9.41%	16.93%	-0.63%

Source: Financial Express. Total return (bid price to bid price). Net income reinvested.

Portfolio Review

While the Fund has a 'relative return' benchmark and the core of the portfolio is invested in 'long-only' equity managers, part of our investment philosophy is to temper downside equity volatility through the use of 'alternative asset' managers.

Since launch in July 2008 to the end of February 2010, the Fund has outperformed its benchmark and has achieved this result on a superior risk-adjusted basis. We plan to continue to allocate a portion of the portfolio to 'alternative' managers (c. 20-30% of assets), which should provide a source of 'alpha', (or market outperformance), should markets trade sideways over 2010.

During the twelve month to the end of February 2010, our 'alternative' managers consisted of absolute return funds, invested in both fixed income and equities. Examples include: Threadneedle Absolute Return Bond Fund and BlackRock UK Absolute Alpha. We also hold L&G Dynamic Bond (Strategic Bond) and a hedge fund via BH Macro Ltd.

These holdings, which we regard as stabilisers in the Fund, helped it to outperform the benchmark during the first and last quarters (Q1 & Q4) of 2009. The first quarter saw the FTSE fall to its nadir at below 3,500 in early March, and in the last quarter, markets' confidence was dented with the possibility of the early withdrawal of fiscal stimulus across the developed world in October and the fallout from Dubai World reneging on its debts in November.

However, the unprecedented acceleration in equity returns over the second and third quarters of 2009, which led to the strongest equity recovery over one year for a decade, meant that the Active Managed sector benchmark, which has a predominant equity bias, outperformed the Fund over the period under review (twelve months to the end of February 2010).

REPORT OF THE INVESTMENT ADVISER:

EFA Strategic Alpha Fund

for the period 14th July 2008 to 28th February 2010 - continued

While stock market returns over 2009 were spectacular, with the FTSE All-Share Index returning 30% over the year, one should not forget that the same index lost 30% of its value over 2008. Extreme market movements characterised 2009 and against this volatile background, our strategy was to retain our absolute return fund holdings against the threat that markets might again move swiftly against us, with the very real possibility of a 1930s-style 'double-dip' recession in the offing.

Indeed, it was only at the very end of 2009, that the VIX Index, (a measure of implied volatility reflecting investor sentiment towards the S&P 500, the world's leading equity market barometer), subsided to the mid-20s, to a range more akin to the levels which were 'normal' before the collapse of Lehman Brothers in September 2008, when the index hit a record high of 89. Throughout most of 2009, the indicator traded well above the norm, implying heavy aversion to risk, touching 53 during the first quarter.

Progressively through 2009 and the period under review, we increased the weighting to equity fund managers and added to higher beta (meaning market average performing) sectors, such as Emerging Markets, whilst still retaining a good proportion of the Fund in absolute return managers.

This is shown by the rotation of managers in the top five fund holdings and the cash weightings. Thus, at the end of February 2009, the top five fund holdings were all absolute return funds or fixed income/bond managers. Cash was 16%. Over the next few months, cash was reduced and a greater emphasis was placed on equity managers, so that from the end of August 2009 to the end of February 2010, only one alternative investment fund featured in the top five (either BlackRock UK Absolute Alpha or BH Macro Ordinary) with the remainder being allocated to First State Asia Pacific Leaders, Investec Enhanced Natural Resources, Ignis HEXAM Global Emerging Markets, and Neptune Global Equity, and cash fell below 5%.

Market Outlook

Central Bank and Government intervention, through a combination of aggressive interest rate cuts and extraordinary levels of liquidity injected into the system through 'Quantitative Easing', has staved off a major recession. Credit spreads have narrowed dramatically and equity markets have witnessed a spectacular turnaround since their March 2009 lows, at a pace not seen since the end of the Great Depression of the 1930s. A backdrop of improving growth conditions and low interest rates should continue to be supportive of equities, and we feel that the Fund is now well positioned to take advantage of this over the long term.

REPORT OF THE INVESTMENT ADVISER:

EFA Strategic Alpha Fund

for the period 14th July 2008 to 28th February 2010 - continued

Going into 2010, we expect equity markets to trade sideways, with the path to recovery being a choppy one, but are optimistic that equities can provide further upside over the year. January witnessed a pullback in markets as a result of tightening in China, sovereign default fears in Greece and President Obama's proposals to rein in risk in the banking sector. February saw equity markets finish on a much firmer footing, as fears over Greece subsided, positive employment data flowed out of the US, and the Federal Reserve indicated that it would keep the primary instrument of monetary policy, the Fed funds rate, low as long as inflation remains benign. On balance, we have a positive outlook towards equity markets and continue to favour weighting the Fund to a wide spectrum of managers to provide three dimensions: a core in developed equity markets, exposure to alternative investments and an allocation to developing markets through Asian and Emerging Market economies.

Additional Information

The Fund's prospectus allows for derivatives to be used for investment purposes, provided that prior notification to use these powers is communicated to the FSA and shareholders. In the fourth quarter of 2009 we applied to use this provision, which means that we can use derivatives in the Fund at any time in the future.

Although the powers are wide-ranging, our primary objective will be to use derivatives to protect capital in the Fund by hedging equity and/or foreign currency exposure in the portfolio should we feel that market conditions demand it. These powers were enabled on the 1st of February 2010.

Jason Day

Investment Adviser to the Fund

10th March 2010

PORTFOLIO STATEMENT

as at 28th February 2010

Holding	Market Value £	Percentage of total net assets %
Asia 15.64%		
330,528 First State Asia Pacific Leaders Fund 'B' (Acc)	971,883	7.69
538,917 Jupiter China Fund (Acc)	480,606	3.80
1,225 Veritas Asian Fund 'A'	524,526	4.15
	1,977,015	15.64
Europe 9.22%		
487,795 Ignis Argonaut European Absolute Return Fund (Acc)	515,523	4.08
515,008 Neptune European Max Alpha Fund 'B' (Acc)	648,931	5.14
	1,164,454	9.22
Global 21.79%		
1,201 Barclays Capital Celsius Radar Fund	592,238	4.69
456,699 First State Global Listed Infrastructure Fund (Acc)	848,680	6.72
505,312 Ignis HEXAM Global Emerging Markets Fund (Acc)	481,726	3.81
318,813 Neptune Global Equity Fund 'B' (Acc)	829,520	6.57
	2,752,164	21.79
Japan 2.40%		
107,713 Neptune Japan Opportunities Fund 'B'	303,213	2.40
United Kingdom 38.54%		
757,683 AXA Framlington Biotech Fund (Acc)	154,936	1.23
37,061 AXA Framlington UK Select Opportunities Fund	985,633	7.80
438,478 BlackRock UK Absolute Alpha Fund (Acc)	610,545	4.83
857,744 Investec Enhanced Natural Resources Fund	536,258	4.24
460,126 JO Hambro UK Opportunities Fund (Acc)	607,876	4.81
943,119 Jupiter Absolute Return Fund (Acc)	588,339	4.66
818,060 Legal & General Dynamic Bond Trust (Acc)	335,881	2.66
1,000,125 Legal & General Growth Fund (Acc)	454,678	3.60
563,004 Standard Life UK Equity Recovery Fund (Acc)	595,425	4.71
	4,869,571	38.54
United States 6.52%		
368,474 Martin Currie North American Alpha Fund 'B' (Acc)	382,476	3.03
114,264 Neptune US Maximum Alpha Fund 'B' (Acc)	163,969	1.30
135,543 Neptune US Opportunities Fund 'B' (Acc)	276,643	2.19
	823,088	6.52

PORTFOLIO STATEMENT

as at 28th February 2010 - continued

Holding	Market Value £	Percentage of total net assets %
Europe Investment Trust 2.70%		
36,725 BH Macro	340,864	2.70
	<hr/>	<hr/>
Market Value of Investments 96.81%	12,230,369	96.81
Net other assets	402,635	3.19
	<hr/>	<hr/>
Net assets	12,633,004	100.00
	<hr/>	<hr/>

There are no comparatives as the Fund launched on 14th July 2008.

All holdings are Collective Investment Schemes unless stated otherwise

Portfolio of Investments	Market Value £	Percentage of Investments %
Collective Investment Schemes	11,889,505	97.21
Investment Trusts	340,864	2.79
	<hr/>	<hr/>
	12,230,369	100.00
	<hr/>	<hr/>

PERFORMANCE RECORD

Fund Size

Institutional Sterling (£) <i>as at</i>	Total Net asset value (£)	Institutional Number of shares Accumulation	Net asset value pence per share Accumulation
28th February 2010**	1,596,003	1,512,935	105.49

Retail Sterling (£) <i>as at</i>	Total Net asset value (£)	Retail Number of shares Accumulation	Net asset value pence per share Accumulation
28th February 2010**	11,037,001	10,461,172	105.50

**14th July 2008 to 28th February 2010

Share Price Range

Calendar Year	Accumulation Shares Institutional Sterling		Accumulation Shares Retail Sterling (£)	
	Highest (pence)	Lowest (pence)	Highest (pence)	Lowest (pence)
2008*	-	-	102.00	81.02
2009	106.36	86.71	105.93	84.30
2010***	108.59	102.38	108.13	101.91

*14th July 2008 to 31st December 2008

***1st January 2010 to 28th February 2010

Other Relevant Prices

Date		Accumulation Shares Institutional Sterling Price (pence)	Accumulation Shares Retail Sterling (£) Price (pence)
14th July 2008	Launch Date	-	100.00
16th March 2009	Creation Date	86.71	-
28th February 2010	Accounts Date	105.77	105.26
6th April 2010	Latest Date	111.78	111.18

PERFORMANCE RECORD - CONTINUED

Net Accumulation Distribution

Calendar Year	Accumulation Shares Institutional Sterling Per £1,000		Accumulation Shares Retail Sterling (£) Per £1,000	
	Pence per share	invested at 16/03/2009 £	Pence per share	invested at 14/07/2008 £
2010	-	-	-	-

Total Expense Ratio (TER)

The TER of the Fund as at:
28th February 2010

Retail Accumulation - 2.63%

Institutional Accumulation - 2.13%

Portfolio Turnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the sub-fund over the course of a twelve month period. The PTR is calculated by taking the sum of all transaction in securities less the sum of all transactions in the sub-fund's shares and is expressed as a percentage of the sub-fund's average net asset value.

The PTR of the Fund was 114.82%

Authorised Status

EFA Allenbridge 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 18 to 28 were approved by the ACD and signed on its behalf by:

A Stevens (Director)

V Hoare (Director)

WAY Fund Managers Limited

9th June 2010

Statement of the Authorised Corporate Director's Responsibilities

The Financial Services Authority's Collective Investment Schemes sourcebook requires the Authorised Corporate Director to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Company and of its revenue/expenditure and net capital gains or losses for the period. In preparing those financial statements the Authorised Corporate Director is required to:

- comply with the Prospectus, UK generally accepted accounting principles and applicable UK accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- select suitable UK accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds.

The Authorised Corporate Director is required to keep adequate accounting records and to manage the Company in accordance with the Regulations and the Prospectus. The Authorised Corporate Director is responsible for taking steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary’s Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of EFA Allenbridge Portfolio Fund (“the Company”)

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Services Authority’s Collective Investment Scheme sourcebook (COLL), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations) and the Company’s Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company’s shares and the application of the Company’s income in accordance with the COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited
20 Churchill Place

9th June 2010

Report of the Independent Auditor to the Shareholders of EFA Allenbridge Portfolio Fund

We have audited the financial statements of EFA Allenbridge Portfolio Fund for the period from 14 July 2008 to 28 February 2010. These financial statements consist of the statement of total return, the statement of change in net assets attributable to shareholders, balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook issued by the Financial Services Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director and the auditor

The Authorised Corporate Director's responsibilities for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation are set out in the Statement of the Authorised Corporate Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation. We also report to you whether in our opinion the information given in the Authorised Corporate Director's Report (which comprises the management and professional service details, the Report of the Director on page 3, the Report of the Investment Advisor on pages 4 to 7, the portfolio statement on pages 8 and 9 and the authorised status on page 12) is consistent with the financial statements, and state whether we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In addition we report to you if, in our opinion, proper accounting records for the Company have not been kept, or if the financial statements are not in agreement with those records.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the performance record. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authorised Corporate Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion on financial statements arising from incorrect length of accounting period

These first financial statements have been prepared for the period from 14 July 2008 to 28 February 2010. The Financial Services Authority's Collective Investment Schemes sourcebook in rule 6.8.2 (3) and (4) requires that the first financial statements should have been prepared for the period from 14 July 2008 to 28 February 2009, followed by the financial statements for the year to 28 February 2010.

Except for the omission of financial statements for the period to 28 February 2009, and of the statement of total return and statement of change in net assets attributable to shareholders for the year to 28 February 2010, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the Company as at 28 February 2010 and of the net revenue and net capital gains on the scheme property of the Company for the period then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association in November 2008, the Financial Services Authority's Collective Investment Schemes sourcebook, and the Instrument of Incorporation; and
- the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

We have been given all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton UK LLP
Registered Auditor and Chartered Accountants
London, England

9th June 2010

STATEMENT OF TOTAL RETURN

for the period 14th July 2008 to 28th February 2010

		2010	
	Notes	£'000	£'000
Income			
Net capital gains	4		1,465
Revenue	6	149	
Expenses	7	(183)	
Finance costs: Interest	9	-	
Net expense before taxation		(34)	
Taxation	8	(5)	
Net expense after taxation			(39)
Total return before distributions			1,426
Finance costs: Distribution credit	9		2
Change in net assets attributable to unitholders			1,428

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period 14th July 2008 to 28th February 2010

	2010	
	£'000	£'000
Opening net assets attributable to shareholders		-
Amount receivable on creation of shares	12,050	
Less: Amounts payable on cancellation of shares	(846)	
		11,204
Change in net assets attributable to shareholders from investment activities (see above)		1,428
Dilution levy		3
Stamp duty reserve tax		(2)
Closing net assets attributable to shareholders		12,633

BALANCE SHEET
as at 28th February 2010

	Notes	2010 £'000
Assets		
Investment assets		<u>12,230</u>
Current Assets		
Debtors	10	138
Cash and bank balances		<u>469</u>
Total other assets		<u>607</u>
Total assets		<u>12,837</u>
Liabilities		
Creditors	11	(145)
Bank overdrafts		<u>(59)</u>
Total liabilities		<u>(204)</u>
Net assets attributable to shareholders		<u><u>12,633</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010

1. Accounting Policies

a) Basis of Preparation

The financial statements have been prepared 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).

b) Valuation of Investments

All investments are valued at their bid price or in the case of shares in open-ended investment companies, their single price at as at 12 noon on 26th February 2010, being the last working day of the accounting period.

c) Revenue

Distributions from Collective Investment Schemes are recognised when the security is quoted ex-distribution. Revenue from quoted equities is recognised net of attributable tax credits when the security is quoted ex-dividend. Bank interest and other revenue is recognised on an accruals basis.

d) Expenses

For accounting purposes, all expenses (other than those relating to the purchases and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

e) Taxation

Any relevant tax is included in the property of the Company.

Corporation tax is provided for at a rate of 20%. Deferred tax is provided in respect of timing difference that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not to be recoverable.

2. Distribution Policies

a) Basis of Distribution

When appropriate the Company will allocate any surplus revenue as an accumulation.

b) Equalisation from Collective Investment Schemes

The first distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of income included in the price paid for units. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit. Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed.

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

3. Risk Management Policies

The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund.

Market risk - arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements;

The Investment Adviser regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk/reward profile that is acceptable;

With effect from February 2010 the Fund may use certain derivatives instruments for the purpose of investment in addition to use for hedging. Such investments include, without limitation, forward transactions, futures and options. The ACD monitors the use of derivatives instruments, where applied and does not anticipate that there use would significantly impact on the risk profile of the Fund;

Liquidity risk - the Fund's assets comprise mainly realisable securities, which can be readily sold. The Fund may also hold unregulated funds and/or unapproved securities up to a limit of 20% of the Fund value, the liquidity of which may be lower than their regulated and approved equivalents. The main liability of the Fund is the redemption of any shares that investors wish to sell. Liquidity levels are reviewed daily to ensure that Fund is managed in accordance with its objectives and policies and that sufficient liquidity is held to meet redemptions;

Foreign currency risk - the Fund's financial assets and liabilities are invested in a variety of asset classes, some of which may be valued in currencies other than Sterling. As a result, the Fund may have both direct and indirect exposure to foreign currency movement which may affect the Sterling value of the portfolio. The Investment Advisor accepts these risks in managing the Fund in accordance with its objectives and policies and has the ability to hedge an exposure to currency should they consider it to be beneficial to the Fund;

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

3. Risk Management Policies - *continued*

Counterparty risk - certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. Where applicable the Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, these limits are reviewed regularly.

4. Net capital gains

The net capital gains comprise:

	2010 £'000
Non-derivative securities	1,470
Security transaction charges	<u>(5)</u>
Net capital gains	<u><u>1,465</u></u>

5. Purchases, Sales and Transaction Costs

Analysis of total costs:

	2010 £'000
Purchases in period before transaction costs	14,199
Commissions	1
Total purchase costs	<u>1</u>
Gross purchase costs	<u><u>14,200</u></u>

Analysis of total sale costs:

Gross sales before transaction costs	3,405
Commissions	-
Total sales costs	<u>-</u>
Total sales net of transaction costs	<u><u>3,405</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

6. Revenue

	2010 £'000
Franked CIS distributions	49
Unfranked CIS distributions	79
Renewal commission	12
Bank interest	9
	<u>149</u>

7. Expenses

	2010 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director:	
ACD's periodic charge	<u>163</u>
	163
Payable to the Depositary or associates of the Depositary:	
Depositary's fee	11
Safe custody charges	<u>2</u>
	13
Other expenses:	
FSA fees	1
Audit fees	<u>6</u>
	7
Total expenses	<u>183</u>

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

8. Taxation

	2010 £'000
a) Analysis of charge in period:	
Irrecoverable CIS Income tax	5
Current tax charge (note 8(b))	<u>5</u>
Deferred tax (note 8(c))	<u>-</u>
Total Taxation	<u><u>5</u></u>
b) Factors affecting taxation charge for the period:	
Net expense before taxation	<u>(34)</u>
Corporation tax at 20%	(7)
Effects of:	
Franked UK dividends	(10)
Current period expenses not utilised	17
Irrecoverable CIS Income tax	<u>5</u>
Current tax charge (note 8(a))	<u><u>5</u></u>
c) Deferred tax	
Provision at the start of the period	-
Deferred tax charge in the period	<u>-</u>
Provision at the end of the period	<u><u>-</u></u>

The Fund has not recognised a deferred tax asset of £16,984 arising as a result of having unutilised management expenses. The unutilised management expenses will only be recoverable to the extent that the Fund has sufficient future taxable revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

9. Finance Costs

Distributions and Interest

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	2010 £'000
Final distribution	-
Add: Revenue deducted on cancellation of shares	-
Deduct: Revenue received on issue of shares	<u>(2)</u>
Net distribution for the period	(2)
Interest	-
Total finance costs	<u>(2)</u>

10. Debtors

	2010 £'000
Amounts receivable for issue of shares	94
Accrued revenue	34
Income tax recoverable	<u>10</u>
	<u>138</u>

11. Creditors

	2010 £'000
Amounts payable on cancellation of shares	3
Purchases awaiting settlement	120
Accrued expenses	<u>22</u>
	<u>145</u>

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

12. Equalisation

Equalisation is the accrued income included in the price of shares purchased during the accounting period (Group 2 shares) which is refunded as part of a shareholders' first distribution/accumulation, so as to provide the same distribution/accumulation for all shares of the same type. As a repayment of capital it is not liable to Income Tax and should be deducted from the cost of shares for Capital Gains Tax purposes.

13. Contingent Liabilities

There were no contingent liabilities at the period end.

14. Related parties

WAY Fund Managers Limited, together with State Street Trustees Limited are regarded as controlling parties by virtue of having the ability to act in concert in respect of the operations of the Fund.

WAY Fund Managers Limited, a related party, acts as principal on all the transactions of shares in the Fund. The aggregate monies received through issues and cancellations are disclosed in the statement of change in net assets attributable to shareholders. Amounts due to/from WAY Fund Managers Limited in respect of share transactions at the period end are disclosed in the balance sheet.

Amounts payable to WAY Fund Managers Limited in respect of Manager's periodic charges are disclosed in note 7. £13,474 was due at the period end.

Amounts payable to State Street Trustees Limited in respect of trustee services, safe custody charges and security transaction charges are disclosed in note 7. £1,713 was due at the period end.

Cash balances on deposit with State Street Trustees Limited are disclosed in the balance sheet together with interest due.

Neither WAY Fund Managers Limited nor State Street Trustees Limited entered into any other transactions with the Fund during the period.

15. Share Classes

The Fund currently has two share classes; Institutional Class Accumulation and Retail Class Accumulation shares.

The annual management charge on each share class is as follows:

Institutional Class : 1%

Retail Class : 1.5%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the performance record on pages 10 and 11.

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

16. Financial Instruments

In pursuing its investment objective set out on page 4 the Fund may hold a number of financial instruments. These comprise:

- units and shares in collective investment vehicles. These are held in accordance with the Fund's investment objective and policies;
- equities. These are held in accordance with the investment objectives and policies of the Fund;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- temporary borrowings used to provide liquidity.

17. Risks of Financial Instruments

The main risks arising from the Fund's financial instruments are market price, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate:

- *Market risk* - arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements;

The Investment Adviser regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk/reward profile that is acceptable.

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 under the terms of the Regulations.

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

17. Risks of Financial Instruments - continued

- *Foreign currency risk* - the Fund's financial assets and liabilities are invested in a variety of asset classes, some of which may be valued in currencies other than Sterling. As a result, the Fund may have both direct and indirect exposure to foreign currency movement which may affect the Sterling value of the portfolio.
- *Interest rate risk* - the majority of the Fund's financial assets do not pay interest nor have a maturity date. The Fund's financial liabilities are non-interest bearing which mature within one year.

Interest rate risk profile of financial assets and financial liabilities as at 28th February 2010

	Floating Rate financial assets 2010 £'000	Fixed Rate financial assets 2010 £'000	Financial assets not carrying interest 2010 £'000	Total 2010 £'000
Currency				
Sterling	469	-	12,230	12,699
	469	-	12,230	12,699

	Floating rate financial liabilities 2010 £'000	Fixed rate financial liabilities 2010 £'000	Financial liabilities not carrying interest 2010 £'000	Total 2010 £'000
Currency				
Sterling	59	-	-	59
	59	-	-	59

Short-term debtors and creditors have not been included in the profile disclosed.

The floating rate assets and liabilities comprise bank balances and overdrafts whose rates are determined by reference to LIBOR or international equivalent borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

for the period 14th July 2008 to 28th February 2010 - continued

17. Risks of Financial Instruments - continued

- *Liquidity risk* - the Fund's assets comprise mainly realisable securities, which can be readily sold. The Fund may also hold unregulated funds and/or unapproved securities, the liquidity of which may be lower than their regulated and approved equivalents. The main liability of the Fund is the redemption of any shares that investors wish to sell;
- *Credit risk* - certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

Where applicable the Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, these limits are reviewed regularly.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the Fund does not hold any derivatives.

GENERAL INFORMATION

The Company

EFA Allenbridge Portfolio Fund an Investment Company with Variable Capital (ICVC), is an "umbrella" company currently consisting of one sub-fund. It was authorised by the Financial Services Authority with effect from 31st January 2008.

The Authorised Corporate Director ('ACD')

The ACD is the sole director of EFA Allenbridge Portfolio Fund and is responsible for all aspects of administration and management within the Company. 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 the EFA Allenbridge 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 Company's Prospectus are available free of charge from the ACD upon request.

Share Type

The Company issues two share classes. Institutional Accumulation Shares and Retail Accumulation Shares.

Pricing and Dealing

Mid prices are always quoted for shares in the sub-funds.

Dealing in all Companies 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.

GENERAL INFORMATION - continued

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 sub-fund.

The minimum initial lump sum investment in a sub-fund is £25,000 for Class 'I' Shares and £5,000 for Class 'R' Shares. There is no maximum investment level.

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. 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 Company of purchasing or selling a sub-fund's 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 sub-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 that sub-fund and become part of the relevant sub-fund. The dilution levy for each sub-fund will be calculated by reference to the costs of dealing in the underlying investments of that sub-fund, including any dealing spreads, commission and transfer taxes.

Management Charges, Spreads and Yields

The initial charge for each sub-fund is 5% for Institutional and 5% for Retail Shares and the current periodic charge is 1% for Institutional Shares and 1.5% for Retail Shares.

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

GENERAL INFORMATION - continued

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 sub-funds are 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 a sub-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 Company’s Prospectus, any SDRT liability incurred by the EFA Allenbridge Portfolio will be charged to the individual sub-funds, which could mean that less of your money will be invested for potential capital and income growth.

Capital Gains Tax

As an ICVC, the Company is exempt from UK Capital Gains tax. An individual’s first £10,100 of net gains on disposals in the 2010/2011 tax year are exempt from tax. Gains in excess of £10,100 for 2010/2011 will be taxed according to how long the investment has been held for years after 6th April 1998.

Changes to the Registrar’s Remuneration

The ACD has agreed to introduce a transaction charge of £15 per deal to remunerate the Registrar for its services, provision for which 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 practise 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 1st February 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).

GENERAL INFORMATION - continued

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.