

KEY FEATURES of the Elite Unit Trusts and Related Products

INTRODUCTION

This document describes the key features of the Elite Balanced Trust, the Elite Income Trust and related products. The first section deals with the common features of the unit trusts involved and subsequent section deals specifically with the Elite Stocks and Shares Individual Savings Account (Elite Stocks and Shares ISA).

THE UNIT TRUSTS

AIMS

Elite Balanced Trust

The objective of the Fund is to provide total return with an emphasis on providing capital appreciation.

The Fund will achieve its objective through investment in a portfolio of collective investment schemes, transferable securities (including investment trusts), warrants, deposits and money market instruments selected from the various world markets. The Fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

The portfolio will be actively managed and normally remain fully invested save for 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 in accordance with the Regulations.

On giving 60 days' notice to Unitholders, 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 in Non-UCITS retail schemes.

Elite Income Trust

The objective of the Fund is to achieve a competitive level of income, with capital growth.

The Fund will achieve its objective through investment in a diversified portfolio of collective investment schemes (whose underlying investments are principally in higher yielding UK fixed interest securities and UK equities, the proportions of which will be varied at the discretion of the Manager), transferable securities (including investment trusts), warrants, deposits and money market instruments. There may also be some exposure to global stockmarkets from time to time at the discretion of the Manager. The Fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

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 portfolio will be actively managed and will normally remain fully invested save for operational liquidity as is required from time to time. The Manager may invest up to 100% of the value indirectly into transferable securities to include fixed interest securities at its discretion. The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted in accordance with the Regulations.

On giving 60 days' notice to Unitholders, 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 in Non-UCITS retail schemes.

YOUR INVESTMENT

Your investment is in one or more of the Elite Trusts both of which are authorised and regulated by the Financial Services Authority ('FSA') and are classified as wider range investments under the Trustee Investments Act 1961.

You can invest in the trusts or products in the following manner subject to the minimum amounts specified:

Unit Trust or Product Type	Minimum Investment
Unit Trust - Lump Sum	£5,000
Monthly Savings Plan	£100 pm
ISA	£5,000

At its absolute discretion, Elite may vary the minimum investment levels.

RISK FACTORS

You should note that the price of units, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. You may not get back the amount originally invested.

Past performance is not necessarily a guide to future investment returns.

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.

You should note that tax legislation may change from time to time and the value of any tax relief depends on your individual circumstances. The information contained within this document is based on Elite's understanding of current law and HMRC practice.

Performance of the Elite Balanced Trust may be adversely affected by the relative strength of individual world currencies, or if sterling strengthens against other currencies. Also, emphasis on markets considered by the Investment Adviser to represent particular value may introduce additional risks compared with an international portfolio balanced in line with stock-market capitalisation.

The Elite Income Trust is principally a single country trust and as such, can give rise to more risk than where investments are spread over a larger number of countries.

The Elite Income Trust aims to produce an income for investors together with some capital growth. Because of this, all of the charges and expenses levied against the Trust are paid by the Trust's capital account. Whilst this has the effect of increasing the amount of any income payable by the Trust to investors, it will mean that capital growth is constrained and reduced by an amount equal to that by which income generation is increased. For the Elite Balanced Trust, all charges and expenses are deducted from the income received by the Trust.

As non-UCITS Retail Schemes, the Elite Balanced and Income Trusts have the power to invest up to 20% of their assets into unregulated funds, which may, from time-to-time, prove to be less liquid than their regulated equivalents.

DESCRIPTION OF YOUR INVESTMENT

What is a unit trust?

A unit trust is a type of collective investment scheme under which assets are held on trust for the holders of units. A unit trust spreads your risk by allowing different investors to pool their holdings, achieving diversification with lower transaction costs than could be achieved by investing individually.

Investors own the units of the trust and each unit held entitles the unit holder to an equal share in the trust's underlying assets.

The Elite Balanced Trust and the Elite Income Trust are categorised as 'non-UCITS Retail Schemes'.

What is a 'non-UCITS Retail Scheme'?

A non-UCITS Retail Scheme may generally invest in any combination of approved and unapproved securities, other collective investment schemes (which include UK authorised unit trusts, open ended investment companies, investment companies with variable capital, recognised schemes and unregulated schemes), gold, property and cash. The aim of this is to give a well-diversified portfolio. The proportions of the funds invested in such assets will be determined by the Investment Adviser, in accordance with the requirements of the Fund's Prospectus, the Investment Objective and Policy of the Fund, the Fund's Instrument of Incorporation and the Collective Investment Schemes Sourcebook relating to 'non-UCITS Retail Schemes'.

'UCITS' refers to the EU Directive of the same name (the 'UCITS Directive', which is amended from time-to-time), which lays down restrictions on collective investment schemes, where the Manager wishes to market the schemes to other countries in the EU. 'UCITS' stands for 'Undertaking for Collective Investment in Transferable Securities'. The term 'non-UCITS' should not, therefore, be misinterpreted as meaning that the Fund is in any way inferior to a 'UCITS'. The Elite Balanced and Income Trusts do not invest directly into gold or property.

Who is the Manager?

Elite Fund Administration ('Elite') is a trading name of WAY Fund Managers Limited, which is the Manager of the Elite Balanced and Income Trusts and the Elite ISA. The main business activities of Elite Fund Administration are as a unit trust manager and an authorised corporate director ('ACD'). The Manager is responsible for the administration of the funds in accordance with the Trust Deeds, Prospectus and the FSA's

Collective Investment Schemes Sourcebook. The management of the underlying assets of the funds has been delegated by the Manager to the Investment Advisers. The Manager is authorised and regulated by the Financial Services Authority and is a member of the Investment Management Association ('IMA'). The Manager is entered on the FSA Register and has a FSA Reference Number of 194147.

Who is the Investment Adviser?

The Investment Adviser to the Elite Balanced and Income Trusts is Vestra Wealth LLP ('Vestra'), which is authorised and regulated by the Financial Services Authority. Vestra is entered on the FSA Register and has a FSA Reference Number of 471048.

Who is the Trustee?

The Trustee of the Trusts is State Street Trustees Limited. The Trustee is responsible for the safe keeping of the assets of the Trusts and holds cash and title to the investments of the Trusts on behalf of the unitholders. The Trustee is authorised and regulated by the Financial Services Authority.

How do you invest?

You may invest a lump sum into the Elite Trusts by telephone or by post. Investment into the Elite Stocks and Shares ISA is by post only.

To invest by telephone, simply call your Financial Adviser who can arrange for an investment to be made on your behalf. Alternatively, call the number shown on the final page of these Key Features under the title "Elite Fund Administration".

Cheques should be made payable to 'WAY Fund Managers Limited'. In order to comply with the UK law on money laundering, cheques must be drawn on your own account or a joint account with your spouse. If you ask your bank or building society to draw the cheque, they must state on the cheque that the funds have been drawn from an account in your name. For example, the Payee would be 'WAY Fund Managers Limited (Re: A. N. Other)'. Alternatively, ask them to write your name and address on the reverse of the cheque and add the bank/building society stamp and signature to confirm the money is drawn from your account.

Investing via a monthly savings plan is by Direct Debit only which is collected on the first business day of each month. The completed Direct Debit Mandate should be sent with the appropriate application form to your Financial Adviser or direct to Elite.

Anti-Money Laundering Requirements

If, at the time your application has been made, the requirements of the regulations regarding money laundering have not been met, WAY Fund Managers will normally require further evidence (of your identity and/or permanent address) from you before your investment can be completed. If you invest through a financial adviser, they will normally carry out this function as part of their service to you. If you are not investing through a financial adviser, please contact WFM before making an application.

How is your unit price calculated?

The price of units is calculated daily following a valuation of the underlying net assets of the unit trusts. This valuation will normally be as at 12 noon on each business day.

Unit dealing is on a forward basis, which means that you normally buy or sell units at the prices calculated at the valuation point immediately following receipt of your dealing instructions. In the case of an ISA, this will be at the valuation point immediately following receipt of your application and cheque.

In the case of an ISA transfer, unit dealing will normally be at the valuation point immediately following receipt of the value of your existing ISA from the current plan manager.

What documentation do you receive once you have invested?

We will send you a contract note confirming your investment on the next business day after the valuation point at which you invest. You should keep it in a safe place, as we do not issue unit certificates.

You will be sent a detailed statement every six months, in May and November, showing all transactions up to and including 30th April and 31st October respectively.

You will receive an interim and final Manager's Report containing the financial statements of the Trust for the relevant accounting period together with other performance details. For holdings in the Elite Income Trust, where income is declared, you will normally receive a tax voucher on a quarterly basis, on 31 January, 30 April, 31 July and 31 October. If you are an Income unitholder, you will also receive an income payment into your bank account, as per the original application form. For holdings in the Elite Balanced Trust, where income is declared, you will normally receive a tax voucher annually on 31 July. Please note that ISA holders will not receive tax vouchers.

A copy of the Prospectus (which includes more information about the Trusts), the last final Manager's Report and any subsequent interim Manager's Report can be obtained free of charge from Elite. A copy of each of the Trust Deeds constituting the Trusts is also available for inspection at the same address between 10am and 4pm on any Business Day.

What is your tax position?

In respect of the trusts, where there is income to distribute, this will be in the form of either a *Dividend distribution* or an *Interest distribution*.

A *Dividend distribution* will be subject to Income Tax on the aggregate of the distribution and associated tax credit. At the time of printing the value of

the tax credit is equal to one ninth of the dividend receipt and the aggregate of the dividend receipt plus tax credit will form part of your investment income, which will be treated as the top slice of your total income for UK tax purposes.

If you are a UK resident individual you cannot reclaim the tax credits in respect of a Dividend distribution from the HMRC, regardless of your tax status. If you are liable to tax at the starting or basic rates only you will have no additional tax liability.

An *Interest distribution* will be subject to a deduction of tax from the gross interest, which, at the time of printing, was equivalent to one fifth of the gross interest payable. Non-taxpayers may be able to reclaim some or all of the tax deducted from an Interest Distribution.

Whether distributions are in the form of *Dividend* or *Interest*, if you are a higher rate taxpayer you may have an additional liability.

No Capital Gains Tax is paid within your unit trusts, although subject to your annual allowance you may have a personal liability when you dispose of your units.

Your tax position will depend on your individual circumstances.

Can you receive income from your investment?

This will depend upon whether you choose to invest in income or accumulation units. Investing in accumulation units means that any income generated by your investment is reinvested within the trust and reflected in the unit price. Investing in income units means that any income generated is distributed to you. The Balanced Trust is only available with accumulation units.

How can you keep track of your investment?

Fund prices are published on the Financial Express website (www.fundlistings.com), where you should select "WAY Fund Managers".

Can you increase your investment?

The minimum additional unit trust and ISA lump sum investment is £1,000. If you are investing monthly, you can increase your investment at any time, in multiples of £10. Call your Financial Adviser or Elite for further information on how to increase your investment.

Can you change your mind about your application?

Under rules contained within the FSA's Conduct of Business Sourcebook, cancellation rights may apply where the contract was arranged through an authorised financial adviser, unless they hold an appropriate customer agreement with you (which excludes the right to cancel), or dealt on your behalf on an execution only basis. If you are entitled to cancellation rights we will send you a Notice of Cancellation. If you wish to exercise your right to cancel you should complete and return the Notice to us within 14 days of its receipt by you. You will receive a refund of either the full amount invested or, should the buying price of units have fallen since the investment was acquired, 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.

HOW WILL CHARGES AND EXPENSES AFFECT YOUR INVESTMENT?

The following tables show you the effect our charges have on your investment. Elite and every other unit trust manager is required by the FSA, to show the effect of their charges on a similar basis.

The figures are based on a theoretical investment of £10,000. From the £10,000 we have deducted the relevant charges.

For the Elite Income and Balanced Trusts there is a single price for buying and selling units. The initial charge of 5.25% of the net amount invested (which is equivalent to approximately 5% of the actual amount invested) is deducted before units are purchased.

The underlying investments within the Elite Balanced Trust and the Elite Income Trust are assumed to grow at 6.0% a year. These are the growth rates required by our regulator and all unit trust managers assume the same growth rates. These growth rates are not guaranteed. They are purely used for the purposes of demonstrating the effect of charges and expenses on an investment of £10,000.

We also allow for the annual management charge and other expenses, such as trustee and auditors' fees.

If you choose to invest in income units in the Elite Income Trust, you should refer to the table labeled as "Income Units". This shows the estimated income to be paid to unitholders and it forms part of the total growth rate of 6% a year mentioned above. The table relating to Accumulation Units does not have a column in respect of income, as all income is reinvested into the Trust.

The tables show the "Effect of deductions to date" (the amount of charges and expenses deducted) and "What you might get back at 6.0% growth a year" (after charges and expenses).

The figures are all based on an assumed growth rate. You could get back more or less than this. Past performance is not taken into account. Information about the past performance of each of the Trusts is available from your Financial Adviser, or from Elite. Also, do not forget that inflation would reduce what you could buy in the future with the amount shown.

Direct Charges

The annual management charge levied against the Elite Trusts is 1.5% a year. These charges cover the fees paid to Elite and to the Investment Adviser. Other charges, totaling approximately 0.09% a year for the Elite Balanced Trust and 0.08% a year for the Elite Income Trust, levied directly against the trusts include trustee, audit, registration, Stamp Duty Reserve Tax and FSA fees.

Indirect Charges

The Elite Trusts invest in a carefully chosen and managed selection of specialist collective investment schemes, which are subject to their own initial charge and annual charges. Vestra seeks to minimise these charges by obtaining the best possible discounts on the initial charges and reductions in the annual management charges. The underlying funds also have other expenses, such as trustee, audit, registration and FSA fees.

It is important to remember that underlying funds are purchased for the portfolios only where Vestra, as Investment Adviser, is comfortable that the quality of fund management (and thereby potential future relative capital and income performance) more than justifies, and compensates for, any initial and annual charges levied on those funds.

Annual charges accruing to underlying funds held by the Trusts are estimated at 1.01% for the Elite Balanced Trust and 0.83% for the Elite Income Trust, although in practice the charges can be higher or lower than this. The FSA requires that we provide an illustration of the impact of ALL charges and expenses, including those suffered by underlying investment funds held within the Trusts and this is shown below. The estimated charges and expenses accruing to the underlying funds are suffered by those funds and fully taken into account within the pricing procedures of those funds. These costs are borne by those funds and therefore only indirectly by unitholders in the Trusts. However, taking these costs into account, the effect of all costs and expenses, whether direct or indirect, are:

Elite Balanced Trust

**Annual direct and indirect charges and expenses 2.60%
Initial Charge 5.25%**

At the end of year	Investment to date	Effect of deductions to date	What you might get back at 6.0% growth a year
1	£10,000	£787	£9,813
3		£1,444	£10,466
5		£2,219	£11,163
10		£4,793	£13,116

The last line in the Table shows that over 10 years, the effect of total direct charges and expenses could amount to £4,793. Putting it another way, if the growth rate were to be 6.0%, which is in no way guaranteed, this would have the effect of reducing it to 2.7% a year.

Elite Income Trust

**Estimated Income Yield 2.83% Net
Annual direct charges and expenses 2.41%
Initial Charge 5.25%**

At the end of year	Investment to date	Income Units			Accumulation Units	
		Effect of deductions to date	Income Paid out to date	What you might get back at 6.0% growth a year	Effect of deductions to date	What you might get back at 6.0% growth a year
1	£10,000	£766	£281	£9,546	£769	£9,831
3		£1,353	£848	£9,637	£1,384	£10,526
5		£2,018	£1,420	£9,729	£2,112	£11,270
10		£4,083	£2,874	£9,961	£4,540	£13,368

The last line in the Table shows that over 10 years, the effect of total direct charges and expenses could amount to £4,083 for income units and £4,540 for accumulation units. Putting it another way, if the growth rate were to be 6.0%, which is in no way guaranteed, this would have the effect of reducing it to 3.2% a year for income units and 2.9% a year for accumulation units.

The total of the various charges listed above represents the 'price' to investors of the significant benefits associated with the Trusts. These benefits include access to well-researched and actively managed portfolios each comprising a well-considered selection of funds managed by investment specialists. The economies of scale and low marginal costs involved in the maintenance of the Trusts should be compared with the considerable costs of maintaining an individual portfolio of investment funds within a portfolio management service.

HOW MUCH WILL ANY ADVICE COST?

Your Financial Adviser will give you details about the cost. It will be paid out of the charges. Details of the cost of advice will also be included in the Contract Note or letter of acknowledgment sent to you after you invest.

OTHER INFORMATION

How do you sell your investment?

If you use the services of a firm of Financial Advisers, we recommend you contact them to arrange the sale of your units. Otherwise, you may sell your units by telephone or in writing to Elite. You may sell all your units or sell units to a minimum value of £1,000, provided the prevailing value of your remaining investment in the Elite Trust does not fall below £5,000. The minimum remaining investment restriction does not apply where units are

being sold from a monthly savings plan to which contributions are continuing.

Elite will send you a Contract Note confirming the transaction on the next business day after the valuation point at which units are sold.

Settlement of your sale of units will be made on the fourth business day following receipt of valid written instructions to sell.

What is Stamp Duty Reserve Tax (SDRT)?

SDRT is a tax charge levied by the Inland Revenue, which is payable by the Manager, and for which the Trustee may become liable. The tax is charged when units are sold back to the Manager, or when there is a non-exempt transfer of an investment between parties. SDRT is charged at the rate of 0.5% on investments which are subject to SDRT i.e. if the underlying investments within the fund are not chargeable themselves to SDRT, it is likely that no SDRT charge will be levied on the Trustee to the unit trust.

The regulations permit the charging of SDRT liability to the unit trust concerned. They also contain a provision, which allows the Manager of a unit trust to charge the SDRT directly to individual unitholders, by way of entry or exit fees, making an additional charge when buying units, or deducting a charge from the proceeds of redemption. In most cases, any SDRT liability will be borne by the unit trust concerned. However, where the units being redeemed constitute more than 2% of the value of the trust, the Manager reserves the right to levy the charge against the selling unitholder.

Where units are being transferred between parties, the Manager will request advance payment of any estimated SDRT liability from the transferee before the transfer is completed.

How do you reduce your contributions to a Monthly Savings Plan?

You can reduce your contributions at any time, subject to the minimum monthly contribution to any single Elite Trust being at least £100. To reduce your contributions, you must write to your usual Financial Adviser, or to Elite, quoting your account number and the new monthly contribution.

What happens if you die while your investment is in force?

In the event of Elite being notified of your death, the investment will continue until written instructions for the disposal or transfer are received from the Executors. However, if your investment is in joint names, it will be re-registered in the name(s) of the remaining unit holder(s).

ISA tax concessions on income and capital gains cease from the date of death.

Who do you contact if you have a complaint?

If you have a query or if you wish to complain about any aspect of the service you have received, please contact Elite. If you have a query about the information contained in this document, please contact your Financial Adviser or Elite.

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.

ELITE STOCKS AND SHARES ISA

AIMS

The aim of the Elite Stocks and Shares ISA is to provide tax-efficient returns on your investment in the Elite Trusts.

DESCRIPTION OF YOUR INVESTMENT

What is a Stocks and Shares ISA?

A Stocks and Shares ISA (Individual Savings Account) is a Government authorised scheme offering tax concessions to individual investors, where the investments held within the ISA are free from higher rate Income Tax and Capital Gains Tax

What is the Elite Stocks and Shares ISA invested in?

Elite offers a Stocks and Shares ISA which is invested in the Elite Trusts.

The current maximum total investment into a Stocks and Shares ISA is £10,200 for the 2010/11 tax year.

Can you take out a Stocks and Shares ISA?

You can take out a Stocks and Shares ISA if you are 18 years of age or over and are resident and ordinarily resident in the United Kingdom for tax purposes, or if you are non-resident performing duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or are married to, or in a civil partnership with, a person who performs such duties.

If you are in any doubt as to your residency status, you should contact your local tax office.

How do you invest?

Investment into the Elite Stocks and Shares ISA can be made by sending us the appropriate completed application form and your cheque, payable to 'WAY Fund Managers Limited', to the Elite address shown at the back of this document.

The minimum lump sum investment into the Elite Stocks and Shares ISA is £5,000 (maximum £7,200 per tax year). You can also make regular monthly contributions to your ISA, subject to a minimum of £100 per month in any single trust. This also requires you to complete the Elite

Stocks and Shares ISA application form and return it to us with the completed Direct Debit Mandate together with a cheque drawn on the same bank account appearing on the Mandate.

Investment can also be made by transferring your existing ISA, held with another ISA manager, to the Elite Stocks and Shares ISA. You will need to obtain an "ISA Transfer Authority" form from your Financial Adviser or Elite. Once completed this should be returned to your Financial Adviser who will forward it to Elite. Elite will then arrange for your existing ISA investments to be sold and the proceeds invested into the Elite Stocks and Shares ISA in accordance with your instructions.

In accordance with the ISA Regulations, all units held within the Elite Stocks and Shares ISA are held in the joint names of WAY Fund Managers Limited and the investor.

What documentation do you receive once you have invested?

We will send you an acknowledgment letter confirming your investment on the next business day after the valuation point at which you invest. You should keep these documents in a safe place. We do not issue unit certificates.

ISA clients will receive statements every six months, in May and November, reflecting transactions on accounts up to and including 30th April and 31st October.

If you choose to invest monthly into a Elite Stocks and Shares ISA by Direct Debit, each year, shortly before the end of the tax year, you will receive a letter from Elite reminding you of the restrictions of investing into another ISA whilst you are investing in the Elite Stocks and Shares ISA (see "The One-ISA-a-year" Rule in the "Elite Stocks and Shares ISA Terms and Conditions").

What is your tax position?

Within the Elite Stocks and Shares ISA, you are not liable for any higher rate Income Tax and Capital Gains Tax. There is no requirement for you to show details of your ISA on your Tax Return. Your tax position will depend on your individual circumstances.

HOW WILL CHARGES AND EXPENSES AFFECT YOUR INVESTMENT?

The following tables show you the effect our charges have on your investment. Elite and every other ISA manager is required by the FSA to show the effect of their charges on a similar basis.

The figures are based on a theoretical investment of £10,000. From the £10,000 we have deducted the relevant charges.

For the Elite Income and Balanced Trusts there is a single price for buying and selling units. The initial charge of 5.25% of the net amount invested (which is equivalent to approximately 5% of the actual amount invested) is deducted before units are purchased.

The underlying investments within the Elite Balanced Trust and the Elite Income Trust are assumed to grow at 7% a year. This is the growth rate required by our regulator and all ISA managers assume the same growth rate. This growth rate is not guaranteed. This is purely used for the purposes of demonstrating the effect of charges and expenses on an investment of £10,000.

We also allow for the annual management charge and other expenses, such as trustee and auditors' fees.

If you choose to invest in income units in the Elite Income Trust, you should refer to the table labeled as "Income Units". This shows the estimated income to be paid to unitholders and it forms part of the total growth rate of 7% a year mentioned above. The table relating to Accumulation Units does not have a column in respect of income, as all income is reinvested into the Trust.

The tables show the "Effect of deductions to date" (the amount of charges and expenses deducted) and "What you might get back at 7% growth a year" (after charges and expenses).

The figures are all based on an assumed growth rate. You could get back more or less than this. Past performance is not taken into account. Information about the past performance of the Trusts is available from your Financial Adviser, or from Elite. Also, do not forget that inflation would reduce what you could buy in the future with the amount shown.

The effect of charges and expenses on an investment of £10,000 assuming growth of 7% a year is set out below.

Direct Charges

The annual management charge levied against the Elite Trusts is 1.5% a year. These charges cover the fees paid to Elite and to the Investment Adviser. Other charges, totaling approximately 0.09% a year for the Elite Balanced Trust and 0.08% a year for the Elite Income Trust, levied directly against the trusts include trustee, audit, registration, Stamp Duty Reserve Tax and FSA fees.

Indirect Charges

The Elite Trusts invest in a carefully chosen and managed selection of specialist collective investment schemes, which are subject to their own initial charge and annual charges. The Investment Adviser seeks to minimise these charges by obtaining the best possible discounts on the initial charges and reductions in the annual management charges. The underlying funds also have other expenses, such as trustee, audit, registration and FSA fees.

It is important to remember that underlying funds are purchased for the portfolios only where the Investment Adviser is comfortable that the quality of fund management (and thereby potential future

relative capital and income performance) more than justifies, and compensates for, any initial and annual charges levied on those funds.

Annual charges accruing to underlying funds held by the Trusts are estimated at 1.01% for the Elite Balanced Trust and 0.83% for the Elite Income Trust, although in practice the charges can be higher or lower than this. The FSA requires that we provide an illustration of the impact of ALL charges and expenses, including those suffered by underlying investment funds held within the Trusts and this is shown below. The estimated charges and expenses accruing to the underlying funds are suffered by those funds and fully taken into account within the pricing procedures of those funds. These costs are borne by those funds and therefore only indirectly by unitholders in the Trusts. However, taking these costs into account, the effect of all costs and expenses, whether direct or indirect, are:

**Elite Balanced Trust
Annual direct and indirect charges and expenses 2.60%
Initial Charge 5.25%**

At the end of year	Investment to date	Effect of deductions to date	What you might get back at 7.0% growth a year
1	£10,000	£795	£9,905
3		£1,485	£10,765
5		£2,326	£11,700
10		£5,264	£14,407

The last line in the Table shows that over 10 years, the effect of total direct charges and expenses could amount to £5,264. Putting it another way, if the growth rate were to be 7.0%, which is in no way guaranteed, this would have the effect of reducing it to 3.7% a year.

**Elite Income Trust
Estimated Income Yield 2.83% Net
Annual direct charges and expenses 2.41%
Initial Charge 5.25%**

At the end of year	Investment to date	Income Units			Accumulation Units	
		Effect of deductions to date	Income Paid out to date	What you might get back at 7.0% growth a year	Effect of deductions to date	What you might get back at 7.0% growth a year
1	£10,000	£773	£282	£9,637	£776	£9,924
3		£1,392	£859	£9,914	£1,424	£10,827
5		£2,115	£1,453	£10,199	£2,214	£11,812
10		£4,486	£3,014	£10,947	£4,987	£14,684

The last line in the Table shows that over 10 years, the effect of total direct charges and expenses could amount to £4,486 for income units and £4,987 for accumulation units. Putting it another way, if the growth rate were to be 7.0%, which is in no way guaranteed, this would have the effect of reducing it to 4.2% a year for income units and 3.9% a year for accumulation units.

The total of the various charges listed above represents the 'price' to investors of the significant benefits associated with the Trusts. These benefits include access to well-researched and actively managed portfolios each comprising a well-considered selection of funds managed by investment specialists. The economies of scale and low marginal costs involved in the maintenance of the Elite Trusts should be compared with the considerable costs of maintaining an individual portfolio of investment funds within a portfolio management service.

OTHER INFORMATION

Can you transfer your Elite Stocks and Shares ISA to another manager?

Investors can transfer their Elite Stocks and Shares ISA to another manager, subject to the ISA Regulations.

ISA investors should also read the Elite Stocks and Shares ISA Terms and Conditions on the following page.

Information in this document is correct as at July 2010.

Elite Fund Administration will update this information on a regular basis, typically annually or less if a significant change occurs within that period.

This document and any resulting contract notes etc. relating to the investment will be issued in the English language only.

**Elite Fund Administration,
Cedar House, 3 Cedar Park, Cobham Road,
Wimborne, Dorset, BH21 7SB**

Telephone: 01202 855856 Facsimile: 01202 855850
Registered office: As above Registered No 4011838 England and Wales.
Elite Fund Administration is a trading name of
WAY Fund Managers Limited which is authorised and regulated by the
Financial Services Authority.
A member of IMA

ELITE STOCKS AND SHARES ISA TERMS AND CONDITIONS

GLOSSARY OF DEFINITIONS

Accumulation Units means units under which all of the available income attributable is reinvested into the trust.

Buying Price means the price at which units are purchased by an Investor.

FSA means the Financial Services Authority.

Income Units means units under which all of the available income attributable is distributed to planholders.

Investor means any individual over 18 years of age and resident and ordinarily resident in the United Kingdom, for tax purposes or, if not so resident, either performs duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or married to, or in a civil partnership with, a person who performs such duties.

ISA Manager, Manager means Elite Fund Administration ('Elite') a trading name of WAY Fund Managers Limited, which is authorised and regulated by the Financial Services Authority.

ISA Regulations, the Regulations means the Individual Savings Account Regulations 1998, as amended from time to time.

ISA Transfer means the transfer of a valid ISA from one or more managers to one or more other managers.

Individual Savings Account (ISA) means a Government authorised scheme offering tax concessions to investors.

Selling Price means the price at which units are sold by an Investor.

Tax Year means the UK fiscal year, running from 6th April to 5th April.

Trustee means State Street Trustees Limited. The Trustee is authorised and regulated by the Financial Services Authority.

Units means income or accumulation units in any of the Elite funds which qualify for ISA investment and which offer both unit types.

We, our, us means Elite as the ISA manager offering the product to which these Terms and Conditions relate.

Investments

Investments are subject to the ISA Regulations in force.

Please note that, following your ISA investment, if your cheque fails to clear, or your Direct Debit contribution is returned to us unpaid, we may cancel that investment and any transactions made up to that date. By entering into this investment, you agree to indemnify us against any losses, costs and expenses incurred directly, or indirectly, as a result of investment and subsequent cancellation.

Allocation of Units

The ISA Manager maintains, for each subscriber, an account which shows the trust(s) and the number of units therein, held for that subscriber. The account will be credited with additional units in respect of any investments made, at the Buying Price ruling on the first business day following the investment from the subscriber.

Interest on Client Money

No interest payment will be made on client money held by WFM prior to investment in your chosen fund(s). Client money will be held in an account with HSBC plc.

Terminating/Closing the ISA

We reserve the right to terminate your account, after giving notice to you in writing, where allowed for in the Regulations. This would be in relation to circumstances mentioned elsewhere in these Terms

and Conditions, or should we decide that it would be impractical to continue with it, or should you be in breach of these Terms and Conditions. We will tell you in writing of any failure on our part to comply with the Regulations which either has made, or will make, your account void.

Notification of an ISA being Void

If at any time you notify us, or we become aware of any failure to satisfy the requirement of the Regulations, we will be required to notify you that your Plan has, or will, become Void.

Registration

The units allocated to each ISA account will be registered in the joint names of "WAY Fund Managers Limited" and the beneficial investor and are held by the ISA Manager. Your account remains in your beneficial ownership and may not be used as security for any loan and neither do we record any other person's interest in the account.

Statements and Manager's Reports

A statement of account will be issued on a six-monthly basis, for the periods ending 30th April and 31st October. Such statements will be issued within 25 business days. You will also receive copies of unit trust Interim and Annual Report and Accounts when they are issued. Unitholder notices and/or information will be sent to you whenever issued to other unitholders and you will have the chance to attend, and vote at, any unitholder meetings called.

Income

Income units are available under the Elite Income Trust held within the Elite ISA.

The "One-ISA-a-year" Rule

In each tax year, ISA investors may subscribe to:

- one Cash ISA; and
- one stocks and shares ISA

ISA investors cannot subscribe to two (or more) cash ISAs, or two (or more) stocks and shares ISAs in the same tax year.

Transferring an ISA

An ISA can be transferred between managers at any time. To transfer to the Elite ISA, an investor should contact their Financial Adviser, or Elite, for the appropriate information. To transfer their Elite ISA to another manager, an investor should contact their Financial Adviser, or the transferee ISA manager for details.

- Subscriptions to a Stocks and Shares ISA can be transferred to another Stocks and Shares ISA;
- Subscriptions to a Cash ISA can be transferred to another Cash ISA or to a Stocks and Shares ISA;
- Subscriptions to a Stocks and Shares ISA cannot be transferred to a Cash ISA.

Subject to the fact that a partial transfer of the current tax year's subscriptions will not be permitted.

Selling an ISA

On the instructions of the investor and within the time stipulated by the investor, the minimum for which is four business days following receipt by the Manager of valid written instructions, all or part of the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to the investor.

Disclosure of Information

Elite will disclose any information about your investments to your Financial Adviser, unless you advise Elite to the contrary. We will also disclose information, if required to do so under any applicable law or regulation, or if required by our Regulator or HMRC.

Delegation and Assignment

As these Terms and Conditions are personal to you, you may not transfer or assign them to another party.

Elite may appoint another manager to replace us as your Manager under this agreement and shall transfer all duties and obligations to that person (under normal circumstances prior notice will be given if reasonably practicable). Elite may also employ others to advise on or perform any of our obligations under these Terms and Conditions, subject to our satisfaction that such a party is competent to perform these functions and responsibilities.

Change of Personal Details of the Investor

An investor is under obligation to inform Elite immediately of any change in their permanent address. If an ISA investor believes that, for any reason they do not, or they cease to qualify for ISA investment, e.g. on residential grounds as defined in the above 'Glossary of Definitions' under the sub-heading 'Investor', they must also notify Elite.

Data Protection Act

The details you have provided will be held on computer by Elite Fund Administration, but will not be used for any purpose except to fulfil its obligations to unitholders.

Prospectus

This contains detailed information about the Elite Income and Elite Balanced Trusts and is available free of charge from us.

Interim and annual Reports

Copies of the most recent Annual Reports, and any subsequent Interim Reports, for any of the Elite range of unit trusts are available free of charge from us.

Liability

Elite or any associate shall not be liable in respect of any acts or omissions of any person, firm or company through whom transactions are effected for your account. We, or any associate, will not be liable for any loss incurred by you except to the extent that any such loss is directly caused by our negligence, willful default or fraud or that of our employees. We will not be responsible for any loss or damage suffered as a result of circumstances beyond our reasonable control. No warranty is given to you as to the performance or profitability of units held within your ISA. We will not accept any liability for any default, fraud, or negligence by any approved bank, which may hold cash in your account.

Governing Law

This agreement is governed by and construed in accordance with English Law.

Amendment of Terms and Conditions

The information in this document is correct to the best of our knowledge at the time of printing. Please note however that minimum investment levels, charges and other terms and conditions contained herein are subject to change. Where written notice is required this will be given to investors, in advance of any change.

Complaints

We are authorised and regulated by the Financial Services Authority. If you wish to complain about any aspect of the service you receive from us in respect of your account, please contact us at Elite Fund Administration. You also have the right to complain directly to the Financial Ombudsman and, if required, we will provide you with details of how to do this.

Information in this document is correct as at July 2010.