



The WAY Group

Good for Heavy Metal Fans?

According to Mark Dampier "it makes sense to hold some gold as an insurance policy and the WAY Charteris Gold Fund is a good place to start" (Independent 3rd July 2010 and Money Marketing 8th July 2010). I apologise if you think this is an inappropriate place to be pushing the WAY gold fund but my interests are largely honourable and only slightly self interested. I am saying this because the gold story is such a powerful one and I believe that every one of our Elite fund of funds clients might benefit from having a slug.

You see following the commercial for this fund in our last newsletter Ian Williams went on to make the WAY gold fund the top performing collective

across all sectors within the UK, which is where it stayed until quite recently. So if you don't like gold then certainly do not buy it. However, if you do like gold – even if for only 5-10% insurance within your portfolios – you do not need to look to BlackRock or one of the other longer standing gold funds because Ian Williams has demonstrated that a smaller more focused fund can deliver better returns. This is partly due to the size of the BlackRock fund which already holds the maximum stake in most decent gold miners and so has to diversify away from gold – so although you might think you are buying a gold fund it is not quite that simple, even though it is a great fund.

Recently we saw the gold price retrench back to \$1166 or so, but in my view its next run is likely to take it right through its all time high and on to \$1300 an ounce. Such a return will be jolly nice when it happens but it is likely to be dwarfed by returns on well selected gold mining shares which remain at a discount to the gold price and offer a geared play on the defensiveness of gold – the WAY Charteris Gold Fund. Remember that gold normally does well in Q4 so now might be a good time to build a stake. Call David Williams for details of discounts available on this fund.

Paul Wilcox



WAY's inaugural Elite Client Conference

Eddie O'Gorman



Eddie O'Gorman is MD of WAY Investment Services and responsible within Group for the development and delivery of products and structures which traditionally have utilised WAY's own branded funds. Solutions such as a whole plethora of (industry leading) IHT mitigation plans, Income Plans and Dynamic Growth Plans have all met with welcome acceptance by advisers around the UK. WAY is now proposing to make its established structures available to Elite clients for use with the various suitable Elite and EFA funds.

Eddie will be giving delegates a quick guided tour of some of these strategies and will outline how adding these to your repertoire may lead to increased distribution of your funds.

Steve Wyatt



Steve Wyatt is COO of Sharefunds Limited, a wholly owned subsidiary of Share PLC, and the recently appointed leader of the operational side of WAY's Fund Accounting and Fund Pricing activities. Steve has a long, illustrious and highly successful career in fund administration, having worked with some of the industry's leading administrators.

Steve is tasked with leading Sharefunds and WAY into a new and exciting era of client-focused service as regards upgrading the allegedly boring area of fund accounting into an activity which is reinvented as a tailored service to add value to the work of each fund's investment management team. Steve will outline his vision and take questions from delegates.

DAY ONE 18TH OCTOBER

2.00-2.30pm

Arrive at Alexandra House, Swindon

3.00 pm

Welcome from David Williams

3.10 pm

Are you benefiting fully from WAY structures?

Eddie O'Gorman, MD of WAY Investment Services, WAY's sales and marketing arm, takes Elite clients on a quick guided tour of WAY structures – such as IHT planning, Income and Growth Plans – which can be used to create further sales and distribution of Elite funds. (40 minutes followed by 10 minute break)

4.00 pm

Where we are going with Fund Accounting

WAY's partnership with Sharefunds has quite understandably been misunderstood by some of our clients. Now Steve Wyatt – new COO of Sharefunds Ltd – outlines a shared WAY/Sharefunds vision for the future. Followed by questions from the floor when members of the WAY team will also make themselves available. (40 minutes followed by 20 minute break)

5.00 pm

Topical Debate

A debate on a controversial financial/industry issue of the moment between 2 teams and with plenty of time for contributions from the floor. The subject matter and appropriate debaters will be decided much nearer the time to make it as topical (and controversial) as possible!

7.00 pm

Dinner

Paul Wilcox to address (briefly) as dinner finishes

Evening:

Opportunities to socialise and share thoughts



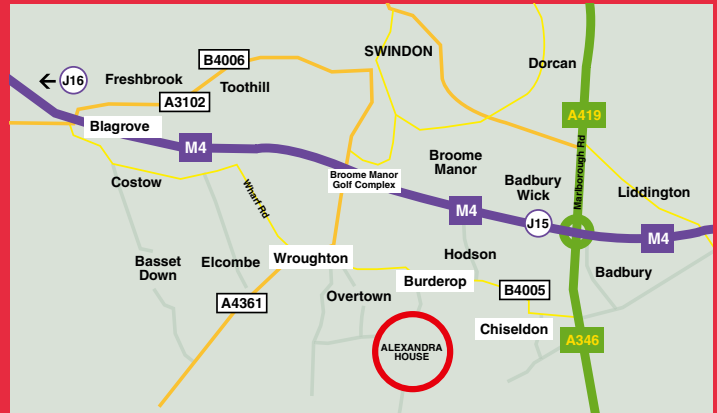
Book your place today

This is a real opportunity for us, as a group of mutually interested peers, to get together at this overnight conference in relaxed circumstances and set our own powerful annual agendas.

Please note that the first place for each Elite client firm is absolutely free of charge. Just get yourself to the venue and we will cover the rest. Second delegates will be charged £75 and further additional attendees £100.

Call David Williams on 01202 854878 - david@waygroup.co.uk

<http://www.principal-hayley.com/venues-and-hotels/alexandra-house>



DAY TWO 19TH OCTOBER

8.00 am

Breakfast

9.00 am

The WAY team convene

10.00 am

What if everything's all right?

The biggest ecological disaster of recent times (the Gulf of Mexico oil spill) quietly turns into a major modern bonanza for fish restocking. This session is an antidote to all of the doom and gloom about climate change, population growth, failing equity markets, economic Armageddon and other looming disasters – Paul Wilcox – WAY Group Chairman. (40 minutes followed by 20 minute break)

11.00 am

What if it's not alright?

Hedge funds were the bête noir of the capitalist system but now they are being accepted into our regulatory landscape for the robustness of their performance. Reasons why risk-adjusted returns are going to be increasingly important to investors over the next few years and how these can be achieved – Roderick Collins – Hasley Investment Management (40 minutes followed by 20 minute break)

12.00 midday

Interactive Session

The WAY team introduce their ambitions going forwards and invite comments and suggestions from the floor, including a discussion regarding the shape of any future Elite conference – Led by Andrew Stevens – CEO of WAY Fund Managers (40 minutes followed by lunch)

1.00 pm

Lunch

Closing comments

3.00 pm

Depart

Paul Wilcox



Paul Wilcox is Chairman and Technical Director of WAY Group and its subsidiary companies. A born optimist and self-developed entrepreneur he has spent his life wondering why pessimism seems to be inbuilt into the human psyche and what can be done to make people more optimistic about what can be achieved.

Here he takes a quick look back at how the world has shaped up compared with all of the doom and gloom predicted by generations over thousands of years.

Does this anecdotal evidence give us reason to believe that perhaps everything is actually alright and perhaps the world will continue to improve as it always has?

Roderick Collins



Roderick Collins is a founding partner of Hasley Investment Management LLP, an investment boutique which is focused on delivering returns to investors which are not correlated to the highly unreliable global equity markets. He and his colleagues run a selection of Hasley funds administered by WAY.

Contrary to common perceptions, well diversified and selected portfolios of hedge funds can demonstrate risk/reward attributes amongst the most attractive of any of the major assets classes. This should be no surprise since many of the classic hedge techniques were developed by endowment funds of leading US universities – using some of the world's best investment brains.

Inheritance Tax Mitigation



Now that it has become clear that the coalition government has kicked IHT reliefs into the long grass WAY is experiencing a substantial increase in enquiries from advisers keen to use our plans to assist their clients to avoid this heinous tax. One of the many interesting sessions at the Elite Client Conference in October will be Eddie O'Gorman talking about the various strategies offered by WAY which will, in future, be made available to our Elite clients. We are currently looking at the

implications of adding what are in effect IHT share classes to any of our Elite/EFA funds where there is an IHT application attractive to customers of our Elite clients. Please do come along to our inaugural conference and listen to Eddie as well as participating in all of the other important sessions which are being planned. Call or email David Williams for more details of the conference.

Andrew Stevens



Performance Fees

There has been a bit of a furore in the financial press recently about the imposition of performance fees on what are sometimes described as already generously remunerated funds. The most recent debate was started by the IFA everyone seems keen to dislike, young Peter Hargreaves. (Do we sense a bit of envy in the longstanding nonsense about Peter?).

We found this interesting because WAY was about to launch 3 new funds based largely on remuneration from performance fees when Peter wrote his piece. Then more recently Money Marketing quite rightly put the situation into context (on 23rd August) by confirming that less than 5% of the UK industry's funds actually have performance fees – a mere 81 funds. Peter suggests that fewer than a dozen managers in the UK warrant performance fees which compared to 81 funds does seem about right!

In our own case we are attempting to replace conventional fees with performance fees rather than simply to double up on fees. It means that on an institutional basis there is an AMC of nil on one fund and 0.5% on the other two. In all cases we have settled on an absolute initial hurdle rate (below which there will be no performance fee) which we believe is more in line with investors' expectations than using a relative benchmark or something like LIBOR or base rates. For the more conservative Absolute Return Fund the initial hurdle is 5% and for the other two growth funds it is 10% per annum. But to put our reward in line with that of shareholders we then have a tiered fee which rises with further hurdles.

We suspect that there may be moves in this direction from the rest of the industry in due course. To be able to genuinely share in both the pain and the pleasure of investors' returns might well be an acceptable way forward. We are already in discussions with an Elite client about the possibility of creating such a fund for their firm so we will see how this idea develops.

Vince Hoare



New Business

Newsflash

Cheviot launches new 'Libero' funds

City based discretionary boutique Cheviot Asset Management Limited launched their second wave of 'Elite' funds in August to complement the successful launch of the Climate Assets Fund in February this year.

Targeting IFAs looking to take advantage of Cheviot's discretionary management, the new Cautious and Strategic mandates will be run by David Miller and Daniel Weston.

WAY extends its investment breadth with a further 3 new specialist funds

July saw the launch of three new satellite funds by WAY to further extend their specialist funds to complement their core portfolio style offering.

With the emphasis on aligning WAY's interests with shareholders the Freestyle Growth, Asian Spice and Absolute Return Portfolios operate on a nil or very low AMC basis such that WAY only 'gets paid' on results by use of performance fees.

Absolute Return is being run by our friends at Hasley Investment Management, Asian Spice is benefitting from the skills and experience of Wessex Asset Management and, Freestyle Growth is supported by considerable intellectual input from WAYs "Star Chamber" whilst being run by our very own Trevor Chanter.

City Asset Management gears up for launch

Following FSA approval of their proposed new funds, City Asset Management (CAM) is making ready to roll out the 'Elite CAM Discretionary Portfolios'.

Comprising of two sub funds, the balanced and cautious mandates will aim to replicate CAMs discretionary management service for the benefit of their own retail clients and the wider IFA community.

David Williams

