

KEY FEATURES of the WAY Income Plan

This document should be read in conjunction with the Simplified Prospectus of the WAY Funds.

AIMS

The WAY Income Plan aims to combine the short-term security of a money market fund or cautiously invested fund with the long-term growth potential of an equity based investment in one of the WAY Portfolio Funds. The Plan works by splitting your investment into two portions. One portion - the Income Reservoir - is invested in a low-risk or cash fund from which regular drawings are taken. This portion initially represents five years' worth of drawings. The other portion - the Growth Pool - is invested in one of the WAY Portfolios either directly or through an ISA.

YOUR INVESTMENT

The minimum initial investment into the WAY Income Plan is £25,000. The minimum additional investment is £5,000.

DESCRIPTION OF YOUR INVESTMENT

How does the plan work?

The WAY Income Plan is designed to give you a regular fixed percentage drawing from the part of the Plan invested in the 'Income Reservoir' plus the prospect of long-term investment growth from the part of the Plan invested in your chosen WAY Portfolio Fund (the 'Growth Pool'). You can select any level of drawings between 3% and 7% per year of your gross investment. Your drawings (rounded to the nearest pound) will be paid monthly or quarterly. The amount invested in each portion is determined by the rate of income required. The percentage of your overall investment placed within the Income Reservoir is five times your selected level of drawings. For example, if a 3% rate is required, 15% (3% x 5) will be invested in the Income Reservoir, with 85% invested in your chosen WAY Portfolio Fund. Your selected 'income' will be based on your overall investment.

A review is undertaken quarterly, in January, April, July and October each year, to measure progress. If the combined 'buying' value of the Income Reservoir and Growth Pool exceeds the original amount invested (or the revised 'Review Value' at the most recent review) the Plan is re-balanced. A transfer of funds is made from the Growth Pool to the Income Reservoir to reinstate the original percentage split. Any transfer is based on the buying value of your chosen WAY Portfolio Fund. At the same time the continuing drawings are increased to reflect any growth in the Plan. The Plan is re-balanced, as previously described, only if by so doing the level of drawings would increase by a minimum of £25 per quarter. Drawings can be deferred for any period up to five years.

Please remember that a lower level of drawings will allow more of your investment to be invested in the Growth Pool. This will potentially lead to better overall performance and a greater likelihood that reviews will trigger regular increases to the level of drawings. If the Income Reservoir should at any time become exhausted, any current and/or future drawings shortfall will be supplemented by drawings from the Growth Pool (until such time that a regular review reinstates the Income Reservoir).

If you increase your investment in the WAY Income Plan, the existing Income Reservoir and Growth Pool are valued (at buying prices) at the previous day's valuation point and the additional investment allocated in the same proportions. At the same time, the level of future drawings is increased by the same proportion as the additional investment bears to the previous day's value.

If you withdraw capital from your WAY Income Plan, the existing Income Reservoir and Growth Pool are valued (at selling prices) at the previous day's valuation point, and capital is withdrawn from them in the same proportions as currently exist. At the same time, the level of future drawings is reduced by the same proportion as the capital withdrawn bears to the previous day's value.

How do you invest?

Investment into the WAY Income Plan is by post only.

What documentation do you receive once you have invested?

You will be sent two contract notes, one for the 'Income Reservoir' fund chosen and one for the 'Growth Pool' fund chosen. You should keep these in a safe place as we do not issue share/unit certificates.

What is your tax position?

Under the WAY Income Plan, the encashment of units/shares within the WAY Portfolio Funds may give rise to a chargeable gain for tax purposes, if the value of those units is paid direct to you or transferred to the Income Reservoir.

A capital gain tax liability may apply if your gains exceed any available annual exemption.

Payments from the Elite Income Plan Cash Trust will not normally give rise to a tax liability as it is a withdrawal of capital.

Your tax position will depend on your individual circumstances.

Can you receive an income from your investment?

The purpose of the WAY Income Plan is to provide you with regular monthly or quarterly payments from your investment by selling units/shares from the Income Reservoir element of the Plan.

Can you withdraw money from your plan?

You may withdraw capital from your WAY Income Plan at any time, subject to leaving a minimum balance of at least £20,000.

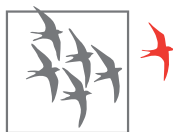
HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?

Please refer to the information within the Simplified Prospectus of the WAY Funds for details of the affect of charges and expenses on the two funds, which, in combination, comprise the WAY Income Plan.

The initial charge under the fund chosen as the Income Reservoir is waived for sums being transferred from your chosen WAY Portfolio Fund into your Income Reservoir following a regular review under the WAY Income Plan.

Investors should note that the objective of the WAY Income Plan is to harness the long-term growth potential of investment in the WAY Portfolio Funds to support an enduring and potentially increasing flow of regular drawings. The Plan is designed to overcome the short-term volatility exhibited by investment markets.

Any 'income' drawings taken from the Income Reservoir Funds will be withdrawals of your original investment. Depending on the growth rate of the WAY Portfolios and prevailing interest rates, these drawings may result in erosion of your overall capital.



The manager of the funds described in this document is:

WAY Fund Managers Limited

Cedar House, 3 Cedar Park, Cobham Road,
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Registered No. 4011838

Authorised and regulated by the Financial Services Authority.

Member of the Investment Management Association.

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Registered No. 3181187

WAY Investment Services Limited is an Appointed Representative of
WAY Fund Managers Limited.

Member of the Investment Management Association.

WAY Fund Managers Limited and WAY Investment Services Limited are
members of the WAY Group Limited, Registered No. 3166213.

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