



**WAY** Fund Managers Limited

# Elite Income Plan Cash Trust

Interim Report and Unaudited Financial Statements  
for the accounting period 31st July 2010

Issue date 15th November 2010

## **Elite Income Plan Cash Trust**

### **Manager's report and accounts for the period 1st February 2010 to 31st July 2010**

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## Manager

### **WAY Fund Managers (WFM) Limited**

Cedar House  
3 Cedar Park  
Cobham Road  
Wimborne  
Dorset BH21 7SB  
Telephone: 01202 855 856

## WFM Directors

P Wilcox (Chairman)  
P Legg  
V Hoare  
A Stevens

## Depository

### **State Street Trustees Limited**

20 Churchill Place  
Canary Wharf  
London E14 5HJ

## Independent Auditor

### **Grant Thornton UK LLP**

30 Finsbury Square  
London EC2P 2YU

## Investment Adviser

### **Vestra Wealth LLP**

14 Cornhill  
London  
EC3V 3NR

## Registrar

### **WAY Fund Managers Limited**

Cedar House  
3 Cedar Park  
Cobham Road  
Wimborne  
Dorset BH21 7SB

## Investment adviser's report -

for the period 1st February 2010 to 31st July 2010

### Investment objective and policy

The investment objective of the Trust is the generation of income through active management of a diversified portfolio of UK deposits, short-dated money market and other instruments.

### Performance

Over the review period and since launch, the relative performance of Elite Income Plan Cash Trust has been as follows:

	6 months	1 year	2 years	3 years	*Launch
<u>Elite Income Plan Cash Trust</u>	0.12%	0.07%	1.33%	5.40%	26.93%
IMA Money Market Sector Average	0.16%	0.66%	0.93%	4.82%	32.67%

Discrete Performance	2006	2007	2008	2009	YTD
Elite Income Plan Cash Trust	2.65%	3.74%	3.18%	0.18%	0.12%

\*Since launch on 18th October 1999

Source: Financial Express, Total Return. Net distribution.

### Investment review

Throughout the review period the Trust's return has been achieved by placing weekly to six-monthly money market deposits with various banks and building societies. As a result of the Trust's investment policy, performance is dependent on the level of short-term interest rates set by the Monetary Policy Committee of the Bank of England in respect to the prevailing conditions of the UK economy.

The Bank of England held rates over the period and decided not to increase Quantitative Easing, holding it at £200 Billion. The fact that the Quantitative Easing wasn't increased can be taken as a positive that things are starting to recover. The rates were held throughout the period despite rising inflation and strong second quarter growth, as concerns still continued that the UK could slip into a double dip recession if rates were raised too early.

### **Outlook**

We expect interest rates to remain at the current levels for the near future as we believe it is too early to start tightening monetary policy given the risk that the economy and housing markets face. There are still worries that the housing market could still face a double dip. We would expect to see a small rise in rate towards the end of the year once more certainty over the state of the economy emerges.

**Vestra Wealth**  
**Fund Investment adviser**

**5th August 2010**

## Performance record

### Fund size

Date	Net asset value (£)	Net asset value pence per unit		No. of units in issue	
		Acc	Inc	Acc	Inc
31 Jan 08	4,860,089	116.79	0.00	4,161,289	0.00
31 Jan 09	4,241,381	120.18	120.18	3,406,848	122,333
31 Jan 10	3,983,174	120.38	116.79	3,203,113	109,058
31 Jul 10	3,657,142	120.58	116.77	2,513,139	536,886

### Unit price range

Calendar Year	Acc units		Inc units	
	Highest (pence)	Lowest (pence)	Highest (pence)	Lowest (pence)
2005	115.10	106.60	0.00	0.00
2006	118.10	109.40	0.00	0.00
2007	116.50	112.30	0.00	0.00
2008	126.53	116.44	0.00	0.00
2009	120.50	120.18	120.32	116.82
2010	120.44	120.43	116.85	116.84
2010*	120.58	120.42	116.77	116.62

\* 1st February to 31st July 2010

### Portfolio Turnover Rate (PTR)

The PTR is a ratio that reflects the volume of trading within the Fund over the course of twelve month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the Fund's units and is expressed as a percentage of the Fund's average new asset value. The PTR for the Fund as at 31st January 2010 was 2788.87% (31st January 2009 26.93%).

Please note that the PTR is very high due to the method of investing in short term deposits and rolling them over at maturity.

## Other relevant prices

		Acc units Pence per unit	Inc units Pence per unit
Date			
18 Oct 99	Launch Date	100.00	N/A
10 Dec 99	Launch Date	N/A	120.18
31 Jan 10	Accounts Date	120.43	116.84
31 Jul 10	Accounts Date	120.58	116.77
4 Oct 10	Latest Date	120.70	116.89

## Net accumulation income/distribution

Calendar Year	Acc units		Inc units	
	Pence per unit	Per £1,000 invested at 04/01/05 £	Pence per unit	Per £1,000 invested at 15/01/09 £
2005	2.4388	22.88	0.00	0.00
2006	2.8209	26.46	0.00	0.00
2007	3.1079	29.15	0.00	0.00
2008	4.3010	40.35	0.00	0.00
2009	3.5783	33.57	3.5783	35.78
2010	0.1772	1.66	0.1720	1.72
2010 *	0.2646	2.81	1.2385	12.39

\*1st February to 31st July 2010

## Total Expense Ratio (TER)

This is a measure of the cost associated with managing the Fund. Apart from the initial charge and transaction costs, all other expenses are included in the TER. The TER is an internationally accepted standard for comparison of costs for authorise. The TER of the Fund was 0.23% for the year end 31st January 2010 (31st January 2009 0.72%). The annual management charge of 0.5% is not currently being levied to the Trust.

## Authorised status

Elite Income Plan Cash Trust is an Authorised Unit Trust Scheme as defined in Section 243 of the Financial Services and Markets Act 2000, and is a UCITS Scheme within the meaning of the Financial Services Authority's Collective Investment Schemes sourcebook ("COLL").

## Manager's statement

The financial statements on pages 9 to 11 were approved by the Manager and signed on its behalf by:

**V Hoare (Operations Director)**

**WAY Fund Managers Limited**  
**15 November 2010**

## Portfolio statement

as at 31st July 2010

Holding	Market Value (£)	% of total net assets
<b>Money Market Short Term Deposits 104.13% (99.36%)</b>		
800,000	800,000	21.87
Alliance & Leicester 0.97% 05/08/10 Deposit		
700,000	700,000	19.14
Anglo Irish 04/08/10 Deposit 0.55%		
870,000	870,000	23.79
Barclays 0.48% 09/08/2010 Deposit		
700,000	700,000	19.14
Bristol & West 0.50% 04/08/10 Deposit		
780,000	780,000	21.33
Britannia 11/08/2010 0.30% Deposit		
<b>Market Value of Investments 104.13% (99.36%)</b>		<b>105.27</b>
Net other assets -4.13% (0.64%)		(5.27)
<b>Total net assets</b>		<b>100.00</b>

Note: Comparative figures shown in brackets relate to 31st January 2010

## Statement of total return

for the period 1st February 2010 to 31st July 2010

	31.07.2010	31.01.2010
£'000	£'000	£'000

Income			
Net Capital Gains	0		(4)
Revenue	17	31	
Expenses	(19)	(23)	
Finance costs: Interest	-	-	
Net expense before taxation	(2)	8	
Taxation	-	-	
Net expense after taxation	(2)		8
<b>Total return before distributions</b>	(2)		4
Finance costs: Distributions	0		(8)
<b>Change in net assets attributable to unitholders</b>	(2)		(4)

## Statement of change in unitholders' net assets

for the period 1st February 2010 to 31st July 2010

	31.07.2010	31.01.2010
£'000	£'000	£'000

### Net assets at the start of the period

Movement due to sales and repurchases of units

Amount receivable on issue of units

Less: Amounts payable on cancellation of units

	3,983		4,241
2,217		2,599	
(2,542)		(2,859)	
	(325)		(260)
	0		0

Stamp Duty Reserve Tax

Change in net assets attributable to unitholders (see above)

Retained distribution on accumulation units

(2)		(4)
0		6
3,657		3,983

### Net assets at the end of the period

## Balance sheet

as at 31st July 2010

	31.07.2010 £'000	31.01.2010 £'000
<b>Assets</b>		
Portfolio of Investments	3,850	3,780
<b>Current Assets</b>		
Debtors	3	0
Cash and bank balances	(191)	207
Total other assets	(188)	207
<b>Total assets</b>	3,662	3,987
<b>Liabilities</b>		
Creditors	(5)	(12)
<b>Total liabilities</b>	(5)	(12)
<b>Net assets attributable to unitholders</b>	3,657	3,975

## General information

### Trust deed

The Trust was established by a Trust Deed made between the Manager and the Trustee dated 30th September 1999.

### Prospectus

Copies of the Trust's Prospectus are available free of charge from the Manager upon request.

### Unit type

The Trust issues Income and Accumulation units.

### Pricing and dealing

Dealing in all Unit Trusts 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 units over the telephone. Units can only be bought in writing enclosing settlement in full.

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.

In respect of large deals of £15,000 and over, the Manager has the discretion to quote a "special price" within the limits laid down under the regulations. The "special price" will be a price between the offer (full buying) price and the cancellation price (the price at which units are liquidated from the Trust). The minimum initial lump sum investment in the Fund is £5,000 and the minimum amount you may sell back to the Manager at any one time is £1,000, providing you maintain a balance of £5,000.

## General information - continued

At its absolute discretion, the Manager may accept a lower minimum amount for the purchase and sale of units. 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. Unit certificates will not be issued.

Instructions to sell your units 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.

### **Management charges, spreads and yields**

The initial charge for the Fund is 5.25% and the annual management fee is 0.5%. The Collective Investment Schemes Sourcebook permits these to be increased subject to 60 days notice in writing to unitholders.

As at 27th September 2010 the gross estimated yield was 2.97%. This yield is calculated and published daily. Certain other expenses are met by the Fund, the nature of which are detailed in the Fund's Prospectus.

### **Reports**

Reports, in their "short-form", will be sent to all unitholders on an annual and half-yearly basis. The "long-form" accounts are available free of charge on request from the Manager.

**Publication of prices** The price of units in the Trust is quoted daily on the web pages of Financial Express at [www.fundlistings.com](http://www.fundlistings.com).

### **Stamp Duty Reserve Tax**

Stamp Duty Reserve Tax ("SDRT") is a 0.5% tax that may be payable by the Trustee of a unit trust when unitholders sell their units in the unit trust. This may have an affect on you as the unitholder depending on how the unit trust manager will be treating this particular charge.

Subject to limits contained within the Trust's Prospectus, any SDRT liability incurred by Elite Income Plan Cash Trust will be charged to the Trust, which could mean that less of your money will be invested for potential capital and income growth.

### **Capital Gains Tax**

As an authorised unit trust, the Trust is exempt from UK Capital Gains tax. An individual's first £10,200 of net gains on disposals in the 2010/2011 tax year are exempt from tax. Gains in excess of £10,200 for 2009/2010 will be taxed according to how long the investment has been held for years after 6th April 1998.

### **Important information**

It is important to remember that the price of units, 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 units 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 unit trust investment as long term.

