



The WAY Group

# HE SAID, SHE SAID

**“To effectively communicate, we must realise that we are all different in the way we perceive the world and use this understanding as a guide to our communication with others.” - Anthony Robbins**

Some years ago midst a conversation with an IT Consultant who had prepared a piece of software for a previous company of mine he said to me “The problem here is that we don’t understand your questions and you don’t understand our answers”. This was not only an incisive reflection on our then relationship but a memorable phrase which henceforth I’ve tried to reflect on when trying to communicate a response or message of some detail or delicacy.

Good communication is vital in financial services - a point understood perfectly by you, our readership, who have to explain complex legislation and product to industry outsiders.

Leaving aside responsive communications, we do often discuss at WAY Towers the ‘right way’ to communicate general information to you - our IFA trading partners; be it legislative change affecting our products or news of new initiatives

or funds. The quality, medium and frequency of such communications are vexed over. The latter aspect affords the greatest angst – we know that the industry bombards you with more material in a day than you can read in a week yet I’m always told on our seminar rounds that you would write more new business with us if we were in contact more often. We are of a size and persuasion where we will not be indulging in any grand press or TV advertising campaigns so communications will generally be delivered through e-mail, newsletter, social media or this august publication. In addition, there is direct contact via our Regional Sales Managers and passive display of our wares on our website.

However we do it, we really do want to get it right and for the remainder of the year we will be conducting surveys of varying nature to try and discover how you would best like us to communicate with you. The surveys will be

aimed at people who have traded with WAY in the past and present and I sincerely hope that, if approached, you can find the time to help us hit the right note.

Thanks as always for your continuing support and hope to see as many of you as possible during our May and June seminar rounds.



*Eddie O’Gorman*  
**Eddie O’Gorman,**  
Head of Sales  
The WAY Group

## The WAY Group Footprint. Founding date: 1996 Founder/Chairman: Paul Wilcox

**Ownership:** Private (mostly held by the executives and friends and family)  
**Investment Professionals:**  
WAY Investment Managers Ltd

**Total AUM fund:**  
£707m (31 March 2011)  
**Total number of retail funds:**  
11 WAY funds, 44 Elite (third-party funds)

**Key products:**  
Inheritance tax mitigation plans, Income plan  
**Key investment areas:**  
Fund of funds, Specialist funds

**Investment partners for WAY range:**  
North Investment Partners, Vestra Wealth LLP,  
Charteris Treasury Portfolio Managers, Wessex Asset  
Management, Hasley Investment Management



# Early Bird IHT Planning

**Chancellor George Osborne announced in his recent Budget that the Inheritance Tax (IHT) Nil Rate Band (NRB), which was frozen in the 2010 Emergency Budget at £325,000 until 2014/15, would be indexed from 2015/16 at the Consumer Price Index (CPI) rate in line with all other tax thresholds.**

The freezing of the NRB had introduced a significant element of fiscal drag and using CPI for future indexation does not remove that effect, since it is generally accepted that CPI reports a lower rate of inflation that most people are subject to. Over time more and more estates will therefore be brought into the IHT net, and this is the single most significant element of the current IHT environment from a planning point of view.

The good news is that the regulatory environment for IHT appears to be settled for at least the term of this parliament. The Chancellor, in his first "Emergency Budget" last year, had said that he had laid out his stall for IHT and some other tax areas for the term of the parliament. Recently the Office of Tax Simplification proposed that a full review of IHT should be undertaken, however Mr Osborne has resisted this call and the signal seems clear that we know where we stand for the next few years. This should give confidence to clients and planners alike to make the most of the value of the NRB now.

The most important principle for IHT planning is therefore "don't delay / start now". The fiscal drag on the NRB means that it is more valuable in real terms now than it will be in the future. This should lead planners to look for opportunities for individuals to make lifetime gifts as soon as practically possible.

Where gifts are made earlier, clients will not want to lose all future benefit or access to funds, so making the gifts into WAY Inheritor Plans rather than outright to family members will be preferred.

These days setting up a WAY Inheritor Plan involves making a chargeable lifetime transfer, which will be effective in saving tax provided that cumulative gifts over 7 years fall within the NRB. This again reinforces the "start early" principle since younger clients can expect to recycle the NRB every 7 years for further rounds of planning. The perfect time to start is when clients are in their late fifties or early sixties, in particular alongside planning for the transition from work to retirement and for drawing from rather than saving into pension plans.

In summary there are three good reasons to start IHT planning now:

- **The real-terms value of the NRB is shrinking, it's worth less tomorrow than today.**
- **IHT planning should be part of pre-retirement planning and not left to later in life.**
- **Younger clients can recycle the NRB to maximise their transfers into the flexible WAY Inheritor Plans.**

**Mark Benson TEP**  
**Technical Manager**  
**WAY Investment Services Limited**

## Green for Go!

**As far as IHT and estate planning are concerned, the Budget was fairly uneventful, with the only real point of note the inclusion of a tax rate reduction for charity donations.**

The basic rules remain unchanged, with no mention of the proposed legislation review by the Office of Tax Simplification (OTS). However, this may still be announced at some point in the future. We believe that any changes would likely be made with the aim of raising more tax - the driver for change

more practical than ideological. This emphasises the point made in the article above: the sooner any Estate Planning can be done, the better for your clients.

We would love to see you at one of our upcoming seminars where we will develop this theme and explain the elements in our plans that can assist.

**For more information on the seminars in June, please contact Tony Lyons on 01202 890895 or [tony@waygroup.co.uk](mailto:tony@waygroup.co.uk).**

# The Last Crusade – search for the investment strategy Holy Grail

**I am one of those industry veterans who, whilst still having some way to go before retirement age, can boast 30+ years of experience in investment management. The earliest of those years was spent managing discretionary portfolios totalling some £40m of private client moneys (I am talking the 1970/80s here).**

Although slightly more removed from the coal face these days my interest in the industry search for the Holy Grail of investment strategy remains just as strong as ever. The ideal combination of low costs, low charges, competitive performance and minimal drawdowns (reductions in value) has eluded academics and practitioners alike ever since stockmarkets evolved almost two centuries ago. Index trackers and passive funds have been the most recent attempts but both have failed to deliver consistent upward-only performance.

After all this time it is pretty clear that the emotional drivers behind efficient stockmarkets, the urge to speculate in shares, means that there isn't and never will be a formula for achieving consistent stockmarket returns. However, my study of markets over the last 120 years and more does indicate that markets undoubtedly move in both short and long term trends, normally linked to economic and political factors at play in the global commercial world. Trend following (and trading strategies through the use of moving averages) has also, therefore, been a feature of investment management for a long time.

So it is with great pleasure and amusement that I have discovered that a combination of trend-following and trading triggers, based on moving averages, has now been demonstrated to be the most reliable means of managing a portfolio over the medium to long term –

but only if all subjective and emotional human input is removed from the management equation.

Extensive research from leading academics at the City-based Cass Business School has indicated that investment performance is enhanced and volatility reduced by adopting a purely mechanical but entirely logical process to manage investment portfolios.

I am also delighted to add that the practical application of this research has been brought to WAY Fund Managers courtesy of Hasley Investment Managers (and its captive professors from the business school) and is now available to investors via the WAY Hasley Global Momentum Fund.

This fund invests in 24 mature stockmarkets via 14 low-cost ETFs, with each ETF being invested, or not, each month depending on a moving average trigger. The process means that the fund can be up to a month or more late in joining any particular trend, depending on precisely when it started, but that it tends to fully participate in all long term up-trends and totally avoid all long-term down-trends. The (back-tested) result shows impressive performance and great risk-aversion. I can commend it to you as a major core holding for virtually any long term portfolio.

**Paul Wilcox**  
**Chairman WAY Group**

## Momentum Seminars

**To hear more about the fund structure and workings plus a presentation from Professor Thomas\* on the academic research and the back testing results then please register for one of our enlightening WAY Hasley Global Momentum Fund seminars.**

All 9.30am registration for a prompt 10am start.

<b>5th May</b>	<b>Leigh Court</b> Abbots Leigh Bristol, BS8 3RA
<b>11th May</b>	<b>Haydock Park Racecourse</b> Newton-le-Willows Merseyside, WA12 0HQ
<b>24th May</b>	<b>The Bridge</b> Walshford Wetherby, LS22 5HS
<b>25th May</b>	<b>Dunston Hall Hotel</b> Ipswich Rd, Norwich Norfolk, NR14 8PQ
<b>26th May</b>	<b>National Motorbike Museum</b> Coventry Road Bickenhill Solihull West Mids, B92 0EJ *For 26th May, Professor Thomas will be replaced by his co-author of the research, Professor Andrew Clare
<b>9th June</b>	<b>Hilton Cobham Hotel</b> 7 Hills Road South Cobham, Surrey, KT11 1EW

If you wish to attend then please contact Tony Lyons:  
**email:** [tony@waygroup.co.uk](mailto:tony@waygroup.co.uk) or  
**telephone:** 01202 890895.

**If you wish further information on the Cass Business School please visit [www.cass.city.ac.uk](http://www.cass.city.ac.uk)**

**Information on the WAY Group can be found at [www.waygroup.co.uk](http://www.waygroup.co.uk).**

# Twitter Ye Not?

## Despite those that may scoff at the idea, Social Media can be a useful tool for Financial Services - whether as an adviser or provider.

Sites such as Twitter, Facebook and YouTube are becoming more prevalent throughout the industry, as they are all about interactive communication. Social Media can closely resemble 1:1 interaction and can begin to build a rapport with clients, possibly leading to a face to face conversation.

WAY has been experimenting with its own Twitter page for the past few months – we are currently using it to monitor the adviser community and their relevant conversations / queries as regards our markets of interest, as well as a platform for new press articles, seminar invitations and the like. As we do not yet interact with the Twitter community, we are surprised with the number of followers we have amassed so far!

We are hoping to start using this channel of communication more as the year progresses. The amount of conversation, recommendations and debates among the advisers is staggering and we will become more involved as and when we see appropriate opportunities.

WAY has also recently added a channel on YouTube, where we will be adding updated videos in the next few months – for those who attended our Estate Planning Seminars last Autumn, keep an eye out for more videos starring Jerry and Margot!

We are aware of the old adage: 'people buy from people', so are hoping that our forays into the Social Media medium will add value both to current and future supporters of WAY Group.

You can follow us on Twitter at [www.twitter.com/WAY\\_UK](http://www.twitter.com/WAY_UK).



## Have it your WAY

This quarter, WAY will begin a review of all existing internal and external communications to ensure that they are all still fit for purpose. To assist with this review we have commissioned a survey, which has been emailed to a small number of current WAY supporters. This initial set of questions is to gauge an average view of our present materials and gather any other feedback that respondents deem appropriate. The survey will be repeated at the end of every quarter to determine opinion of our progress with the review.

Should you wish more information about the survey or wish to take part, please email [jenny@waygroup.co.uk](mailto:jenny@waygroup.co.uk).



## Who is Tony Lyons?



If you ring Head Office, you may hear his voice, but do you know what Tony actually does? Find out in the latest of our people profiles....

I have been with WAY for over 4 years, having previously worked in direct and sales support roles for other companies within financial services.

My work within WAY can vary from day to day as it is dictated to some degree on requests from my two main customers: IFAs and WAY's Regional Sales Managers. The latter work to promote WAY's range of IHT mitigation products and funds to IFAs and I provide them with literature, illustrations, fund performance data and various other support materials.

As advisers become increasingly aware of WAY, it is my responsibility to ensure that we make a good impression on first contact, which could encourage the IFA to look at our proposition and to start writing business with us. For those IFAs who have already written business, being able to assist with any query in a quick and efficient manner will help cement that relationship with WAY.

Being less known than other financial services companies, we have to work that bit harder at our marketing. I do this by maintaining and increasing WAY's IFA database. This is used for various newsletters and seminars - which I am responsible for arranging.

Over the last 12 months, we have increased our range of investment funds. It is important that those funds gain as much exposure as possible to increase our level of assets under management. To that end I deal with various investment and wrap platforms.

Lastly, the local IFA community is very vibrant with over 400 Registered Individuals. I have kept in contact with many of those that I had dealt with in my previous sales roles. Service has always been important to me and the fact that they welcome me whenever I contact them shows that I have done a good job.

### Tony Lyons. IFA Support Manager

**Length of service at WAY:** 4+ years

**Previous experience:** Worked for Hornbuckle Mitchell, Merchant Investors, Prudential, Abbey Life and Allied Dunbar in various sales roles.

**Interests:** I have a dog called Archie so walking is an activity I have to undertake. For a more vigorous activity I go to the gym at least twice a week. I have followed Chelsea since Docherty's Diamonds days so I have seen both the good and the bad times.

**Contact Number:** 01202 890895

**Email:** [tony@waygroup.co.uk](mailto:tony@waygroup.co.uk)