



WAY Fund Managers Limited

Elite Charteris Premium Income Fund

Annual Report 2013

ELITE CHARTERIS PREMIUM INCOME FUND

Manager's Report and Financial Statements
for the year ended 30 June 2013

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ELITE CHARTERIS PREMIUM INCOME FUND
REPORT OF THE INVESTMENT ADVISER
for the year ended 30th June 2013

Investment Objective and Policy

The objective of the Trust is to provide a combination of Income and capital growth with a particular emphasis on income.

The Trust will aim to achieve its investment objective through investment in a portfolio of transferable securities (including investment trusts), derivatives, collective investment schemes, warrants, cash and near cash deposits and money market instruments.

The portfolio will be actively managed and normally remain fully invested save for such operational liquidity as is required from time to time. The assets of the Trust will be managed in such a way that the units in the Trust will be qualifying investments for Individual Savings Accounts. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations. This means that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time provided such investment is compatible with the investment objective and policy of the Trust as a whole.

The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Trust, and borrowing will be permitted on a temporary basis under the terms of the Regulations. In particular, derivatives transactions, including options, may be written in respect of the underlying investments of the Trust on a fully covered basis.

On giving 60 days' notice to Unitholders, the Trust may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. The use of derivatives in this way may change the risk profile of the Trust.

Performance

Over the review period and since launch, the relative performance of Elite Charteris Premium Income Fund has been as follows:

Cumulative Performance to 30 June 2013	6 months	1 year	2 years	3 years	*Launch
Elite Charteris Premium Income Fund	-2.41%	4.73%	2.58%	24.28%	64.25%

Discrete Annualised Performance to 30 June	2009	2010	2011	2012	2013
Elite Charteris Premium Income Fund	-6.81%	13.47%	22.38%	-2.05%	4.73%

*Since launch on 10 Dec 2001

Source: Bloomberg. Total Return. Net Distributions/Income reinvested.

Past performance is not a guide to future performance. The value of investments and any income from them may go down as well as up. Exchange rate changes may cause the value of any overseas investments to rise or fall.

ELITE CHARTERIS PREMIUM INCOME FUND

REPORT OF THE INVESTMENT ADVISER (continued)

Investment Review

The Trust continues to have a focus on mining stocks/growth stocks within the leading UK Blue chip equity Index and continues to stay away from big hitters in the financial sector such as Lloyds, RBS and Barclays. We also intend to avoid the retail sector with stocks such as Next and Marks and Spencer's not included in the portfolio. We saw the Index rise to a ten year high of 6800 during the first half of 2013 with lower beta stocks massively outperforming higher beta stocks, which is an unusual occurrence in a bull market.

Outlook

We sent out a research note indicating that we thought the leading UK Blue chip Index would break out on the upside and this has proved to be the correct call throughout the first half of 2013. We will continue to run the Trust the same as we have done in previous years. We will not write covered call options continuously throughout the year, and we will continue to have a firm basis of high yielding stocks that pay good dividends. There have been some stocks that we have sold during the period such as Evraz because they dropped out of the leading Index and were replaced by other companies; this has led to a little bit of switching within the sectors such as Hammerson. When the Trust has suffered redemptions, we have duly reduced stock holdings, conversely, when we have received monies into the Trust, we have added to current holdings. We have also increased exposure to the base metal miners such as BHP Billiton and Rio Tinto but reduced exposure to the Oil sector. As a rule, the base metal miners are on much higher dividend yields than the oil stocks. Overall, there has been very little change to the underlying portfolio.

Ian Williams
Charteris Treasury Portfolio Managers Ltd
Investment Adviser to the Trust

4 July 2013

ELITE CHARTERIS PREMIUM INCOME FUND

PORTFOLIO STATEMENT

as at 30 June 2013

Holding		Market Value £	Percentage of total net assets %
	Aerospace & Defence : 6.54% (2.13%)		
250,000	BAE Systems	961,125	4.24
100,000	Meggitt	521,000	2.30
		1,482,125	6.54
	Banks : 7.43% (3.62%)		
75,000	Standard Chartered	1,067,250	4.71
90,000	HSBC Holdings	615,375	2.72
		1,682,625	7.43
	Beverages : 7.04% (4.59%)		
54,000	Diageo	1,020,600	4.51
18,000	SABMiller	572,715	2.53
		1,593,315	7.04
	Chemicals : 3.14% (4.02%)		
27,000	Johnson Matthey	711,045	3.14
	Food Producers & Processors : 3.17% (3.09%)		
27,000	Unilever	718,875	3.17
	Food Retailers : 1.73% (1.96%)		
150,000	Morrison (Wm) Supermarkets	390,900	1.73
	General Finance : 2.15% (3.73%)		
11,000	Schroders	245,300	1.08
50,000	Hammerson	243,075	1.07
		488,375	2.15
	General Retail : 0.00% (0.49%)	-	-
	General Industrials : 5.38% (5.46%)		
35,000	IMI	436,800	1.93
67,500	Rolls Royce	780,300	3.45
		1,217,100	5.38
	Industrial Metals and Minerals : 2.32% (0.00%)		
192,150	Glencore International	525,867	2.32
	Life Assurance : 4.32% (1.75%)		
90,000	Prudential	977,850	4.32
	Media & Entertainment : 1.58% (3.26%)		
45,000	BSkyB	357,750	1.58
	Mining : 16.30% (16.71%)		
27,000	Antofagasta	217,822	0.96
67,500	BHP Billiton	1,148,850	5.07
100,000	Fresnillo	850,500	3.76
16,000	Randgold Resources	640,800	2.83
81,000	Vedanta Resources	833,490	3.68
		3,691,462	16.30

ELITE CHARTERIS PREMIUM INCOME FUND

PORTFOLIO STATEMENT (continued)

Oil & Gas : 7.54% (10.98%)			
20,000	BG Group	224,700	0.99
27,000	Rio Tinto	731,565	3.23
63,000	Petrofac	750,960	3.32
		1,707,225	7.54
Personal Care & Household : 1.14% (0.00%)			
5,500	Reckitt Benckiser Group	258,363	1.14
Pharmaceuticals : 6.51% (9.22%)			
90,000	GlaxoSmithKline	1,473,525	6.51
Support Services : 8.64% (3.02%)			
36,000	Bunzl	464,580	2.05
360,000	Resolution	1,026,000	4.53
8,000	Intertek Group	236,000	1.04
20,000	Experian	230,500	1.02
		1,957,080	8.64
Technology : 0.44% (1.12%)			
12,500	ARM Holdings	100,188	0.44
Telecommunications : 6.72% (5.30%)			
810,000	Vodafone Group	1,521,990	6.72
Tobacco : 1.52% (3.62%)			
15,000	Imperial Tobacco	344,400	1.52
Utilities : 4.55% (13.01%)			
65,000	National Grid	482,786	2.13
36,000	SSE	548,280	2.42
		1,031,066	4.55
Water : 1.32% (1.21%)			
18,000	Severn Trent	299,340	1.32
Market Value of Investments : 99.48% (98.29%)		22,530,466	99.48
Net other assets : 0.52% (1.71%)		117,205	0.52
Total net assets		22,647,671	100.00

All holdings are equity investments unless otherwise stated.

Note: Comparative figures shown in brackets relate to 30 June 2012

ELITE CHARTERIS PREMIUM INCOME FUND

PERFORMANCE RECORD

Net Asset Value

Accounting Date	Share Class	Net Asset Value £	Shares in issue	Net Asset per share p
30 June 2011	Retail Income	12,507,170	10,461,359	119.56
	Retail Accumulation	884,691	685,795	129.00
	Institutional Income	1,400,845	1,167,055	120.03
	Institutional Accumulation	5,456,573	4,221,126	129.27
30 June 2012	Retail Income	11,318,568	10,020,795	112.95
	Retail Accumulation	941,861	762,042	123.60
	Institutional Income	6,157,279	5,406,064	113.90
	Institutional Accumulation	8,647,256	6,956,696	124.30
30 June 2013	Retail Income	10,236,626	9,004,743	113.68
	Retail Accumulation	516,454	397,411	129.95
	Institutional Income	7,009,316	6,081,888	115.25
	Institutional Accumulation	4,885,275	3,737,585	130.71

Price and Income History

Calendar Year	Share Class	Highest Price p	Lowest Price p	Distribution per share p
2009*	Retail Income	110.36	72.99	1.2571
	Retail Accumulation*	110.36	72.99	-
2010**	Retail Income	117.66	104.66	2.0899
	Retail Accumulation	117.66	104.66	2.0899
2010***	Retail Income	130.25	104.60	3.3710
	Retail Accumulation	131.07	105.36	3.4860
	Institutional Income	130.25	111.46	3.3740
	Institutional Accumulation	131.07	112.25	-
2011	Retail Income	129.51	100.76	9.1407
	Retail Accumulation	133.41	108.73	9.1631
	Institutional Income	129.62	101.23	9.4524
	Institutional Accumulation	133.57	109.10	5.9786
2012	Retail Income	124.35	110.26	5.3587
	Retail Accumulation	137.35	121.40	5.6314
	Institutional Income	125.18	111.22	4.8094
	Institutional Accumulation	138.46	122.21	5.5670
2013****	Retail Income	128.01	112.93	1.6011
	Retail Accumulation	145.67	128.51	1.5500
	Institutional Income	129.71	114.48	1.9058
	Institutional Accumulation	147.36	129.84	2.3758

* From 8 September to 31 December 2009

** Bid/Offer priced from 1 January to 30 April 2010

*** Single priced from 1 May to 31 December 2010

**** From 1 January to 30 June 2013

**ELITE CHARTERIS PREMIUM INCOME FUND
PERFORMANCE RECORD (continued)**

Other Relevant Prices

Date		Share Class	Price per share p
Launch Date	10 December	Retail Income	100.00
Launch Date	8 September	Retail Accumulation	100.00
Launch Date	1 July 2010	Institutional Income	100.00
Launch Date	1 July 2010	Institutional Accumulation	100.00
Accounts Date	30 June 2013	Retail Income	115.64
		Retail Accumulation	131.60
		Institutional Income	117.24
		Institutional Accumulation	132.96
Latest Date	8 August 2013	Retail Income	121.30
		Retail Accumulation	141.11
		Institutional Income	123.06
		Institutional Accumulation	142.69

Ongoing Charges Figure ("OCF")

The OCF is the ratio of the relevant annualised total disclosable costs of each share class from the most recent reporting period to the average net asset value for each share class over the same period. This is calculated in accordance with CESR/10-674.

Where the Trust invests its assets in other Collective Investment Schemes (CIS), the on-going charges attributable to the underlying CIS are taken into account:

- (a) The OCF (or equivalent) of each underlying CIS are pro-rated in line with the proportion of the Trust it represents.
- (b) All the pro-rated figures are added to the OCF of the Trust, giving a 'synthetic' OCF total.

The OCF for unit classes in the Trust as at 30 June 2013 were:

Retail Income	1.61%	2012: 1.72%
Retail Accumulation	1.61%	2012: 1.72%
Institutional Income	1.11%	2012: 1.22%
Institutional Accumulation	1.11%	2012: 1.22%

Synthetic Risk and Reward Indicator ("SRRI")

The SRRI table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on historical data, may change over time and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table below shows the Trust's ranking on the Risk and Reward Indicator.

Typically lower rewards, ← lower risk			Typically higher rewards, higher risk →			
1	2	3	4	5	6	7

ELITE CHARTERIS PREMIUM INCOME FUND

DISTRIBUTION TABLE

for the year ended 30 June 2013

Interim Distributions

Group 1: Units purchased prior to 1 July 2012

Group 2: Units purchased on or after 1 July 2012 and upto 31 December 2012

Retail Income Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Paid 28/02/2013 p	Paid 28/02/2012 p
Group 1	1.7790	0.1779	1.6011	-	1.6011	1.4322
Group 2	0.4494	0.0449	0.4045	1.1966	1.6011	1.4322

Institutional Income Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Paid 28/02/2013 p	Paid 28/02/2012 p
Group 1	2.1176	0.2118	1.9058	-	1.9058	1.4417
Group 2	0.6836	0.0684	0.6152	1.2906	1.9058	1.4417

Retail Accumulation Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Allocated 28/02/2013 p	Allocated 28/02/2012 p
Group 1	1.7222	0.1722	1.5500	-	1.5500	1.5443
Group 2	1.0151	0.1015	0.9136	0.6364	1.5500	1.5443

Institutional Accumulation Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Allocated 28/02/2013 p	Allocated 28/02/2012 p
Group 1	2.6398	0.2640	2.3758	-	2.3758	1.5529
Group 2	0.6132	0.0613	0.5519	1.8239	2.3758	1.5529

ELITE CHARTERIS PREMIUM INCOME FUND

DISTRIBUTION TABLE (continued)

Final Distributions

Group 1: Units purchased prior to 1 January 2013

Group 2: Units purchased on or after 1 January 2013 and upto or before 30 June 2013

Retail Income Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Payable 31/08/2013 p	Paid 31/08/2012 p
Group 1	2.8440	0.2844	2.5596	-	2.5596	3.9265
Group 2	2.2310	0.2231	2.0079	0.5517	2.5596	3.9265

Institutional Income Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Payable 31/08/2013 p	Paid 31/08/2012 p
Group 1	2.8836	0.2884	2.5952	-	2.5952	3.3677
Group 2	2.3816	0.2382	2.1434	0.4518	2.5952	3.3677

Retail Accumulation Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Allocation 31/08/2013 p	Allocated 31/08/2012 p
Group 1	3.2399	0.3240	2.9159	-	2.9159	4.0871
Group 2	1.4568	0.1457	1.3111	1.6048	2.9159	4.0871

Institutional Accumulation Units	Gross Income p	Tax credit at 10% p	Net Income p	Equalisation p	Allocation 31/08/2013 p	Allocated 31/08/2012 p
Group 1	3.2649	0.3265	2.9384	-	2.9384	4.0141
Group 2	3.1108	0.3111	2.7997	0.1387	2.9384	4.0141

EQUALISATION

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued income included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

ELITE CHARTERIS PREMIUM INCOME FUND

GENERAL INFORMATION

The Trust

Elite Charteris Premium Income Fund is an authorised Unit Trust and is a UCITS Scheme within the meaning of the COLL Sourcebook.

The Trust was established by a Trust Deed between the Manager and the Trustee dated 22 August 2001.

The Manager

The Manager of the Trust is responsible for all aspects of administration and management within the Trust. The Manager is WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

The Trustee

The Trustee acts as the custodian for all assets relating to the Trust. The Trustee is State Street Trustees Limited, 20 Churchill Place, Canary Wharf, London, E14 5HJ. The Trustee is authorised and regulated by the Financial Conduct Authority.

The Investment Adviser

The Investment Adviser to the Trust is Charteris Treasury Portfolio Managers Ltd.

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.

ELITE CHARTERIS PREMIUM INCOME FUND

GENERAL INFORMATION (continued)

Pricing and Dealing

Mid prices are always quoted for units in the Trust.

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/units over the telephone. 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.

The minimum initial lump sum investment for retail investors in the Trust is £1,000 and for institutional investors is £100,000. The minimum amount you may sell back to the Manager at any one time is £1,000 for retail investors and £100,000 for institutional investors. 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. Share 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.

Dilution

The actual cost to the Trust of purchasing or selling its Investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the Trust. Under certain circumstances (e.g. large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', WAY Fund Managers have the power to charge a dilution levy on the sale and/or redemption of units. The dilution levy will be applied at the outset and will be paid into and become part of the Trust. The dilution levy for the Trust will be calculated by reference to the costs of dealing in the underlying investments of the Trust, including any dealing spreads, commission and transfer taxes.

ELITE CHARTERIS PREMIUM INCOME FUND

GENERAL INFORMATION (continued)

Management Charges

The initial charge on the Trust is 5% and the annual management charge is 1.5% for Retail units and 1% for Institutional units.

Certain other expenses are met by the Trust, the nature of which are detailed in the Trust'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.

Stamp Duty Reserve Tax

SDRT is a 0.5% tax that is payable by the Trustee of a Unit Trust when Unitholders sell their units in that 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 the 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

An Authorised Unit Trust is exempt from UK Capital Gains Tax. An individual's first £10,900 of net gains on disposals in the 2013/2014 tax year are exempt from tax. Gains in excess of £10,900 for 2013/2014 are subject to a rate of tax dependent on an individual's total annual taxable income.

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.

ELITE CHARTERIS PREMIUM INCOME FUND

RISK PROFILE

The risks associated with investing in the Trust, are as follows:

- Investors should appreciate that there are inherent risks in all types of investments. Stock market prices can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment. Investment in the Trust should be regarded as long-term, which is upwards of 3-5 years. There can be no guarantee that the objectives of the Trust will be achieved.

- The capital value and the income from units issued in respect of the Trust can fluctuate and the price of units and the income from them can go down as well as up and are not guaranteed. On encashment, particularly in the short-term, investors may receive less than the original amount invested. The Manager's initial charge is deducted from an investment at the outset and an equivalent rise in the value of the units is required before the original investment can be recovered. It must be emphasised that past performance is not necessarily a guide to future growth or rates of return.

- Defensive investment in cash and money market instruments, at times when relevant stockmarket indices are rising, may constrain the growth of capital invested in the Trust.

- Investments may be made in assets denominated in various currencies and the movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gains and losses otherwise experienced on such investments.

- Exemptions, thresholds and rates of tax may change in the future.

- The Trust will normally invest in written call options, which are intended to protect the capital value of investments within the Trust. Whilst the premiums received can help to boost the performance of the Trust, in certain market conditions, typically where stock prices are rising, such investments can have the effect of constraining capital growth, as they have an associated cost attached to them.

- Some or all of the charges and expenses may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth, as the Trust treats the generation of income as a higher priority

ELITE CHARTERIS PREMIUM INCOME FUND

Reports

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Publication of Prices

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Manager/Registrar

WAY Fund Managers Limited*
Cedar House
3 Cedar Park
Cobham Road
Wimborne
Dorset BH21 7SB
Telephone: 01202 855 856

Directors of WAY Fund Managers Limited

P Wilcox (Chairman)
P Hugh Smith
P Legg
V Hoare
R Coe

Trustee

State Street Trustees Limited*
20 Churchill Place
Canary Wharf
London E14 5HJ

Independent Auditor

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30 Finsbury Square
London EC2P 2YU

Fund Accountant ¹

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Oxford Road
Aylesbury
Buckinghamshire HP21 8SZ

Fund Accountant ²

Apex Fund Services (UK) Limited*
Veritas House
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London EC2A 1NQ

Investment Adviser

Charteris Treasury Portfolio Managers Limited*
8 - 9 Lovat Lane
London
EC3R 8DW

* Authorised and regulated by the Financial Conduct Authority ("FCA")

¹ To 31 December 2012

² From 1 January 2013