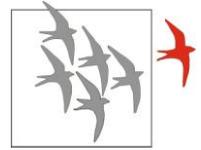


WAY Fund Managers Limited

Libero Portfolio Fund

Interim Report for the period ended 30th June 2011



CHEVIOT

asset management

Libero Balanced Fund

Libero Cautious Fund

Libero Strategic Fund

Libero Balanced Fund

REPORT OF THE INVESTMENT ADVISER

For the period from launch 8 November 2010 to 30 June 2011

Investment Objective and Policy

The objective of the Fund is to provide income and capital growth.

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

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 Fund will be managed in such a way that the Shares in the Fund 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, geographical area 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 Fund as a whole.

The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted on a temporary basis under the terms of the Regulations.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

Performance

Due to the recent launch of the Fund we are not able to produce performance figures for this report. The next report for the Libero Balanced Fund will be at the annual account date of 31st December 2011.

Investment Review

Looking at the numbers in isolation the first half of 2011 was a quiet half year. 10 year gilt yields moved from 3.39% at the end of 2010 to 3.8% by the end of June and the FTSE100 was up 0.78% over the period. The reality is a period of volatility with a number of significant global events, from jasmine revolutions to a major earth quake in Japan, a Greek sovereign debt crisis and then the end of quantitative easing, the biggest monetary experiment in history, to finish the period. If it had not been for the last week of June the figures would have been worse, but the successful passing of the Greek vote caused a 5% rally in equity markets. Debasement of major currencies and sovereign debt concerns pushed gold up 5% in dollar terms. Global unrest caused the oil price to rally, despite a brief selloff caused by the actions of the IEA and the release of strategic reserves.

The Balanced Fund invests across a range of assets. This has the benefit of diversification and allows the managers to invest where they see value. The Fund started its launch period in November 2010 and the portfolio was invested from an initial cash position on 1 April 2011.

REPORT OF THE INVESTMENT ADVISER (CONTINUED)

The Fund remained overweight equities relative to fixed interest and cash during the period. The Fund held an underweight position in hedge funds as the manager felt current market conditions did not suit hedge fund strategies. Within the UK equity portion an overweight position in defensive stocks added value. Towards the end of the period profits were taken in industrial and cyclical stock, and investments made in more defensive stocks. Within fixed income the manager invested in gilts as a diversifier but remained underweight credit on valuation grounds.

Outlook

The list of potential headwinds is long, but central banks and governments seem determined to create a favourable economic background. However the pace of growth has slowed and unemployment remained stubbornly high. Inflation has remained high in the UK and the prospect of monetary tightening continues to be pushed out. Against this background corporate earnings remain solid and S&P 500 earnings are expected to reach record levels. The manager sees value in equities and is underweight bond duration on the view that rates will eventually start to rise. Commodities remain a good diversifier and we continue to look for opportunities within the hedge fund sector.

Cheviot Asset Management
Investment Adviser to the Fund

8 July 2011

Libero Balanced Fund

PERFORMANCE RECORD

Price and Income History

Calendar Year	Share Class	Highest Price P	Lowest Price P	Distribution per Share P	Income per £1,000 invested at launch date £
2010*	A Accumulation	100.00	100.00	-	-
	B Accumulation	100.00	100.00	-	-
2011**	A Accumulation	101.30	97.00	0.3501	3.50
	B Accumulation	101.30	97.11	0.3505	3.50
	C Accumulation	100.55	97.11	0.3506	3.50
	D Accumulation	100.55	97.09	0.3505	3.50
	C Income	100.55	97.11	0.3505	3.50

* from launch 8 November 2010 to 31 december 2010

** to 30 June 2011

Net Asset Value

Accounting Date	Share Class	Net Asset Value £	Shares in issue	Net Asset per share P
30 June 2011	A Accumulation	2,928,115	2,944,258	99.45
	B Accumulation	23,628	24,000	98.45
	C Accumulation	3,370,742	3,385,314	99.57
	D Accumulation	1,800,417	1,808,615	99.55
	C Income	24,891	25,000	99.56

Other Relevant

Date	Share Class	Price P
Launch date 8 November 2010	A Accumulation	100.00
	B Accumulation	100.00
	C Accumulation	100.00
	D Accumulation	100.00
	C Income	100.00
Accounting date 30 June 2011	A Accumulation	99.59
	B Accumulation	99.71
	C Accumulation	99.73
	D Accumulation	99.69
	C Income	99.71
Latest date 11 August 2011	A Accumulation	90.51
	B Accumulation	90.67
	C Accumulation	90.80
	D Accumulation	90.63
	C Income	90.34

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 authorised funds.

The TER of the Fund is produced annually and as such will be disclosed in the first annual report dated 31 December 2011.

Libero Balanced Fund

PORTFOLIO STATEMENT

(unaudited) as at 30 June 2011

Holding		Market Value £	Percentage of total net assets %
	UNITED KINGDOM - 67.69%		
	Equities - 46.73%		
5,042	Amec	53,874	0.66
4,475	Associated British Foods	48,352	0.59
3,634	AstraZeneca	111,773	1.37
8,378	BG Group	118,025	1.45
10,850	BH Global	120,001	1.47
6,569	BHP Billiton	159,315	1.96
36,000	BP	164,135	2.01
4,482	BAT	120,599	1.48
47,158	Cable & Wireless	18,868	0.23
7,470	Charter International	59,088	0.73
6,915	Diageo	87,233	1.07
25,283	Enquest	31,073	0.38
1,293	Ferox Salar	151,696	1.86
13,543	GlaxoSmithkline	179,343	2.20
7,495	Greene King	36,662	0.45
31,299	HSBC Holdings (UK Reg)	192,082	2.36
30,283	Henderson Group	46,136	0.57
5,493	Hochschild Mining	24,628	0.30
11,406	Home Retail Group	18,449	0.23
2,320	Intertek Group	45,913	0.56
11,113	Invensys	35,378	0.43
5,746	Jardine Lloyd Thompson	38,944	0.48
2,528	Johnson Matthey	48,917	0.60
41,100	Legal & General	48,128	0.59
115,530	Lloyds TSB	55,662	0.68
24,273	London & Stamford Property	31,531	0.39
35,930	Marston's	36,720	0.45
13,427	Melrose	48,270	0.59
16,455	Morgan Crucible	50,254	0.62
5,855	National Grid	35,613	0.44
5,753	Pearson	67,396	0.83
12,140	Pennon Group	83,554	1.03
10,408	Prudential	74,209	0.91
1,111	Reckitt Benckiser	37,552	0.46
3,714	Rio Tinto	163,667	2.01
12,348	Royal Dutch Shell 'B'	270,730	3.32
9,810	Sainsbury (J)	32,108	0.39
3,525	Scottish And Southern Energy	48,945	0.60
2,375	Severn Trent	34,331	0.42
4,550	Smith & Nephew	30,087	0.37
3,948	Smiths Group	47,139	0.58
17,055	Stagecoach Group	43,883	0.54
5,230	Standard Chartered	84,321	1.03
10,037	Standard Life	20,832	0.26
6,613	Tate & Lyle	40,653	0.50
14,940	Tesco	59,242	0.73
6,332	Tullow Oil	77,884	0.96

PORTFOLIO STATEMENT(continued)

2,390	Unilever	47,692	0.59
7,410	United Business Media	40,644	0.50
112,537	Vodafone	184,504	2.26
2,788	WPP	21,502	0.26
5,927	Xstrata	80,029	0.98
		3,807,563	46.73
	Collective investment schemes - 16.25%		
985	Aquila Capital Risk Parity 7	118,968	1.46
96,610	AXA Framlington American Growth Accumulation	236,791	2.91
15,900	Aberdeen Asset Management	35,242	0.43
117,594	BlackRock European Dynamic A Accumulation	329,192	4.04
796	DB Platinum Tosca Mid Cap Equity I1 Accumulation	78,125	0.96
43,430	Fidelity Global Inflation Linked Bond A Accumulation	303,102	3.72
3,498	Investec UK Smaller Companies Inst Income	96,121	1.18
104,302	M&G Optimal Income Institutional Income	126,810	1.56
		1,324,351	16.25
	Fixed Interest - 4.70%		
372,393	UK Treasury 2.25% 2014	383,304	4.70
	TOTAL UNITED KINGDOM	5,515,219	67.69
	UNITED STATES OF AMERICA - 11.15%		
	Collective investment schemes - 9.55%		
1,181	Allianz RCM US Equity	81,958	1.01
18,228	Findlay Park American	568,194	6.97
34,404	First State Asia Pacific Leaders B Accumulation	127,831	1.57
		777,983	9.55
	Investment Trusts - 1.60%		
14,915	J P Morgan American Investment Trust	130,245	1.60
	TOTAL UNITED STATES OF AMERICA	908,228	11.15
	EUROPE - 4.43%		
	Collective investment schemes - 4.43%		
35,805	Cazenove European A Accumulation	167,037	2.05
158,228	2CG European Capital Growth Institutional	193,544	2.38
		360,581	4.43
	FAR EAST - 3.12%		
	Collective investment schemes - 3.12%		
1,497	GLG Japan Core Alpha AA	128,767	1.58
171,402	Schroder Asian Alpha Plus A Accumulation	125,706	1.54
		254,473	3.12
	EMERGING MARKETS - 1.53%		
	Collective investment schemes - 1.53%		
22,690	Aberdeen Emerging Markets Institutional Accumulation	124,346	1.53
	Portfolio of Investments	7,162,848	87.91
	Net other assets	984,945	12.09
	Total net assets	8,147,793	100.00

Libero Balanced Fund

DISTRIBUTION TABLES

(unaudited) for the period from launch 8 November 2010 to 30 June 2011

INTERIM

As this is the first distribution for the fund, Group 1 distributions are only applicable to shareholders who invested in the fund during the initial period.

A Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.3890	0.0389	0.3501	-	0.3501
Group 2	0.3351	0.0335	0.3016	0.0485	0.3501

B Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.3894	0.0389	0.3505	-	0.3505
Group 2	0.3894	0.0389	0.3505	-	0.3505

C Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.3896	0.0390	0.3506	-	0.3506
Group 2	0.3896	0.0390	0.3506	-	0.3506

D Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.3894	0.0389	0.3505	-	0.3505
Group 2	0.0384	0.0038	0.0346	0.3159	0.3505

C Income Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Paid 31/08/2011 p
Group 1	0.3894	0.0389	0.3505	-	0.3505
Group 2	0.3894	0.0389	0.3505	-	0.3505

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued income included in the purchase price of the shares. 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 shares for capital gains tax purposes.

Libero Cautious Fund

REPORT OF THE INVESTMENT ADVISER

For the period from launch 2 August 2010 to 30 June 2011

Investment Objective and Policy

The objective of the Fund is to provide income and capital growth.

The Fund will aim to achieve its investment objective by providing a medium to low risk environment focusing on capital preservation through investment in a portfolio of transferable securities (including investment trusts), collective investment schemes, deposits, approved money market instruments and derivatives.

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 Fund will be managed in such a way that the Shares in the Fund 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 area 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 Fund as a whole.

The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted on a temporary basis under the terms of the Regulations.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

Performance

Over the review period and since launch, the relative performance of Libero Cautious Fund has been as follows:

	6 months	*Launch
Libero Cautious Fund	1.03%	2.53%
Composite Benchmark	1.45%	5.12%

Discrete Performance	*2010	YTD
Libero Cautious Fund	1.48%	0.91%

*Since launch on 02 August 2010

Source: Cheviot Asset Management. Total Return. Net Distributions/Income reinvested.

REPORT OF THE INVESTMENT ADVISER (CONTINUED)

Investment Review

Looking at the numbers in isolation the first half of 2011 was a quiet half year. 10 year gilt yields went from 3.39% at the end of 2010 to 3.8% by the end of June and the FTSE100 was up 0.78% over the period. The reality is a period of volatility with a number of significant global events, from Jasmine revolutions to a major earth quake in Japan, a Greek sovereign debt crisis and then an end to the biggest monetary experiment in history to finish the period. If it wasn't for the last week of June the figures would have been worse, but the successful passing of the Greek vote caused a 5% rally in equity markets. Debasing of major currencies and sovereign debt concerns caused gold to rally, up 5% in dollar terms.

Global unrest caused the oil price to rally, despite a brief selloff caused by the actions of the IEA and the release of strategic reserves. The Fund aims to preserve capital by investing in fixed interest stocks and cash. The manager aims to produce some growth by investing in equities with a limit of 35%. This is done through investing in individual equities. We remained underweight gilts during the period. This cost some performance as flight to safety and the Bank of England's stance benefitted gilts. Within the UK equity portion overweight position in defensive stocks added value. Towards the end of the period profits were taken in industrial and cyclical stock, and investment made in more defensive stocks. The Fund is underweight credit and not invested in high yield at this time.

Outlook

The list of potential headwinds is long, but central banks and governments seem determined. The pace of economic growth has slowed and unemployment remained stubbornly high. Inflation has remained high in the UK and the prospect of monetary tightening continues to be pushed out. Against this background corporate earnings remain solid and S&P 500 earnings are expected to reach record levels. The manager sees value in equities and is underweight bond duration on the view that rates will start to rise. The manager will look to invest in credit should he see value.

Cheviot Asset Management
Investment Adviser to the Fund

8 July 2011

Libero Cautious Fund

PERFORMANCE RECORD

Price and Income History

Calendar Year	Share Class	Highest Price P	Lowest Price P	Distribution per Share P	Income per £1,000 invested at launch date £
2010*	LAPS Institutional Accumulation	101.48	99.35	-	-
	LAPS Retail Accumulation	101.48	99.35	-	-
	A Accumulation	101.48	99.35	-	-
2011**	LAPS Institutional Accumulation	102.75	100.36	1.1238	11.24
	LAPS Retail Accumulation	102.87	100.36	1.1201	11.20
	A Accumulation	102.75	100.36	1.1220	11.20

* from launch 2

** to 30 June 2011

Net Asset Value

Accounting Date	Share Class	Net Asset Value £	Shares in issue	Net Asset Value per share P
30 June 2011	LAPS Institutional Accumulation	1,837,131	1,792,468	102.49
	LAPS Retail Accumulation	327,722	320,828	102.15
	A Accumulation	1,107,724	1,082,558	102.32

PERFORMANCE

Other Relevant Prices

Date	Share Class	Price P
Launch date 2 August 2010	LAPS Accumulation	100.00
	LAPS Retail Accumulation	100.00
	A Accumulation	100.00
Accounting date 30 June 2011	LAPS Accumulation	102.53
	LAPS Retail Accumulation	102.19
	A Accumulation	102.36
Latest date 11 August 2011	LAPS Accumulation	102.00
	LAPS Retail Accumulation	101.57
	A Accumulation	101.78

Total Expense Ratio

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 authorised funds.

The TER of the Fund is produced annually and as such will be disclosed in the first annual report dated 31 December 2011.

Libero Cautious Fund

PORTFOLIO STATEMENT

(unaudited) as at 30 June 2011

Holding	Market Value £	Percentage of total net assets %	
UNITED KINGDOM - 85.44%			
Equities - 24.48%			
4,775	Aberdeen Asset Management	10,584	0.32
1,100	Associated British Foods	11,886	0.36
675	Astrazeneca	20,761	0.63
1,855	BG Group	26,132	0.80
1,160	BHP Billiton	28,133	0.86
6,600	BP	30,091	0.92
640	BAT	17,221	0.53
2,000	Charter International	15,820	0.48
1,230	Diageo	15,516	0.47
3,375	Enquest	4,148	0.13
973	Ferox Salar	114,159	3.49
2,930	GlaxoSmithkline	38,801	1.19
1,630	Greene King	7,973	0.24
5,130	HSBC Holdings (UK Reg)	31,483	0.96
4,960	Henderson Group	7,557	0.23
1,075	Hochschild Mining	4,820	0.15
3,580	Invensys	11,397	0.35
800	Jardine Lloyd Thompson	5,422	0.17
390	Johnson Matthey	7,547	0.23
9,150	Legal & General Group	10,715	0.33
34,260	Lloyds TSB	16,506	0.50
6,070	Marston's	6,204	0.19
2,960	Melrose	10,641	0.33
3,665	Morgan Crucible	11,193	0.34
1,200	National Grid	7,299	0.22
950	Pearson	11,129	0.34
3,110	Pennon Group	21,405	0.65
970	Prudential	6,916	0.21
200	Reckitt Benckiser	6,760	0.21
765	Rio Tinto	33,712	1.03
2,375	Royal Dutch Shell 'B'	52,072	1.59
4,620	Sainsbury (J)	15,121	0.46
475	Scottish And Southern Energy	6,595	0.20
1,645	Smith & Nephew	10,878	0.33
375	Smiths Group	4,478	0.14
3,215	Stagecoach	8,272	0.25
985	Standard Chartered	15,881	0.49
6,375	Standard Life	13,231	0.40
1,765	Tate & Lyle	10,850	0.33
4,885	Tesco	19,370	0.59
1,460	Tullow Oil	17,958	0.55
370	Unilever	7,383	0.23
24,780	Vodafone Group	40,627	1.24
1,925	WPP	14,847	0.45
860	Xstrata	11,612	0.35
		801,105	24.48

	Fixed Interest - 60.71%		
29,000	Heineken NV 7.25% SNR EMTN 10/03/2015	32,938	1.01
189,610	UK Treasury 2.75% 2015	197,156	6.02
100,370	UK Treasury 3 3/4% Treasury 201919	105,399	3.22
176,460	UK Treasury 4 1/2% 2013	187,401	5.73
146,600	UK Treasury 4 1/4% 2027	150,250	4.59
96,660	UK Treasury 4 3/4% 2015	108,192	3.31
347,700	UK Treasury 4% 2022	361,886	11.06
82,300	UK Treasury 5% 2025	92,472	2.83
351,600	UK Treasury 3.75% 2020	364,152	11.13
376,015	UK Treasury 2.25% 2014	387,032	11.83
		1,986,878	60.71
	Collective Investment Schemes - 0.25%		
395	Investec UK Smaller Companies A Accumulation	8,085	0.25
	TOTAL UNITED KINGDOM	2,796,068	85.44
	Portfolio of Investments	2,796,068	85.44
	Net other assets	476,509	14.56
	Total net assets	3,272,577	100.00

Libero Cautious Fund

DISTRIBUTION TABLES

(unaudited) for the period from launch 2 August 2010 to 30 June 2011

INTERIM

As this is the first distribution for the fund, Group 1 distributions are only applicable to shareholders who invested in the fund during the initial period.

LAPS Institutional Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	1.2487	0.1249	1.1238	-	1.1238
Group 2	1.2487	0.1249	1.1238	-	1.1238

LAPS Retail Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	1.2446	0.1245	1.1201	-	1.1201
Group 2	0.6434	0.0643	0.5791	0.5410	1.1201

A Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	1.2467	0.1247	1.1220	-	1.1220
Group 2	0.3303	0.0330	0.2973	0.8247	1.1220

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued income included in the purchase price of the shares. 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 shares for capital gains tax purposes.

Libero Strategic Fund

REPORT OF THE INVESTMENT ADVISER

For the period from launch 2 August 2010 to 30 June 2011

Investment Objective and Policy

The objective of the Fund is to provide capital growth.

The Fund will aim to achieve its investment objective through strategic allocation in a portfolio of transferable securities (including investment trusts), collective investment schemes, deposits, approved money market instruments and derivatives.

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 Fund will be managed in such a way that the Shares in the Fund 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 area or economic sector, including cash, 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 Fund as a whole.

The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted on a temporary basis under the terms of the Regulations.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

Performance

Over the review period and since launch, the relative performance of Libero Cautious Fund has been as follows:

	6 months	*Launch
Libero Strategic Fund	0.91%	8.06%
Composite Benchmark	1.12%	12.33%

Discrete Performance	*2010	YTD
Libero Strategic Fund	7.09%	0.91%

*Since launch on 02 August 2010

Source: Cheviot Asset Management. Total Return. Net Distributions/Income reinvested.

REPORT OF THE INVESTMENT ADVISER (CONTINUED)

Investment Review

Looking at the numbers in isolation the first half of 2011 was a quiet half year. 10 year gilt yields moved from 3.39% at the end of 2010 to 3.8% by the end of June and the FTSE100 was up 0.78% over the period. The reality is a period of volatility with a number of significant global events, from jasmine revolutions to a major earth quake in Japan, a Greek sovereign debt crisis and then the end of quantitative easing, the biggest monetary experiment in history, to finish the period. If it had not been for the last week of June the figures would have been worse, but the successful passing of the Greek vote caused a 5% rally in equity markets. Debasement of major currencies and sovereign debt concerns pushed gold up 5% in dollar terms.

Global unrest caused the oil price to rally, despite a brief selloff caused by the actions of the IEA and the release of strategic reserves. The Strategic Fund invests across a range of assets. This has the benefit of diversification and allows the manager to invest where he sees value. The Fund remained overweight cash and short dated bonds in the period to take advantage of the volatility. The Fund held an underweight position in hedge funds as the manager felt current market conditions did not suit hedge fund strategies. Within the UK equity portion an overweight position in defensive stocks added value. Towards the end of the period profits were taken in industrial and cyclical stock, and investments made in more defensive stocks. Within fixed income the manager invested in gilts as a diversifier but remained underweight credit on valuation grounds.

Outlook

The list of potential headwinds is long, but central banks and governments seem determined to create a favourable economic background. However the pace of growth has slowed and unemployment remained stubbornly high. Inflation has remained high in the UK and the prospect of monetary tightening continues to be pushed out. Against this background corporate earnings remain solid and S&P 500 earnings are expected to reach record levels. The manager sees value in equities and is underweight bond duration on the view that rates will eventually start to rise. Commodities remain a good diversifier and we continue to look for opportunities within the hedge fund sector.

Libero Strategic Fund

PERFORMANCE RECORD

Price and Income History

Calendar Year	Share Class	Highest Price P	Lowest Price P	Distribution per Share P	Income per £1,000 invested at launch date £
2010*	LAPS Institutional Accumulation	107.30	99.36	-	-
	LAPS Retail Accumulation	107.30	99.56	-	-
	A Accumulation	107.30	99.36	-	-
	D Accumulation	107.30	99.36	-	-
2011**	LAPS Institutional Accumulation	109.39	104.84	0.6352	6.35
	LAPS Retail Accumulation	109.22	104.77	0.6334	6.33
	A Accumulation	109.31	104.84	0.6344	6.34
	D Accumulation	106.40	106.10	0.6343	6.34

* from launch 2 August

** to 30 June 2011

Net Asset Value

Accounting Date	Share Class	Net Asset Value £	Shares in issue	Net Asset Value per share P
30 June 2011	LAPS Institutional Accumulation	3,032,518	2,804,643	108.1249
	LAPS Retail Accumulation	304,823	282,762	107.8020
	A Accumulation	724,214	670,572	107.9994
	D Accumulation	74,448	68,766	108.2628

PERFORMANCE

Other Relevant Prices

Date	Share Class	Price P
Launch date 2 August 2010	LAPS Accumulation	100.00
	LAPS Retail Accumulation	100.00
	A Accumulation	100.00
	D Accumulation	100.00
Accounting date 30 June 2011	LAPS Accumulation	108.06
	LAPS Retail Accumulation	107.75
	A Accumulation	107.93
	D Accumulation	107.91
Latest date 11 August 2011	LAPS Accumulation	101.10
	LAPS Retail Accumulation	100.73
	A Accumulation	100.93
	D Accumulation	100.91

Total Expense Ratio

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 authorised funds.

The TER of the Fund is produced annually and as such will be disclosed in the first annual report dated 31 December 2011.

Libero Strategic Fund

PORTFOLIO STATEMENT

(unaudited) as at 30 June 2011

Holding	Market Value £	Percentage of total net assets %
UNITED KINGDOM - 65.21%		
Equities - 46.04%		
49,650	3i Infrastructure	59,977 1.45
9,060	Aberdeen Asset Management	20,081 0.49
1,025	Amec	10,952 0.26
1,350	Associated British Foods	14,587 0.35
1,145	AstraZeneca	35,217 0.85
2,500	BG Group	35,219 0.85
2,215	BHP Billiton	53,719 1.30
12,340	BP	56,262 1.36
13,165	Booker	8,950 0.22
865	BAT	23,275 0.56
9,070	Cable & Wireless	3,629 0.09
3,080	Charter International	24,363 0.59
11,775	Debenhams	7,999 0.19
56,255	Dexion Absolute	81,710 1.98
2,410	Diageo	30,402 0.74
2,045	ETFS Physical Gold	189,914 4.59
6,115	Electra Private Equity	105,698 2.56
6,750	Enquest	8,296 0.20
19,800	ETFS Commodity Securities Limited Etf's Agriculture	110,118 2.66
1,329	Ferox Salar	155,889 3.77
5,600	GlaxoSmithkline	74,158 1.79
2,890	Greene King	14,136 0.34
11,105	HSBC Holdings (UK Reg)	68,151 1.65
9,010	Henderson Group	13,727 0.33
1,600	Hochschild Mining	7,174 0.17
4,970	Home Retail Group	8,039 0.19
345	Intertek Group	6,828 0.17
6,325	Invensys	20,136 0.49
1,600	Jardine Lloyd Thompson	10,844 0.26
345	Johnson Matthey	6,676 0.16
9,210	Legal & General	10,785 0.26
29,945	Lloyds TSB	14,428 0.35
10,280	London & Stamford Property	13,354 0.32
1,635	Marks And Spencer	5,927 0.14
11,030	Marston's	11,273 0.27
3,710	Melrose	13,337 0.32
3,885	Morgan Crucible	11,865 0.29
580	National Grid	3,528 0.09
2,070	Pearson	24,250 0.59
4,595	Pennon Group	31,625 0.76
1,810	Prudential	12,905 0.31
465	Reckitt Benckiser	15,717 0.38
1,265	Rio Tinto	55,745 1.35
4,340	Royal Dutch Shell 'B'	95,155 2.30
8,240	Sainsbury (J)	26,970 0.65
1,510	Scottish And Southern Energy	20,966 0.51
660	Severn Trent	9,540 0.23
1,300	Smith & Nephew	8,596 0.21
1,100	Smiths Group	13,134 0.32
4,125	Stagecoach	10,614 0.26
1,730	Standard Chartered	27,892 0.67
12,120	Standard Life	25,155 0.61
2,180	Tate & Lyle	13,402 0.32
2,625	Tesco	10,409 0.25
1,690	Tullow Oil	20,787 0.50

PORTFOLIO STATEMENT (continued)

835	Unilever	16,662	0.40
41,860	Vodafone	68,629	1.66
2,505	WPP	19,320	0.47
1,925	Xstrata	25,992	0.63
		<u>1,904,086</u>	<u>46.04</u>
	Fixed Interest - 14.86%		
226,970	UK Treasury 2.75% 2015	236,003	5.71
138,400	UK Treasury 3.75% 2020	143,341	3.47
228,410	UK Treasury 2.25% 2014	235,102	5.68
		<u>614,447</u>	<u>14.86</u>
	Collective investment Schemes - 4.31%		
56,880	Absolute Return Trust	66,766	1.61
990	Investec UK Smaller Companies A Accumulation	20,264	0.49
915	DB DBX Systematic Alpha I 1C G Accumulation	91,335	2.21
		<u>178,365</u>	<u>4.31</u>
	TOTAL UNITED KINGDOM	<u>2,696,898</u>	<u>65.21</u>
	UNITED STATES - 8.08%		
	Collective investment Schemes - 8.08%		
56,780	AXA Framlington American Growth Accumulation	139,168	3.36
1,170	Findlay Park American Fund	36,471	0.88
6,800	J P Morgan American Investment Trust	59,381	1.44
56,045	Martin Currie North American 'B' Accumulation	99,200	2.40
		<u>334,219</u>	<u>8.08</u>
	EUROPE - 4.22%		
	Collective investment Schemes - 1.73%		
13,550	BlackRock European Dynamic A Income	36,861	0.88
7,425	Cazenove European A Accumulation	34,639	0.84
		<u>71,501</u>	<u>1.72</u>
	Investment Trusts - 2.50%		
54,180	JP Morgan European Investment Trust	103,213	2.50
	TOTAL EUROPE	<u>174,713</u>	<u>4.22</u>
	FAR EAST- 3.48%		
	Collective investment Schemes - 3.48%		
14,160	First State Asia Pacific Leaders B Accumulation	52,613	1.27
41,465	Schroder Asia Pacific Fund	91,173	2.21
		<u>143,786</u>	<u>3.48</u>
	EMERGING MARKETS - 1.59%		
	Collective investment Schemes - 1.59%		
7,195	Aberdeen Emerging Markets Institutional Accumulation	39,429	0.96
10,634	Lazard Emerging Markets Institutional Income	26,139	0.63
		<u>65,569</u>	<u>1.59</u>
	GLOBAL - 3.37%		
	Collective investment Schemes - 3.05%		
83,565	Signet Global Fixed Income Strategies	69,468	1.69
87,940	Standard Life Global Absolute Return Strategies Institutional	56,836	1.37
		<u>126,304</u>	<u>3.06</u>
	Investment Trusts - 0.31%		
1,750	Worldwide Healthcare Trust	12,889	0.31
	TOTAL GLOBAL	<u>139,192</u>	<u>3.37</u>

PORTFOLIO STATEMENT (continued)

	LATIN AMERICA - 0.48%		
	Collective investment Schemes - 0.48%		
1,595	Findlay Park Latin American Fund	<u>19,841</u>	<u>0.48</u>
	Portfolio of Investments	<u>3,574,219</u>	<u>86.42</u>
	Net other assets	561,784	13.58
	Total net assets	<u><u>4,136,003</u></u>	<u><u>100.00</u></u>

Libero Strategic Fund

DISTRIBUTION TABLES

(unaudited) for the period from launch 2 August 2010 to 30 June 2011

INTERIM

As this is the first distribution for the fund, Group 1 distributions are only applicable to shareholders who invested in the fund during the initial period.

LAPS Institutional Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.7058	0.0706	0.6352	-	0.6352
Group 2	0.7058	0.0706	0.6352	-	0.6352

LAPS Retail Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.7038	0.0704	0.6334	-	0.6334
Group 2	0.4540	0.0454	0.4086	0.2248	0.6334

A Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.7049	0.0705	0.6344	-	0.6344
Group 2	0.2009	0.0201	0.1808	0.4536	0.6344

D Accumulation Shares	Gross income p	Tax credit at 10% p	Net income p	Equalisation p	Allocated 31/08/2011 p
Group 1	0.7048	0.0705	0.6343	-	0.6343
Group 2	0.4752	0.0475	0.4277	0.2066	0.6343

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued income included in the purchase price of the shares. 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 shares for capital gains tax purposes.

Libero Portfolio Fund

GENERAL INFORMATION

Reports

Reports will be sent to all shareholders on an annual and half-yearly basis.

Publication of Prices

The price of shares in the sub-funds are quoted daily on the web pages of Financial Express at www.fundlistings.com.

Important Information

It is important to remember that the price of shares, 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 shares 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 ICVC investment as long term.

Risk profile

The following are important warnings:

- 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 Fund should be regarded as a long-term investment. There can be no guarantee that the objectives of the Fund will be achieved.
- The capital value and the income from shares in the Fund can fluctuate and the price of shares 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 ACD's initial charge is deducted from an investment at the outset and an equivalent rise in the value of the shares is required before the original investment can be recovered.
- 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 Fund.
- 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.
- It must be emphasised that past performance is not necessarily a guide to future growth or rates of return.
- Exemptions, thresholds and rates of tax may change in future tax years.
- Some or all of any other 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.

Libero Portfolio Fund



**Authorised Corporate Director (“the ACD”)*
and Registrar**

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

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Directors of WAY Fund Managers Limited

P Wilcox (Chairman)
P Legg
V Hoare
A Stevens

Investment Adviser

Cheviot Investment Limited*
2nd Floor
90 Long Acre
London WC2E 9RA

Depositary

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

Fund Accountant

Sharefunds Limited*
Oxford House
Oxford Road
Aylesbury
Buckinghamshire HP21 8SZ

* Authorised and regulated by the Financial Services Authority (“FSA”)