



# Simplified Prospectus

(Incorporating the ISA  
Terms & Conditions)

## WAY Momentum Portfolio

Valid as at 1<sup>st</sup> June 2016



# Helping you decide

## What you should know before you invest

**This document gives you a summary of information to help you decide if you want to invest in the WAY Momentum Portfolio and provides answers to some important questions.**

**You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.**

The Financial Conduct Authority (FCA) is the UK's independent financial services regulator. It requires us, WAY Fund Managers Limited, to give you this important information to help you decide whether our Funds are right for you.

This Simplified Prospectus contains key information in relation to the WAY Momentum Portfolio (the "Company") which is an open-ended investment company with variable capital incorporated in England and Wales on 15<sup>th</sup> February 2011 with registered number IC000872. The Company is classified as a Non-UCITS Retail Scheme (NURS) under the rules of the Financial Conduct Authority ("FCA").

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the authorised corporate director with the approval of the FCA. The Company currently has two sub-funds as follows:

**WAY Global Momentum Fund; and  
WAY Multi Asset Momentum Fund (not yet launched).**

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.

Potential investors are advised to read the full Prospectus (the "Prospectus") before making an investment decision. The rights and duties of investors as well as their legal relationship with the Company are laid down in the Prospectus.

Because we are not registered with the relevant authorities in the United States we cannot sell Units to people who are "US persons". If you think you may be a US person please see further details in the Prospectus, including a definition of what a US person is or call us on 01202 855856.



### **The Company and its Head Office**

WAY Momentum Portfolio, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Authorised and regulated by the Financial Conduct Authority.

Telephone: 01202 855856.

### **Sponsor**

WM Capital Management Limited, Fairway, Well Lane, Danbury, Chelmsford, Essex CM3 4AB.

Authorised and regulated by the Financial Conduct Authority.

### **Authorised Corporate Director (“ACD”)**

WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association (“IA”).

WAY Fund Managers Limited is a subsidiary of Professional Partners Administration Limited.

### **Investment Adviser**

WM Capital Management Limited, Fairway, Well Lane, Danbury, Chelmsford, Essex CM3 4AB.

Authorised and regulated by the Financial Conduct Authority.

### **Depository**

Northern Trust Global Services Limited, 50 Bank Street, Canary Wharf, London E14 5NT.

Authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

### **Fund Accountant**

Apex Fund Services (UK) Limited, Veritas House, 125 Finsbury Pavement, London EC2A 1NQ.

Authorised and regulated by the Financial Conduct Authority.

### **Administrator and Registrar**

WAY Fund Managers, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Authorised and regulated by the Financial Conduct Authority.

Telephone: 01202 855856. Facsimile: 01202 855850.

### **Auditor**

Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB.

### **Competent Authority**

The Company is authorised and regulated by the Financial Conduct Authority. They can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS or by calling 0845 606 1234 (local call rates). Website [www.fca.org.uk](http://www.fca.org.uk)

## COMPANY INFORMATION

### WAY Momentum Portfolio

#### What is the profile of the typical investor the Funds are designed for?

The Funds are suitable for investors seeking a medium to long term investment (i.e. at least 3 to 5 years). It is anticipated that retail investors will typically invest in retail shares and institutional investors will typically invest in institutional shares.

All investors in the Funds should understand and appreciate the risks associated with investing shares in the Company, and must be able to accept losses. The ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing in shares. Investors should also note the "Funds' general risk factors" section below.

#### What are the Funds' general risk factors?

We recommend that you contact a financial adviser if you are in any doubt about the suitability of an investment in any Fund, or if you are not confident that you fully understand the risks involved.

**Market risk** - The investments of the Funds are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Funds. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

**Effect of initial charge or redemption charge** - Where an initial charge or redemption charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on

the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase.

The Shares therefore should be viewed as medium to long term investments.

**Dilution levy** - Investors should note that in certain circumstances a dilution levy may be applied to the price payable on the purchase or redemption of their Shares. Where dilution levy is not applied the Fund in question may incur dilution which may constrain capital growth.

**Charges to Capital** - Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee and other expenses may be charged against capital instead of against income. This treatment of the ACD's fee and other expenses will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned but may constrain capital growth. Currently the Funds initially charge against income at the discretion of the ACD and thereafter any remaining expenses are charged against capital.

**Suspension of dealings in Shares** - Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

**Pricing and liquidity** - Where a Fund has exposure to alternative asset classes there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be materially less than the value implied by the Fund's price.

**Liabilities of the Company** - Under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of

segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

**Professional Liability Risks** - As the Company is an 'Alternative Investment Fund' for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"), the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the Regulations) and maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

**Currency exchange rates** - Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

**Emerging markets** - Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

- **Fraudulent securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
- **Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.
- **Currency fluctuations** – Where a Fund makes investments, which are denominated in a currency other than the base currency of that Fund, there may be a significant change in the relative value of the investments' currency against the base currency. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
- **Settlement and custody risks** - Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.
- **Investment and remittance restrictions** - In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.
- **Accounting** – Accounting, auditing and financial

reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

**Smaller companies** – The Funds can invest in transferable securities relating to smaller companies which, as a result of inadequate trading volume or restrictions on trading, may be less liquid than the securities of larger companies. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

**Sub investment grade bonds** - The Funds may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

**Overseas bonds and currencies** - From time to time, a Fund may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect other underlying assets and accordingly carry a higher degree of risk.

**Performance risk** - There will be a variation in performance between funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the fund chosen.

**Inflation Risk** - Inflation will, over time, reduce the value of your investments in real terms.

**Counterparty Risk** - If a Fund enters into a derivative contract it will be exposed to the credit of the other party (usually referred to as ‘counterparty’) and their ability to wholly or partly satisfy the terms of the contract.

In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties

to undertake derivative transactions on behalf of a Fund and may be required to pledge a Fund’s assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to a Fund.

**Derivatives and Volatility** – Derivative instruments may be used in the Funds for the purposes of Efficient Portfolio Management (EPM). **The use of derivatives for EPM should not lead to an increase in risk to the Fund.**

**Leverage** - Leverage of the Company’s assets is limited to the permanent borrowing referred to in section 24 (Borrowing powers and Leverage) of Appendix III (Investment and Borrowing Powers of the Company) in the Prospectus.

Further details of the investment risks may be found in the Prospectus.

## FUND INFORMATION

# WAY Global Momentum Fund

### *Aims of the Fund*

The aim of the WAY Global Momentum Fund is to achieve long-term capital growth.

### *How the Aims are Achieved*

- The Investment Adviser will invest primarily in a diversified portfolio of globally focussed exchange traded funds of equity markets. The assets of the Fund may also include transferable securities, other collective investment schemes, deposits, money market instruments, derivatives and cash or near cash, in accordance with the Regulations.
- The Fund is managed using a systematic and low-cost approach to gain exposure to a range of developed global equity markets via investing in and regular rebalancing of exchange traded funds (or similar instruments). The strategy relies on remaining exposed to each market whilst certain trend-following signals are positive (whilst there is positive market momentum) but withdrawing to cash during periods when those signals turn negative. This is intended to reduce volatility within long-only equity investment, thereby securing a much improved risk-return outcome.
- The asset allocation between markets favours no particular country and does not reflect market capitalisations. The Fund will always be very well diversified across developed global equity markets or in cash where the trend-following signals are negative. The algorithms used within the management approach have been developed and back-tested by academic researchers and the detailed techniques used will continue to be refined as the research evolves.
- The Fund may invest in derivatives and forward transactions for investment purposes as well as for efficient portfolio management purposes (including hedging).

## Specific investment risks associated with this Fund

- The ACD's preliminary charge is deducted from an investment at the outset and various other charges accrue daily, therefore an equivalent rise in the value of the shares is required before the original investment can be recovered;
- The Investment Adviser may enter into certain derivative transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. The ACD does not anticipate that the use of derivatives in this way will change or alter the overall risk profiles of the Funds;
- The Fund may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the relevant Fund.
- Unregulated collective investment schemes in which the Fund may invest up to 20% of their scheme property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which a fund's securities are valued by independent sources are factors which could have an impact on the fund's valuation.
- The Fund may invest in other currencies and investments which are denominated in other currencies. As a result, changes in the rates of exchange between currencies may cause the value of the shares to go up or down. Accordingly, investors may not receive back the amount invested.

For complete details of the investment risks, please refer to the full Prospectus for the WAY Momentum Portfolio.

Limits applicable to investing in the Fund

	E Class Income & Accumulation	T Class Income
Minimum Initial Investment	£5,000	£5,000
Minimum subsequent investment	£1,000	£1,000
Minimum holding	£5,000	£5,000
Minimum Redemption	£5,000	£5,000
Regular Savings Plan*	Minimum £100 per month	Minimum £100 per month

\*Collection date for the Regular Savings Plan is the first business day of each month.

Accumulation and Distribution Dates

The ACD may also, at its sole discretion, decide to publish certain share prices on third party websites or publications, but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

Details of the distribution and accumulation dates are shown below:

Final Accounting Date	Last day of February
Interim Accounting Date	31 <sup>st</sup> August
Ex-dividend Date	1 <sup>st</sup> March
Income Distribution/ Accumulation Date	30 <sup>th</sup> June

When are distributions of income made?

The WAY Momentum Portfolio issues both Accumulation and Income shares. Income will be accumulated in the price of Accumulation shares and

the share price will be increased to reflect this. Holders of Accumulation shares will be sent an Accumulation Statement giving details of the amount accumulated during the relevant period.

Holders of Income shares will receive distributions of income where available, by BACS direct credit and will also receive a Tax Voucher giving details of the amount distributed during the relevant period.

Charges (Class E shares)

Initial Charge	2% of Gross Investment
Annual Management Charge	0.75%
Other Annual Charges	0.55%
Total Expense Ratio	1.30%
Estimated Yield (Only Income shares)	0.35%
Portfolio Turnover Rate	274.28%
Charges Deducted From	Income

Charges (Class T shares – For Inheritor Plans Only)

Initial Charge	2% of Gross Investment
Annual Management Charge	1.15%
Other Annual Charges	0.55%
Total Expense Ratio	1.70%
Estimated Yield	0.13%
Portfolio Turnover Rate	274.28%
Charges Deducted From	Income

How will charges and expenses affect my investment?

Shares in a Fund are purchased and sold at the Fund’s share price based on Net Asset Value. The initial charge paid as detailed above is deducted from an investor’s subscription monies before shares are purchased. At present the ACD’s annual management charge is taken from income. However, where the amount of income received by a Fund is insufficient to meet the annual management charge plus all other expenses attributable or apportioned to the Fund, then some or all of such charge and expenses may be charged against the capital instead of the income with respect to any particular share class of the relevant Fund.

The possible effect of the charges and expenses on an investment are illustrated in the following tables which have been compiled in accordance with FCA



regulatory guidelines. The calculations are based on the assumption that an investment is growing at a rate of 4.5% per year for a direct investment into E or T shares and 5% per year for an ISA Investment into E Class shares. All ACDs use the same rates of growth for illustrations but their charges vary.

These figures are not guaranteed and are only used to provide an illustration of the effect that expenses and charges may have on the growth of an investment. What you will get back will depend on how your investment grows. You could get more or less than the figures shown. Do not forget that inflation will reduce what you can buy in the future with the amount shown.

### Effect of Charges

The following tables show you the effect our charges have on your investment. The figures are based on a theoretical investment of £10,000. From this we have deducted the relevant charges.

WAY Global Momentum Fund – Class E Accumulation shares Annual direct and indirect charges and expenses 1.30% Initial Charge 2% of Gross Investment.

Class E Accumulation Shares				
At the end of year	Investment to date	Income	Effect of deductions to date	What you might get back at 4.5% growth a year
1	£10,000	Nil	£337	£10,113
3		Nil	£652	£10,760
5		Nil	£1,014	£11,448
10		Nil	£2,161	£13,368

WAY Global Momentum Fund – Class E Income shares Annual direct and indirect charges and expenses 1.30% Initial Charge 2% of Gross Investment with yield at 0.35%

Class E Income Shares				
At the end of year	Investment to date	Income	Effect of deductions to date	What you might get back at 4.5% growth a year
1	£10,000	£34	£337	£10,078
3		£107	£650	£10,649
5		£184	£1,008	£11,253

10		£395	£2,134	£12,915
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WAY Global Momentum Fund - Class T shares Annual direct and indirect charges and expenses 1.70% Initial Charge 2% of Gross Investment with yield at 0.13%.

Class T Income Shares				
At the end of year	Investment to date	Income	Effect of deductions to date	What you might get back at 4.5% growth a year
1	£10,000	£12	£378	£10,059
3		£39	£780	£10,590
5		£67	£1,238	£11,150
10		£145	£2,673	£12,680

The last lines in the Tables show that over 10 years, the effect of total charges and expenses could amount to £2,161 for Class E Accumulation shares, £2,134 for Class E Income shares and £2,673 for Class T shares. Putting it another way, if the growth rate were to be 4.5%, which is in no way guaranteed, this would have the effect of reducing it to 2.9% pa for Class E shares and 2.5% pa for Class T shares.

### Individual Savings Account (ISA)

Class E Accumulation Shares				
At the end of year	Investment to date	Income	Effect of deductions to date	What you might get back at 5% growth a year investing in a WAY ISA
1	£10,000	Nil	£339	£10,161
3		Nil	£661	£10,915
5		Nil	£1,038	£11,725
10		Nil	£2,267	£14,022

Class E Income Shares				
At the end of year	Investment to date	Income	Effect of deductions to date	What you might get back at 5% growth a year investing in a WAY ISA
1	£10,000	£34	£339	£10,126
3		£108	£660	£10,803
5		£186	£1,033	£11,525
10		£405	£2,238	£13,548

The last line in the Table shows that by investing in a WAY Stocks and Shares ISA over 10 years, the effect of total charges and expenses could amount to £2,267 for Class E Accumulation shares and £2,238 for Class E Income shares. Putting it another way, if the growth rate were to be 5%, which is in no way guaranteed, this would have the effect of reducing it to 3.4% pa for Accumulation shares and 3.4% pa for Income shares.

## How do I buy/sell my investment?

### General

The dealing office of the Administrator is normally open from 9am to 5pm (UK time) on each Dealing Day to receive requests by post or fax on 01202 855850 for the purchase, sale and switching of shares. Requests to deal in shares may also be made by telephone on 01202 855856 on each Dealing Day (at the ACD's discretion) between 9am and 5pm (UK time) directly to the office of the Administrator. The initial purchase must, at the discretion of the Administrator, be accompanied by an application form.

### Buying shares

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Where permitted by the rules in the FCA Handbook, an intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD, which may include ongoing commission based on the value of shares held by a Shareholder. For details of dealing charges see the Prospectus for further details. Application forms may be obtained from the ACD.

Investors wishing to purchase Gross Shares, where available, must complete a Declaration of Eligibility and Undertaking, which may be obtained from the ACD.

Valid applications to purchase shares in a Fund received before 12pm on any business day (the "Valuation Point") will be processed at the share price calculated, based on the Net Asset Value per share of the Fund, at the next Valuation Point following receipt of the application, except in the case where dealing in shares of a Fund has been suspended.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the

liability of the applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of shares may be made by telegraphic transfer.

A purchase of shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase once made are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares have been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued. A smaller denomination share is equivalent to one thousandth of a larger denomination share.

Applicants who have received advice may have the right to cancel their application to buy shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the Regular Savings Plan will be entitled to receive back the full amount they invested if they cancel. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

A confirmation giving details of the number and price of shares bought will be issued no later than the end of the business day following the later of receipt of the application to buy shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement, in cleared funds, is due within four business days of the Valuation Point. An order for

the purchase of shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any shares issued in respect of the application.

Share certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on shares will show the number of shares held by the recipient.

The Company has the power to issue bearer shares but there are no present plans to do so.

### **Selling shares**

Investors are entitled on any Dealing Day to redeem their shares.

Valid applications to redeem shares in a Fund received before 12pm on any business day (the "Valuation Point") will be processed at the share price calculated, based on the Net Asset Value per share of the Fund, at the next Valuation Point following receipt of the redemption instruction, except in the case where dealing in shares of a Fund has been suspended.

A redemption instruction in respect of shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents shares where the money due in respect of an earlier purchase of those shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

A confirmation giving details of the number and price of shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the business day following the later of the request to redeem shares or the valuation point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via bank transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four business days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, and any required anti-money laundering related documentation; and (b) the Valuation Point following receipt by the ACD of the request to redeem.

### **Can I convert my shares for another share Class in the same Fund?**

Subject to any restrictions on the eligibility of investors for a particular share class, an investor may at any time Convert all or some of his shares ("Original Shares") of one Class in a Fund for shares in another Class ("New Shares") in the same Fund. There is no charge for Converting between share Classes.

Investors wishing to Convert into gross shares (if they are available) must first complete a Declaration of the Eligibility and Undertaking, which may be obtained from the ACD.

### **Can I Switch between the different Companies and Funds operated by the ACD?**

Subject to any restrictions on the eligibility of investors for a particular Company, Fund or share class, a Shareholder may at any time Switch all or some of his shares ("the Original shares") for shares of another Company or Fund ("the New shares") operated by the ACD. The ACD may at its discretion make a charge on the switching of shares between Companies and Funds. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original shares and any initial charge on the New shares, subject to certain waivers. A Switch of shares in one Company or Fund for shares of any Class in any other Company or Fund

is treated as a redemption and purchase of New shares and will, for persons subject to taxation, be a realisation for the purposes of capital gains tax.

Investors wishing to Switch into gross shares (if they are available) must first complete a Declaration of the Eligibility and Undertaking which may be obtained from the ACD.

### **When will my investment be made?**

Where an application or telephone instruction is received before the Valuation Point on any business day, the investment will normally be made at that Valuation Point.

Instructions received after the Valuation Point will be carried over to the next business day's Valuation Point.

### **How can I keep track of the price of the Fund?**

The previous day's dealing prices of shares in the Fund are available at [www.fundlistings.com](http://www.fundlistings.com) or via a link at [www.fundpartners.co.uk](http://www.fundpartners.co.uk). The prices of shares may also be obtained by calling the ACD on 01202 855856 during the ACD's normal business hours. As the Administrator deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

### **How much will any advice cost?**

Should you decide to take advice about the Fund your adviser will give you details about the cost. The amount will depend on the size of your investment and, in the case of regular savings, the period for which you make them.

### **Do you apply a dilution levy?**

The actual cost of purchasing, selling or Switching assets and investments in the Funds may deviate from the mid-market value used in calculating the share price due to dealing charges, taxes and any spread between the buying and selling prices of the relevant Fund's underlying investments. These costs could have an adverse effect on the value of an interest in a Fund. In order to mitigate the effect of dilution, and in order to protect the interests of existing/continuing Shareholders, the ACD has the power to charge a "dilution levy" on the purchase and/or redemption or Switching of shares. In cases where a dilution levy is

made the value of the capital of the property of the relevant Fund will not be adversely affected by dilution.

Where charged, the dilution levy will be shown in addition to (but not part of) the price of shares when they are issued by the ACD or as a deduction when they are redeemed by the ACD.

The ACD has no entitlement to the dilution levy, which will be paid into relevant Fund.

The need to charge a dilution levy will depend on the volume of Net purchases or redemptions, as described below. The ACD may charge a discretionary dilution levy on any sale or redemption of shares if, in its opinion, the existing Shareholders (for sales) or continuing Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner, that so far as practicable, is fair to all Shareholders or potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- (i) where a Fund is in continual decline;
- (ii) on a Fund experiencing large levels of Net sales (i.e. sales less redemptions) relative to its size;
- (iii) on "large deals". For these purposes, a large deal is defined as a sale or a redemption of 5 per cent or more of the value of Fund;
- (iv) in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In the event that a Shareholder requests the redemption or cancellation of shares representing over 5% of the property of a Fund then, the Company can effect an in specie cancellation, by cancelling the shares and transferring relevant Scheme Property to the Shareholder (see full Prospectus). Should the Shareholder not wish to receive Scheme Property upon the redemption of shares then the ACD may arrange to sell the shares and will pay the consideration, less expenses incurred, to the Shareholder.

A dilution levy is currently charged where a fund is deemed to be in continual decline (with the prior agreement of the Depositary) or on large repurchases.

Should a dilution levy be required then, based upon historical data it is estimated that the dilution levy will not exceed 2% of the Net Asset Value of shares being bought or sold. The ACD may alter its dilution policy either by Shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Shareholders and by amending this Prospectus or by giving the Shareholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

Further details on this policy are available in the full Prospectus.

## Economic Information

### What about tax?

The information below is a general guide based on current United Kingdom law and HM Revenue and Customs practice, which are subject to change. It summarises the tax position of the Funds and of investors who are United Kingdom residents and who hold shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### How are the Funds themselves treated for tax purposes?

Each Fund is treated as a separate entity for United Kingdom tax purposes.

The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives, but excluding on non-reporting offshore funds) held within them.

Dividends from both United Kingdom and non-United Kingdom companies are received by a Fund with a tax credit and no further tax is payable by the Fund on that income. The Funds will each be subject to corporation tax at 20% on most other types of income

but only after deducting allowable management expenses. Where a Fund suffers foreign tax on income received, this will normally be treated as an expense or deducted from any United Kingdom tax payable on that income.

### How does tax affect an investor?

#### Income from the Funds

For the purposes of tax the Funds will normally pay any distributable income as dividend distributions, (which will be automatically retained in the case of accumulation shares). Dividend distributions will be paid with a 10% tax credit. United Kingdom resident individuals liable to income tax on investment income at the basic rate will have no further liability to tax. Higher rate taxpayers will have to pay an additional amount of income tax, as will additional rate taxpayers. Non-taxpayers may not reclaim the tax credits on dividend distributions paid.

Corporate Shareholders who receive dividend distributions may have to divide them into two (in which case the division will be indicated on the reverse of the tax voucher). Any part representing dividends received from a company will be treated as dividend income (that is, franked investment income) and no further tax will be due on it. The remainder will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of the 20% income tax credit attached or to reclaim part of the tax credit as shown on the tax voucher.

Non-United Kingdom resident Shareholders will generally not be entitled to reclaim any part of the tax credit on the dividend distribution from HM Revenue & Customs although it will normally satisfy their United Kingdom tax liability on that income. They may also be able to offset the tax credit against their liability to tax in their country of domicile.

#### Gains

Investors who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate investor, corporation tax on gains arising from the redemption, transfer or other disposal of



shares (but not usually on Conversions between classes within a Company or Fund).

Part of any increase in value of accumulation shares represents the accumulation of income (including income equalisation but excluding tax credit). These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

## Client Money

### Delivery versus payment (DVP) exemption

We are required to comply with the FCA's client money rules, as set out in Chapter 7 of the FCA's Client Assets sourcebook (CASS) (the 'Client Money Rules'). We are making use of the DVP exemption available under the Client Money Rules when handling money for you in connection with the buying or selling of units/shares in our funds. Under the DVP exemption your money need not be treated by us as client money for the purposes of the Client Money Rules in the following two scenarios:

(1) where money is received from you that relates to your subscription to units/shares in one of our funds; and

(2) where money is held by us that relates to the redemption of your units/shares in one of our funds. While we are operating under the DVP exemption, your money will not be subject to the protections conferred by the Client Money Rules and, if we were to fail, the FCA's client money distribution rules as set out in Chapter 7A of CASS (the 'Client Money Distribution Rules') will not apply to these sums and you will not be entitled to share in any distribution under the Client Money Distribution Rules in respect of these sums.

Where we have not paid any money belonging to you to the trustee (in respect of a unit trust), the depositary (in respect of a Company) or to you, as the case may be, by close of business on the business day following receipt, we will stop operating under the DVP exemption for that transaction and will treat the relevant sum of money as client money for the purposes of the Client Money Rules.

Any redemption proceeds paid to you by cheque will be held as client money under the Client Money Rules until such time as the cheque is presented.

By buying units/shares in one of our funds through us, you agree to our use of the DVP exemption as set out

above. Should we cease at any time to make use of the DVP exemption, you will be notified in advance in writing.

## Interest

We will not pay to you any interest earned on money we hold for you as client money under the Client Money Rules.

## General Information

### What other information can I access?

The annual short report of the Company will normally be sent to Shareholders within four months of each annual accounting period end. The half yearly (interim) short report will be despatched within two months of each interim accounting period end.

The short reports and a report containing the full accounts of the Company (the long report) are available to any person free of charge on request to the ACD.

The relevant accounting end dates are detailed on page 7 of this document.

### Manager's Reports and Company's Prospectus

Copies of the Prospectus and the latest annual and half-yearly reports may be obtained free of charge, before or after you invest with the ACD, at the administration address quoted within the directory section on page 2. In addition the latest annual and half-yearly short reports may be downloaded from the ACD's website at [www.fundpartners.co.uk](http://www.fundpartners.co.uk).

### Distance Marketing Directive

If an investor has not had a face to face discussion with a representative of the company through which they are making this investment, which could, for example, be the ACD or a company providing financial advice, then the investor is entering into this transaction 'at a distance'.

In this situation an investor does not have a right to cancel this investment unless the ACD decides to extend such a right to them. An investor who has

bought shares at a distance can still sell those shares, as they are able to do at any time. However, they cannot recover any initial charges incurred in the purchase of the shares.

This Simplified Prospectus contains all of the information required for an investment made directly through the ACD. Where shares are purchased through an agent, investors should ask that agent for details of their identity, geographical address and the capacity in which they are acting.

The main service we provide to investors is the management and administration of the Company. Details of all fees and expenses associated with the provision of this service are provided in this document. There are no additional costs levied by the ACD for investing at a distance, but there may be other taxes or third party costs that may apply to investors depending on their personal circumstances.

The investment contract between an investor and the ACD is governed by English Law and, by purchasing shares, the investor agrees that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with this investment will be in the English language.

Any information in this document is valid only at the date of publication which is stated on the front cover. All such information can change at any time and it will not necessarily be possible for us to notify you of any such changes in advance. Please contact the ACD for updates on any of the enclosed information.

## Cancellation

An investor does not have the right to cancel their application to invest in a Fund if the application has been made directly by the investor or if the investor did not meet their adviser or agent face to face though the ACD may, at its discretion, extend cancellation rights to such an investor.

If an investor has received face to face advice on the investment they will have a right to change their mind under rules made by the FCA under the Financial Services and Markets Act 2000. The investor will be able to exercise the right to cancel within 14 days of receipt of the cancellation notice from the ACD and

they will receive a refund of the amount invested either in full or less a deduction to reflect any fall in the Fund's price in the intervening period.

## UK Money Laundering Regulations

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to the investor. In the case of a purchase of shares where the applicant is not willing to provide the information requested within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

Leverage - Leverage of the Company's assets is limited to the permanent borrowing referred to in section 24 (Borrowing powers and Leverage) of Appendix III (Investment and Borrowing Powers of the Company) in the Prospectus.

## Complaints

To obtain a copy of the Complaints Procedure or to make a complaint concerning the operation or marketing of the Company, please write to the Complaints Officer of the ACD at: WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB. The complaints procedure can also be found on the "WM Capital Management" page of the ACD's website at [www.fundpartners.co.uk](http://www.fundpartners.co.uk). If a complaint is not resolved to your satisfaction and you subsequently wish to take the matter further you may refer it direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

## Compensation

In the event that the ACD is not able to meet its financial liabilities to the investor, the investor may be entitled to compensation under the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Most types of

investment business are covered for 100% of the first £50,000. This level of compensation is set by the UK Government and can change. This is the maximum compensation available.

### **Data Protection: How we use your personal information**

The way in which we may use your personal information is governed by the requirements of the Data Protection Act 1998 ("Act") and is called "personal data" under the Act. For the purposes of the Act, the data controller of any personal data provided to us in connection with your investments is WAY Fund Managers Limited, which is registered under the Act for the purpose of processing personal data.

WAY Fund Managers Limited (we) may use your information to keep your customer records up to date and administer/service your investments. We may pass the information you supply us with to our associated companies and agents for any of these purposes and for systems administration. Your

personal information may be disclosed to regulatory bodies for the purposes of monitoring and/or enforcing our compliance with any regulatory rules/codes. Some of the companies may be situated outside of the European Economic Area. Where this happens, we will put steps into place to ensure that your personal information is appropriately protected.

### **Access to the personal information we hold about you**

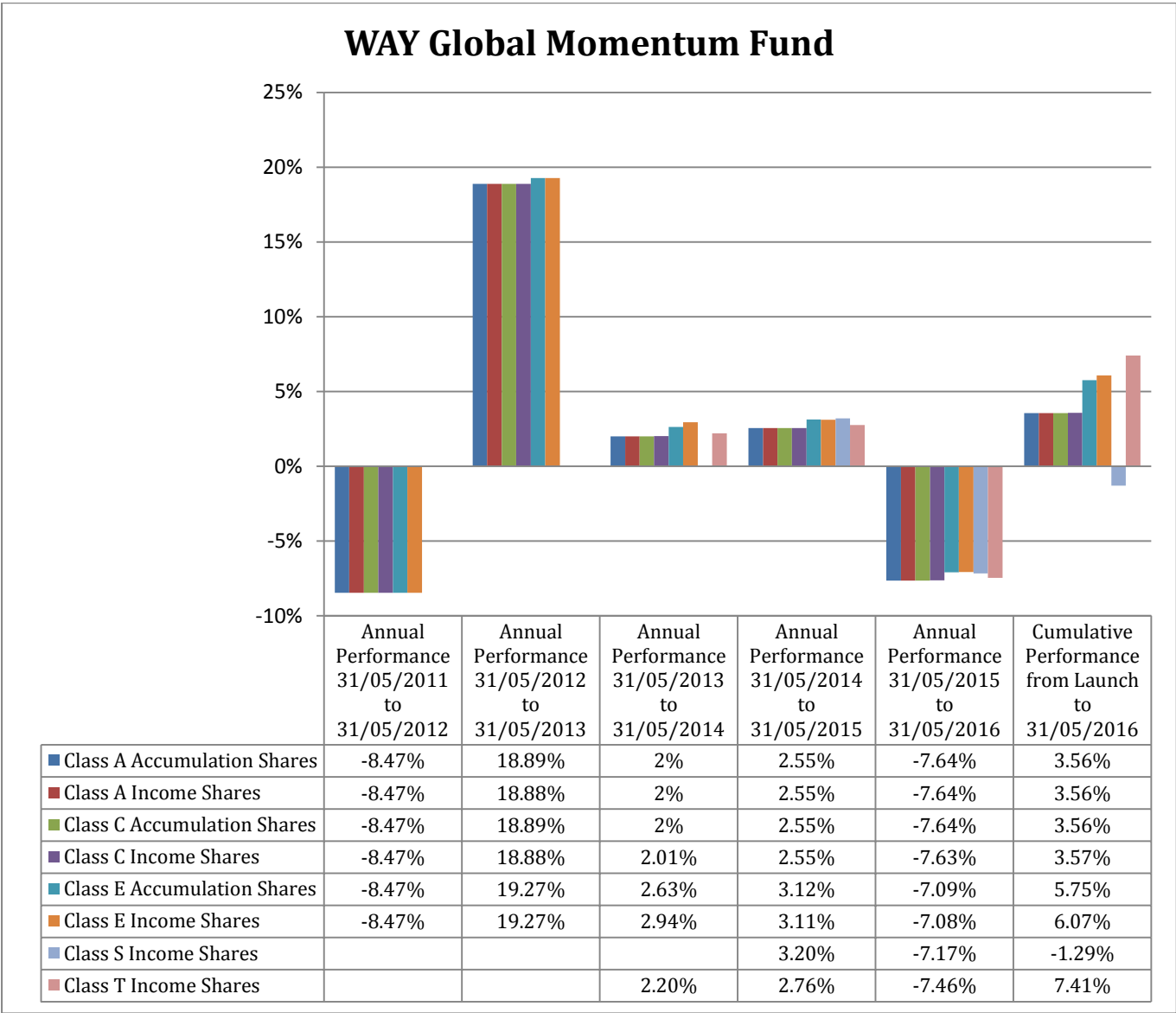
Subject to payment of a fee (as permitted by the Act), you can ask for a copy of the personal information we hold about you by writing to:

Administration Support,  
WAY Fund Managers Limited,  
Cedar House,  
3 Cedar Park,  
Cobham Road,  
Wimborne,  
Dorset BH21 7SB.



# Historical Performance

This section provides details on the historical performance of the Funds of the WAY Momentum Portfolio to the month ending 31<sup>st</sup> May 2016. All performance information is net of tax and charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment. Past performance is no indication of future performance.



Source: Financial Express  
Based on percentage growth, cumulative, daily total return, ex dividend in Sterling.  
The Fund was launched on 28 February 2011.

# ISA Terms and Conditions

These Terms and Conditions are effective from 6<sup>th</sup> April 2015 and substitute in full any previous terms and conditions relating to your ISA investment.

## 1. Definitions

**'Account'** means an ISA invested in the WAY Momentum Portfolio.

**'ACD'** means the Authorised Corporate Director of the OEIC, which is WAY Fund Managers Limited.

**'Administrator'** means the administrator of the ISA, which is WAY Fund Managers Limited.

**'Distribution Payment Dates'** will be as detailed in the Prospectus for the OEIC.

**'FCA'** means the UK Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

**'Fund/Fund(s)'** means a sub-fund or sub-funds of the OEICs.

**'Investments'** means the Units and/or cash held in the ISA.

**'Investor'** means a Qualifying Individual, who invests in an ISA.

**'ISA'** means a Stocks and shares Individual Savings Account established under the Regulations governed by these Terms and Conditions and subscribed to by the Investor.

**'Manager'** means the ISA Manager which is WAY Fund Managers Limited.

**'OEICs'** means the WAY Momentum Portfolio, which is an open-ended investment company with variable capital incorporated in England and Wales on 15<sup>th</sup> February 2011 with registered number IC000872.

**'Qualifying Individual'** means an individual aged 18 years or over who is deemed to be resident in the UK for tax purposes. This includes a non-resident who performs duties which by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 are treated as being performed in the UK (Crown employees serving overseas) or is married to, or is in a civil partnership with a person who performs such duties.

**'Regulations'** means the Individual Savings Account Regulations 1998 (as amended from time to time).

**'Rules'** means the rules of the FCA (as amended from time to time).

**'Terms and Conditions'** means these terms and conditions and the statements and declarations made by the Investor on his or her application form.

**'We/us/our'** means the ACD.

**'Year'** means a year beginning on 6 April in any year and ending on 5 April in the following year.

**'You/your'** means the Investor.

## 2. General

2.1 You should note that in accordance with the Rules, we categorise Investors as "Retail Clients". You will not receive unsolicited calls from us.

2.2 You should be aware of the nature and risks of investing in an ISA. Please see the Simplified Prospectus for more information on the Funds.

2.3 The Account will come into force subject to the Regulations and the provision of these Terms and Conditions on the date the Manager accepts your application.

2.4 These Terms and Conditions shall apply to all transactions between the Investor and the Manager and form the basis upon which the ISA will operate.

2.5 The Manager reserves the right to amend these Terms and Conditions, provided that such variation will not prejudice compliance with the Rules or the Regulations. Any such significant amendment will be notified to the Investor and will automatically take effect 30 calendar days later. We may vary these Terms and Conditions to reflect changes in the Rules or Regulations, without giving you prior notice.

2.6 The Manager will manage the ISA in accordance with the Regulations and will notify the Investor if the ISA has or will become void due to any failure to satisfy them. Should any provision of these Terms and Conditions be or become illegal, invalid or unenforceable under any applicable law, neither the validity nor enforceability of the remaining provision in these Terms and Conditions will in any way be affected or impaired.

2.7 This ISA is not a stakeholder product (the minimum voluntary benchmark prescribed by HM Treasury).

2.8 You should note that your tax treatment in relation to any investments made under these Terms and Conditions will depend on your individual circumstances and may be subject to change in the future.

2.9 The Manager is authorised and regulated in the conduct of investment business by the Financial Conduct Authority (25 The North Colonnade, Canary Wharf, London E14 5HS, UK), FCA registration number 194147. You can check this by visiting the Register on the FCA's website

([www.fca.org.uk/register](http://www.fca.org.uk/register)) or by contacting the FCA on 0845 606 1234. We are approved by HM Revenue & Customs as an ISA Account Manager under the Regulations.

2.10 The Manager's registered address is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, BH21 7SB. Authorised and regulated by the Financial Conduct Authority and its website is [www.fundpartners.co.uk](http://www.fundpartners.co.uk).

### 3. Your Application

3.1 You can apply to subscribe to an ISA in either of the following ways:

(a) By completing our application form and returning it to us by post.

(b) By investing a lump sum by calling our dealers on 01202 855856. This service is only available to clients who can confirm that they have received the Simplified Prospectus pre-sale.

(c) If you apply by telephone, we will send you confirmation of the details you have provided and a copy of the declaration you have made under the Regulations once we have accepted your application. Once you have received this confirmation, you have 30 calendar days to tell us if any details are incorrect.

3.2 If you complete our written application form, we will simply send you confirmation of your subscription once we have accepted it.

3.3 If you do not give us the complete information required under the Regulations at the time we receive your application form, then we cannot proceed with your ISA subscription and we will return your application to you for completion.

### 4. Acceptance

4.1 For new ISAs, the Manager can accept a correctly completed and signed application form only if accompanied by a valid cheque payable to WAY Fund Managers or, for those saving on a monthly basis, a valid and correctly completed direct debit mandate made payable to WAY Fund Managers. The Manager does not have to accept every application it receives.

For ISA transfers to the Manager:

4.2 A transfer will only take effect when the Manager has accepted the Investor's application. The Manager will not accept an application unless and until it has received a correctly completed transfer application form; and a cheque made payable to WAY Fund Managers from the investor's previous ISA manager.

4.3 When an Investor transfers from another ISA

manager and the Investor has already subscribed in the current tax year, the Investor cannot subscribe further money into the Account with the Manager until after the transfer has been effected and provided the maximum contribution has not already been made.

### 5. Investment

5.1 The minimum investment permitted to open the ISA and the maximum amount that may be invested in the ISA in the tax year can be found on our Stocks and Shares ISA Application Form. The latest version of the application form can be found at [www.fundpartners.co.uk](http://www.fundpartners.co.uk) under the relevant Sponsor name. The entire ISA tax allowance limit is able to be invested into a Stocks and Shares ISA or a Cash ISA, or any combination of the two, provided that you do not pay in more than the overall ISA limit within the same tax year. The minimum sum that may be invested through the monthly savings plan is £100 per month. Collection date for regular savings is the 1st business day of the month.

5.2 New subscriptions or transfer proceeds will be invested in the relevant Fund at the next buying price applicable at the time of acceptance of the application.

5.3 An Account will be opened for the current tax year and, in the case of an Account subscribed by monthly savings plan, for each successive year until the agreement is terminated.

### 6. Management of the ISA Investments

6.1 We will manage your Account as directed by you in your application or other instruction, and in accordance with the Regulations and these Terms and Conditions.

6.2 Best execution

6.2.1 We are required to seek to achieve the best possible result for you when dealing with any order to buy or sell financial instruments and to set out arrangements for this purpose in a "best execution policy".

6.2.2 We are required to consider various factors when deciding how best to deal with orders from customers. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. As we have classified you as a Retail Client we will usually consider price to be the most important factor for you.

6.2.3 However, for orders relating to shares in the Funds, the only method available for dealing with

most of these in practice is to transmit them to the ACD for execution: the ACD will be deemed to be the “execution venue” for these purposes. Where there is only one execution venue that we can use in practice to deal with your orders, we will have to use that venue regardless of the impact of the execution factors listed above.

6.2.4 Sometimes one of the Funds may be available via another trading platform provided by a third party. Strictly speaking, this could be an alternative execution venue. However, we do not use such platforms for the Funds, as we do not believe that we would obtain a better price by doing so. The use of a particular platform may also not be permissible under the Regulations; for example, if it means that investments acquired through the platform must be held in the name of a nominee of the platform provider.

6.2.5 The arrangements explained above may involve execution outside of a regulated market or multilateral trading facility (within the meaning of the Rules).

6.2.6 We will monitor the effectiveness of the arrangements mentioned above and implement any necessary changes to our best execution policy from time to time. This will involve reviewing whether using other means to route orders would be feasible and would generate a better result for you. We will notify you of any material changes to our best execution policy and arrangements made from time to time, where they are relevant to you.

6.2.7 Please note, any specific instructions from our customers as to how their orders are dealt with may prevent us from taking the steps that we have designed to obtain the best possible result in the circumstances.

By agreeing to these Terms and Conditions, you will be giving: your prior express consent to the execution of orders outside a “regulated market” or a “multilateral trading facility” (as those terms are defined in the Rules) where this is appropriate; and your consent to our best execution policy as summarised above.

### 6.3 Appropriateness

We are not required to assess the suitability of the investment or service provided or offered to you and, as a result, you will not benefit from the protection of the Rules on assessing suitability. Therefore, we will not assess whether: the investment or service meets your investment objectives; you are able financially to bear the risk of any loss that the investment or service

may cause; or you have the necessary knowledge and experience to understand the risks involved.

6.4 Legal title to the Investments will be vested in the name of the Manager but beneficial ownership will be, and will remain with the Investor. Your investment will not be lent to third parties or used as security for a loan.

6.5 Certificates will not be issued in respect of share holdings in the Fund(s) but any documents evidencing title to an ISA Investment will be held by the Manager or as the Manager may direct.

6.6 If you hold any cash in your Account, we will deposit it in a client money account in our name, with an appropriately regulated bank or institution of our choice in the United Kingdom in accordance with our obligations under the Rules. The bank will hold the cash on our behalf in a trust account separate to any account used to hold money belonging to us in our own right. We will not be responsible for any acts or omissions of the bank. In the event that the bank becomes insolvent we will have a claim on behalf of our customers against the bank. If, however, the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them. No interest will be paid on such cash in accordance with the Regulations and the Rules. If we are holding cash, whether client money or not, we may withdraw it and apply it towards paying fees, charges and other sums due to us.

6.7 The Manager may employ agents in connection with the services it is to provide and may delegate all or any of its powers or duties to any delegate or delegates of its choice. The Manager will satisfy itself that any person to whom it may delegate any of its functions or responsibilities under these Terms and Conditions is competent to carry out these functions or responsibilities.

6.8 The Manager has appointed WAY Fund Managers Limited as the Administrator to the Accounts.

6.9 Money will not be borrowed on the Investor’s behalf. The Investor will not be committed to underwrite any issue or offer for sale of securities.

## 7. Charges and Expenses

7.1 No charges will be levied for the management or administration of the ISA. However, the investment of new subscriptions and transfer payments will attract the normal charges applicable to investors in the Fund. (For further detail please refer to the Simplified Prospectus).

7.2 There is currently an initial charge based on the Net Asset Value for purchases of shares in the Fund(s) and a percentage periodic charge per annum of the Net Asset Value of each Fund. These charges are detailed in the Simplified Prospectus and Prospectus. These charges may only be increased in accordance with the Rules and you will be notified accordingly.

7.3 In the case of transfers, we reserve the right to pass on to you any expenses or costs incurred when transferring Accounts between account managers or transferring your Investments, including any VAT due on these charges. We may review our charges when we consider it appropriate and will notify you 60 calendar days in advance of any increase in our charges.

7.4 If you do not have enough cash in your Account to pay our charges, or any payment of taxes, as they become due, we may sell shares in your Account to raise the required amount. We may apply or waive any of our charges at our absolute discretion.

7.5 If you open an Account through an independent financial adviser, we may pay initial and renewal commission to the adviser at our discretion. These commissions are paid by us out of our charges and do not constitute additional charges to your Account.

7.6 Please note that other costs, including taxes, may arise that are not paid by the Manager or imposed by it.

## **8. Withdrawals from your Account**

8.1 An Investor may, by giving written notice to the Manager, make cash withdrawals of all or part of their Account at any time. On receipt of the Investor's written instructions to make a withdrawal and within such time as stipulated by the Investor in those withdrawal instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions) part of the Account shall be paid to the Investor. If an Investor withdraws all of his Investment his Account will be automatically terminated. This notice of withdrawal should be sent to the Administrator at the operating address given in the Prospectus.

8.2 Normally, shares in the Fund(s) will be sold at the next selling price prevailing at the time of receipt of the written notice by the ACD's Administrator, and the proceeds thereof will be dispatched within four business days following receipt of satisfactory renunciation.

## **9. Income from your Account**

9.1 If you ask us to pay out your Fund income to you, we will buy income shares, if they are available, in the Fund(s) of your choice. If you ask us to reinvest your Fund income we will buy accumulation shares. Please refer to the Simplified Prospectus to confirm the availability of income shares and accumulation shares in your chosen Fund.

9.2 If you change your income instructions we will automatically convert or switch your Fund investments to the appropriate type of share if they are available (that is, income or accumulation shares) free of any sales charge.

9.3 We will reinvest any further income your Account receives in the form of distributions, or other rights or proceeds from any shares held, in the same underlying shares, where you still hold these shares, unless you instruct us to pay this out to you. Where you have switched the underlying shares into shares in other Funds the reinvestment will be made into these other shares. Where you no longer hold the underlying shares within your Account, the income will be paid out to you.

## **10. Transfers and Termination**

10.1 On your written request we will, within such time as stipulated by you in those instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions) arrange for the transfer of the ISA (or part thereof) to another approved manager and where possible within such time stipulated by you and subject to the Regulations. However, we cannot guarantee that the transfer will take place on the date requested.

10.2 The Manager may, following 30 days' prior written notice, transfer its responsibilities as manager of the ISA to any entity (including an associate of the Manager) which is approved under the Regulations as a plan manager, if that other entity writes to the Investor and undertakes to carry out all the Manager's duties and obligations in respect of an Account. Following such communication, the Manager will be released from all those duties and obligations that the new manager has undertaken to carry out. Before such a transfer is carried out, the Manager shall satisfy itself that any new manager is competent to carry out those functions and duties to be delegated or transferred.

10.3 The Manager will consider requests in writing to

accept the transfer of an ISA held with another approved manager but will require the transfer to be effected in cash.

10.4 The Investor may terminate the ISA immediately by giving the Manager prior written notice. Such termination shall not prejudice the completion of any transaction commenced prior thereto. The Terms and Conditions shall continue to apply until all outstanding transactions and liabilities have been performed and discharged.

10.5 The Investor may in the termination notice (referred to in clause 10.3) elect to transfer all or part of the Investments to the main share register and such shares shall henceforth be registered in the sole name of the Investor. On written notice to terminate the Account, and within such time as stipulated by the Investor in those termination instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions), Account interest and dividend rights or other proceeds or any cash shall be transferred to you. We will send you any proceeds due, less any applicable charges. Where all or part of the Investments are not transferred, they will be sold at the prevailing forward selling price at the time of receipt of the notice and the Manager shall account to the Investor for the proceeds.

10.6 Proceeds may be paid by cheque or, at your request, electronically; if the latter method is chosen we reserve the right to retain redemption proceeds until all anti-money laundering documentation has been received. Such redemption proceeds will be held on a client money account: no interest will be payable.

10.7 The Account may be terminated by the Manager, at its sole discretion and without giving any reason, by giving the Investor 90 days' written notice. In such circumstances you will have the right to transfer the Account to another plan manager or to receive the investments or their cash value at the relevant time. There is a potential loss of income and growth following a rise in the markets whilst the ISA transfer remains pending.

10.8 The Manager may deduct from the amount of any payment or transfer of Investments an amount to satisfy any sums due to him under these Terms and Conditions and tax liabilities of the Investor (or his personal representatives) for which the Manager is accountable.

## **11. Death**

11.1 Investments cease to be tax-exempt with effect from the date of death of the Investor and the ISA will therefore be terminated immediately upon receipt of a copy of the death certificate.

11.2 The Investments will be transferred, outside the ISA, to the order of the Investor's personal representatives pending receipt of grant of probate and their further instructions. Notwithstanding the termination of the ISA status, the Manager's rights and powers under these Terms and Conditions shall continue and shall bind the Investor's personal representatives.

11.3 Where an ISA holder has died on, or after, 3rd December 2014, their surviving spouse or civil partner can now inherit their ISA tax benefits. The surviving spouse/civil partner will be eligible for an additional allowance equal to the value of the ISA on the date of the holder's death. This Additional Permitted Subscription (APS) is in addition to the surviving spouse/civil partner's usual ISA allowance. Details about how to claim the APS will be sent to the executor(s) along with the required application forms.

## **12. Reports and Shareholders' Meetings**

12.1 The Manager shall send the Investor regular bi-annual statements showing the number of shares held, a valuation of those shares and details of all transactions for the period. The OEIC's Short Report will also be sent as and when applicable. Full Long Form Report and Financial Statements may be requested free of charge from the ACD.

12.2 Voting rights attached to Investments will not be exercised by the Manager but arrangements will be made by the Manager for the Investor, if he or she so wishes, to attend Shareholders' meetings, to vote and to receive any other relevant information issued to Shareholders in addition to the annual or interim reports in respect of the Funds.

## **13. Cancellation Rights**

13.1 When your application has been accepted the Manager shall send to you a cancellation notice, as required by the Rules. In order to exercise the right of cancellation, the notice must be returned to the Manager within 14 days of its receipt. In such an event, the Investor will receive back his or her subscription, unless the value of the investment has fallen at the date of the Manager's receipt of the

notice. In this case a deduction will be made of the amount by which the value of the investment has fallen.

## **14. Complaints**

14.1 The Manager operates a written complaints procedure in accordance with the Rules and a copy of this can be found on the Lewis Jarrett & Co page of our website at [www.fundpartners.co.uk](http://www.fundpartners.co.uk) or can be obtained by writing to the Complaints Manager at the address given below. Any complaint should in the first instance be addressed to the Complaints Manager at: WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, and Dorset, BH21 7SB. If the matter is not resolved to the Investor's satisfaction, the Investor subsequently has the right to complain to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

## **15. Compensation**

15.1 In the event that the ACD is not able to meet its financial liabilities to the Investor, the Investor may be entitled to compensation under the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Most types of investment business are covered for 100% of the first £50,000. This level of compensation is set out by the UK Government and can change. This is the maximum compensation available.

## **16. Liability and Rights of the Manager**

16.1 We will not be liable to you for any costs, claims, demands, losses, expenses or any other liabilities whatsoever (including any demands or claims by HM Revenue & Customs) as a result of any loss of opportunity to increase the value of any of your Investments, or any depreciation in the value of any of your Investments other than as a result of our negligence, fraud, wilful default or breach of the Rules.

16.2 We will not be liable for acts or omissions by us or any third party, whether or not that third party is acting as our agent, unless it arises as a result of our negligence, fraud, wilful default or breach of the Rules. We currently have insurance cover for loss of Account investments including loss resulting from misappropriation, negligence, fraud or dishonesty by our employees.

16.3 We will not be liable for any loss or damage suffered as a result of circumstances beyond our

reasonable control, provided where relevant that we have complied with the Rules on business continuity. We will not be liable for any negligence, fraud or default by any bank or custodians who hold cash or assets in or on behalf of your Account or any other person, firm or company through or with whom transactions are effected on your behalf.

16.4 The Manager may, without prior notice to the Investor, apply any cash or realise any Investments in payment of any taxes, fees, commissions and/or expenses owed by the Investor to the Manager. In the event that such liabilities remain unsatisfied after such action, the Investor shall on demand promptly pay the Manager any shortfall.

16.5 The Investor shall indemnify the Manager in full in respect of any liabilities, taxes, costs, charges and expenses incurred in connection with the ISA.

16.6 To the extent permitted by the Regulations, the Manager may make claims, conduct appeals and agree on the Investor's behalf liabilities for, and any relief from, tax in respect of the ISA.

16.7 Nothing in these Terms and Conditions shall restrict the Manager's right to provide investment services to others.

## **17. Notices and Instructions**

17.1 Notices and instructions to the Manager should be in writing and signed by the Investor. Such notices and instructions should be sent to the following address: WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, and Dorset, BH21 7SB.

17.2 Notices and other documents to be given to the Investor will be posted to the Investor's last address held by the Manager and will be considered to have been received by the Investor two days after posting.

17.3 You must supply us with all information that we reasonably ask for, in relation to your Account. In particular, you must tell us promptly if you cease to be a Qualifying Individual, change your address, your personal status, your Financial Adviser, or other information you have given us in your Application or any other significant change in your circumstances which might affect your Account. You need to inform us of a change of address by signed, written instructions. You need to inform us of a change of name by signed, written instructions – including the original or certified copy of any legal documentation. If you are an ISA investor, you must write to tell us if you cease to be a Qualifying Individual.

## **18. Confidentiality**

18.1 The Manager will not disclose confidential information obtained by it relating to the Investor, to any third party, except in the following circumstances:

- (a) the information is disclosed to any agent of the Manager who will be bound by the same duty of confidentiality;
- (b) when any transaction in the ISA is carried out through a Financial Adviser, the Manager will treat that adviser as the Investor's agent and may disclose full details of the ISA to each such agent and accept instructions from any such agent in respect of the ISA;
- (c) with the prior written consent of the Investor; and
- (d) where the Manager is under any legal or regulatory obligation to do so.

## **19. Conflict of Interest**

19.1 When the Manager or Administrator provides services to you, the Manager or the Administrator (or associates of either) may have an interest or conflict of interest in relation to the transaction. In such circumstances, neither parties (nor their associates) will be liable to account to you for any benefit, profit or commission or other remuneration made or received by reason of the transaction or any connected transaction. The circumstances in which conflicts of interest might arise include where we deal on your behalf with another company in the ACD's Group, where we act for other investors with an interest in such investments or where the transactions are in shares of a Fund for which the company in the ACD's Group is the adviser of the ACD.

19.2 Where a potential conflict arises, we are committed to managing these to prevent abuse and protect our employees, clients and other counterparties and to ensure that transactions and services are effected on terms which are not materially less favourable to the client had the potential conflict not existed. Further detail on our conflicts of interest policy is available on request.

19.3 We are required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between us and our clients and between one client and another and to have a written policy in place.

## **20. Personal Data**

20.1 For details please see the "Data Protection: How we use your personal information" section in the Simplified Prospectus.

## **21. English Law**

21.1 We will always communicate with you in the English language. Your dealings with WAY Fund Managers Limited before and after you have made an investment with us shall be governed in accordance with English Law.