



WM Capital Management
INTELLIGENT INVESTMENT SOLUTIONS

Annual Report & Financial Statements

Elite Balanced Trust

For the year ended 31 May 2018



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* Collectively these comprise the AFM's Report.

Elite Balanced Trust

Authorised Fund Manager's ("AFM") Report

We are pleased to present the Annual Report & audited Financial Statements for Elite Balanced Trust for the year ended 31 May 2018.

Authorised Status

Elite Balanced Trust ("the Fund") is a Unit Trust authorised by the Financial Conduct Authority ("FCA"), with effect from 5 December 1991. The Fund has an unlimited duration.

Unitholders will in no event be liable for the debts of the Fund.

Notices served on the Fund should be delivered to the AFM, WAY Fund Managers Limited, at its registered address.

Structure of the Company

The Fund is a non-UCITS retail scheme ("NURS").

Investment of the assets of the Fund must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL"), the FCA's Investment Funds Sourcebook ("FUND") and the investment objective and policy of the Fund.

Under the Alternative Investment Fund Managers Directive ("AIFMD") we are required to disclose remuneration information (see page 33) in regards to those individuals whose actions have a material impact on the risk profile of the Fund.

Base Currency:

The base currency of the Fund is Pounds Sterling.

Share Capital:

The minimum initial lump sum investment is £5,000/\$5,000 and subsequent investment is a minimum of £5,000/\$5,000.

Elite Balanced Trust

Certification of Financial Statements by Directors of the AFM For the year ended 31 May 2018

Directors' Certification

This report has been prepared in accordance with the requirements of COLL and FUND, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of WAY Fund Managers Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Fund consist predominantly of securities that are readily realisable, and accordingly, the Fund has adequate resources to continue in operational existence for the foreseeable future.



V. Hoare



I. Hobday

WAY Fund Managers Limited

24 July 2018

Elite Balanced Trust

Statement of the AFM's Responsibilities For the year ended 31 May 2018

The Authorised Fund Manager ("AFM") of Elite Balanced Trust ("the Fund") is responsible for preparing the Annual Report and the audited Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL"), the FCA's Investment Funds Sourcebook ("FUND") and the Fund's Trust Deed.

COLL requires the AFM to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Fund as at the end of that year and the net revenue and the net capital gains on the property of the Fund for that year.

In preparing the Financial Statements, the AFM is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The AFM is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The AFM is also responsible for the system of internal controls, for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR and FUND 3.3.2R, the Annual Report and the audited Financial Statements were approved by the AFM of the Fund and authorised for issue on 24 July 2018.

Elite Balanced Trust

Statement of the Depositary's Responsibilities For the year ended 31 May 2018

The Depositary in its capacity as Trustee of Elite Balanced Trust (the 'Trust') must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

Report of the Depositary to the Unitholders of the Trust For the year ended 31 May 2018

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

Northern Trust Global Services plc
UK Trustee and Depositary Services

24 July 2018

Independent Auditor's Report to the Unitholders of Elite Balanced Trust For the year ended 31 May 2018

Report on the audit of the financial statements

Opinion

In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Elite Balanced Trust (the 'Trust') as at 31 May 2018 and of the net revenue and the net capital gains on the property of the Trust for the year ended 31 May 2018; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements of Elite Balanced Trust (the 'Trust') which comprise for the Trust:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related notes 1 to 18; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the authorised fund manager's (AFM's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the AFM has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Unitholders of Elite Balanced Trust (continued)

For the year ended 31 May 2018

Other information

The AFM is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Trustee and AFM

As explained more fully in the Statement of the Depositary's Responsibilities and the Statement of the AFM's Responsibilities, the Trustee is responsible for safeguarding the property of the Trust and the AFM is responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the AFM determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the AFM is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the AFM either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trust's Unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Trust's Unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent Auditor's Report to the Unitholders of Elite Balanced Trust (continued)
For the year ended 31 May 2018**

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Trust have been kept and the Financial Statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 31 May 2018 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.



Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

24 July 2018

Elite Balanced Trust

Investment Manager's Report For the year ended 31 May 2018

Investment Objective

The objective of the Fund is to provide a total positive return above the IMA Mixed Investment 40%-85% Shares Index, over a 3 year rolling period, with an emphasis on providing capital appreciation. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 3 year rolling period or in respect of any other period.

Investment Policy

The Fund will achieve its objective through investment in a portfolio of Collective Investment Schemes, transferable securities (including investment trusts), warrants, deposits and money market instruments selected from the various world markets. The Fund may also invest in unregulated Collective Investment Schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

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 Units in the Fund will be qualifying investments for Individual Savings Accounts.

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 in accordance with the Regulations.

On giving 60 days' notice to Unitholders, 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.

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS retail schemes.

Investment Review

The Elite Balanced Trust returned +1.72% over the period vs a total return of +2.18% for the IA OE Mixed Investment 45-85% Shares Index.

Source: Morningstar Advisor Workstation. Figures shown are total return, net of all charges.

Following a period of market volatility towards the end of November markets steadied, as December kicked off with a number of strong economic data releases from the US, Europe and the UK. However, it was not until the US Federal Reserve's (FED) meeting on the 13th that markets really began to move. As expected, the FED raised interest rates to 1.5%, but it was a slightly more hawkish outlook from the committee that led to a rise in bond yields and a sharp move higher in US Financials. Ultimately, however, the final push north was provided by the increased probability that President Trump would be able to pass legislation on US tax reforms.

At the start of 2018 macroeconomic data across the world looked strong, forward looking indicators such as purchasing managers index (PMIs) were projecting continued strength for the year ahead and the growth of corporate earnings, particularly in the US, looked very encouraging. As a result, we maintained our relative overweight to risk assets, such as equities.

However, the wage growth data that came out of the US at the end of January sent equity markets into a bit of a tailspin. Despite wage inflation being a well-documented likelihood, due to record low un-employment, equity markets reacted dramatically, reversing gains of almost 10% across some developed markets. Volatility across asset markets returned and we also witnessed some clear mid to late cycle signals.

Elite Balanced Trust

Investment Manager's Report (continued) For the year ended 31 May 2018

Investment Review (continued)

Towards the end of the quarter, market and media attention turned to trade wars. Initiated by Trump, citing dubious national security concerns, tariffs were imposed on \$50 billion worth of Chinese imports. As expected, China retaliated with reciprocal action, imposing tariffs on the US. This impacted markets, as any action would increase costs for US and Chinese corporates. Our view is that this is a negotiating strategy by Trump, to gain concessions ahead of key US mid-term elections. However, there is a risk that sentiment continues to deteriorate and the damage from a further escalation of the trade conflict with China could be much greater.

Throughout the 6-month period, we were relatively active; reducing our fixed interest exposure, as bond yields marched higher, and using the equity market weakness in February & March to add to our positions in the Blackrock Asia Special Situations and R&M World Recovery Funds. In March we also increased our exposure to the US Small & Mid-Cap sector (Domestic earners), as we looked to take advantage of US Tax reform and Dollar repatriation.

From a performance perspective, a number of our underlying active managers added alpha; with the Schroder Income, MS US Advantage and Liontrust Special Situations Funds outperforming their respective indices. Our tactical underweight position in UK gilts helped shield us from the worst of the bond sell off; whilst the Old Mutual Global Equity Absolute Return Fund acted as a good hedge during Q1, returning +3.11% vs -4.43%. On the negative side, some of our strategic bond funds fell back, as inflation expectations increased and the AQR Managed Futures fund delivered negative returns, in what was a tough environment for CTA strategies.

Outlook

As we look out into the rest of the year, Trump's protectionist policies and their impact on global trade are the greatest unknown. His advisors have indicated that they are pursuing trade deals and this may all turn out to be a negotiating stance. A global trade war is in no one's interests and the pressure will be on all parties to resolve their differences.

Trade wars aside, however, there is a generally constructive background for equity markets. Corporate earnings had a strong start to the year and with the full benefit of the US tax reform package yet to filter through; we believe they will remain robust throughout the second half of the year.

In fixed income, we remain focused on short duration holdings and maintain our pronounced underweight in developed sovereigns. We also keep corporate credit spreads below our strategic quota. Even though both investment grade and high yields spreads could tighten further, the risk premia in either segment remains unattractive to us, especially relative to equities.

Within equities, Europe & Japan continue to offer a 'cheap' opportunity relative to other developed markets. Domestic monetary policy remains supportive and political risks have receded, hence we have been adding exposure to both regions. While European equities have performed less well than other markets in recent months, these factors should allow the market to catch up in due course. We also believe the next 6 months could be good for US small and mid-cap companies. Their fortunes are more intertwined with US economic health than their large cap compatriots, and with the tax reform package set to boost GDP growth, we have been adding to the sector to capitalise on any upside.

Investment Manager

LGT Vestra LLP
12 June 2018

Elite Balanced Trust

Performance record As at 31 May 2018

	A Accumulation			B Accumulation		
	31/05/18 (p)	31/05/17 (p)	31/05/16 (p)	31/05/18 (p)	31/05/17 (p)	31/05/16 (p)
Change in net assets per Unit						
Opening net asset value per Unit	167.30	143.37	149.32	141.53	120.68	125.06
Return before operating charges*	12.02	27.65	(2.66)	10.20	23.33	(2.22)
Operating charges	(4.00)	(3.72)	(3.29)	(2.67)	(2.48)	(2.16)
Return after operating charges*	8.02	23.93	(5.95)	7.53	20.85	(4.38)
Distributions	0.00	0.00	0.00	(0.70)	(0.45)	(0.31)
Retained distributions on accumulation	0.00	0.00	0.00	0.70	0.45	0.31
Closing net asset value per Unit	175.32	167.30	143.37	149.06	141.53	120.68
* after direct transaction costs of:	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after operating charges	4.79%	16.69%	(3.98%)	5.32%	17.28%	(3.50%)
Other information						
Closing net asset value	3,030,908	3,206,010	2,987,568	15,021,538	12,326,903	9,380,819
Closing number of Units	1,728,785	1,916,281	2,083,816	10,077,687	8,709,578	7,773,278
Operating charges	2.35%	2.38%	2.31%	1.85%	1.88%	1.81%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest Unit price	176.94	167.42	149.55	150.17	141.63	125.26
Lowest Unit price	165.32	142.02	133.11	139.92	119.58	111.88

	B Accumulation USD			C Accumulation		
	31/05/18 (c)	31/05/17 (c)	31/05/16 (c)	31/05/18 (p)	31/05/17 (p)	31/05/16 (p)
Change in net assets per Unit						
Opening net asset value per Unit	112.65	109.37	118.25	133.23	114.17	118.91
Return before operating charges*	12.66	5.25	(6.87)	9.58	22.03	(2.12)
Operating charges	(2.22)	(1.97)	(2.01)	(3.19)	(2.97)	(2.62)
Return after operating charges*	10.44	3.28	(8.88)	6.39	19.06	(4.74)
Distributions	(0.56)	(0.35)	(0.40)	0.00	0.00	0.00
Retained distributions on accumulation	0.56	0.35	0.40	0.00	0.00	0.00
Closing net asset value per Unit	123.09	112.65	109.37	139.62	133.23	114.17
* after direct transaction costs of:	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after operating charges	9.27%	3.00%	(7.51%)	4.80%	16.69%	(3.99%)
Other information						
Closing net asset value	\$155,580	\$139,230	\$160,196	8,681,741	7,925,722	6,322,947
Closing number of Units	126,397	123,595	146,466	6,218,315	5,948,814	5,538,062
Operating charges	1.85%	1.88%	1.81%	2.35%	2.38%	2.31%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest Unit price	131.71	113.46	120.06	140.90	133.32	119.10
Lowest Unit price	111.60	99.12	100.34	131.65	113.10	106.00

Elite Balanced Trust

Performance Information As at 31 May 2018

Operating Charges

Date	AMC* (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Operating Charges (%)
31/05/18						
Unit Type A	1.50	0.12	0.73	(0.01)	0.01	2.35
Unit Type B	1.00	0.12	0.73	(0.01)	0.01	1.85
Unit Type C	1.50	0.12	0.73	(0.01)	0.01	2.35
31/05/17						
Unit Type A	1.50	0.14	0.73	0.00	0.01	2.38
Unit Type B	1.00	0.14	0.73	0.00	0.01	1.88
Unit Type C	1.50	0.14	0.73	0.00	0.01	2.38

* Annual Management Charge

The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. This will fluctuate as underlying costs change.

The Fund has invested in Collective Investment Schemes during the year and the expenses incurred by these schemes are included in the above as the Synthetic expense ratio.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Elite Balanced Trust

Portfolio Statement As at 31 May 2018

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
	Asia Pacific 11.30% [6.03%]		
	Collective Investment Schemes 11.30% [6.03%]		
515,678	BlackRock Asia Special Situations	1,048,889	3.91
68,804	CC Japan Income & Growth	1,190,102	4.43
109,563	First State Asia Pacific Leaders	795,742	2.96
		3,034,733	11.30
	Europe 4.76% [5.04%]		
	Collective Investment Schemes 4.76% [5.04%]		
53,489	BlackRock Continental European Flexible ('D4RF')	1,276,773	4.76
		1,276,773	4.76
	Global 27.60% [31.74%]		
	Collective Investment Schemes 27.60% [31.74%]		
9,656	AQR Managed Futures	839,426	3.13
459,096	Fundsmith Equity	1,615,788	6.02
6,975	Gold Bullion Securities	643,476	2.40
1,123,586	Jupiter Strategic Bond	720,443	2.68
10,771	Legg Mason Western Asset Macro Opportunities Bond	1,063,434	3.96
689,867	Old Mutual Global Equity Absolute Return	1,215,614	4.53
243,139	River and Mercantile World Recovery	1,311,955	4.88
		7,410,136	27.60
	North America 16.30% [12.31%]		
	Collective Investment Schemes 16.30% [12.31%]		
342,831	CF Miton US Opportunities	751,281	2.80
9,633	Findlay Park American	798,132	2.97
15,162	Morgan Stanley US Advantage	1,026,755	3.82
797,549	Schroder US Mid Cap	1,016,077	3.78
36,780	SPDR S&P US Financials Select Sector	785,619	2.93
		4,377,864	16.30
	United Kingdom 31.61% [39.15%]		
	Collective Investment Schemes 22.53% [27.73%]		
298,453	CF Miton UK Multi Cap Income	621,916	2.31
280,946	CF Miton UK Smaller Companies	708,153	2.64
310,913	Liontrust Special Situations	1,323,121	4.93
459,905	Marlborough Multi Cap Income	779,860	2.90
1,726,619	Schroder Income	1,419,453	5.29
643,834	Trojan Income	1,198,175	4.46
		6,050,678	22.53
	Fixed Interest 9.08% [8.39%]		
£640,000	UK Gilt 1.5% 22/07/2026	656,327	2.45
£1,419,010	UK Gilt Inflation Linked 0.125% Bonds 22/03/2026	1,780,741	6.63
		2,437,068	9.08
	Investment Companies 1.62% [3.03%]		
243,472	River & Mercantile UK Micro Cap Investment	435,815	1.62
		435,815	1.62

Elite Balanced Trust

Portfolio Statement (continued) As at 31 May 2018

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
	Portfolio of investments	25,023,067	93.19
	Net other assets	1,827,888	6.81
	Net assets	26,850,955	100.00

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Instruments.

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in square brackets relate to 31 May 2017.

Gross purchases for the year: £4,459,788 [2017: £11,837,811] (See Note 16).

Total sales net of transaction costs for the year: £2,934,152 [2017: £11,364,625] (See Note 16).

Elite Balanced Trust

Statement of Total Return For the year ended 31 May 2018

	Note	01/06/17 to 31/05/18		01/06/16 to 31/05/17	
		£	£	£	£
Income					
Net capital gains	2		1,230,010		3,479,430
Revenue	3	392,316		330,648	
Expenses	4	(332,104)		(310,235)	
Interest payable and similar charges	5	(50)		(619)	
Net revenue before taxation		60,162		19,794	
Taxation	6	-		-	
Net revenue after taxation			60,162		19,794
Total return before distributions			1,290,172		3,499,224
Distributions	7		(62,042)		(34,517)
Change in net assets attributable to Unitholders from investment activities			1,228,130		3,464,707

Statement of Change in Net Assets Attributable to Shareholders For the year ended 31 May 2018

	01/06/17 to 31/05/18		01/06/16 to 31/05/17	
	£	£	£	£
Opening net assets attributable to Unitholders		23,567,075		18,800,907
Amounts received on issue of Units	4,689,488		5,880,782	
Less: Amounts paid on cancellation of Units	(2,706,445)		(4,619,213)	
		1,983,043		1,261,569
Dilution levy charged		1,197		-
Change in net assets attributable to Unitholders from investment activities (see above)		1,228,130		3,464,707
Retained distribution on accumulation Units		71,510		39,892
Closing net assets attributable to Unitholders		26,850,955		23,567,075

Elite Balanced Trust

Balance Sheet As at 31 May 2018

		31/05/18		31/05/17	
	Note	£	£	£	£
Assets					
Fixed assets:					
Investments			25,023,067		22,216,718
Current assets:					
Debtors	8	46,169		66,541	
Cash and bank balances	9	1,878,095		1,343,660	
Total current assets			1,924,264		1,410,201
Total assets			26,947,331		23,626,919
Liabilities					
Creditors:					
Bank overdrafts	11	-		(18,145)	
Other creditors	10	(96,376)		(41,699)	
Total creditors			(96,376)		(59,844)
Total liabilities			(96,376)		(59,844)
Net assets attributable to Unitholders			26,850,955		23,567,075

Accounting Policies and Financial Instruments For the year ended 31 May 2018

1 Accounting Basis And Policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014.

As described in the Certification of Financial Statements by Directors of the AFM on page 4, the AFM continues to adopt the going concern basis in the preparation of the Financial Statements of the Fund.

(b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gains/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

All foreign currency transactions are recorded using an exchange rate from the effective date of the transaction (e.g. the trade date of a trade, the ex-div date of a dividend, or the date of a currency disposal).

(c) Recognition of revenue

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying Fund.

Revenue from debt securities is accounted for on a straight line amortization basis. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting year, is recognised as revenue no later than the date on which the reporting fund makes this information available.

(d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

(e) Treatment of expenses

Expenses of the Fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Fund.

Expenses are recorded on an accruals basis but the Fund may incur additional allowable expenses which are charged as and when they are incurred.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2018

1 Accounting Basis And Policies (continued)

(f) Allocation of revenue and expenses to multiple Unit Types

Any revenue or expenses not directly attributable to a particular Unit Type will normally be allocated pro-rata to the net assets of the relevant Unit Types.

(g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(h) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Unitholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Fund.

The AFM has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting year.

(i) Basis of valuation of investments

Listed investments are valued at close of business bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting year.

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting year.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

(j) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into Sterling at the closing mid market exchange rates ruling on that date.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2018

1 Accounting Basis And Policies (continued)

(k) Dilution levy

The AFM may require a dilution levy on the sale and redemption of Units if, in its opinion, the existing Unitholders (for sales) or remaining Unitholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the AFM is of the opinion that the interests of remaining Unitholders require the imposition of a dilution levy.

(l) Equalisation

Equalisation applies only to Units purchased during the distribution period (Group 2 Units). It represents the accrued revenue included in the purchase price of the Units.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Units for Capital Gains tax purposes.

(m) Derivatives

The Fund may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value. There were no derivative transactions during the year.

2 Derivatives and other financial instruments

Management of risk is a critical responsibility of the AFM in managing the Fund.

The Fund for which WAY Fund Managers Limited acts as AFM are exposed to a wide range of risks. The purpose of the AFM's Risk Management Policy ("RMP") is to identify these risks and document the controls and processes in place to manage and mitigate these risks. The specific risks to the Funds are documented in sections (a) to (i) below and are reviewed on a regular basis.

The control environment on which the AFM's RMP has been developed is based on six key characteristics:

- (i) Commitment, from senior management and all employees, to a control ethic based on competence and integrity.
- (ii) Identification and evaluation of risks and control objectives.
- (iii) Control and information procedures that identify and capture relevant and reliable data to monitor risks within pre-determined limits.
- (iv) Formal procedures for monitoring, reporting, escalation and remedial follow-up action.
- (v) An independent and permanent risk management function in regards to portfolio management.
- (vi) An independent and permanent risk management function in regards to the firm.

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the AFM's policy for managing these risks, are disclosed below:

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2018

2 Derivatives and other financial instruments (continued)

(a) Foreign currency risk

A significant portion of the Fund's assets or the underlying assets of the Collective Investment Schemes in which the Fund invests may be denominated in a currency other than the base currency of the Fund or Type. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Units of the relevant Fund are valued and priced.

The Fund is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Fund's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Fund in circumstances where no such hedging transactions are undertaken.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Fund's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Fund's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Fund did not have any long term financial liabilities at the balance sheet date.

(c) Credit risk

The Fund may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

(d) Liquidity risk

Subject to the Regulations, the Fund may invest up to and including 20% of the Scheme Property of the Fund in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Fund's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Fund invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Fund's ability to purchase or sell such securities at a fair price may be impaired or delayed.

Accounting Policies and Financial Instruments (continued) For the year ended 31 May 2018

2 Derivatives and other financial instruments (continued)

(e) Market price risk

The Fund invests principally in Collective Investment Schemes. The value of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio in line with the Fund's objectives. In addition, the management of the Fund complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 25% of assets in any one Fund.

(f) Counterparty risk

Transactions in securities entered into by the Fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Fund's prospectus and COLL.

(g) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Fund cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

(h) Leverage

In accordance with the Alternative Investment Managers Directive ("AIFMD") and the IA SORP issued in May 2014, as AFM we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated in accordance with the commitment method approach (AIFMR article 8)) divided by the net asset value.

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the Financial Statements Note 15(d).

(i) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Elite Balanced Trust

Notes to the Financial Statements For the year ended 31 May 2018

1 Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 18, 19 and 20.

2 Net capital gains

	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
The net capital gains during the year		
Realised currency losses	(1,089)	(3,033)
Realised gains on non-derivative securities	498,985	1,135,838
Transaction charges	(2,895)	(3,159)
Unrealised gains on non-derivative securities	735,009	2,349,784
Net capital gains	1,230,010	3,479,430

3 Revenue

	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
Bank interest	9	25
Franked dividends from Collective Investment Schemes	220,583	153,249
Interest from Debt Securities	12,816	19,718
Offshore funds dividends	63,657	61,750
Offshore funds interest	54,114	54,879
Rebates received from underlying funds	2,679	673
Unfranked dividends from Collective Investment Schemes	38,458	40,354
Total revenue	392,316	330,648

4 Expenses

	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
Payable to the AFM, associates of the AFM, and agents of either of them		
AFM's fees	301,657	280,125
Registration fees	882	772
	302,539	280,897
Payable to the Depositary, associates of the Depositary, and agents of either of them		
Safe custody fees	4,675	4,439
Trustee's fees	17,971	18,029
	22,646	22,468
Other expenses		
Audit fees*	6,720	6,420
FCA fees	199	164
Printing, postage, stationery and typesetting costs	-	286
	6,919	6,870
Total expenses	332,104	310,235

* Audit fees of £5,600 + VAT have been charged in the current year (2017: £5,350 + VAT).

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Notes to the Financial Statements (continued) For the year ended 31 May 2018

5 Interest payable and similar charges	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
Bank Interest	50	619
Total Interest payable and similar charges	50	619

6 Taxation	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
<i>(a) Analysis of the tax charge in the year</i>		
Corporation tax	-	-
Total current tax charge (Note 6 (b))	-	-
Deferred tax (Note 6 (c))	-	-
Total taxation for the year	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation

The differences are explained below:

	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
Net revenue before taxation	60,162	19,794
Net revenue for the year multiplied by the standard rate of corporation tax	12,032	3,959
Effects of:		
Movement in excess management expenses	44,816	38,590
Revenue not subject to corporation tax	(56,848)	(42,549)
Total tax charge for the year	-	-

OEIC's are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £429,545 (2017: £384,729) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Elite Balanced Trust

Notes to the Financial Statements (continued) For the year ended 31 May 2018

7 Finance costs

Distributions

The distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares and comprise:

	01/06/17 to 31/05/18	01/06/16 to 31/05/17
	£	£
Final	71,510	39,892
Add: Revenue paid on cancellation of Shares	5,109	7,827
Deduct: Revenue received on issue of Shares	(14,577)	(13,202)
Net distribution for the year	62,042	34,517
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	60,162	19,794
Net movement in revenue account	3	1
Revenue deficit	1,877	14,722
Net distribution for the year	62,042	34,517

Details of the distributions per Share are set out in the distribution table on page 31.

8 Debtors

	31/05/18	31/05/17
	£	£
Accrued revenue	32,675	32,391
Amounts due for rebates from underlying funds	366	201
Amounts receivable for creation of Shares	13,128	26,500
Income tax recoverable	-	7,449
Total debtors	46,169	66,541

9 Cash and bank balances

	31/05/18	31/05/17
	£	£
Cash and bank balances	1,878,095	1,343,660
Total cash and bank balances	1,878,095	1,343,660

Elite Balanced Trust

Notes to the Financial Statements (continued) For the year ended 31 May 2018

10 Creditors	31/05/18	31/05/17
	£	£
Amounts payable for cancellation of Shares	57,505	7
	57,505	7
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AFM's fees	27,512	24,459
Registration fees	146	149
	27,658	24,608
<i>Depositary and Agents</i>		
Safe custody fees	748	2,066
Transaction charges	506	1,028
Trustee fees	3,008	7,475
	4,262	10,569
<i>Other accrued expenses</i>		
Audit fees	6,720	6,420
FCA fees	231	33
Overdraft interest	-	62
	6,951	6,515
Total creditors	96,376	41,699

11 Bank overdrafts	31/05/18	31/05/17
	£	£
Bank overdrafts	-	18,145
Total bank overdrafts	-	18,145

12 Related party transactions

The monies received and paid by the AFM through the issue and cancellation of Units are disclosed in the Statement of Change in Unitholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The AFM and its associates (including other authorised investment funds managed by the AFM) have no Unitholdings in the Fund at the year end.

Significant Unitholdings

WAY Fund Managers Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Unitholders that 73.56% of the Fund's units in issue are under the control of a single nominee and its related parties.

13 Unit Types

The Unit Types and AFM's Annual Management Charges applicable to the Fund are as follows:

Unit Type	%
A Accumulation	1.50
B Accumulation	1.00
B Accumulation USD	1.00
C Accumulation	1.50

Each Unit Type has equal rights in the event of the wind up of the Fund.

Elite Balanced Trust

Notes to the Financial Statements (continued) For the year ended 31 May 2018

13 Unit Types (continued)

The reconciliation of the opening and closing numbers of Units of each class is shown below:

	31/05/17	Issued	Cancelled	Converted	31/05/18
A Accumulation	1,916,281	1,594	(189,090)	-	1,728,785
B Accumulation	8,709,578	2,295,158	(927,049)	-	10,077,687
B Accumulation USD	123,595	2,802	-	-	126,397
C Accumulation	5,948,814	1,036,404	(766,903)	-	6,218,315

14 Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2017: nil).

15 Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the AFM's policy for managing these risks, are disclosed in note 2 on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
31/05/18			
US Dollar	1,980	3,253,982	3,255,962
Total foreign currency exposure	1,980	3,253,982	3,255,962
Sterling	1,825,908	21,769,085	23,594,993
Total net assets	1,827,888	25,023,067	26,850,955
31/05/17			
US Dollar	(6,413)	2,181,854	2,175,441
Total foreign currency exposure	(6,413)	2,181,854	2,175,441
Sterling	1,356,770	20,034,864	21,391,634
Total net assets	1,350,357	22,216,718	23,567,075

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £295,997 (2017: £197,767). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £361,774 (2017: £241,716). These calculations assume all other variables remain constant.

Elite Balanced Trust

Notes to the Financial Statements (continued) For the year ended 31 May 2018

15 Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
31/05/18				
Sterling	1,876,611	2,440,884	19,373,874	23,691,369
US Dollar	1,484	-	3,254,478	3,255,962
Total	1,878,095	2,440,884	22,628,352	26,947,331
31/05/17				
Sterling	1,343,660	1,978,711	18,110,962	21,433,333
US Dollar			2,193,586	2,193,586
Total	1,343,660	1,978,711	20,304,548	23,626,919

Currency Liabilities	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
31/05/18			
Sterling	-	96,376	96,376
Total	-	96,376	96,376
31/05/17			
Sterling	-	41,699	41,699
US Dollar	18,145	-	18,145
Total	18,145	41,699	59,844

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the amounts set out in the table below.

These calculations have been applied to non-derivative securities only (see note 2 (h) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
2018	2,502,307	2,502,307
2017	2,221,672	2,221,672

**Notes to the Financial Statements (continued)
For the year ended 31 May 2018**

15 Derivatives and other financial instruments (continued)

(d) Leverage

There was 93.18% leverage as at 31 May 2018, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

16 Portfolio transaction costs	01/06/17 to 31/05/18		01/06/16 to 31/05/17	
	£	£	£	£
Analysis of total purchase costs				
Purchases in year before transaction costs				
Collective Investment Schemes		3,996,699		10,593,931
Bonds		463,089		1,243,880
		4,459,788		11,837,811
Total purchase costs		-		-
Gross purchase total		4,459,788		11,837,811
Analysis of total sale costs				
Gross sales in year before transaction costs				
Collective Investment Schemes		2,934,153		10,013,006
Bonds		-		1,351,622
		2,934,153		11,364,628
Fees - Collective Investment Schemes	(1)		(3)	
Total sale costs		(1)		(3)
Total sales net of transaction costs		2,934,152		11,364,625

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Elite Balanced Trust

Notes to the Financial Statements (continued) For the year ended 31 May 2018

16 Portfolio transaction costs (continued)

	01/06/17 to 31/05/18 %	01/06/16 to 31/05/17 %
Transaction costs as percentage of principal amounts		
Sales - Fees		
Collective Investment Schemes	0.0000%	0.0001%
	01/06/17 to 31/05/18 %	01/06/16 to 31/05/17 %
Transaction costs as percentage of average net asset value		
Commissions	0.0000%	0.0000%
Fees	0.0000%	0.0000%

17 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

18 Fair value disclosure

	31/05/18		31/05/17	
Valuation technique	Assets £	Liabilities £	Assets £	Liabilities £
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	2,437,068	-	3,346,088	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	22,585,999	-	18,870,630	-
Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability*	-	-	-	-
	25,023,067	-	22,216,718	-

* The valuation techniques and the AFM's policy is disclosed in note 1(i) on page 19.

Elite Balanced Trust

Distribution Table As at 31 May 2018

Final Distribution in pence per Unit

Group 1 Units purchased prior to 1 June 2017

Group 2 Units purchased on or after 1 June 2017 to 31 May 2018

	Net revenue #	Equalisation #	Distribution payable 31/07/18 #	Distribution paid 31/07/17 #
Unit Type A Accumulation				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Unit Type B Accumulation				
Group 1	0.7043	-	0.7043	0.4542
Group 2	0.1562	0.5481	0.7043	0.4542
Unit Type B Accumulation USD				
Group 1	0.5620	-	0.5620	0.3463
Group 2	0.1883	0.3737	0.5620	0.3463
Unit Type C Accumulation				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Rates are listed in pence/cents dependent on Unit Type currency.

Elite Balanced Trust

General Information

Types of Units

The Fund can issue different classes of Units in respect of the Fund. Holders of Income Units are entitled to be paid the revenue attributable to such Units, in respect of each annual accounting period. Holders of Accumulation Units are not entitled to be paid the revenue attributable to such Units, but that revenue is retained and accumulated for the benefit of Unitholders and is reflected in the price of Units.

Buying and Selling Units

The AFM will accept orders to deal in the Units on normal business days between 9.00 am and 5.00 pm. Instructions to buy or sell Units should be in writing to: WAY Fund Managers Limited - Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Valuation Point

The valuation point for the Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Prices

The prices of Units for each class in the Fund will be posted via a link on www.fundlistings.com (Financial Express).

Report

The annual report of the Fund will normally be published within two months of each annual accounting period, although the AFM reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period.

Interim Financial Statements period ended:	30 November
Annual Financial Statements year ended:	31 May

Distribution Payment Dates

Interim	Not applicable as the Fund distributes annually
Annual	31 July

Elite Balanced Trust

General Information (continued)

Significant Information

Under the Alternative Investment Fund Managers Directive ("AIFMD"), acting as the Alternative Investment Fund Manager ("AIFM"), WAY Fund Managers is required to disclose how those whose actions have a material impact on the Fund are remunerated.

WAY Fund Managers Limited deems themselves as lower risk due to the nature of the activities it conducts and the size of the firm. Therefore the remuneration strategy is governed by the WAY Fund Managers Limited Board and WAY Fund Managers Limited has chosen not to have a Remuneration Committee. The AIFM Remuneration Code in the UK Financial Authority handbook is met proportionately for all AIFM Remuneration Code Staff.

WAY Fund Managers considers its activities as non complex due to the fact that regulation limits the AIF strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of WAY Fund Managers and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each Alternative Investment Fund.

In its role as an AIFM, WAY Fund Managers deems itself as lower risk due to the nature of the activities it conducts. WAY Fund Managers does not pay any form of variable remuneration currently. Therefore WAY Fund Managers has provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

May 18	Number of Beneficiaries	Total remuneration paid	Fixed remuneration	Variable remuneration paid	Carried interest paid by the AIF
Total remuneration paid by WAY during the financial year	42	1,810,023	1,810,023	0	0
Remuneration paid to employees of WAY who have a material impact on the risk profile of the AIF	6	421,796	421,796	0	0

Due to the size and structure of WAY Fund Managers, it is determined that employees of the AIFM who have a material impact on the risk profile of the AIF include the Board, Head of Finance and Head of Risk and Compliance.

The delegated investment manager is subject to regulatory requirements on remuneration that WAY Fund Managers deem to be equally as effective as those detailed in the AIFMD, which would include the Capital Requirements Directive or Markets in Financial Instruments Directive.

Elite Balanced Trust

General Information (continued)

Other Information

The Prospectus, the NURS Kii, the Trust Deed and the most recent interim and annual reports may be inspected at the office of the AFM and copies may be obtained upon application.

Unitholders who have any complaints about the operation of the Fund should contact the AFM or the Trustee in the first instance. In the event that a Unitholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

Data Protection

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited operates, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share your personal data with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an intermediary to submit the application we may also share information about your investment with them, to help them to continue to provide their services to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However, if you feel that we have incorrectly recorded any of your personal data, you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

We are registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website www.wayfunds.com.

Should you wish to make a complaint or request further information on how we collect and process your personal data please contact us at: Data Protection Office, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB. Email: DPO@wayfunds.com Tel: 01202 855856.

Alternatively, if you have any concerns or complaints as to how we have handled your personal data, you may lodge a complaint to the Information Commissioner's Office through their website which can be found at <https://ico.org.uk/for-the-public/raising-concerns>

Effects of Personal Taxation

Investors should be aware that unless their Units are held within an ISA, selling Units is treated as a disposal for the purpose of Capital Gains tax.

Risk Warning

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of Units and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Elite Balanced Trust

Contact Information

The Unit Trust

Elite Balanced Trust
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne,
Dorset BH21 7SB
Telephone: 01202 855 856*
Website address: www.wayfunds.com
(Authorised and regulated by the FCA)

Directors of the AFM

V. Hoare
I. Hobday
P. Legg

Non-executive Directors

P. Wilcox (Resigned 17 November 2017)

Registrar

Investor Administration Solutions Limited
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne,
Dorset BH21 7SB

Trustee

Northern Trust Global Services plc
50 Bank Street
Canary Wharf,
London E14 5NT
(Authorised by the Prudential Regulation
Authority ("PRA") and regulated by the
PRA and FCA)

Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street,
Glasgow G1 3BX

Authorised Fund Manager ("AFM")

WAY Fund Managers Limited
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne,
Dorset BH21 7SB
(Authorised and regulated by the FCA and
a member of the Investment Association)

Company Secretary of the AFM

P. Legg

Investment Manager

LGT Vestra LLP
14 Cornhill,
London EC3V 3NR
(Authorised and regulated by the FCA)

Sponsor

WM Capital Management Limited
80 Coleman Street,
London EC2R 5BJ

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

