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# **EF BRUNSWICK PORTFOLIO FUND**

## **Prospectus**

Prepared in accordance with the Collective Investment Schemes Sourcebook  
Dated and valid as at 1<sup>st</sup> January 2023

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**Authorised Corporate Director and Registrar**

WAY Fund Managers Limited

Cedar House

3 Cedar Park

Cobham Road

Wimborne

Dorset

BH21 7SB

(authorised and regulated by the Financial Conduct Authority)

**Investment Adviser**

Brunswick Investment Management Limited

Suite 7

Wensum Mount Business Centre

Low Road

Hellesdon

Norwich

NR6 5AQ

(authorised and regulated by the Financial Conduct Authority)

**Registered and Head Office of the Company**

C/O WAY Fund Managers Limited

Cedar House

3 Cedar Park

Cobham Road

Wimborne

Dorset

BH21 7SB

**Depositary**

Northern Trust Investor Services Limited

50 Bank Street

Canary Wharf

London

E14 5NT

(authorised and regulated by the Financial Conduct Authority)

**Auditor**

PKF Littlejohn LLP

15 Westferry Circus

Canary Wharf

London

E14 4HD

(authorised and regulated by the Financial Conduct Authority)

**Administrator**

Apex Fund & Corporate Services (UK) Ltd

6<sup>th</sup> Floor

140 London Wall

London

EC2Y 5DN

(authorised and regulated by the Financial Conduct Authority)

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## 1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"ACD"	the Authorised Corporate Director holding office from time to time pursuant to FCA Regulations being WAY Fund Managers Limited at the date of this Prospectus;
"Act"	the Financial Services and Markets Act 2000 as amended, replaced or restated from time to time;
"Administrator" or "Administrators"	means Apex Fund & Corporate Services (UK) Limited or such other person appointed from time to time to be the administrator of the Company;
"AIFM Directive"	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
"Business Day"	means any day on which the London Stock Exchange is open for business for the normal duration of its trading hours, excluding any day in respect of which the ACD has notified the Depositary that is not open for normal business or as otherwise agreed between the ACD and the Depositary;
"Collective Investment Schemes Sourcebook" or "COLL"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended, replaced or restated from time to time;
"Company"	<b>EF Brunswick Portfolio Fund;</b>
"Conversion"	The conversion of shares in one class in a Fund to shares of another Class in the same Fund and " <b>Convert</b> " shall be construed accordingly;
"Depositary"	the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations, being Northern Trust Investor Services Limited as at the date of this Prospectus;
"FATCA"	the provisions, enacted in the USA, commonly known as the Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant to it;
"FCA"	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and any predecessor or successor entity from time to time;
"Funds" or "Fund"	a sub-fund of the Company (being part of the property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective and policy applicable to such sub-fund;

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<b>“FUND Sourcebook”</b>	the Investment Fund Sourcebook issued by the FCA as amended or replaced from time to time;
<b>"Instrument"</b>	means the instrument of incorporation constituting the Company, as amended from time to time;
<b>"Investment Adviser"</b>	means Brunswick Investment Management Limited appointed by the ACD as investment adviser to the Funds;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>“Leverage”</b>	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
<b>"Net Asset Value" or "NAV"</b>	the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument;
<b>"Non-UCITS Retail Scheme"</b>	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
<b>"OEIC Regulations"</b>	Open-Ended Investment Companies Regulations 2001 as amended from time to time;
<b>"Office Hours"</b>	from 9am to 5pm on any Business Day;
<b>“PRN”</b>	FCA Product Reference Number;
<b>“Professional Liability Risks”</b>	shall have meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook;
<b>"Recognised Scheme"</b>	means a collective investment scheme recognised for the purposes of sections 264, 270 or 272 of the Act;
<b>“Register”</b>	the register of shareholders of the Company;
<b>"Regulations"</b>	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
<b>“Specified US Person”</b>	a shareholder who falls within the definition of “Specified U.S. Person” for the purposes of FATCA;
<b>"Sterling"</b>	Pounds sterling of the United Kingdom;
<b>“Switch”</b>	the exchange, where permissible, of shares of one Fund for shares of another Fund and "Switching" shall be construed accordingly;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13 <sup>th</sup> July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time);

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**"VAT"**

UK value added tax.

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**THIS PROSPECTUS IS IMPORTANT IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.**

**THIS PROSPECTUS IS BASED ON INFORMATION, UK LAWS AND PRACTICE AS AT THE "VALID AT DATE" WHICH APPEARS ON THE FRONT COVER AND BELOW. THE COMPANY AND THE ACD CANNOT BE BOUND BY AN OUT OF DATE PROSPECTUS WHEN IT HAS ISSUED A NEW PROSPECTUS.**

**INVESTORS SHOULD CHECK WITH THE ACD THAT THIS IS THE LATEST VERSION OF THE PROSPECTUS AND THAT THERE HAVE BEEN NO REVISIONS OR UPDATES BEFORE DECIDING TO PURCHASE SHARES IN ANY FUND. PLEASE NOTE THAT NOTIFIABLE CHANGES WHICH ARE IN THE PROCESS OF BEING IMPLEMENTED OR WHICH HAVE ALREADY BEEN IMPLEMENTED MAY NOT BE DISCLOSED IN THE CURRENT PROSPECTUS.**

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should investigate and observe the legal requirements within their own countries for the acquisition of shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and its share classes as is made available by the Authorised Corporate Director for the purposes of the EU's Product Governance regime including, without limitation, target market information. Distributors and intermediaries may obtain such information by accessing the ACD's website at: [www.wayfunds.com/productgovernance](http://www.wayfunds.com/productgovernance).

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of shares.

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the shareholders. A copy of the Instrument of Incorporation is available on request from WAY Fund Managers Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by WAY Fund Managers Limited.

### **International Tax Reporting**

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs ("HMRC") in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.



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## Information for US Persons

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons. The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A “US Person”, for the purposes of the above paragraph, is a person who is in either of the following two categories:

- (a) a person included in the definition of “US Person” under Rule 902 of Regulation S under the 1933 Act, or
- (b) a person excluded from the definition of a “Non-United States Person” as used in the US Commodity Futures Trading Commission (“CFTC”) Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of “US Person” only if he or it does not satisfy any of the definitions of “US Person” in Rule 902 and qualifies as a “Non-United States Person” under CFTC Rule 4.7.

“US Person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organisation or incorporated under the laws of the United States;
- (c) any estate which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a non-US entity located in the United States;
- (f) any non-discretionary account or similar account (other than a estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - i. organised or incorporated under the laws of any non-US jurisdiction; and
  - ii. formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised on incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

## Data Protection - How your personal data is used

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited (“we”/“us”) 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.

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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](http://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](mailto:DPO@wayfunds.com) Tel: 01202 855856 (+44 (0)1202 855856 from outside of the UK).

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/>

**This Prospectus is dated and valid as at: 1<sup>st</sup> January 2023**

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## 2 CONSTITUTION AND REGULATORY STATUS

### *General*

The Company is an investment company with variable capital incorporated under the OEIC Regulations. It is a Non-UCITS Retail Scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000439. The FCA product reference number for the Company is 448917. The head office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by the FCA with effect from 5<sup>th</sup> May 2006. The operation of the Company is governed by the Regulations, the Investment and this Prospectus.

### *Structure of the Company*

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund, a revised Prospectus will be prepared setting out the relevant details of each Fund.

The Company currently has two Funds as follows: -

- EF Brunswick Diversified Portfolio Fund;
- EF Brunswick Growth Portfolio Fund;

The property attributable to each of the Funds is managed as if such fund belonged to the "non-UCITS retail Scheme" category as specified in Chapter 5 of COLL. Subject to the terms set out in this Prospectus, holders of shares in a Fund are entitled to receive the net income derived from the Fund and to redeem their shares at a price linked to the value of the property of the Fund. Shareholders do not have any proprietary interest in the underlying assets of any Fund. The shareholders of the Company will not be liable for the debts of the Company.

The assets of each Fund will be treated as separate from those assets of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Each Fund has credited to it the proceeds of all shares linked to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within a Fund, the charges will be allocated between classes of shares in accordance with the terms of issue of the shares of those classes (as applicable). Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the shareholders generally but they will be normally allocated by the ACD to all Funds pro rata to the value of the net assets of the relevant Funds.

Funds established by the Company are segregated portfolios of assets, and, accordingly, the assets of a Fund belong exclusively to that Fund, and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

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While the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new and these provisions have yet to be tested by the Courts. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring fenced" from the liabilities of other Funds of the Company.

In certain circumstances the Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

### **Leverage**

The AIFMD prescribes two methods for calculating the overall Leverage exposure of a Fund: the "gross method" and the "commitment method". These methodologies are set out in full detail in the AIFMD. However, they can be summarised as follows:

- The gross method is a more conservative way of representing leverage as it does not take into account the netting or hedging arrangements employed by a Fund. This method also takes into account incremental exposures as well as the Fund's own physical holdings and cash.
- The commitment method takes account of the hedging and netting arrangements employed by a Fund at any given time (i.e. purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes incremental exposures as well as the Fund's own physical holdings and cash.

The maximum level of leverage which the ACD may employ on behalf of a Fund is equal to 300% and 200% of the Net Asset Value of a Fund when respectively calculated in accordance with the "gross" and "commitment" methods are set out under the AIFMD rules.

The ACD may change the maximum level of Leverage from time to time. Any change will be disclosed to Shareholders in accordance with the Regulations.

### **Liquidity Management**

The ACD maintains a liquidity management policy to monitor the liquidity risk of a Fund's portfolio against thresholds set by reference to each Fund's redemption policy. The ACD seeks to ensure that each Fund will remain within the liquidity limits set for it. The ACD is also able to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be set out as outlined below. Other arrangements may also be used in response to redemption requests which, if activated, will restrict the redemption rights Shareholders benefit from in the ordinary course. The ACD may also temporarily suspend redemptions in certain circumstances.

## **3 RISK FACTORS**

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- (a) Investors should appreciate that there are inherent risks in all types of investments. Stock market prices can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment. Investment in the Company should be regarded as a long-term investment. There can be no guarantee that the objectives of a Fund will be achieved.
- (b) Each Fund may invest up to 20% of its assets in unregulated schemes, or schemes not covered by regulations equivalent to those in the United Kingdom. Such schemes may be less liquid than the equivalent regulated schemes which could mean that the Investment Adviser is unable to buy an additional or sell an excess holding without a delay. The

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reason for this could be that these funds deal less frequently than regulated funds, or that the provider has a requirement to match sellers with buyers.

- (c) The Funds can invest in the Alternative Investment Market, which could mean that they may hold a significant percentage of net assets in smaller companies. Such securities may, from time-to-time, be less liquid than their equivalents quoted on the main markets.
- (d) At times when a Fund holds more than 5% of its assets in warrants, the Net Asset Value of the Fund is likely to experience higher than normal volatility.
- (e) The capital value and the income from shares in the Funds can fluctuate and the price of shares and the income from them can go down as well as up and are not guaranteed. On encashment, particularly in the short term, investors may receive less than the original amount invested. The ACD's preliminary charge (see page 23) is deducted from an investment at the outset and an equivalent rise in the value of the shares is required before the original investment can be recovered.
- (f) Defensive investment in cash and money market instruments, at times when relevant stock market indices are rising, may constrain the growth of capital invested in the Funds.
- (g) Investments may be made in assets denominated in various currencies and the movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gains and losses otherwise experienced on such investments.
- (h) It must be emphasised that past performance is not necessarily a guide to future growth or rates of return. The levels of income generated by the Funds will fluctuate and are not guaranteed.
- (i) Exemptions, thresholds and rates of tax may change in future tax years, and their value will depend on individual circumstances.
- (j) 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 of the Fund's assets. There is also the potential for capital appreciation of such assets. The ACD does not anticipate that the use of derivatives will alter the risk profile of the Company.
- (k) Some or all of any other charges and expenses may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth.
- (l) Where a Fund invests in emerging markets, such investment may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. There may also be a lack of liquidity and increased volatility in the underlying securities of companies domiciled in emerging markets.
- (m) Where a Fund's assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian;
- (n) Inflation may affect the real value of shareholder's savings and investments, which may reduce the buying power of the money a shareholder has saved and their investments;
- (o) Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high;

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- (p) The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.
  - (q) Leverage of the Company's assets is limited to the permanent borrowing referred to in the "Borrowing powers and Leverage" section of Schedule 1 (Investment and Borrowing Powers).
  - (r) As a result of the UK leaving the European Union on the 31 January 2020, it is possible that the UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

### **The Profile Of A Typical Investor**

This Prospectus sets out below a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the EU's Product Governance regime which may be obtained separately by distributors and other intermediaries by accessing the ACD's website at [www.wayfunds.com/productgovernance](http://www.wayfunds.com/productgovernance).

The ACD considers that the shares in the Funds are suitable for investors who see collective investment schemes as a convenient and cost-effective way of reducing the overall risks associated with participation in stock market investment and performance, whilst giving scope for growth of capital over the long-term. As the investment may occasionally experience periods of price volatility, the Funds would be more suitable for investors who can afford to set aside the invested capital for a minimum period of 5 years.

All investors in the Company should understand and appreciate the risks associated with investing in 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 "Risk Factors" section above.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in the Funds.

## **4 THE AUTHORISED CORPORATE DIRECTOR**

The authorised corporate director of the Company is WAY Fund Managers Limited. The ACD is a private company limited by shares, incorporated in England and Wales on 9<sup>th</sup> June 2000 under the Companies Act 1985. The registered and head office of the ACD is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued share capital is £1,299,000, fully paid. The ACD is a wholly-owned subsidiary of Professional Partners Administration Limited.

The ACD is authorised and regulated by the FCA. The ACD acts as authorised corporate director and unit trust manager to the following collective investment schemes authorised in the United Kingdom:

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### ICVCs

- EF 8AM Investment Funds;
- EF Brompton Multi Manager Funds;
- EF FACET Discretionary Portfolios;
- EF New Horizon Fund;
- EF Rosevine Capital ICVC;
- EF Tellsons ICVC;
- EF UCITS ICVC;
- EF WM NURS Portfolio;
- EF WM UCITS Portfolio;
- Elite Webb Capital Fund;
- WAY Global Cautious Portfolio Fund;
- WAY Momentum Portfolio;
- WAY MA Growth Portfolio; and
- WAY MA Portfolio.

### Unit Trusts

- Elite Balanced Trust;
- WAY Global Blue Managed Portfolio Trust; and
- WAY Global Red Active Portfolio Trust.

The ACD may provide investment services to other clients and funds and to companies in which the Funds may invest in accordance with the Regulations.

When managing investments of the Funds, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Funds.

The executive directors of the ACD are:

- Vincent Hoare
- Christopher Oliver

The non-executive directors of the ACD are:

- David Kane (independent)
- Philippa Woodman (independent)

The Company has no other directors.

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The material provisions of the ACD Agreement are as follows:

The ACD Agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The ACD Agreement will also terminate on expiry of notice given by the Depositary in accordance with Rule 6.5.4(3) of COLL (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The ACD Agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Funds and carrying out its duties as authorised corporate director of the Company

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except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Act or the regulatory system under the Act.

In accordance with the Regulations the ACD has in place a number of policies which set out how it operates and manages the Fund in a number of key areas. The ACD's voting policy (which sets out how and when voting rights attached to the Fund's investments are to be exercised), execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Fund) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may be received or made by a third party in respect of the Fund) are available on request from the ACD and are also available on the following website: [www.wayfunds.com](http://www.wayfunds.com). Further information on how the ACD's policies are reviewed are also available on request.

Note that investors in the Fund may request from the ACD information about entities where trade orders are transmitted or placed for execution.

The ACD has delegated the following functions to third-parties:

**General Administration** – fund valuation and fund accounting functions have been delegated to the Administrator.

**Investment Management** – being the management of the investments held by the Funds from time-to-time has been delegated to the Investment Adviser.

The ACD remains responsible for ensuring that the companies, to whom it delegates such functions, perform those delegated functions in compliance with the COLL Sourcebook and the FUND Sourcebook.

## **5 THE INVESTMENT ADVISER**

The ACD has appointed Brunswick Investment Management Limited (the “Investment Adviser” as the investment adviser to the ACD in relation to the Fund. The Investment Adviser is authorised and regulated by the Financial Conduct Authority. The Investment Adviser's principal activity is the provision of investment management services.

Under the terms of an agreement dated the 1<sup>st</sup> January 2012, between the Investment Adviser and the ACD, the Investment Adviser has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Funds, subject always to the provisions of the Instrument of Incorporation, the Prospectus, the Regulations, and the investment objectives and policies of the Funds. The Investment Adviser is also authorised to deal on behalf of the Funds. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders, the Investment Management Agreement may be terminated by either party giving the other no less than 6 months' written notice.

Under the terms of the Investment Management Agreement, the Investment Adviser may delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

## **6 THE DEPOSITARY**

The Depositary of the Company is Northern Trust Investor Services Limited, a private limited company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Depositary is authorised and regulated by the Financial Conduct Authority.



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The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook and the FUND Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds. The Depositary is also responsible for monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Depositary and the Company, the Shareholders or the ACD, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, will be made available to Shareholders on request.

Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Shareholders' personal information as a data controller where these details are provided to it in connection with Shareholders' investment in the Company. Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at [www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

### **Terms of Appointment**

The appointment of the Depositary has been made under a written agreement (as amended and novated from time to time), between the Company, the ACD and the Depositary (the "**Depositary Agreement**").

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its safekeeping duties as depositary. As at the date of this Prospectus, the Depositary has delegated custody services to The Northern Trust Company, London Branch (the "**Custodian**"). The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Company may invest.

As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions.

The Depositary Agreement may be terminated by not less than six months' written notice by the ACD or not less than six month's written notice by the Depositary, provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

The Depositary is entitled to the fees, charges and expenses as set out in more detail below in the section headed "**The Fees, Charges and Expenses of the Depositary**". The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in Scheme Property or the supply of services to the Company.

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## **Conflicts of Interest**

### **(i) General**

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Depositary and the Company, the Shareholders or the ACD. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Shareholders. In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Shareholders where such action may not be in the interests of the ACD.

### **(ii) Affiliates**

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates, as applicable. The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the FCA Handbook and its duties to the Depositary and the ACD.

### **(iii) Conflicting commercial interests**

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

### **(iv) Management of conflicts**

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

## **7 SHARES IN THE COMPANY**

The Company's Instrument permits income and accumulation shares to be issued by the Company under such designation as the ACD may (in accordance with the Instrument) decide and as set out in this

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Prospectus. Currently each Fund will only issue Pounds Sterling (£) Accumulation shares, in classes A, B and C.

Further classes of shares may be established from time to time by the ACD in accordance with the Instrument and the applicable Regulations. On the introduction of a new class of share a revised Prospectus will be prepared setting out the details of the share class.

The base currency for each new class of share will be determined at the date of creation and set out in the Prospectus.

Each share is deemed to represent one undivided unit of entitlement in the property of the Fund.

No bearer shares are issued.

Holders of income shares are entitled to be paid the distributable income attributable to such shares on any relevant interim or annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

The Instrument allows the Company to issue income and accumulation shares. These are shares in respect of which income allocated to them is distributed periodically to the relevant shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, without any deduction of tax.

If both income and accumulation shares are in existence, the income of the relevant Fund is allocated as between income shares and accumulation shares according to the respective units of entitlement in the property of the Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Where the Fund has different share classes, each class may attract different charges and so monies may be deducted from the scheme property attributable to such classes in unequal proportions.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

## **8 INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS**

Investment of the assets of each of the Funds must comply with the COLL rules as they apply to Non-UCITS Retail Schemes and in accordance with the investment objective and policy of the relevant Fund. These investment objectives and policies are set out below. The eligible securities markets and eligible derivatives markets on which the Funds may invest are set out in Schedule 2 and Schedule 3 respectively. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may invest are set out in Schedule 1 of this Prospectus. Each of the Funds may invest in derivative instruments and forward transactions for limited purposes as explained in Schedule 1.

### **Further Funds**

Subject to the Company's Instrument of Incorporation and COLL, the ACD may establish additional Funds from time to time.

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## **8.1 EF Brunswick Diversified Portfolio Fund**

FCA PRN: 634950

### **Investment Objective**

The objective of the Fund is to achieve a total positive return in all market conditions, over a rolling period of 3 years, through investment in a diversified portfolio of transferable securities (including investment trusts), collective investment schemes, warrants, cash or near cash, deposits, money market instruments and derivatives. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over a 3 year rolling period or in respect of any other period.

It is generally expected that the volatility of the Fund will be lower than that of the broad global equity markets. However while volatility is taken into consideration, priority will always be given to achieving a total positive return in all market conditions.

### **Investment Policy**

The Fund aims to achieve its objective through investment in an actively managed, diversified portfolio of transferable securities (including investment trusts), collective investment schemes, warrants, cash or near cash, deposits, money market instruments and derivatives. Unregulated collective investment schemes may be used up to the full extent permitted by the Regulations.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector at any time.

The maximum holding of cash will be 50% of the Fund's total net assets.

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.

The Fund may invest in derivatives for investment purposes as well as for efficient portfolio management purposes (typically hedging, which attempts to mitigate against falls in the value of the Fund's assets and the effects of changes in currency exchange rates against the Fund's base currency, which is pounds sterling). It is not intended that the use of derivatives in this way will change the risk profile of the Fund. Borrowing will be permitted under the terms of the Regulations.

### **Date of launch**

19<sup>th</sup> June 2006\*

\*Shares were first offered in the Company with effect from 19<sup>th</sup> June 2006. The EF Brunswick Diversified Portfolio Fund was converted to a sub-fund of the EF Brunswick Portfolio Fund with effect from 20<sup>th</sup> July 2009.

### **Benchmark**

The Investment Adviser believes that the appropriate benchmark against which the performance of the Fund can be measured is currently the Investment Association's (IA) Mixed Investment 20-60% Shares sector. This represents a comparator benchmark because the Fund's performance can be compared to funds which also sit within this industry sector.

Any publications relating to the Fund that refer to its performance will also show the performance of the IA Mixed Investment 20-60% Shares sector average as a comparison.

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## **8.2 EF Brunswick Growth Portfolio Fund**

FCA PRN: 634951

### **Investment Objective**

The objective of the Fund is to achieve a total positive return in all market conditions, over a rolling period of 3 years, through active investment in a diversified portfolio of transferable securities (including investment trusts), collective investment schemes, warrants, cash or near cash, deposits, money market instruments and derivatives. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over a 3 year rolling period or in respect of any other period.

It is generally expected that the volatility of the Fund will be similar to that of the broad global equity markets. However while volatility is taken into consideration, priority will always be given to achieving a total positive return in all market conditions.

### **Investment Policy**

The Fund aims to achieve its objective through investment in an actively managed, diversified portfolio of transferable securities (including investment trusts), collective investment schemes, warrants, cash or near cash, deposits, money market instruments and derivatives. Unregulated collective investment schemes may be used up to the full extent permitted by the Regulations.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector at any time.

The maximum holding of cash will be 50% of the Fund's total net assets.

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.

The Fund may invest in derivatives for investment purposes as well as for efficient portfolio management purposes (typically hedging, which attempts to mitigate against falls in the value of the Fund's assets and the effects of changes in currency exchange rates against the Fund's base currency, which is pounds sterling). It is not intended that the use of derivatives in this way will change the risk profile of the Fund. Borrowing will be permitted under the terms of the Regulations.

### **Date of launch**

20<sup>th</sup> July 2009

### **Benchmark**

The ACD believes that the appropriate benchmark against which the performance of the Fund can be measured is currently the Investment Association's (IA) Flexible Investment sector. This represents a comparator benchmark because the Fund's performance can be compared to funds which also sit within this industry sector.

Any publications relating to the Fund that refer to its performance will also show the performance of the IA Flexible Investment sector average as a comparison.

## **9 REGISTER**

The ACD is currently the registrar to the Company. The Register of shareholders including the ISA plan register, where applicable, (being a record of persons who subscribe for shares through an ISA) will be

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available for inspection by shareholders on any Business Day during normal Office Hours at the office of the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

No certificates will be issued in respect of a holding of shares and should any shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the shareholder with a certified copy of the relevant entry in the Register relating to the shareholder's holding of shares.

Shareholders should notify the ACD in writing of any change to their name or address and provide such evidence as the ACD may reasonably request.

No bearer shares are issued.

## 10 VALUATIONS

Valuations of the property of the Funds for the purpose of the calculation of share prices will be carried out in accordance with the rules for simple-priced funds in COLL. Each share linked to a Fund represents a proportional share of the overall property attributable to such Fund. Therefore, the value of a share attributable to a Fund is calculated, in broad outline, by calculating the net value of the property attributable to the Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations are normally carried out on each Business Day (being each day which is a Business Day). The valuation point for each Fund is 12 noon on each Business Day.

The ACD may carry out additional valuations if it considers it desirable to do so and may use the price obtained at such additional valuation points as the price for the relevant day. Valuations will not be made during a period of suspension of dealings (see "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The property attributable to a Fund is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument:

- 1 All the scheme property (including receivables) is to be included, subject to the following provisions.
- 2 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) exchange-traded derivative contracts:

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- (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 4 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or this Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have taken place.
- 5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
- 6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
- 7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 8 An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax and stamp duty shall be deducted.
- 9 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day shall be deducted.
- 10 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings shall be deducted.

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- 11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable shall be added.
  - 12 Any other credits or amounts due to be paid into the scheme property shall be added.
  - 13 A sum representing any interest or any income accrued due or deemed to have accrued but not received.
  - 14 The total amount of any cost relating to the authorisation and incorporation of the Company, the authorisation of its sub-funds, and the initial offer or issue of Shares will be added.
  - 15 Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

Each Fund has credited to it the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Fund are charged to it.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the shareholders of the Company generally.

Where the ACD has reasonable grounds to believe that:

- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

## 11 PRICES OF SHARES

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the scheme property after the purchase, redemption, Conversion or Switch of shares as agreed. As noted above, shares in the Company are "single priced". This means that subject to the dilution levy referred to below and the preliminary charge (as set out in section 21 under the heading "**The Authorised Corporate Director's Charges**"), the price of a share for both buying and selling purposes will be the same and determined by reference to a particular valuation point. The price of a share is calculated at or about the valuation point each Business Day (to at least four significant figures) by:

- taking the value of the property attributable to the relevant Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund);
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned;
- in relation to classes of shares which are denominated in a currency other than the designated currency of a Fund, applying a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.



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## ***Publication of Prices***

The prices of Shares for each class of Share in each Fund will be published daily on the ACD's website at:

**www.wayfunds.com/Sponsors/BrunswickInvestmentManagementLimited.** Prices can also be obtained by telephoning the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the UK).

The ACD is not responsible for any errors in publication or non-publication on external websites or other sources. As the ACD deals on a forward pricing basis the price that appears in these sources may not necessarily be the same as the one at which investors can currently deal.

## **12 DILUTION LEVY**

***What is 'dilution'?*** - where a Fund buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder and which is referred to as "dilution".

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy on the purchase or redemption of shares in a Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD.

***What is the ACD's policy regarding the Dilution Levy?*** – at its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- Where a Fund experiences a large level of net redemptions on any Business Day, relative to its size (i.e. net redemptions equivalent to greater than 2% of the Net Asset Value of the Fund);
- Where a Fund is in continuing decline, in terms of Net Asset Value, as a result of poor market conditions or continual net redemptions;
- On large deals, which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset Value of the relevant Fund.

The amount is not retained by the ACD but is paid into the affected Fund.

***How will it affect investors?*** - on the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Fund. As dilution is directly related to the inflows and outflows of monies from the relevant Fund it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in "***What is the ACD's policy regarding the Dilution Levy?***" above, will be negligible.

The ACD does not currently envisage that a Dilution Levy will be applied to any dealing in the Funds, as it is unlikely that any single holder will have control of greater than 2% of any single Fund. However, where it is applied, the ACD believes that the amount will not normally exceed 2% of the Net Asset Value of shares being bought or sold.

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## 13 ISSUE, REDEMPTION AND EXCHANGE OF SHARES

### Issue

#### *Applications*

The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Applications for shares linked to any Fund may be made by any eligible person. Following the expiry of the initial offer period of a Fund (if any), dealings shall be effected at forward prices i.e. at prices calculated by reference to the next valuation following acceptance of the application. (see "Valuations" for details of the valuation points). Therefore shares to satisfy an application will be issued at a price based on the valuation made on the next Business Day following acceptance of the application.

Applications may be made by completing an application form and delivering it to the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB or by telephoning the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the UK) during office hours, or by facsimile on 01202 855850 (+44 (0)1202 855850 from outside of the UK). Instructions received by telephone must be confirmed in writing prior to the remittance of proceeds. Application forms are available from the ACD. Applications, however made, are irrevocable (except in the case where cancellation rights apply- see below). Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the applicant by post at the applicant's risk.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Business Day. Certificates will not be issued. Where the total price payable for all shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

Payment in respect of applications must be received in cleared funds no later than the fourth Business Day after the relevant Business Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to the relevant Business Day.

No interest payment will be made on client money held by the ACD prior to investment in the Company. Client money will be held in an account with HSBC Bank Plc.

If a person(s) applying for shares (an "**Applicant**") defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of shares, the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

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.

#### **Anti-Money Laundering Procedures**

The Company is subject to the UK's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "**Applicant**") including, without limitation, any Applicant who:

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- (a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
  - (b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

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 investors. In the case of a purchase of shares where the Applicant is not willing or is unable to provide the information request 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. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out.

The ACD will, where possible, verify identity using information from credit reference agencies. Where this is not possible, or where the ACD decides (at its discretion) that it is appropriate, further documentation will be requested.

### **Market Timing**

The ACD may refuse to accept a new investment if, in the opinion of the ACD, it has reasonable grounds for refusing to accept an investment. In particular, the ACD may exercise this discretion if it reasonably believes the shareholder has been or intends to engage in market timing activities.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variations in the price of shares between the daily valuation points of the Fund. Short term trading of this nature may often be detrimental to long term Shareholders. In particular the frequency of dealing may lead to additional dealing costs which can affect long term performance.

Investments may be made into the Fund via nominee or similar omnibus accounts. For the purposes of monitoring and detecting potential market timing activity, the ACD's responsibilities will be restricted to the registered legal holder of shares rather than any underlying beneficial holder. The ACD will co-operate in helping to deter any potential market timing activities that the registered legal holder has detected in his monitoring of his underlying beneficial holders.

### **FATCA**

As part of the process of buying shares, applicants will be required to provide the ACD with any information that the ACD considers necessary to enable the Company to comply with its domestic (and any overseas) obligations relating to FATCA.

FATCA aims to prevent US tax evasion by requiring foreign financial institutions (such as the Company) to report certain information in relation to any shareholder who is a Specified US Person to the Internal Revenue Service of the US ("IRS"). As a result of an intergovernmental agreement entered into between the US and UK governments, the ACD may be required to disclose information relating to shareholders who fall within the definition of Specified US Person (and their investments in the Company) to HM Revenue & Customs, who will in turn exchange this information with the IRS.

By signing the application form to subscribe for shares in the Company, each Applicant is agreeing to provide such information upon request from the Company and/or the ACD (or their respective agents). Please note that the Company may treat investors as a Specified U.S. Person where the ACD is unable to establish that this is not the case.

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Shareholders or Applicants who are concerned about their position are encouraged to consult with their own tax advisers regarding the possible implications of FATCA on their interest in the Company.

### ***In Specie Application***

Where the application for issue of shares is equivalent to five per cent. or more of the Net Asset Value of the relevant Fund, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the relevant fund and subject to the investment restrictions of the said fund.

### ***Minimum Purchase***

	EF Brunswick Diversified Portfolio			EF Brunswick Growth Portfolio		
	Class A	Class B	Class C	Class A	Class B	Class C
Minimum Initial Investment	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Minimum Subsequent Investment	£500	£500	£500	£500	£500	£500

In respect of shares in each Fund, the minimum value of shares which any one person may purchase initially is £1,000 in relation to all share classes. The minimum value of shares which may be the subject of any subsequent purchase is £500 in respect of all share classes. However, The ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum transaction sizes.

### ***Regular Savings Plan***

A Regular Savings Plan is available for investors in all share classes (Class A, Class B and Class C). Shares can be purchased monthly, the minimum value of shares which may be the subject of any one single transaction is £100.

### ***Redemption***

Shares in each Fund may be redeemed on any Business Day. Dealings are on a forward price basis as explained in the paragraph headed "**Issue**" above. Shares to be redeemed pursuant to a redemption request will be redeemed at a price based on the next available valuation point following receipt of the request. Redemption instructions may be given by delivery to the ACD of written instructions for redemption by letter to WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Wimborne, Dorset BH21 7SB on any Business Day. The ACD may also, at its sole discretion, accept instructions by facsimile on 01202 855850 (+44 (0)1202 855850 from outside of the UK) or telephone on 01202 855856 (+44 (0)1202 855856 from outside of the UK) or electronic means on such terms as it may specify provided that where a redemption instruction is received outside of Office Hours it shall be deemed to be received at 9am on the next following Business Day. Unless a coverall renunciation is in place, redemption instructions given by telephone and facsimile must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

A redemption contract note will be sent on or before the next Business Day following the relevant Business Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted outside the United Kingdom, the cost of remitting the proceeds (if any). If a redeeming shareholder wishes to be paid other than by cheque, the Registrar will endeavour to arrange this but at the

cost of the shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the UK's anti-money laundering regulations).

### ***In Specie Redemption***

Where a shareholder requests redemption of a number of shares, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his shares but instead there shall be a transfer to that holder of property of the relevant Fund having the appropriate value. Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale.

The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his shares than to continuing shareholders. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value to be paid in relation to the cancellation of the shares.

### ***Minimum Redemption and Holding***

	EF Brunswick Diversified Portfolio			EF Brunswick Growth Portfolio		
	Class A	Class B	Class C	Class A	Class B	Class C
Minimum Redemption Amount	£500	£500	£500	£500	£500	£500
Minimum Holding Amount	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000

In respect of each class of share in each Fund, and subject to the minimum holding requirements, if the redemption request is in respect of some only of the shares held, the minimum value of shares which may be the subject of one act of redemption is £500 in respect of all share classes (calculated by reference to their current price net of any preliminary charge and before any dilution levy). Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation, fall below £1,000 such request may be treated as a request for redemption/cancellation of all the shares of such class held by such shareholder. The value of shares for this purpose is calculated by reference to the current price, net of any preliminary charge and before any application of a dilution levy. However the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum redemption size.

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## **Method of delivery of applications or other instructions to deal in shares**

Instructions (including applications and redemptions) sent to the ACD by fax (the ACD's fax no is 01202 855850, or +44 (0)1202 855850 from outside of the UK) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the ACD that the ACD has received the fax. After sending the fax, the applicant or the applicant's authorised agent is required to telephone the ACD on 01202 855856 (+44 (0)1202 855856 from outside of the UK) promptly to obtain confirmation from a named representative of the ACD that the ACD has received the fax. Without procuring such verbal confirmation from the ACD, the applicant and the applicant's authorised representative acknowledge that the ACD shall not be under any liability in relation to any and all fax messages not received by the ACD.

## **14 CONVERTING BETWEEN CLASSES / SWITCHING BETWEEN FUNDS**

### ***Conversions***

Subject to any restrictions on the eligibility of investors for a particular share class, a shareholder may opt to Convert shares in one class in a Fund for shares in a different class in the same Fund, subject to the investment minima as set out in this Prospectus.

Conversions will be effected by the ACD recording the change of share class on the Register of the Company.

Conversions will be effected at the next valuation point. The number of shares to be issued in the new class will be calculated relative to the price of shares being converted from. The ACD will notify shareholders once the conversion has been effected. Conversions will not generally be treated as a disposal for capital gains tax purposes.

There is no fee on a Conversion between classes of the same Fund.

### ***Switches***

Where shares in more than one Fund are available, Shareholders may (subject to the qualifications below) exchange shares in one Fund for shares in a different Fund.

The right to Switch is subject to the following

- (a) the ACD and the Depositary are not obliged to give effect to a request for s Switch of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above);
- (b) the ACD may decline to permit a Switch into a share class where it would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Switches between classes of shares may be subject to a charge (See "**Switching Charge**" below).

It should be noted that a Switch of shares in a Fund for shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation.

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In no circumstances will a shareholder who exchanges shares in one Fund for shares in any other Fund (or who Converts between classes of shares) be given a right by law to withdraw from or cancel the transaction.

### ***Application***

A shareholder wishing to Convert or Switch shares should apply in the same way as for a redemption (see above). A Switch will be effected at prices based on the valuation made on the next Business Day following acceptance of the request.

A contract note giving details of the exchange will be sent on or before the next Business Day following the relevant Business Day.

## **15 RESTRICTIONS ON SALE AND REDEMPTION**

Subject to the FCA Rules the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so.

If requested redemptions in respect of a Fund at a valuation point exceed 10% of a Fund's value, the ACD may defer redemptions to the next valuation point in accordance with the FCA Rules and in accordance with procedures that ensure the consistent treatment of shareholders who have sought to redeem at that valuation point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier valuation point are completed before those relating to a later valuation point.

## **16 SUSPENSION OF DEALINGS**

The ACD may with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of the shares in any Fund ("dealing") where, due to exceptional circumstances, it is in the interests of shareholders in the relevant Fund or Funds. Suspension of dealing must cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. The ACD and the Depositary shall review the suspension at least every 28 days and shall inform the FCA of the result of the review, and in any event shall only allow the suspension to continue for so long as it is justified having regard to the interests of the shareholders. In accordance with the applicable rules in COLL, the ACD shall notify shareholders of the suspension as soon as practicable after suspension commences, and will keep shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing. The recalculation of the share price will commence at or about the valuation point on the first Business Day following such period of suspension.

## **17 MANDATORY REDEMPTION OF SHARES**

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

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- (c) are held in any manner by virtue of which the shareholder(s) in question is not qualified to hold such shares or if the ACD reasonably believes this to be the case; or
  - (d) are owned by a shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such communications constituting a breach),

or if the ACD is not satisfied that any shares may not give rise to a situation outlined in (a) to (d) above, it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

## **18 DISTRIBUTION AND ACCUMULATION**

The annual accounting period for the Company and each of the Funds ends on 30<sup>th</sup> April (the "**accounting reference date**") or a day chosen by the ACD, if the ACD notifies the Depositary, being within seven days of that date. The half-yearly accounting period ends on 31<sup>st</sup> October (the "**interim accounting reference date**") or a day chosen by the ACD and notified to the Depositary, being within seven days of that date. The amount of income to be distributed or accumulated in respect of the Fund is calculated on the last day of each accounting period.

Allocations and distributions of income will be made on or before 30<sup>th</sup> June (being within four months after the end of the annual accounting reference date).

In the case of Funds in respect of which accumulation shares are in issue, income is transferred to the capital account of the relevant Fund on each distribution date. In accordance with the Regulations, the ACD and the Depositary, have agreed that in the event the income available for distribution or accumulation is less than £20 per shareholder for Class A Shares and Class C Shares and less than £200 in respect of Class B Shares, income, if any will revert to the relevant Fund.

Tax vouchers will be sent to shareholders in a Fund at each income distribution date, but only where net income is available for distribution. A direct credit or warrant for the amount of the net distribution will, where applicable, be sent to the bank account nominated on the application form, or such account as is instructed and verified thereafter.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company and such reclaimed distribution shall become part of the capital of the relevant Fund for the benefit of all Shareholders. The payment of any unclaimed distribution, interest or other sum payable by the Company, on or in respect of a share into a separate account, shall not constitute the Company a trustee thereof.

### ***Determination of Distributable Income***

As at the end of each annual and interim accounting period, the ACD must arrange for the Depositary to transfer the income payable for distribution attributable to the relevant Fund to the distribution account.

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Company, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Company and attributable to the Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers



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appropriate, after consulting the auditors in accordance with the Regulations, in relation to taxation and other matters.

On or before each annual or interim income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding interim accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the relevant Fund in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument of Incorporation constituting the scheme relating to income equalisation (see section 19 below), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the scheme property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct any amounts previously allocated by way of interim allocation of income for that annual accounting period and deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income in accordance with the Regulations.

## **19 INCOME EQUALISATION**

The price of a share of a particular class in a particular Fund is based on the value of that class' entitlement in the relevant Fund including the income of the Fund since the previous distribution or, in the case of accumulation shares, deemed distribution. In the case of the first distribution received or accumulation made in respect of a share, except where shares have been purchased during the initial offer period for the Company or one of its Funds, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder. This amount is, however, in the case of income shares, deducted from the cost of the share in computing any capital gains. In the case of accumulation shares, the equalisation amount may only be eligible for taper relief/indexation allowance from the date of allocation (as distinct from the date of acquisition of the original shares).

Equalisation applies only to shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all shares of the Fund concerned issued during the period.

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## 20 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The ACD's charges are accrued to the Funds on a daily basis and are levied monthly in arrears. All charges are stated exclusive of VAT which shall (if applicable) be payable in addition.

### *Preliminary charge*

The ACD currently imposes the following preliminary charges:

Share Class	Current preliminary charge
Class A Shares	0.00%
Class B Shares	0.00%
Class C Shares	0.00%

### *Switching Charge*

The ACD is entitled to make a charge in respect of a Switch or a Conversion (a "**Switching Fee**"). When Converting between share classes of the same Fund, no dilution levy will be charged in respect of the shares being sold and purchased as part of the switch. A dilution levy may be charged where a Switch is from one Fund to another (see page 17 for the ACD's policy on Dilution Levy). The ACD is not entitled to make a charge in respect of switches between classes of the EF Brunswick Diversified Portfolio Fund.

Currently however, the ACD does not operate a Switching Fee.

### *Periodic Charge*

The ACD is entitled to make a periodic charge, calculated and accruing on each Business Day at each valuation point (the "Calculation Date"), and payable out of the property of each Fund, by way of remuneration for the services of the ACD. The periodic charge is payable to the ACD monthly in arrears. The charge will be calculated separately in respect of each Fund, as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund represented by the class on the Calculation Date.

The current periodic charges are as follows:

Share Class	Current periodic charge
Class A Shares	1.50%
Class B Shares	0.95%
Class C Shares	1.50%

The first accrual will be in respect of the day on which the first valuations of the Funds are made.

The periodic charge will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such.

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### ***Redemption charge***

At present no charge is levied on the redemption of shares, although the ACD is permitted to charge a dilution levy, if applicable. The ACD has the right (subject to COLL) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction.

## **21 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY**

The Depositary is paid a monthly periodic fee plus VAT in remuneration for its services from the property of the Funds. The Depositary fee is calculated, accrued and payable on the same basis as the ACD's periodic charge except that if a Fund is being wound up, the periodic fee will cease to be payable in relation to a Fund on the date of the final distribution of that Fund or in the case of a winding up following the passing of an extraordinary resolution approving a scheme of amalgamation or scheme of construction in relation to the Fund, down to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme property of the Fund.

The current fee payable for each Fund as follows:

- |                                    |       |
|------------------------------------|-------|
| • Fund value to first £250 million | 0.04% |
| • £250 million to £500 million     | 0.03% |
| • £500 million to £1 billion       | 0.02% |
| • Over £1 billion                  | 0.01% |

Subject to a minimum fee of £15,000 per annum

VAT at the prevailing standard rate is added to this fee.

In addition to the above periodic fee, the Depositary levies transaction charges and custody charges (plus VAT, if any) which are currently as follows:

### **UK Assets**

- Safekeeping fee of 0.015% (based on mid-market asset values at the end of a calendar month) on all Funds;
- Transaction charges of £12 per payment;
- Cash payment charges will range from £10 to £30 per payment.

### **Non-UK assets**

Non-UK assets will be dependent on the individual market and the safe keeping fees applicable for that market and will range between the following:

- Safekeeping fees currently range from 0.009% per annum to 0.7% per annum. These fees are based on mid-market asset values at the end of a calendar month;
- Transaction charges currently range from £6 to £200 per transaction;
- Cash Payment charges will range from £10 to £30 per payment.

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Custody is subject to a minimum fee of £7,500 per annum (exempt of VAT).

Charges are accrued within the Funds on a daily basis and paid monthly in arrears.

For all of the Funds, in addition to payment of the periodic charge, the amount payable to the Depositary out of the property of each Fund by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the Regulations or the general law) as depositary of each Fund referable to: (i) custody of assets (including overseas custody services) as specified above; (ii) the acquisition holding and disposal of property; (iii) the collection of dividends, interest and any other income; (iv) the maintenance of distribution accounts; (v) the conversion of foreign currency; (vi) registration of assets in the name of the Depositary or its nominees or agents; (vii) borrowings, stock lending or other permitted transactions (including any deposit or loan authorised under this deed or the Regulations); (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; or (xi) the Depositary's report as set out in annual reports of the Company.

### **Expenses**

The Depositary is entitled to be reimbursed out of the property of the Funds for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations, together with any VAT payable.

In addition, the Depositary may be paid the following expenses or disbursements (plus VAT):-

- (a) all expenses of registration of assets in the name of the Depositary or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with shareholders, the ACD, or other persons in respect of the Funds, relating to any inquiry by the Depositary into the conduct of the ACD and any report to holders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers; and
- (b) all charges of nominees or agents in connection with any of the matters referred to in (a) above; and
- (c) any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Depositaries. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of a Fund, the expenses and disbursements hereby authorised to be paid to the Depositary out of the property of the Fund shall extend to the remuneration of such persons as approved by the Depositary and the ACD provided that in respect of a custodian such expenses to be paid out of the property of the Fund as relates to its remuneration shall be equal to (or less than) the current rates stated above under "UK Assets" and "Non-UK Assets".

Expenses not directly attributable to a particular Fund will be allocated between Funds. In each such case such expenses and disbursements may also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to COLL by the Depositary.

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## 22 OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD:

1. broker's commission, fiscal charges and other disbursements which are:
  - i. necessary to be incurred in effecting transactions for the Funds, and
  - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
2. interest on borrowings permitted under the Instrument and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
3. taxation and duties payable in respect of the property of the Company and its Funds, the Instrument or the issue of shares;
4. any costs in modifying the Instrument, the Prospectus and the NURS KIIs, including costs incurred in respect of meetings of shareholders convened for the purpose, where the modification is:
  - i. necessary to implement any change in the law (including changes to the regulations); or
  - ii. necessary as a direct consequence of any change in the law (including changes to the Regulations); or
  - iii. expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
  - iv. to remove obsolete provisions from the Instrument and the Prospectus constituting the Company;
5. any costs incurred in respect of any other meeting of shareholders convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of shareholders convened by the Depositary alone; in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
6. the audit fees of the Auditor and VAT thereon and any expenses of the Auditor; and
7. the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which shares in the Fund are or may be marketed.
8. the fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD, including any legitimate expenses incurred in the winding-up of the Company;

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9. the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company;
  10. the fees of the FCA and the corresponding periodic fees of any relevant regulatory authority outside the UK;
  11. any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
  12. the costs of preparing such other documentation required by Regulation;
  13. the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
  14. the costs of listing the prices of the Funds in publications and information services selected by the ACD, including the Financial Times;
  15. the fees and expenses of the ACD in relation to dealing in shares of the Funds by new and existing shareholders;
  16. the fees of the ACD for providing administration services for the Funds and maintaining the register for each Fund a shareholder invests in. The current charge for maintaining the Register is £10 per annum per holding;
  17. The ACD will also maintain sub-registers in respect of ISA entitlements. The current fees for maintaining the sub-registers will be £16 per annum for each shareholder;
  18. value added tax in respect of any of the costs, expenses, fees and charges payable by the Company; and
  19. any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations.

Expenses not directly attributable to a particular Fund will be allocated between the Funds. Expenses may be payable out of the capital property and/or income property of the relevant Fund(s) at the discretion of the ACD, subject to any restrictions set out in the Instrument of Incorporation, the Prospectus and to the Regulations in a manner which the ACD considers is fair to shareholders of the Company. Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

### ***Costs relating to EPM***

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of efficient portfolio management techniques being used for the benefit of the Company and/or the Funds. These costs and/or fees are regarded as transaction costs and, therefore, would fall within (i) above. Further details on the payment of costs and/or fees relating to efficient portfolio management techniques will be set out in the Annual Report.

### ***Charges to capital***

Expenses are charged initially against the income account of the Funds at the discretion of the ACD and thereafter any remaining expenses are charged against the capital account of the Funds. Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

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## 23 TAXATION

### *General*

Prospective investors who are in doubt about their tax position, or who may be subject to tax in a country other than the UK, should inform themselves of, and where appropriate take professional advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, holding redemption and conversion of shares in the country of the citizenship, residence or domicile.

The information below is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, holding, switching or disposing of Shares under the laws of the countries in which they may be subject to tax.

### *The Company*

The UK tax regime applicable to the Company is primarily set out in Chapter 2 of Part 13 to the Corporation Tax Act 2010 and in the Authorised Funds (Tax) Regulations 2006 (SI 2006/964) (the "**Tax Regulations**").

The Company will be liable to corporation tax on its taxable income, less its expenses of management. Under section 614 of the Corporation Tax Act 2010, corporation tax will be payable for a financial year at the basic rate of income tax for the tax year beginning in that financial year (currently 20%), sums appropriated in accordance with the terms of this Prospectus (as amended from time to time) for the remuneration of the ACD should be treated as management expenses.

Like other UK companies, the Company will generally not be subject to corporation tax on dividends from United Kingdom resident companies nor (since 1 July 2009) on most dividends from overseas companies. Where foreign tax has been deducted from income from overseas sources, that tax may in some instances be offset against corporation tax payable by the Company under double taxation relief arrangements.

As an OEIC, the Company will benefit from the exemption from corporation tax on chargeable gains in respect of disposals of its investments. The Company will also not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which it derives from its creditor loan relationships or its derivative contracts, to the extent that those profits, gains or losses are treated as capital in nature. Capital profits, gains or losses for this purpose are those profits, gains or losses arising from an OEIC's creditor loan relationships or derivative contracts which fail to be dealt with under either the heading "net gains/losses on investments during the period" or the heading "other gains/losses" in the OEIC's statement of total return for the accounting period in question.

Dependent upon the nature of the assets held arising within individual Funds, the total amount shown in the distribution accounts of the Company is available for distribution to shareholders in one of two ways:

- (a) it may be shown as available for distribution as a dividend; or
- (b) it may be shown as available for distribution as yearly interest.

Each Fund is regarded as a separate OEIC for tax purposes, and the Company as a whole is not so regarded. The Tax Regulations also provide that where an OEIC has different share classes there shall be no discrimination between participants in respect of different classes of shares, and accordingly it is not possible to make different types of distributions to different classes of shares within a Fund.

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## ***Shareholders***

The following is a general statement of current UK tax law and HM Revenue & Customs' published practice. Such law and practice may alter without prior warning. It does not describe the taxation treatment of shareholders which are subject to specific tax regimes or of persons resident in jurisdictions other than the United Kingdom. Shareholders are advised to consult their professional advisers as to their tax position in all circumstances.

## ***Individuals***

An individual shareholder resident in the United Kingdom for tax purposes is liable to income tax on distributions made by the Company.

Dividend distributions are paid gross and individual UK resident holders have an annual tax free allowance to dividend income of £2,000 per annum (2022/23 tax year). For the 2022/23 tax year, in respect of aggregate dividend income received above £2,000, the current tiers and rates of tax are as follows and will be based upon an individual's level of income:

Basic Rate Taxpayers – 8.75% (basic rate)

Higher Rate Taxpayers – 33.75%

Additional Rate Taxpayers – 39.35%

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

Dividend distributions will be made gross to shareholders who are not UK resident. Non-resident shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non-resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

On a disposal of shares in the Company individual shareholders may, depending upon their personal circumstances, have a liability to capital gains tax.

If the investments of any of the Funds were, throughout any distribution period, to consist of more than 60% by market value in "qualifying investments" (see the definition under the heading "**Corporate**" below), that Fund may distribute its income as yearly interest which would be paid under deduction of income tax at the lower rate, currently 20% (unless the shareholder has made a valid declaration that he is not ordinarily resident in the UK).

In such a situation, UK resident individuals and certain other shareholders liable to UK income tax will be taxable on the sum of their gross interest distributions received during the relevant tax year, but they should be entitled to use the income tax withheld as a credit against their UK income tax liability. Such withholding will satisfy the liability of basic rate tax payers to tax on the income. Higher and additional rate tax payers will have further tax to pay. If the total income of the shareholder is less than his or her personal allowance, the tax withheld can be the subject of a repayment claim.

**It is not the ACD's intention to manage the assets attributable to any of the Funds such that distributions are regarded as interest and tax is withheld.**

An exchange of shares in one Fund for shares in any other Fund will be treated as a disposal and acquisition for capital gains tax purposes. The disposal is likely to be subject to capital gains tax as a



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disposal in its own right. An exception to this rule applies when two Funds merge with a result that one Fund ceases to exist. Usually, in these circumstances shares in the new Fund will be treated as having been acquired at the same time and for the same amount as the shares in the old Fund.

### ***Corporate***

Corporate shareholders resident in the United Kingdom for tax purposes will be subject to the corporate streaming rules in relation to any dividends received from the Company, save to the extent that such dividends are treated as a trading receipt or are received by a manager of an authorised investment fund in the ordinary course of business as a manager of the fund. Such dividends are "streamed" into unfranked and franked income depending on the relative proportions of franked and unfranked income comprised in the gross income of the Fund. Any deemed unfranked income will be liable to corporation tax in the hands of any shareholders within the charge to corporation tax (this includes shareholders who are, themselves, either an OEIC or authorised unit trust).

In order to prevent avoidance of the tax regime relating to corporate debt (contained in the Corporation Tax Act 2009) by companies investing in an OEIC which in turn invests in debt, if the OEIC at any point in an accounting period fails to satisfy the non-qualifying investments test described below, the holding is treated as if it were a holding of rights under a creditor relationship of the Company in respect of which fair value accounting must be used. Fluctuations in the value of the investments held by the Company in such circumstances will therefore be taxed or relieved on an annual basis. The non-qualifying investments test requires that not more than 60 per cent of the market value of the investments of the OEIC are held in "qualifying investments". "Qualifying investments" for these purposes consist mainly of:

- (i) any money placed at interest;
- (ii) any security:
  - (A) including loan stock or similar security whether of the UK Government or any other government or of any public or local authority in the UK or elsewhere or of any company, and whether secured or unsecured; but
  - (B) excluding shares in the company;
- (iii) any shares in a Building Society; and
- (iv) an entitlement to a share in the investments subject to the trusts of another authorised unit trust or OEIC unless the investments of the authorised unit trust or the OEIC fulfil the 60% qualifying investments requirement stated above.

Any chargeable gains arising to United Kingdom resident corporate shareholders on a disposal of their shares in the Company will be subject to corporation tax.

An exchange of shares in one Fund for shares in another Fund will be treated as a disposal of the shares in the first Fund and a separate acquisition of shares in the second Fund. Any gain arising on a disposal of shares in a Fund will be subject to corporation tax. The exception described above under the heading "individuals" above where two Funds merge also applies to corporate shareholders.

### ***ISAs***

Shares attributable to the Funds will be eligible for inclusion within a stocks and shares component of an ISA

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## ***General***

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation and a tax voucher will be issued to the shareholder to provide the appropriate details for their returns.

## ***Common Reporting Standard (CRS)***

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by 'The International Tax Compliance Regulations 2015'.

From 1 January 2016, the ACD will be required to compile information about all accounts in existence as of 31 December 2015, and all new accounts opened on or after 1 January 2016, and from 2017 report the information to HM Revenue and Customs.

## ***FATCA***

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to the International Tax Reporting section on page 3 of this Prospectus.

## **24 REPORTS AND ACCOUNTS**

The annual accounting period of the Company ends on 30<sup>th</sup> April or a day chosen by the ACD, with the agreement of the Depositary, being within seven days of that date.

The annual report of the Company (the "**long report**") will be available on or before the end of August and the half-yearly long report on or before the end of December in each year. Copies of these long reports will be available free of charge on the ACD's website at [www.wayfunds.com](http://www.wayfunds.com) and copies may also be obtained free of charge from the ACD at its operating address.

The long reports of the Company shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

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## 25 ANNUAL GENERAL MEETING

In accordance with the OEIC Regulations the Company has elected to dispense with the holding of an annual general meeting. Shareholders have the right to request copies of the service contracts in place between the Company and its service providers.

## 26 REQUISITIONS OF MEETINGS

The ACD and/or the Depositary may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the company. A requisition by shareholders must state the objects of the meeting, be dated, be signed by shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all shares then in issue and the requisition, must be deposited at the head office of the company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

## 27 VOTING

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent ("**the cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date.

At a meeting of shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the register of holders.

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose third party shares are

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shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

### ***Meetings and Modifications***

The convening and conduct of meetings of shareholders and the voting rights of shareholders at such meetings is governed by the Regulations, as amended from time to time. The requirement for a meeting depends on the proposed change to the Company.

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund. However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

- “Fundamental events” which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval. Fundamental changes require prior approval at a meeting of Shareholders;
- “Significant events” are those which would materially affect an investor's investment, affect a Shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days' minimum notice is required for these changes; and
- “Notifiable events” for which the ACD would decide when and how Shareholders should be notified, depending on the type of event. In these cases notification could be after the event. This may take the form of the sending of an immediate notification to shareholders or the information being included in the next long report of the Company.

## **28 TRANSFER OF SHARES**

A shareholder is entitled (subject to as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

The Company or the ACD may require the payment of such reasonable fee as the ACD and the company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

## **29 WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS**

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may be terminated under chapter 7.3 of COLL or wound up under Part V of the Insolvency Act 1986 (as modified by the OEIC Regulations) as an unregistered company.

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Winding up of the Company or termination (or winding up) of a Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the Fund will be able to meet all its liabilities within twelve months of the date of the statement (a "**solvency statement**").

Subject to the foregoing, the Company or the relevant Fund will be wound up or terminated (as appropriate) under COLL:

- if an extraordinary resolution of shareholders of either the Company or the Fund (as appropriate) to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of the Fund.

The ACD may request that a Fund be terminated or wound up in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £10 million.

The winding up of the Company or termination or winding up of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the relevant Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders. The distribution made in respect of each Fund will be made to the holders of shares linked to that Fund, in proportion to the units of entitlement in the property of that Fund which their shares represent.

On completion of the winding up of the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

## **30 OTHER INFORMATION**

### ***Complaints***

Any complaint should be referred to the ACD at its head office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR. More details about the Financial Ombudsman Service and a copy of the ACD's complaints procedure are available on request.

### ***Cancellation***

An Applicant who is entitled to cancel and does so, will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "**shortfall**") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the Applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date on which the applicant receives the notice of the right to cancel.

A notice of an Applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Act.

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### ***Delegation***

The ACD and the Depositary, subject to exceptions specified in COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions. Subject to certain relevant legal and/or regulatory requirements, in relation to certain functions, the Depositary will not be liable for the actions of the persons so appointed provided certain provisions of COLL apply however the ACD will retain responsibility for the provision of such services.

### ***Conflicts of Interest***

The Depositary or any associate of the Depositary, or of any Investment Adviser may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

The Depositary, the ACD, or any Investment Adviser or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL apply and are observed.

The Depositary may, from time to time, act as trustee, depositary or custodian of other collective investment schemes.

The ACD and the Investment Adviser (as applicable) may manage other accounts/portfolios with similar investment objectives to the Funds.

Subject to compliance with COLL the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the service agreement referred to under "The Authorised Corporate Director" above.

Subject to applicable laws and regulation, the Depositary, the ACD, or any Investment Adviser or any associate of any of them will not be liable to account to the Company or any other person, including the holders of shares or any of them, for any profit or benefit made or derived from or in connection with:

- (a) their acting as agent for the Company in the sale or purchase of property to or from the Funds; or
- (b) their part in any transaction or the supply of services permitted by the COLL; or
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

Subject to the Regulations, neither the ACD, Depositary, Administrator, Investment Adviser or any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

- (a) dealings in the shares of the Company;
- (b) any transaction in the underlying property of the Company; or
- (c) the supply of services to the Company.

### ***Liability and Indemnity***

With the exception mentioned below:

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- The ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
  - the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

### **31 GENERAL**

All documents and remittances are sent at the risk of the shareholder.

The address for service on the Company of notices or other documents required or authorised to be served on it is C/O WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Shares in the Funds are not listed or dealt in on any investment exchange.

All notices or documents required to be served on shareholders shall be served by post to the address of such shareholder as evidenced on the register.

#### **Financial Services Compensation Scheme**

Shareholders who are “Eligible Complainants” for the purposes of the FCA “Dispute Resolutions Complaints” rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD or the Depositary to the Financial Ombudsman Service (“FOS”) (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme (“FSCS”) if they have claims against the ACD, Depositary or another FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at [www.fscs.org.uk](http://www.fscs.org.uk). To determine eligibility in relation to either the FOS or the FSCS, unit holders should consult the respective websites above and speak to their legal advisers.

#### **Fair Treatment of Investors**

Under the AIFMD, the ACD must treat all Shareholders fairly. The ACD has a number of policies and procedures in place to ensure that it will act honestly, fairly, professionally, independently and in the interest of the Company and its investors. For example, the ACD ensures the fair treatment of Shareholders through an organisational structure which employs robust review and oversight procedures.

Furthermore, the ACD adheres to its “Conflicts of Interest Policy”, which establishes requirements to identify and manage conflicts of interest in line with regulatory requirements, including potential conflicts of interest that could arise between investors. The ACD will endeavour to avoid situations whereby its own interests, or its duty to any persons on behalf of whom it acts, conflicts with its duty to clients.

In addition, the ACD adheres to its “Treating Customers Fairly Policy”, the purpose of which is to ensure that Shareholders understand the risks inherent in the markets and securities in which they invest and clearly understand the nature of the services the ACD provides, including terms, conditions and charges.

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## **Rebate of fees and commission**

The ACD may at its sole discretion (subject to the Regulations) rebate its periodic charges in respect of any holding of, shares. Similarly, the Company may rebate or waive its charges in relation to any exchange of shares. In certain circumstances, a proportion of the periodic (annual management) charge may be rebated to the introducer (the investor's financial intermediary) in the form of commission payment where permitted by the FCA rules. The investor should check with the intermediary the amount of commission he or she has received.

## **Documents and information available**

Copies of the following documents are available for all purchasers of shares on request, free of charge from the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB:

- Latest version of the Prospectus and the NURS KIIs;
- Latest version of the Instrument which constitutes the Company and the Funds;
- Latest annual and half-yearly long reports applying to each of the Funds;
- The ACD Agreement;
- Supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and the Funds.

The above documents are also available for inspection on any Business Day during normal Office Hours at the offices of the ACD.

## **This Prospectus**

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

## **Data Protection - How your personal data is used**

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited ("we"/"us") 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.



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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](http://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](mailto:DPO@wayfunds.com) Tel: 01202 855856 (+44 (0)1202 855856 from outside of the UK).

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/>

### **Governing law**

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### **Professional Liability Risks**

As the Company is an 'Alternative Investment Fund' for the purposes of the 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.

### **Telephone calls and electronic communications**

Please note that the ACD will record telephone calls and electronic communications. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and where requested by the FCA, for up to seven years.

### **Shareholder's rights**

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time).

Shareholders may have no direct rights against the service providers to the Company such as those set out in paragraphs 5 and 6.

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Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

### **Information available to Shareholders**

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- (a) the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;
- (c) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and
- (d) any material changes to the information above.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.

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## **Schedule 1**

### **Investment and Borrowing Powers**

The Company may exercise the full authority and powers permitted by COLL applicable to a non-UCITS retail scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument and this Prospectus. The Company may exercise the full authority and powers permitted by COLL applicable to a Non-UCITS Retail Scheme in respect of each Fund subject to each Fund's investment objective and policy.

Save for any investment acquired for the purposes of utilising for investment purposes, Efficient Portfolio Management and hedging (referred to in more detail below), the property of each Fund may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of that Fund.

In accordance with the investment policy of each of the Funds, each Fund may invest in transferable securities, units in collective investment schemes, cash and near cash, deposits, money market instruments and derivatives. The capital property attributable to each Fund is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as set out below. Therefore, the capital property attributed to each Fund is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as set out below.

The ACD shall ensure that, taking into account the investment objective of each of the Funds, the scheme property of each of the Funds aims to provide a prudent spread of risk.

The ACD does not anticipate that the use of derivatives will change or alter the overall risk profiles of the Funds.

### **Collective investment schemes**

The scheme property attributable to the Funds may consist of units and/or shares in collective investment schemes. Not more than 35% in value of the property of the Funds may consist of units or shares in any one collective investment scheme.

The Funds may not invest in units or shares of a collective investment scheme (the "second scheme") unless the second scheme satisfies all of the requirements referred to in (a) to (d) below:

- (a) the second scheme:
  - (i) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - (ii) is a Non-UCITS Retail Scheme; or
  - (iii) is a recognised scheme; or
  - (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme;
  - (v) be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
    - (i) signed the IOSCO Multilateral Memorandum of Understanding; and

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- (ii) approved the scheme's management company, rules and depositary/custody arrangements; or
  - (vi) is a scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (in aggregate with other such schemes and including any transferable securities which are not approved securities) is invested.
- (b) the second scheme must operate on the principle of the prudent spread of risk;
  - (c) the second scheme must be prohibited from investing more than 15% in value of the scheme property consisting of units and/or shares in collective investment schemes;
  - (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
    - (i) related to the net value of the property to which the units relate; and
    - (ii) which are determined in accordance with the scheme.

Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section (a) – (d) above.

The Funds may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD. However, if the Fund invests in units or shares in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Fund before the close of the business on the fourth Business Day after the agreement to invest or dispose of units:

- (a) on investment – if the ACD pays more for the units issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- (b) on a disposal – any amount charged by the issuer on the redemption of such units.

A Fund may invest in or dispose in shares of another Fund within the Company (the "second fund") only if the following conditions are satisfied:

- (a) the second fund does not hold shares in any other sub-fund of the Company;
- (b) the conditions in COLL 5.6.11R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes) are complied with (as modified by COLL 5.6.11R(2));
- (c) not more than 35% in value of the investing or disposing Fund is to consist of shares of the second fund; and
- (d) the investing or disposing Fund must not be a feeder UCITS to that second fund.

The maximum level of management fees of the collective investment schemes in which the EF Brunswick Portfolio Fund may invest is 10% (excluding Performance Fees).

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## **Transferable Securities and Money Market Instruments**

The Funds may invest up to 100% of the scheme property in transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible securities market (as set out on in Appendix 2); or
- (b) are recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
- (c) money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, being an 'approved money market instrument' in accordance with COLL which fulfil the following requirements:
  - (i) the issue or the issuer is regulated for the purpose of protecting investors and savings, and
  - (ii) the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

Not more than 20% in value of the property of the Funds may consist of transferable securities which do not fall within (a) to (c) above or which are money market instruments which are liquid and have a value which can be determined accurately at any time.

The Company may also invest in an approved money market instrument provided the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles (as defined in COLL) which benefit from a banking liquidity line (as defined in COLL).

The requirements of COLL 5.2.10BR are that the money market instrument must be:

- (a) issued or guaranteed by a central, regional or local authority or central bank of an EEA State or if the EEA State is a federal state, one of the members making up the federation, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State, or in the case of a federal state, one of the members making up the federation, or by a public international body to which one or more EEA State belongs; or
- (b) an establishment subject to prudential supervision in accordance with criteria defined by Community law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by Community law; or
- (c) issued by a body, any securities of which are dealt in on an eligible market.

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

Not more than 10% in value of the property of the Funds may consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R however, the limit of 10% is raised to 25% in respect of covered bonds.

### **Covered bonds**

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority

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basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

### **Government and Public Securities**

The scheme property attributable to a Fund may consist of government and public securities provided no more than 35% in value of the scheme property attributable to the Fund is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.

### **Warrants**

The Company has the option to invest more than 5% of the scheme property attributable to a Fund in warrants at any time, during which period the Net Asset Value of the Fund is likely to have high volatility.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening COLL.

### **Cash and near cash**

The scheme property attributable to the Funds may consist of cash or near cash to enable:

- (a) the pursuit of the Fund's investment objectives; or
- (b) the redemption of shares; or
- (c) the efficient management of the Funds in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Fund.

Cash forming part of the property of the Funds may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

### **Derivatives**

**As at the date of this Prospectus the Funds are permitted to use derivatives for both direct investment purposes (as set out under the heading "Derivatives General") as well as for efficient portfolio management purposes (including hedging).**

**If the ACD elects to use derivatives in this way it is not intended that this will change or alter the overall risk profile of the Fund(s).**

### **Derivatives – Efficient Portfolio Management**

The Funds may invest in derivatives for the purposes of efficient portfolio management (including hedging). Such derivatives will be covered and usually exchange-traded. Where derivatives are used for hedging or in accordance with efficient portfolio management techniques, this will not alter the risk profile of the Funds.

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Efficient portfolio management enables the Funds to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques which relate to transferable securities and approved money market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims;
  - (i) the reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.
- (c) In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:

- (a) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the Fund holds or may properly hold;
- (b) by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

To be economically appropriate to the Company, the ACD must reasonably believe that:

- (a) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
- (b) for transactions undertaken to generate additional capital or income, the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

A transaction may not be entered into if its purpose could reasonably be regarded as speculative.

A forward currency transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Funds and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the Regulations. A permitted transaction may at any time be closed out.

Any forward transaction must be with an eligible institution or an approved bank.

No transaction may be entered into unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the forward contract, is covered in accordance with the Regulations.

### ***Derivatives General***

#### ***Permitted Transactions (derivatives and forwards)***

A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified below and the transaction is covered.

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A derivatives transaction may be either an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 3) or an over-the-counter derivative in accordance with the applicable FCA rules.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- (a) transferable securities;
- (b) money market instruments;
- (c) deposits (permitted under COLL 5.2.26R);
- (d) derivatives and forward transactions (permitted under COLL 5.6.13R);
- (g) units in collective investment schemes (permitted under COLL 5.6.10R);
- (h) financial indices (which satisfy the criteria set out in COLL 5.2.20AR);
- (i) interest rates;
- (j) foreign exchange rates; and
- (k) currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22(3)R (Requirement to cover sales) are satisfied. The ACD must ensure compliance with COLL 5.3.6R.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL

Where the Fund(s) invests in derivatives, the exposure to the underlying assets must not exceed the general spread limits in accordance with COLL 5.6.7R (Spread: general), COLL 5.6.8R (Spread: government and public securities) and COLL 5.6.5R(2), except for index-based derivatives where the following rules apply.

Where the Fund(s) invests in an index-based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

A transaction in a derivative must not cause the Fund(s) to diverge from its investment objectives as stated in the instrument of incorporation and the most recently published version of this Prospectus.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee, and it is characterised by daily mark-to-market valuation of the derivative positions and **an** at least daily margining.



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### ***Over-the-counter ("OTC") transactions in derivatives***

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank, or a person whose permission (as published in the FCA register), or whose home state authorisation, permits it to enter into such transactions as principal off-exchange.
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the ACD:
  - (i) to provide at least daily and at any other time at the request of the ACD or the Company, reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction) and which does not rely only on market quotations by the counterparty; and
  - (ii) that it or an alternative counterparty will, at the request of the ACD or the Company, enter into a further transaction to sell, liquidate or close out that transaction at any time, at a fair value at under the pricing model or reliable market value basis agreed under paragraph (c) below;
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with (a) to (d) above.

### ***Collateral required under OTC derivative transactions:***

The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Funds. The exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

- (a) it is marked to market on a daily basis and exceed the value of the amount of risk;
- (b) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

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- (c) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - (d) it can be fully enforceable by the Funds at any time.

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III of the Banking Consolidation Directive; and are based on legally binding agreements.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by daily mark-to-market valuation of the derivative positions and an at least daily margining.

### **Risk Management: derivatives**

The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund. However, the Investment Adviser's investment in derivative techniques has the overall intention of reducing the volatility of returns, reflecting the investment policy for the Fund(s) generally.

### **Derivative exposure**

The Fund(s) may invest in derivatives and forward transactions only where the exposure to which the Fund(s) is committed by that transaction itself is suitably covered from within the Fund's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Funds are not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Fund's property. Therefore, the Fund(s) must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed. The detailed requirements for cover of the Funds are set out below.

Cover used in respect of one transaction in derivatives or forwards transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **Cover for transactions in derivatives and forward transactions**

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the s or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the scheme property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Cash not yet received into the scheme property of the Company but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The total exposure relating to derivatives held in the Company may not exceed the net value of the property.

### **Deposits**

The scheme property attributable to a Fund may consist of deposits (as defined in COLL) but only if it:

- 
- is with an approved bank;
  - is repayable on demand or has the right to be withdrawn; and
  - matures in no more than 12 months.

### **Immovable and movable property**

The Funds may not invest in immovable property or movable property.

### **Gold**

The Funds may not invest in Gold.

### **Spread – general**

In applying any of the restrictions referred to above:

- Not more than 10% in value of the scheme property of a Fund is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R). In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.
- The exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the scheme property.
- Not more than 20% in value of the scheme property is to consist of deposits with a single body.

The rules relating to the spread of investments will not apply during any period in which it is not reasonably practical to comply, provided that at all times the scheme property aims to provide a prudent spread of risk.

### **Borrowing Powers and Leverage**

Subject to the Regulations, the Company may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing for the latter purpose. Such borrowing may only be made from an eligible institution or an approved bank. The borrowing of the Company must not, on any business day, exceed 10% of the value of its property.

The above provisions on borrowing do not apply to "back to back" borrowing for efficient portfolio management purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD or any Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Company as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Appendix III and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

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## **Schedule 2**

### **Eligible Markets**

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of each Fund (subject to the investment objective and policy of each fund):

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in the UK and in any EU and EEA State\* which is regulated, operates regularly and is open to the public;

\*Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

- (c) the principal or only market established under the rules of any of the following investment exchanges:

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange (ASX)
Canada	Montréal Exchange Toronto Stock Exchange (TSX)
Hong Kong	Hong Kong Stock Exchange
Japan	Osaka Exchange Tokyo Stock Exchange (TSE)
Korea	Korea Exchange (KOSDAQ)
Mexico	Bolsa Mexicana de Valores
New Zealand	New Zealand Exchange Ltd
Singapore	SGX Singapore Exchange
South Africa	Johannesburg Stock Exchange (JSE)
Switzerland	SIX Swiss Exchange
Thailand	Stock Exchange of Thailand (SET)
United States of America	Chicago Stock Exchange (CHX) New York Stock Exchange (NYSE) NASDAQ NASDAQ BX NYSE National NASDAQ PHLX NYSE American NYSE Arca

The Alternative Investment Market (AIM) of the London Stock Exchange in the UK is also an eligible securities market for the purpose of each Fund.

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### **Schedule 3**

#### **Eligible Derivatives Markets**

Subject to the Instrument of Incorporation of the Company, this Prospectus, the investment objective and policies pertaining to the Funds and COLL as it applies to non-UCITS retail schemes, the Funds may deal through derivatives markets established in the UK and in any EEA States\* on which transferable derivatives admitted to official listing in the member State are dealt in or traded and the additional derivatives markets as set out below:

<b>Country</b>	<b>Market</b>
Australia	Australian Securities Exchange (ASX)
Canada	Montréal Exchange Toronto Stock Exchange (TSX)
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange
New Zealand	NZX Derivatives
Singapore	Singapore Exchange (SGX)
South Africa	South Africa Futures Exchange (SAFEX)
Switzerland	Eurex
United States of America	Chicago Board of Trade (CBOT) Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange (CME) ICE Futures U.S. NYSE American NYSE Arca Options NASDAQ PHLX

*\*Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.*

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## **Schedule 4**

### **Historical Performance**

Below we have shown the historical performance, for the period to 31<sup>st</sup> December 2021. Where possible, we have shown the performance over the last 5 years, for each complete year to 31<sup>st</sup> December.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested.

*Class A Shares in both the EF Brunswick Diversified Portfolio Fund and the EF Brunswick Growth Portfolio Fund no longer contain any investment. Performance information will be included in future updates to the Prospectus should these classes receive new investment and recommence daily pricing.*

#### **EF Brunswick Diversified Portfolio Fund - Class B Pounds Sterling (£) Accumulation shares**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
5.75%	-3.39%	12.10%	4.93%	8.87%

**Launch Date: 19 June 2006**

#### **EF Brunswick Diversified Portfolio Fund - Class C Pounds Sterling (£) Accumulation shares**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
5.22%	-3.88%	11.54%	4.41%	8.33%

**Launch Date: 25 February 2013**

#### **EF Brunswick Diversified Portfolio Fund Comparator Benchmark:**

##### **IA Mixed Investment 20-60% Shares sector**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
7.16%	-5.10%	11.84%	3.51%	7.20%

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**EF Brunswick Growth Portfolio Fund - Class B Pounds Sterling (£) Accumulation shares**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
19.09%	-8.06%	20.02%	8.67%	9.63%

**Launch Date: 20 July 2009**

**EF Brunswick Growth Portfolio Fund - Class C Pounds Sterling (£) Accumulation shares**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
18.49%	-8.52%	19.42%	8.13%	9.08%

**Launch Date: 25 February 2013**

**EF Brunswick Growth Portfolio Fund Comparator Benchmark:****IA Flexible Investment sector**

Percentage Growth year to 31 December 2017	Percentage Growth year to 31 December 2018	Percentage Growth year to 31 December 2019	Percentage Growth year to 31 December 2020	Percentage Growth year to 31 December 2021
11.21%	-6.72%	15.66%	6.70%	11.30%

*Source of data: FE Analytics*

**Investors and potential investors should note the following statements:**

The figures shown above reflect the past performance of the Funds and not a projection of the future performance. You should note that the price of units/shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. You may not get back the amount originally invested.

Past performance is not necessarily a guide to future investment returns.