



WAY Fund Managers Limited

Our Ref: VH/FACET-B/020320

Date: 2nd March 2020

Dear Investor,

EF FACET Balanced Discretionary Portfolio (a sub-fund of the EF FACET Discretionary Portfolios) (the “Fund”)

This letter is for information only and it does not require you to take any action.

We wrote to you on the 14th October 2019, to inform you that WAY Fund Managers Limited (“WFM”) had taken the decision, with the agreement of the Fund’s Depositary (Northern Trust Global Services SE UK Branch (“NTGS”)), to suspend dealing in the shares of the Fund on a temporary basis. We also explained the reasons behind the decision to suspend. The suspension was effective from Thursday, 10th October 2019. We also wrote to you on the 6th November 2019, on the 4th December 2019, on the 8th January 2020 and the 4th February to confirm that the Fund was to enter into further periods of suspension (of up to 28 days) respectively.

The purpose of this letter is:

1. To provide you with an update on progress to achieving the liquidity targets;
2. To inform you that the period of suspension is to be extended for a further period of up to 28 days; and
3. To advise you that, as part of our review of the ongoing suspension of the Fund, we are considering whether to seek shareholders’ opinions as to whether they prefer to continue the suspension of the Fund beyond this current period of suspension, or if they prefer that we apply to the Financial Conduct Authority to terminate the Fund. Should we decide that we will seek shareholders’ opinions, then we would write to you separately to provide details in relation to this.

As outlined in our letter of 6th November 2019, our target for the Fund’s aggregate exposure to less liquid and illiquid assets, in order for it to be released from suspension, remains at less than 20% of the Fund’s net asset value. This figure of less than 20% is to be maintained at all times following the Fund’s release from suspension. Further modest asset sales have taken place and, as at 28th February 2020, this aggregate exposure was at 25.44% (as illustrated in the table below). This means that the 20% target will not be met by the end of February 2020.



The table below provides a comparison of the Fund's position within a few business days of the beginning of each previous suspension period, plus 28th February 2020:

Asset category	Position as at 10 th October 2019	Position as at 5 th November 2019	Position as at 3 rd December 2019	Position at 30 th December 2019	Position as at 31 st January 2020	Position as at 28 th February 2020	Change since 10 th October 2019
Liquid assets (can be sold for settlement within 4 business days)	61.46%	70.56%	70.63%	72.55%	75.47%	74.56%	+13.10%
Less-liquid assets (can only be fully sold over an extended period of time)	24.70%	15.55%	15.57%	14.52%	13.08%	13.61%	-11.09%
Illiquid assets (assets that cannot be sold, unless another party agrees to buy the asset or it is wound-up/liquidated)	13.84%	13.89%	13.80%	12.93%	11.45%	11.83%	-2.01%

Whilst there has been some progress in increasing the Fund's liquidity, further progress is still necessary to meet the target of less than 20% in illiquid and less liquid assets. Therefore, the Fund will remain suspended for a further period of up to 28 days, unless WFM and NTGS agree that the period should be shortened or cancelled (See "What happens now"), or the Fund's shareholders vote against the Resolution to extend the period of suspension. If the resolution put to the shareholders at the General Meeting is rejected, we envisage that this will lead us to commence a process to terminate the Fund (subject to obtaining regulatory approval). We have agreed this further extension of suspension with NTGS on the basis that a General Meeting will now be called and have informed the FCA accordingly.

Shareholders will not be able to buy or sell shares in the Fund during the period of suspension.

WFM continues to calculate and publish daily prices for the Fund during the period of suspension and can confirm that, between the 10th October 2019 (the date that the suspension commenced) and the 28th February 2020, the price of the Fund's B Class Accumulation Shares has fallen by 4.37%. Please see the chart below which shows how the Fund's price has moved since its suspension:



Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



What happens now?

- We will write to you to give you notice of the proposed General Meeting and of the proposed resolution to be put to that meeting;
- Each period of suspension is reviewed at least every 28 days, although the suspension can be lifted at any time if the reasons for the suspension no longer apply;
- At the end of each 28 day period, the suspension can be extended for a further 28 day period, subject to the agreement of NTGS;
- WFM will continue to work with FACET Investment Management Limited with a view to reducing the Fund's aggregate illiquid and less-liquid holdings to below 20% of the Fund's net asset value;
- WFM will continue to write to all affected shareholders on at least a four-weekly basis, in line with the periods of suspension, with the purpose of providing updates as to status and progress;
- Any decision to release the Fund from suspension will be confirmed in writing to all shareholders.
- Whilst the target will remain to reduce the Fund's aggregate illiquid and less-liquid holdings to below 20% of the Fund's net asset value, including that this can be maintained after the suspension is ended, we will continue to keep this under review. Should we seek shareholders' opinions as explained above, we may continue the suspension if this is supported by investors and we continue to believe that the Fund can be reasonably be expected to meet its targets, then investor sentiment to continue the suspension. If investor sentiment suggests that they prefer the Fund to be terminated or if, at any time there is an indication that the Fund cannot be reasonably expected to meet its liquidity targets and maintain those targets after the suspension is ended, we will make a decision on the future viability of the Fund at that time and would advise Shareholders accordingly in writing.

Please also note:

- The documentation relating to the Fund, which includes a copy of this letter (and our previous letters relating to the suspension) and indicative daily prices of the Fund's share classes, can be viewed on our website, which is at www.wayfunds.com. The "Funds" tab provides a link to each fund in our range, in alphabetical order;

WAY Fund Managers Limited (No 4011838). Registered in England and Wales.

Authorised and regulated by the Financial Conduct Authority.

Registered Address: Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB. Member of the Investment Association



- If you wish to complain about the extension to the suspension of the Fund, or if you have any queries or questions regarding the suspension, you can either write to us (at the address shown in the footer below), or call us on 01202 855856, or e-mail us at customerservice@wayfunds.com;
- If you require investment advice, we recommend that you contact your usual financial adviser, as WFM cannot provide you with investment advice.

We offer our sincere apologies to all shareholders for having to continue with this course of action.

Yours faithfully,

V N Hoare
CEO

cc.