

# Assessment of Value

EF UCITS ICVC

Incorporating sub-fund:

Verus Responsible Balanced Fund

Period ending: 31<sup>st</sup> March 2025



## **WAY Fund Managers Ltd & Ethical & Environmental Screening Services Limited**

WAY Fund Managers Limited (WFM), as the Authorised Fund Manager (AFM), offers an independent fund structuring and fund operation facility to regulated asset management professionals such as investment managers, wealth managers, IFAs, stockbroking firms and other financial institutions, which are looking to establish new, or maintain existing, regulated collective investment schemes in the UK.

WFM's flexible approach is built around a solid core operating model which allows it to adapt its service offering and level of interaction to meet the business needs of its professional clients and, in turn, its mutual investors.

WFM, the AFM and Ethical & Environmental Screening Services Limited, the Sponsor, act as joint manufacturer to the EF UCITS ICVC, and have appointed LGT Wealth Management UK LLP (LGT Wealth) as investment manager of the Verus Responsible Balanced Fund, hereinafter referred to as the 'sub-fund'.



### **Assessment of Value-an overview**

The assessment of value (AoV) is undertaken annually by WFM to determine whether the payments taken for each class of shares of a sub-fund, are justified in the context of the overall service and value delivered to investors, taking into consideration regulation and guidance from the Financial Conduct Authority.

WFM's Product Governance Committee carries out the initial assessment of a sub-fund, taking into consideration the 'Value Factors' detailed below. This assessment is then passed to WFM's independent non-executive directors (iNEDs) for scrutiny and agreement, ensuring that the outcome reflects a clear and fair assessment. A final review is carried out by the WFM Board before publication.

### **Outcome of the Assessment**




To provide a clear presentation of the value assessment outcomes in this report WFM, has adopted the grading method that the industry uses for sharing with distributors and intermediaries. This is by using two outcomes and, to make these outcomes easier to understand, on page 6 of this report you will find a table for the sub-fund and share classes using the below ratings:




	Charges are justified based on assessment and any action identified or, where the first assessment is not yet due, based on initial product design.
	Charges are not justified; significant action is required.



For each share class, WFM uses a green (justified)/red (not justified) signal for each of the Value Factors, to indicate whether it believes the charges are justified in the context of the overall service and value delivered to investors.

## Value factors that contribute to our assessment of value

WFM considers, but is not limited to considering, the following value factors for each class of shares within each fund or sub-fund:

	<b>The range of services provided to investors by the Sponsor</b>	The role of the Sponsor is to act as the joint manufacturer of the sub-fund and to provide input to WFM in relation to marketing opportunities it may have identified and to suggest any changes relating to a sub-fund's investment objective and investment policy to broaden its appeal to investors. The Sponsor and WFM will jointly appoint an Investment Manager and confirm the investment strategy for each sub-fund.
	<b>Investor Service &amp; Fund Governance from the AFM</b>	As the AFM, WFM is responsible for overseeing any third-party that provides services to its sub-funds. Being based in Wimborne, Dorset allows WFM's operating costs to typically be lower than a London-based organisation and, as a smaller business, WFM has built strong relationships with its third-party service providers. This allows WFM to nimbly exchange expertise and business development ideas for the benefit of investors and to provide a good quality personal service. The Wimborne-based Transfer Agency was originally developed by WFM specifically for its own funds range and that close relationship continues, with a dedicated team all experienced in the understanding of the full WFM fund range and typical investor requirements. The Wimborne office also provides in-house corporate governance and oversight expertise in investment, product, compliance, risk, and other operational arrangements.
	<b>Comparable Services</b>	WFM provides a similar range of services across its entire fund range. This means WFM adheres to all applicable financial regulations in the UK and provides the information and dealing services that its investors need. WFM's added value is its customer service and WFM prides itself on high quality personal service compared to other institutions. Charging structures may vary between sub-funds, because the size, investment nature and risk can vary between different sub-funds, depending on its investment objective(s) and policy. However, WFM endeavours to ensure that the ongoing fees paid by a sub-fund are similar to those paid by other comparable sub-funds in its range. Shareholders can compare the charges across WFM's fund range at: <a href="https://www.wayfunds.com/Funds/FundChargesandCosts">https://www.wayfunds.com/Funds/FundChargesandCosts</a>

	<p><b>Economies of Scale</b></p>	<p>WFM has used its overall asset base to negotiate the best possible terms available with its current outsourced service providers, for the benefit of its entire fund range. Service arrangements are reviewed on an ongoing basis and WFM negotiates fee rates on an appropriate sliding scale, with lower percentage fees applying as the sub-funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the sub-funds and their investors. This means that as a sub-fund grows, it benefits from the improved economies of scale. Certain services may have fixed or minimum fees, which are applied to each individual sub-fund. WFM seeks to ensure that each sub-fund offers value to investors and is viable considering the impact of any fixed or minimum fees.</p>
	<p><b>Performance of a fund/ sub-fund</b></p>	<p>WFM assesses the value represented by the investment performance achieved by a sub-fund after charges, at the end of each annual review period, taking into consideration the sub-fund's investment objective(s), its policy, its benchmark, its recommended holding period and, where relevant, its relative exposure to investment risk to achieve this.</p>
	<p><b>The Cost of Investing</b></p>	<p>All expenses and general disbursements paid by a sub-fund, such as the annual management charge, the cost of any investment advisory services, regulatory reporting, accounting, transfer agency, platform services, depositary and custody services, together with the synthetic cost arising where investment is made into any underlying funds are reflected in the ongoing charges figure ("OCF"). The cost of investing may be different depending upon the share class selected.</p>

	<p><b>Classes of shares or units available</b></p>	<p>Each sub-fund may have a number of share classes, each with different characteristics and charging structures, to cater for the ways in which they may have been previously, or are currently, offered and are determined by the sub-fund's Sponsor. The selection of the appropriate share class is made by investors or their financial advisers. During this assessment WFM will review each of the share classes across a sub-fund to ensure, as far as WFM reasonably can, that shareholders are in the correct share class given the size of their holding. However, WFM is unable to determine whether one share class is more suitable for an individual investor than another. A table setting out the characteristics of each share class is provided later in this report.</p>
	<p><b>Comparable Market Rates</b></p>	<p>Given the confidential nature of commercial arrangements, it is not possible to objectively compare the rates that WFM is paying for its services against its competitors. As described above not all share classes can be comparable to each other across different sub-funds. However, all sub-funds have a "primary" share class registered with the Investment Association. WFM has, therefore, used the primary share class in its assessment. Using data supplied to FE Analytics by AFMs for publication, WFM can compare sub-funds of a similar size, structure and Investment Association Sector for an average investment cost. It should be noted that this section is based on the total charges incurred and includes the asset transaction costs charged to the sub-fund, which are not included in the OCF calculation.</p>

# Verus Responsible Balanced Fund

The investment objective of the sub-fund is to provide capital growth.

Share Class	ISIN	Share Class Rating	AFM Investor Service & Governance	Comparable Services	Economies of Scale	Performance of the sub-fund	Cost of Investing	Share classes Available	Comparable Market Rates
A Accumulation	GB00BCW3L962	●	●	●	●	●	●	●	●
A Income	GB00BCZYG915	●	●	●	●	●	●	●	●
B Accumulation	GB00BCW3LB80	●	●	●	●	●	●	●	●
B Income	GB00BCZYG41	●	●	●	●	●	●	●	●
Z Accumulation	GB00BFZ5GX93	●	●	●	●	●	●	●	●

## Summary of Grading:

All share classes have been assessed and graded ●. Charges are justified based on assessment and any action identified.

### Performance

Although WFM acknowledges that the sub-fund has underperformed against its comparator benchmark, the IA Mixed Investment 40-85% Shares sector average, the sub-fund has met its long-term objective to provide capital growth and is, therefore, considered to have provided value to investors. The performance of the sub-fund will remain under ongoing review by both WFM and the Investment Manager and, where deemed appropriate, remedial actions will be implemented with the aim to improve the sub-fund's performance relative to its comparator benchmark.

Share Class	Since Launch	5 Year	3 Year	1 Year
<i>IA Mixed Investment 40-85% Shares sector average</i>	31.66%	44.57%	8.66%	3.33%
A Accumulation	17.81%	24.29%	2.55%	1.21%
A Income	17.80%	24.30%	2.54%	1.21%
B Accumulation	21.34%	28.01%	4.42%	1.84%
B Income	22.03%	28.34%	4.44%	1.86%
Z Accumulation	23.89%	29.40%	5.06%	2.03%

### Classes of shares

WFM endeavours to ensure that all shareholders are in the most appropriate share classes. However, the selection of share class is driven by the investor's choice, the intermediary used and the distribution channel. The sub-fund's prospectus permits WFM to convert investors' shares to the most appropriate share class, where it can be demonstrated to be in the best interests of the investors, without obtaining their prior permission. Any affected investors will be notified should any such conversion be made.

Share Class	Distribution Channel
A Accumulation	Primary Accumulation class open to all investors
A Income	Primary Income class open to all investors
B Accumulation	Designed for distribution via select financial advisers only
B Income	Designed for distribution via select financial advisers only
Z Accumulation	Designed for the investment manager's discretionary management service only

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**The Cost of Investing**

*WFM considers all value factors during the sub-fund's annual review when assessing whether the costs are justified. WFM has determined the overall cost of investing is reflecting the services provided and that the sub-fund is providing value to investors.*

**Comparable Market Rates**

*WFM has compared the charges of the sub-fund's primary share class (the A class) with that of comparable funds with a similar size and structure in the same IA sector. The sub-fund's current charges were determined by WFM to be competitive with its peers and, therefore, delivering value to investors.*

**Quality of Service**

*A good level of service is provided to shareholders by all parties involved, which is commensurate to the amounts paid by the sub-fund for those services. Therefore, WFM has determined that value has been provided to the sub-fund's investors.*

**Comparable Services**

*All investors are provided with the same services by WFM, and the sub-fund has the same direct service providers as the whole WFM Fund range.*

**Economies of Scale**

*All available savings from economies of scale obtained by WFM or the sub-fund are passed to the sub-fund's investors.*