



WAY Fund Managers

Assessment of Value

EF UCITS ICVC

Incorporating sub-fund

Verus Sustainable Balanced Fund

Period ending: 31st March 2024



ETHICALSCREENING



WAY Fund Managers Limited & 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, who 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 Sustainable 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 or units of a fund or 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 fund/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 have adopted the grading method that the industry uses for also sharing it with distributors and intermediaries. This is by using two outcomes and to make these outcomes easier to read at the end of this report you will find a table for each fund/sub-fund and share class using the following 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.

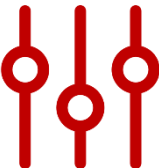
For each share or unit class, WFM uses a green (justified)/red (not justified) signal for each of the Value Factors, to indicate whether it believes the charges are justified in the context of the overall service and value delivered to investors.

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:

	<p>The range of services provided to investors by the Sponsor</p>	<p>The Verus Sustainable Balanced Fund is aimed at advisors with clients who wish to invest their money in a more environmentally and socially sustainable manner. To further this objective a minimum of 75% of the sub-fund will be in assets that provide sustainable solutions to global social and environmental challenges.</p> <p>Such investments are identified through their alignment and contribution to the United Nations' Sustainable Development Goals (SDGs), which incorporate themes such as renewable energy, financial inclusion, education, social housing, and climate change action. The sub-fund aims to make a meaningful contribution to achieving these goals, by insisting that investments held in the sub-fund contribute materially to the targets that underpin the SDGs.</p> <p>Ethical Screening regularly verifies that the focus of the investments is aligned with the sustainability aims of the sub-fund by assessing:</p> <ul style="list-style-type: none">• The investment policies of collective investment schemes within the sub-fund's portfolio to ensure they are consistent with the objective of providing solutions to the world's sustainability challenges.• The top 50 underlying stocks held within those collective investment schemes to ensure they do not contravene or obstruct the achievement of the UN Sustainable Development Goals. <p>Ethical Screening has been helping advisors, investment managers and fund managers to align their clients' investment strategies with their responsible investment goals through ethically- and sustainability-focused research and analysis since 1998. Our values are reflected in LGT Wealth Management's strategy to integrate sustainability into all areas of its business and across its entire service offering. Our joint expertise provides assurance to advisors recommending the sub-fund to their clients that its sustainability aims are backed by dedicated and experienced teams of researchers and analysts.</p> <p>Advisors can see how the Verus Sustainable Balanced Fund compares to other sustainable collective investments using Ethical Screening's Sustainable Funds Portal - a free-to-use online database resource which enables registered advisors to assess the suitability of funds for their clients based on their ethical, responsible and sustainability goals.</p>
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	<p>Investor Service & Fund Governance from the AFM</p>	<p>As the AFM, WFM is responsible for overseeing any third-party that provides services to its funds/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/sub-funds 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.</p>
	<p>Comparable Services</p>	<p>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 funds/sub-funds, because the size, investment nature and risk can vary between different funds/sub-funds, depending on its investment objective(s) and policy. However, WFM endeavours to ensure that the ongoing fees paid by a fund/sub-fund are similar to those paid by other comparable funds/sub-funds in its range. Unit/Shareholders can compare the charges across WFM's fund range at: https://www.wayfunds.com/Funds/FundChargesandCosts</p>
	<p>Economies of Scale</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 funds/sub-funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the funds/sub-funds and their investors. This means that as a fund/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 fund/sub-fund. WFM seeks to ensure that each fund/sub-fund offers value to investors and is viable considering the impact of any fixed or minimum fees.</p>

	Performance of a fund/ sub-fund	<p>WFM assesses the value represented by the investment performance achieved by a fund/sub-fund after charges, at the end of each annual review period, taking into consideration the fund's/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>
	The Cost of Investing	<p>All expenses and general disbursements paid by a fund/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 or unit class selected.</p>
	Classes of shares or units available	<p>Each fund/sub-fund may have a number of unit/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 fund's/sub-fund's Sponsor. The selection of the appropriate unit/share class is made by investors or their financial advisers. During this assessment WFM will review each of the unit/share classes across a fund/sub-fund to ensure, as far as WFM reasonably can, that unit/shareholders are in the correct unit/share class given the size of their holding. However, WFM is unable to determine whether one unit/share class is more suitable for an individual investor than another. A table setting out the characteristics of each unit/share class is provided later in this report.</p>
	Comparable Market Rates	<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 unit/share classes can be comparable to each other across different funds/sub-funds. However, all funds/sub-funds have a "primary" unit/share class registered with the Investment Association. WFM has, therefore, used the primary unit/share class in its assessment. Using data supplied to FE Analytics by AFMs for publication, WFM can compare funds/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 fund/sub-fund, which are not included in the OCF calculation.</p>

Verus Sustainable 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/Unit classes Available	Comparable Market Rates
A Accumulation	GB00BCZYG915	●	●	●	●	●	●	●	●
A Income	GB00BCW3L962	●	●	●	●	●	●	●	●
B Accumulation	GB00BCZYGC41	●	●	●	●	●	●	●	●
B Income	GB00BCW3LB80	●	●	●	●	●	●	●	●
Z Accumulation	GB00BFZ5GX93	●	●	●	●	●	●	●	●
Z Income	GB00BFZ5R471	●	●	●	●	●	●	●	●

Summary of Grading:

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

Action being taken following the assessment:

Whilst the sub-fund has achieved its objective of capital growth, its performance has fallen short of its comparator benchmark. In light of the 'Sustainability Disclosure Requirements and investment labels' Regulations (SDR), WFM is liaising with the Investment Manager and Sponsor to review all elements of the sub-fund to ensure that it is compliant with the new regulations.

Performance

Although WFM acknowledges the sub-fund has underperformed against its comparator benchmark, the IA Mixed Investment 40-85% Shares sector average, the sub-fund has achieved its long-term objective to provide capital growth and has, therefore, been assessed as providing value to investors. The sub-fund's performance will continue to be monitored by both WFM and the Investment Manager and, where considered necessary, relevant actions will be taken with an aim to improve its 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>	27.41%	28.73%	10.65%	10.16%
A Accumulation	16.40%	16.94%	3.63%	8.18%
A Income	16.40%	16.94%	3.62%	8.18%
B Accumulation	19.14%	19.70%	5.70%	8.79%
B Income	19.80%	20.19%	5.73%	8.77%
Z Accumulation	21.42%	21.75%	6.15%	9.05%
Z Income	16.89%	17.79%	2.71%	5.59%

Classes of shares/units

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 shareholders' 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. However, investors will be notified of the intention beforehand.

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	
	Z Income	Designed for the investment manager's discretionary management service only	

The Cost of Investing

The sub-fund has seen the ongoing charges for the A classes reduce by 2% (rounded) from 1.70% to 1.67% and the ongoing fees for the Z classes reduce by 3% (rounded) from 0.90% to 0.87%. It has been noted that the ongoing charges for the B classes have been capped by the Investment Manager with the objective to make this class more attractive to larger intermediaries. The sub-fund has also seen a reduction in the other expenses charged to investors. WFM has, therefore, determined the overall cost of investing is justified as it reflects 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 other funds of a similar size and found in the IA Mixed Investment 40-85% Shares sector and has determined that its charges are competitive. The sub-fund provides value for its 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.