



## *WAY Fund Managers Limited*

**Our Ref:** FT/FACET Caut/100120

**Date:** 10<sup>th</sup> January 2020

Dear Investor,

### **EF FACET Cautious Discretionary Portfolio (the “Fund”)**

I am writing to inform you that WAY Fund Managers Limited (“WFM”), the Fund’s Authorised Corporate Director (“ACD”), has taken the decision to terminate the Fund. The decision has also been subject to the continuing due diligence required by the Fund’s depositary, Northern Trust Global Services SE (UK Branch) (the “Depositary”), in order for us to request from the FCA its formal permission for the winding up of the Fund. WFM will now write to the Financial Conduct Authority (“FCA”), seeking its approval to commence the termination process.

### **Reasons behind the decision to terminate the Fund**

As explained in previous correspondence, WFM took the decision to suspend dealing in the Fund on the 10<sup>th</sup> October 2019 due to the relatively high level of illiquid and less-liquid assets held by the Fund at that time. Whilst the Fund could have continued to meet modest demands for shareholder redemptions, continuing redemptions would have seen the proportion of illiquid and less-liquid holdings represented by the remaining shareholders’ shares in the Fund continue to rise, and any new investors would have purchased a fund which had exposure to a relatively high level of illiquid and less-liquid assets.

Whilst some progress has been made towards meeting a more suitable liquidity level for the Fund, insufficient progress has been made to enable the Fund to be released from suspension, or to be confident that the targeted level of liquidity can be reached in the near term consistent with the interests of investors. WFM has therefore concluded that it is in the best interests of all investors to terminate the Fund. The suspension will continue pending receipt of FCA approval to commence the termination of the Fund.

### **What happens now?**

Following receipt of FCA approval to commence the termination process, we will write to you again to outline the options available to you and at the same time will provide further information on the expected timing of the initial distribution of the capital proceeds from the termination. Because the Fund is holding illiquid and less-liquid assets, the final audit of the Fund is likely to be delayed for an indeterminate amount of time. Therefore, WFM expects that it will make a number of distributions of capital to shareholders, as and when additional funds become available (i.e. when the illiquid and less-liquid holdings have been redeemed for cash), until all of the Fund’s assets have been sold and the final audit completed.



### The costs of termination

Where not recoverable from the Fund, the costs associated with the termination of the Fund will be met by WFM and the Fund's Sponsor, FACET Investment Management Limited.

**Please note that the closure of the Fund, if held outside of an ISA account (whether the proceeds of termination are reinvested or redeemed) will constitute a disposal of your shares, which could give rise to a liability to capital gains tax for UK residents.**

Please also note:

- The documentation relating to the Fund can be viewed on our website, which is at [www.wayfunds.com](http://www.wayfunds.com). The "Funds" tab provides a link to each fund in our range, in alphabetical order;
- If you have any queries or questions regarding the proposed termination, 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](mailto:customerservice@wayfunds.com).

We apologise to you, as an Investor, for having to take this course of action. Naturally it is our intention to conclude any actions required as quickly as possible and to ensure that all Investors are treated fairly.

Yours faithfully,

**V N Hoare**  
**CEO, WAY Fund Managers Limited**

cc. [Agent Name]