



WAY Fund Managers Limited

Our Ref: FT/WAR/0322/[Client Ref]

Designation: [If applicable]

Date: 15th March 2022

Dear Investor,

WAY Absolute Return Portfolio Fund (the "Fund") - In termination

We are writing to follow-up our letter of 13th August 2021, which updated you on progress relating to the termination of the Fund.

There has been no progress since our last letter to you in relation to the sale of the Fund's remaining assets.

In relation to the Fund's remaining assets, please note the following:

- *All Saints Asset Management plc (Bond) ("ASAM")* – ASAM is a subsidiary of High Street Grp Limited ("HSG"), which entered administration on the 16th December 2021. In cases such as this, the parent company (i.e. HSG) may have the right to access the assets of a subsidiary. At present, this is something that we don't know. However, as ASAM itself has failed to file its audited financial statements for the period to 31st December 2019, which suggests that it is probably in financial stress, we have severely impaired its value in any event. The ASAM Bond is scheduled to mature on 30th September 2023;
- *Carpe Valorem LLC (Bond) ("CV")* – We have received all available payments of cash from CV and we are just waiting for confirmation from the Delaware Secretary of State that CV has been liquidated before removing it from the Fund's portfolio;
- *Ethika Sustainable Impact Fund ("Ethika")* – Ethika is a Malta-domiciled collective investment scheme, which is in the process of termination. It has been the subject of litigation, which has delayed progress in relation to its termination, but we understand that the litigation has now been cleared. Ethika also has holdings of illiquid and less-liquid assets, which are difficult to sell. Therefore, we have severely impaired its value. We continue to communicate with Ethika's management in relation to its termination, alongside one of its other major shareholders;
- *European Investment Grade Properties (Bond) ("EIGP")* – Like ASAM above, EIGP has failed to file its audited financial statements, in EIGP's case for the period ending 28th February 2020. We are aware that there have been internal issues with EIGP for some considerable time, which have prevented proper trading in its property asset. On 24th December 2021, an individual who previously had significant control of EIGP, ceased to have significant control and we, therefore, expect to see some changes in relation to the management of EIGP. However, at the time of writing, we have not



received any confirmation as to what those changes might be. The EIGP Bond is scheduled to mature on 31st March 2023.

We will continue with our efforts to maintain contact with the Boards/management companies in relation to the Fund's remaining assets. However, there has also been very little in the way of company news released into the public domain. Because of this, we have been unable to verify the valuations of these assets. Consequently, we have further impaired/discounted their respective values. These discounts are reflected in the current estimated Fund prices shown below.

At present the following assets, excluding cash, remain in the Fund:

Asset	Status	Value held as at 13 th August 2021	Value held as at 10 th March 2022	% held as at 10 th March 2022
All Saints Asset Management PLC	Less liquid/illiquid bond	£100,000.00	£50,000.00	10.06%
Carpe Valorem	Less liquid/illiquid bond	£0.00	£0.00	0.00%
Ethika Sustainable Impact Fund	Suspended fund (Malta)	£348,705.00	£195,016.50	39.24%
European Investment Grade Properties PLC	Less liquid/illiquid bond	£475,000.00	£237,500.00	47.79%

Share Class Capital Distributions

There will not be a distribution of the Fund's capital to its shareholders at this time.

Share Class Valuations as at 10th March 2022

We continue to apply fair value prices to the Funds' remaining assets, plus available cash, which give indicative share prices equivalent to the following:

Share Class	ISIN	Price per share (£), as at 13 th August 2021	Price per share (£), as at 10 th March 2022
Retail Accumulation Shares	GB00B4RM7D86	0.1141	0.0615
Class A Income Shares	GB00B51M6M39	0.1081	0.0583
Class E Accumulation Shares	GB00B98BYN82	0.1125	0.0607
Class E Income Shares	GB00B8DFQZ41	0.1053	0.0568
Class S Income Shares	GB00BG1QH187	0.0945	0.0510
Class T Income Shares	GB00B99MR421	0.1043	0.0563
Class Z Accumulation Shares	GB00BDBVS204	0.0963	0.0519
Class Z Income Shares	GB00BDBVS428	0.0939	0.0507



Please note that the value we have applied to the unsold assets is purely indicative and is what we currently believe to represent a fair value price. These fair value prices will be subject to adjustment periodically, upwards or downwards, as further information comes to our attention. There can be no guarantee that the fair value price quoted will be the price at which those assets will ultimately be realised and there is significant doubt as to whether any value may be recoverable in respect of some or all of the Fund's assets.

It remains our goal to complete the termination of the Fund at the earliest possible opportunity, but we are unable to provide a timeline as it will be dependent on the availability of suitable offers for the remaining assets, in order to realise an acceptable level of capital in the best interests of all investors. In the meantime, we will continue to make distributions of capital to you as and when sufficient funds become available.

The Fund will continue to be audited on an annual basis and the most recent annual and interim reports can be found at www.wayfunds.com, where you should click of "Funds" on the top toolbar, followed by the Fund which you will find in alphabetical order. You should then click on the "Report & Accounts" icon. The same details can be obtained by contacting us using the details referred to below.

If you have any questions regarding the Fund, or you wish to register a complaint, please address your communication by e-mail to compliance@wayfunds.com, by telephone on 01202 855856 (+44 (0)1202 855856 from outside of the UK), or in writing to the address at the foot of this letter.

Yours faithfully,

V N Hoare
CEO
WAY Fund Managers Limited