



WAY Fund Managers Limited

Our Ref:

Designation:

Date: 31 May 2019

Dear Investor,

TERMINATION OF THE WAY ABSOLUTE RETURN PORTFOLIO FUND ("THE FUND").

We wrote to you on 4th April 2019, informing you of our decision to apply to the Financial Conduct Authority (the "FCA") to terminate the Fund and to suspend any dealing in the Fund with immediate effect. FCA approval was duly received on 29th May 2019 and we have commenced the termination of the Fund with immediate effect.

As explained in our letter of 4th April 2019, the Fund has recently experienced significant outflows to the point where we, as the Fund's Authorised Corporate Director ("the ACD"), believe that the Fund would have ceased to be commercially viable in the short term. The Fund also holds a number of assets that have become illiquid or less liquid and further large-scale redemptions of shares in the Fund would have increased the aggregate concentration of those assets to levels which we felt would not be appropriate. We believe that it is in the best interests of the remaining investors to commence the termination of the Fund at this time, in order to facilitate an orderly sale of the Fund's assets.

What happens now?

Following receipt of authorisation from the FCA, we have commenced the liquidation of the Fund's liquid assets and will work with the Fund's investment manager in an effort to sell the illiquid and less liquid assets, which will include:

1. Seeking buyers wherever possible, where the price at which the Fund sells the assets is, in the opinion of the Fund's investment manager, a reasonable price for the assets; or
2. Where such buyers are not available, continue to hold the assets on behalf of Shareholders until such time that those assets can be sold, or they mature.

We would expect to be in a position to make the first distribution of capital proceeds relating to the termination within 30 days of the date of this letter. We estimate that this will be on or around 24th June 2019, but may be sooner or later than this date. Subsequent distributions of capital will be made when a reasonable amount of cleared cash becomes available and we will periodically advise Shareholders as to progress in redeeming the illiquid and less liquid holdings.



A reminder of your options

You now have the following options available to you:

1. **A Cash Payment (the Default Option):** The amounts available to distribute will be paid to you in cash unless agreed otherwise. Proceeds will be paid by cheque, or directly to your bank account (if we hold such details for you).
2. **A reinvestment into any of the other funds operated by the ACD:** If you wish to reinvest the proceeds into any of the other funds offered by ACD, you may do so. The details of these other funds can be found at www.wayfunds.com, or by contacting us on 01202 855856. Please note that this line is open from 9am to 5pm UK time, except weekends and public holidays in England & Wales. All reinvestment will be subject to meeting the criteria required for investment into the chosen fund(s) and will be made at its net asset value price. Should you choose to reinvest, we will not apply an initial charge to your new investment.

If you wish to select option 2, please ensure you have read the latest Key Investor Information Document for the chosen fund(s) and that your instructions to reinvest into another fund are sent to our address (see the foot of this letter) by **19th June 2019**. These can be found at www.wayfunds.com. Please call us on 01202 855856 if you wish to take up this option.

In all cases, including if your preference is for any other arrangement, or if you have any queries regarding what action needs to be taken, we recommend that you contact your usual financial adviser to seek suitable financial advice. Alternatively, please call us on 01202 855856 and we will be able to explain the options to you, but will not be able to provide you with financial advice. If you have invested into an inheritance tax plan and wish to discuss the implications for this type of product, please call the dedicated IHT team on 01202 890895.

Charges

For investments that you may have placed into the Fund from the 4th January 2019, being 3 calendar months prior to the suspension of dealing in the shares of the Fund, any net initial charge deducted by us from your investment will be refunded.

The costs of termination

The costs associated with the termination of the Fund will be met by us. Audit fees already accrued within the Fund to the date of termination will be used to offset the cost of auditing the final accounts of the Fund.

Please note that the closure of the Fund will constitute a disposal of your shares, which could give rise to a liability to capital gains tax for UK residents. Again, we recommend that you take advice from your financial adviser in this regard.

Naturally it is our intention to conclude any actions required as speedily as possible and to ensure that all investors are treated fairly.



In the meantime, if you have any queries or questions, we recommend that you contact your usual financial adviser in the first instance. If you do not have a financial adviser, please call us on 01202 855856. For all queries in relation to our inheritance tax plans, please call our dedicated team on 01202 890895. Our office is open to receive calls from 9am to 5pm, Monday to Friday excluding public holidays in England.

Yours faithfully

V N Hoare
Co-CEO
For and on behalf of WAY Fund Managers Limited