



WAY Fund Managers

Assessment of Value

WAY Momentum Portfolio

Incorporating sub-fund

WAY Global Momentum Fund

Period ending: 28th February 2024



WM Capital Management



WAY Fund Managers Ltd & WM Capital Management 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, as AFM to the WAY Momentum Portfolio, acts with WM Capital Management Limited, the Sponsor and appointed investment adviser of the WAY Global Momentum Fund (hereinafter referred to as the 'sub-fund', as joint manufacturer.



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 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, at the end of this report you will find a table for each sub-fund and share class 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 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:



	The range of services provided to investors by the Sponsor	<p>The role of the Sponsor is to act as the joint manufacturer of the Fund and to provide input to WFM in relation to marketing opportunities it may have identified and to suggest any changes to relating to a fund's investment objective and investment policy to broaden its appeal to investors. The Sponsor and WFM will jointly appoint an Investment Adviser and confirm the investment strategy for each sub-fund.</p>
	Investor Service & Fund Governance from the AFM	<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>
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	<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 /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 /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>
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	<p>Performance of a fund/ sub-fund</p>	<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 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>
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	<p>The Cost of Investing</p>	<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>
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	<p>Classes of shares or units available</p>	<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>
	<p>Comparable Market Rates</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 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 Fund 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>



WAY Global Momentum Fund

The objective of the sub-fund is to achieve long-term capital growth by using a systematic and low-cost approach to gain exposure to a range of developed global equity markets via investing in and regular rebalancing of exchange traded funds (or similar instruments).

Share/Unit 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	GB00B6065718	●	●	●	●	●	●	●	●
A Income	GB00B62SHJ17	●	●	●	●	●	●	●	●
B Accumulation	GB00B62Y3X56	●	●	●	●	●	●	●	●
C Accumulation	GB00B3Q2CZ99	●	●	●	●	●	●	●	●
C Income	GB00B63MVK11	●	●	●	●	●	●	●	●
D Accumulation	GB00B63N0B80	●	●	●	●	●	●	●	●
D Income	GB00B64Q7V56	●	●	●	●	●	●	●	●
E Accumulation	GB00B57W7682	●	●	●	●	●	●	●	●
E Income	GB00B8XD0909	●	●	●	●	●	●	●	●
S Income	GB00BG1QH633	●	●	●	●	●	●	●	●
T Income	GB00B99LHB68	●	●	●	●	●	●	●	●

Summary of Grading:

- A and C share classes have been assessed as: ● Charges are not justified; significant action is required. Although WFM determined the costs associated with the sub-fund as competitive and providing value, the underperformance against its comparator benchmark outweighs a justified assessment.
- Remaining share classes have been assessed as: ● Charges are justified based on assessment and any action identified.

Action being taken following the assessment:

WFM has been in contact with the Investment Manager regarding the outcome of the AoV to discuss appropriate changes that may be possible to their current investment strategy and to consider the continuation of the sub-fund.

Performance

Whilst the sub-fund has underperformed against its comparator benchmark, UK Consumer Prices Index (CPI) +2% sector average over all periods, WFM has found the B, D, E, S and T share class have achieved the sub-fund's long-term objective of capital growth and are, therefore, providing value to investors. However, the A and C share classes have underperformed over all periods and have not met the sub-fund's objective and are, therefore, not providing value to investors. Given the high inflationary period of recent years, WFM recognises the reasons why there has been a significant shortfall when performance is measured against the sub-fund's comparator benchmark. Some share classes are impacted more than others due to the fee structures summarised in the Share Class section later in this document.

Share Class	Since Launch	5 Years	3 Years	1 Year
UK Consumer Prices Index (CPI) +2%	84.62%	35.74%	27.73%	4.71%
A Accumulation	18.85%		-0.45%	-0.09%
A Income	18.84%	-0.25%	-0.45%	-0.10%
B Accumulation	30.95%	3.55%	1.81%	0.65%
C Accumulation	18.84%	-0.26%	-0.47%	-0.11%
C Income	18.85%	-0.25%	-0.46%	-0.10%
D Accumulation	31.37%	3.57%	1.81%	0.65%
D Income	27.14%	3.58%	1.81%	0.66%
E Accumulation	27.15%	2.78%	1.35%	0.50%
E Income	27.50%	2.77%	1.34%	0.50%
S Income	29.35%	2.27%	1.05%	0.41%
T Income	21.99%	0.75%	0.15%	0.11%

WFM acknowledges the sub-fund uses a “trend following” model to decide when to invest in or disinvest from a particular stock market and it is known that, in periods where there are volatile market conditions, the sub-fund can underperform. This is included within the sub-fund’s Risk Factors (see the Prospectus) and this can occur primarily for the following reasons:

1. Rapid, and generally unpredictable, falls in markets will not be registered by the model until they have already started. However, the model will normally recognise the fall and may then recommend disinvestment to the investment manager (i.e. a move into cash or into another market);
2. If a heavy fall in markets, as in 1 above, is then followed by an unpredictable rapid recovery, the model may not register that rapid movement until it has already happened, potentially leaving the sub-fund uninvested (i.e. invested in cash) during at least part of that upward movement. In summary, the sub-fund is designed to be able to move to a more protective position to conserve investors’ capital. However, as an algorithmic model, it may not predict a rapid recovery in the markets. The trend model works more effectively when markets are relatively stable.

Proposed Action:

WFM has noted the continued underperformance of the sub-fund against its comparator benchmark and is holding discussions with the sub-fund’s Sponsor, which is also the investment manager, regarding the continuation of the sub-fund. Consideration is being given to merging it with another similar fund.

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.

Share Class	Distribution Channel
A Accumulation & A Income	Legacy retail class for inheritance tax products, higher cost than other classes because it includes a trail commission which is agreed with the individual investor and their financial intermediary.
B Accumulation	Lower costs than other classes, as designed for institutional investors with higher investment requirements. Not available on platforms.
C Accumulation & C Income	Retail classes with adviser trail commission for WAY inheritance tax products.
D Accumulation & D Income	Lower costs than other classes as designed for institutional investors with higher investment requirements. Not available on platforms.
E Accumulation & E Income	Competitive with its market peers in terms of charges and is the primary retail share class for new investors. Available on all platforms.
S Income	Designed for WAY Trustees Limited (WTL) investors only and carries additional charges for the services provided by WTL as agreed with the investors.

	T Income	Designed for WAY Trustees Limited (WTL) investors only and carries additional charges for the services provided by WTL as agreed with the investors.	
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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. Compared to the costs in the previous assessment of value, the sub-fund has seen a 26% reduction in the transaction fee charged to investors and the charging structure aligns with the sub-fund's IA peer group. WFM has, therefore, 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 with that of comparable funds with a similar size and structure. 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. 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.