

WAY Absolute Return Fund

October 2018

Investment Aims

The Fund aims to achieve capital appreciation in the form of a positive absolute return for investors in all market conditions on a 12-month basis. The Fund will focus on investment in a variety of alternative strategies with a low correlation to other asset classes. The fund will retain the flexibility to invest directly in warrants, bonds, government and public securities, money market instruments, cash and deposits that can best take advantage of economic opportunities worldwide. The fund has a flexible mandate allowing it to invest only in those assets it deems attractive at any particular time.

Fund Commentary

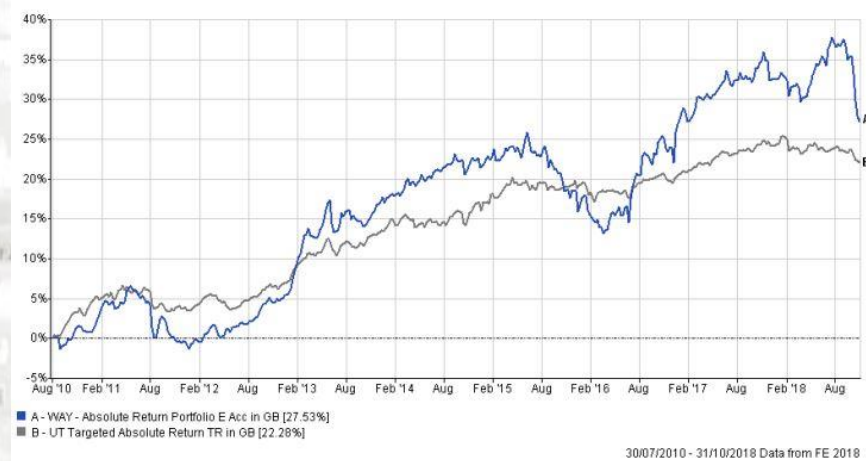
Global stock markets experienced the highest level of volatility this year as they retreated from record highs. This was in spite of encouraging economic news, particularly in the USA, where unemployment fell to 3.7%, the lowest for 50 years. The US earnings season was also broadly positive with the vast majority of companies reporting better than expected profits. GDP forecasts rose to 3.5%. There was good news for the consumer too as the rate of inflation eased but the bond markets, which might have taken the view that interest rates would fall as a result, went the other way and the 10-year yield rose over 3.2%. The UK economy also held up well. Wages grew at 3.1%, the highest level since the financial crisis. The lack of progress in the Brexit negotiations, however, appeared to be a factor weighing on the stock market as the deadline for a deal loomed closer and the FTSE 100 Index fell 5.3% by month end. Brexit uncertainty also affected European markets which had the additional concern over the conflict between the EU and Italy over their budget. We saw the weakness of stock markets as an opportunity to raise the fund exposure to equities which we funded by selling bonds and some property.

Cumulative Performance (GBX)

	1 M	3 M	1 Y	5 Y	Since Launch
Fund	-5.84%	-7.02%	-5.44%	10.60%	27.53%
Sector	-1.14%	-1.51%	-1.84%	8.19%	22.28%

Source: WM Capital Management Ltd to 31.10.2018 in GBP. Sector is Targeted Absolute Return.

WAY Absolute Return Fund Performance



Source: Financial Express 30.07.10 to 31.10.2018

Key Facts

Fund Size (31.08.17)	£10.74m
Launch Date	30.07.10
IA Sector	Targeted Absolute Return
TER	1.37%
AMC	0.85%
Min. Investment sum	£100pm/£1,000 lump
Yield	Est. 0%
Accounting Date	31 March
Distribution Date	31 May
ISIN Code Z Share Class	Acc. GB00BDBVS204 Inc. GB00BDBVS428
Administrator	Apex Fund Services (UK) Limited
Custodian	The Northern Trust Company, London
Depository	Northern Trust Global Services SE
Auditors	Deloitte LLP
Solicitors	Burgess Salmon LLP
ACD	WAY Fund Managers Limited

Contact Details

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FRN:131372
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Dealing: 01115 988 8284

Registered in England No 07042526

WAY Absolute Return Fund

Performance (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
2018	-0.42	-0.11	-1.88	1.31	1.90	1.08	0.98	0.30	-1.70	-5.84			-3.96
2017	-0.22	1.37	0.79	0.18	1.04	0.15	0.28	0.21	-0.31	1.98	-1.76	0.22	3.99
2016	-1.83	-0.58	-1.23	1.82	-0.18	2.55	1.76	2.2	0.02	1.67	-0.89	3.11	8.5
2015	1.49	-0.69	1.08	-0.46	1.11	-1.2	-0.11	-0.58	-1.97	-1.14	-0.09	-0.63	-3.22
2014	0.59	0.38	0.69	0.25	0.37	0.72	0.24	0.39	0.42	-0.65	0.67	-0.59	3.54
2013	4.03	2.81	-0.17	0.98	2.46	-2.7	2.34	-0.87	-0.77	0.94	1.39	0.51	11.32
2012	-0.03	1.55	0.46	-1.27	1.38	0.52	0.12	0.7	1.44	0.2	0.4	0.67	6.27
2011	2.45	0.32	-0.2	1.62	0.28	-0.45	-1.07	-2.05	-0.35	-1.39	-0.58	-0.4	-1.9
2010	-	-	-	-	-	-	-	-1.2	1.01	1.57	-0.2	0.08	1.25

Source: WM Capital Management Ltd to 31.10.2018

Performance by Calendar Year (GBX)

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund	-3.96%	3.99%	8.50%	-3.22%	3.54%	11.32%	6.27%	-1.90%	1.25%
Sector	-01.62%	2.97%	1.06%	2.41%	2.85%	6.26%	3.41%	-1.26%	4.18%

Source: WM Capital Management Ltd to 31.08.2018

Top 10 holdings

Ethika Sustainable Impact Fund GBP Class B	17.01%
European Investment Grade 6.5% UNS BDS 31/03/2023.	12.38%
CARPE VALOREM 7% BDS 12/05/21.	11.17%
IShares MSCI World Minimum Volatility	6.34%
IShares Dow Jones Industrial Average UCITS ETF Acc	6.32%
Man International ICVC - CONTIN EUROPE-C-ACC	6.06%
Merian Investment Funds Series I - UK Mid Cap	5.84%
Diversified Gas & Oil PLC	5.42%
Schroder US Mid Cap Fund - Z ACC	4.50%
ISHARES CORE FTSE 100	3.82%

Key Portfolio Managers

John Richard Mitchell - John has a career spanning over 40 years in both equities and bonds managing risk at Credit Suisse and Royal London where he also created their first geared fund. John was also involved in the founding of Newland Financial where he was the compliance director.

Chris Fernyhough - Chris has over 15 years experience managing multi-asset portfolios. Prior to becoming Managing Director of FACET, Chris worked at WH Ireland establishing their Bristol office. He also worked at Newland in the wealth management division. He holds a distinction in the PCIAM exam and is a Chartered Wealth Manager as well as holding Chartered FCSI status with the CISI.

IMPORTANT INFORMATION

This document has been produced for information only and represents the views of the investment manager at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. Full details of the WAY Absolute Return Fund, including risk warnings, are published in the WAY Fund Managers Limited Prospectus.

RISK WARNINGS

The Absolute Return Fund, is subject to normal stock market fluctuations and other risks inherent in such investments. The value of your clients investment and the income derived from it can go down as well as up, and your client may not get back the money that they invested. Investments in overseas equities may be effected by changes in exchange rates, which could cause the value of your clients investment to increase or diminish. Your client should regard their investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given.