

# Assessment of Value

## EF 8AM Investment Funds

### Incorporating sub-funds

- EF 8AM Balanced Fund
- EF 8AM Cautious Fund
- EF 8AM Focussed Fund
- EF 8AM Tactical Growth Portfolio

Period ending: 30<sup>th</sup> June 2023



## **WAY Fund Managers Limited & 8AM Global 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 EF 8AM Investment Funds, acts with 8AM Global Limited, the Sponsor and appointed investment adviser of EF 8AM Balanced Fund, EF 8AM Cautious Fund, EF 8AM Focussed Fund and EF 8AM Tactical Growth Portfolio (each 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 have adopted the grading method that the industry uses for also sharing it with distributors and intermediaries. This is by using two outcomes and to make these outcomes easier to read at the end of this report you will find a table for each fund/sub-fund and share class using the below matrix.




	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:

	<p><b>The range of services provided to investors by the Sponsor</b></p>	<p>The role of the Sponsor is to act as the joint manufacturer of a fund/sub-fund and to provide input to WFM in relation to marketing opportunities it may have identified and to suggest any changes relating to a fund's/sub-fund's investment objective and investment policy to broaden its appeal to investors. Subject to an extensive suitability process, WFM appoint an Investment Adviser of the Sponsor's choosing and will confirm the investment strategy for each fund/sub-fund.</p>
	<p><b>Investor Service &amp; Fund Governance from the AFM</b></p>	<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><b>Comparable Services</b></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: <a href="https://www.wayfunds.com/Funds/FundChargesandCosts">https://www.wayfunds.com/Funds/FundChargesandCosts</a></p>
	<p><b>Economies of Scale</b></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>
	<p><b>Performance of a fund/ sub-fund</b></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>

	<p><b>The Cost of Investing</b></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, depository 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><b>Classes of shares or units available</b></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>
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	<p><b>Comparable Market Rates</b></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>
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# EF 8AM Balanced Fund

The objective of the Fund is to achieve long-term capital growth through strategic asset allocation between a variety of asset classes, markets and strategies. A minimum of 80% of the portfolio will be invested in third party collective investment schemes and investment trusts. The sub-fund will aim to operate within a volatility range of between 10.0 and 14.5.

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 Income	GB00B9L57F01	●	●	●	●	●	●	●	●
B Income	GB00BN6Q7563	●	●	●	●	●	●	●	●

**Summary of grading:** ● Charges are not justified; significant action is required, for all of the classes.

WFM has determined from its assessment that the annual charges are not justified for both classes in the sub-fund, due to them being high in comparison to its IA Sector peer group average together with the poor performance returns generated.

**Action being taken following the assessment.**

WFM has been in contact with the Sponsor and the Investment Adviser regarding the outcome of the AoV. The Investment Adviser has carried out an analysis of the root cause of the sub-fund's poor investment performance and has engaged with WFM to set a future investment strategy for improvement.

### Performance

WFM has determined that the sub-fund is not providing value to investors due to it not meeting its objective of long-term capital growth. The primary retail class has severely underperformed over all periods against its comparator benchmark and, whilst WFM recognise there is no 5-year performance data for the B Income class, this class has been underperforming over the short to medium term (i.e., over 1- and 3-year periods).

The sub-fund is operating within range for its volatility objectives as defined in the sub-fund's investment policy.

Share Class	Since Launch	5 Years	3 Years	1 Year
IA Mixed Investment 40-85% Shares sector average	62.75%	16.38%	12.44%	3.25%
A Income	20.75%	-12.59%	1.15%	-0.61%
B Income (inception date 21/12/2020)			-4.56%	0.97%

### 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. The sub-fund's prospectus permits WFM to convert shareholders' shares to the most appropriate share class, where it can be demonstrated to be in the best interests of the investors, without obtaining their prior permission. However, investors will be notified of the intention beforehand.

Share Class	Distribution Channel
A Income	Primary retail share class
B Income	Retail share class available via the Investment Adviser's Model Portfolio Service

### The Cost of Investing

WFM considered both the performance return and share class information during its assessment. In relation to this section of the review, WFM has assessed that the sub-fund is not providing value to investors because of the performance being delivered, associated with higher ongoing charges. The OCF of the A Income class is high compared to the sub-fund's peer group. The cost of the B Income class has been reduced by the Investment Adviser, which has sacrificed its advisory fee. WFM has acknowledged this difference and will seek ways in which to reduce the OCF of the primary share class.

**Comparable Market Rates**

*When comparing the sub-fund's charges to other fund of funds in the same IA sector, of a similar size and structure, WFM has determined that the A Income class is not currently providing value to its investors. The B Income class is comparable. However, it is a restricted class only available via the Investment Adviser's Model Portfolio Service where the Investment Adviser has sacrificed its advisory fee to reduce the charges.*

**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.*





# EF 8AM Cautious Fund

The objective of the Fund is to achieve long-term capital growth through strategic asset allocation between a variety of asset classes, markets and strategies. A minimum of 80% of the portfolio will be invested in third party collective investment schemes and investment trusts. The Fund will aim to operate within a volatility range\* of between 5.0 and 9.5 and to achieve its objective through strategic asset allocation

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 Income	GB00B9J92G01	●	●	●	●	●	●	●	●
B Income	GB00BN6Q7456	●	●	●	●	●	●	●	●
Institutional	GB00B3D1NX48	●	●	●	●	●	●	●	●
Retail	GB00B1Z8MN25	●	●	●	●	●	●	●	●

**Summary of Grading:** ● Charges are not justified; significant action is required for all classes.

WFM has determined from its assessment that the annual charges are not justified for all classes in the sub-fund, due to them being high in comparison to its IA Sector peer group average together with the poor performance returns generated.

**Action being taken following the assessment.**

WFM has been in contact with the Sponsor and the Investment Adviser regarding the outcome of the AoV. The Investment Adviser has carried out an analysis of the root cause of the decline in performance and has engaged with WFM to set a future investment strategy for improvement.

**Performance**

WFM has determined that the sub-fund is not providing value to investors due to it not meeting its objective of long-term capital growth. All classes have severely underperformed over all periods against the sub-fund's comparator benchmark.

The sub-fund is operating within range for its volatility objectives as defined in the sub-fund's investment policy.

Share Class	Since Launch	5 Years	3 Years	1 Year
IA Mixed Investment 20-60% Shares Sector	99.85%	8.37%	5.98%	1.18%
A Income	51.84%	-14.59%	-5.21%	-2.22%
B Income (inception date 21/12/2020)			-8.71%	-1.05%
Institutional	46.52%	-15.73%	-6.00%	-2.54%
Retail	40.47%	-17.77%	-7.36%	-2.98%

**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. The sub-fund's prospectus permits WFM to convert shareholders' shares to the most appropriate share class, where it can be demonstrated to be in the best interests of the investors, without obtaining their prior permission. However, investors will be notified of the intention beforehand.

Share Class	Distribution Channel
A Income	Primary retail share class
B Income	Retail share class available via the Investment Adviser's Model Portfolio Service
Institutional	Institutional share class
Retail	Legacy commission-paying share class

**The Cost of Investing**

*WFM considered both the performance return and the above information during its assessment. In relation to this section of the review, WFM has assessed that the sub-fund is not providing value to investors because of the performance being delivered, associated with higher ongoing charges. The OCFs of the A Income, Institutional and Retail classes are high compared to the sub-fund's peer group. The cost of the B Income class has been reduced by the Investment Adviser, which has sacrificed its advisory fee. WFM has acknowledged this difference and will seek ways in which to reduce the OCF of the other share classes.*

**Comparable Market Rates**

*When comparing the sub-fund's charges to other fund of funds in the same IA sector, of a similar size and structure, WFM has determined that the A Income, Institutional and Retail classes are not currently providing value to its investors. The B Income class is comparable. However, it is a restricted class only available via the Investment Adviser's Model Portfolio Service, where the Investment Adviser has sacrificed its advisory fee to reduce the charges.*

**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.*



# EF 8AM Focussed Fund

The objective of the sub-fund is to achieve long-term capital growth by investing at least 50% of the sub-fund's assets in Exchange Traded Funds (including traditional closed-end funds and investment trusts) and also being able to invest directly in equities, bonds, collective investment schemes, money market instruments, cash and deposits.

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 Income	GB00B9L4T627	●	●	●	●	●	●	●	●
B Income	GB00B9MCC993	●	●	●	●	●	●	●	●
C Income	GB00B9MCNZ29	●	●	●	●	●	●	●	●

**Summary of Grading:** ● Charges are not justified; significant action is required for all classes.

WFM has determined from its assessment that the annual charges are not justified for all classes in the sub-fund due to them being high in comparison to its IA Sector peer group average together with the poor performance returns generated.

**Action being taken following the assessment.**

WFM has been in contact with the Sponsor and the Investment Adviser regarding the outcome of the AoV. The Investment Adviser has carried out an analysis of the root cause of the decline in performance and has engaged with WFM to set a future investment strategy for improvement.

### Performance

WFM has determined that the sub-fund is not meeting its objective of long-term capital growth and it is, therefore, not providing value to its investors. All classes have severely underperformed over all periods against the sub-fund's comparator benchmark.

Share Class	Since Launch	5 Years	3 Years	1 Year
IA Flexible Investment Sector	66.89%	18.42%	14.67%	3.29%
A Income	21.79%	-6.57%	-7.90%	-1.47%
B Income	21.28%	-6.66%	-7.91%	-1.48%
C Income*	-27.49%			-4.33%

\*Missing performance data for 3 and 5 years due to no shares in issue between 2014 and 2021

### 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. The sub-fund's prospectus permits WFM to convert shareholders' shares to the most appropriate share class, where it can be demonstrated to be in the best interests of the investors, without obtaining their prior permission. However, investors will be notified of the intention beforehand.

Share Class	Distribution Channel
A Income	Primary Retail Share Class
B Income	Retail Share Class
C Income	Unsolicited non-UK business

### The Cost of Investing

WFM considered both the performance return and the above information during its assessment. In relation to this section of the review, WFM has assessed that the sub-fund is not providing value to investors because of the performance being delivered, associated with higher ongoing charges. The OCFs of the A Income and C Income classes are high compared to the sub-fund's peer group. The cost of the B Income class has been reduced by the Investment Adviser, which has sacrificed its advisory fee. WFM has acknowledged this difference and will seek ways in which to reduce the OCF of the other share class.

**Comparable Market Rates**

*When comparing the charges to other fund of funds in the same IA sector, of a similar size and structure, WFM has determined the share classes as not currently providing value to its 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.*



# EF 8AM Tactical Growth Portfolio

The objective of the Fund is to provide long term capital appreciation, investing in a diversified portfolio of collective investment schemes, transferable securities (including investment trusts), warrants, deposits and money market instruments. In doing so the sub-fund will invest in and gain exposure from time to time to equities, bonds, hedge funds, private equity, debt instruments, physical assets and hard and soft commodities, which may include art, wine, gold, oil and other commodities.

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 Income	GB00B9C65S15	●	●	●	●	●	●	●	●
Institutional	GB00B3KQYZ10	●	●	●	●	●	●	●	●
Retail	GB00B3KQYX95	●	●	●	●	●	●	●	●

**Summary of Grading:** ● Charges are justified based on assessment and therefore no significant action necessary.

### Performance

The sub-fund has met its long-term capital appreciation target over the recommended holding period. The sub-fund is outperforming the sector benchmark over 3 years but is marginally below the sector over 1 and 5 years. WFM has determined that the sub-fund has provided value to its investors.

Share Class	Since Launch	5 Years	3 Years	1 Year
IA Flexible Investment sector	70.64%	18.42%	14.67%	3.29%
A Income	57.67%	17.62%	16.30%	-2.77%
Institutional	52.56%	16.13%	15.40%	-3.03%
Retail	44.96%	13.28%	13.70%	-3.51%

### 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. The sub-fund's prospectus permits WFM to convert shareholders' shares to the most appropriate share class, where it can be demonstrated to be in the best interests of the investors, without obtaining their prior permission. However, investors will be notified of the intention beforehand.

Share Class	Distribution Channel
A Income	Primary Retail Share Class
Institutional	Institutional Share Class
Retail	Legacy Retail Share Class

### The Cost of Investing

WFM has considered both the performance return and share class information during its assessment. In relation to this section of the review, WFM has assessed that the sub-fund is not providing value to investors because of the associated higher ongoing charges, although WFM recognises that the sub-fund has achieved its investment objective and, therefore, no significant action has been taken. WFM will continue to monitor this and will seek ways in which to reduce the OCF of the all the share classes.

### Comparable Market Rates

When comparing the charges to other fund of funds in the same IA sector, of a similar size and structure, WFM has determined the share classes as not currently providing value to its 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.*