

Assessment of Value

EF Tellsons ICVC

Including sub-fund

EF Tellsons Endeavour Fund

31st March 2022



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Assessment of Value - Overview

As the Authorised Fund Manager (AFM), WAY Fund Managers Limited (WFM) has completed this assessment of value to consider whether the payments that the EF Tellsons ICVC (the “Fund”) prospectus allows to be taken from the Fund or its sub-funds are justified in the context of the overall value delivered to the sub-funds’ shareholders.




WFM’s Product Governance Committee carries out the initial assessment annually for each sub-fund taking into consideration the factors laid out 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.

WFM believes that value for investors does not necessarily mean the lowest costs. Investors seek value in many ways. Higher costs may be incurred because of the investment adviser’s style, for example by ‘active’ or ‘passive’ investment, or by seeking greater asset diversification that is often achieved where investment is based on a ‘fund of funds’ approach.

WFM’s assessment of value examines the controls it has in place to manage costs, whilst assessing the actual returns achieved by investors relative to the investment objective(s) of each sub-fund. To this end, WFM has considered the following factors for each class of shares within each sub-fund:

- The range and quality of services that are provided;
- The performance of the sub-fund against its objective(s) and benchmark(s);
- The cost of investing;
- Any economies of scale that WFM may achieve;
- A comparison of the market rates paid to external third parties for fund services;
- A comparison to other funds that WFM manages to ensure that WFM is charging on a ‘like for like’ basis; and
- The specific range of share/unit classes available.

WFM has adopted a traffic light system to show how it has rated each sub-fund against the above criteria to enable it to provide an overall rating of the value received by investors.

	GREEN	This means WFM has determined that the sub-fund provides value to investors
	AMBER	This means WFM has determined that the sub-fund provides value to investors, but may merit some action or further monitoring
	RED	This means WFM has determined that the sub-fund does not currently provide value to investors








More detail on the delivery of objectives and costs can be found in the Fund’s Annual Financial Statements for the period ending 31st March 2022 which can be viewed using this link <https://www.wayfunds.com/Funds>.

The Outcome of this Assessment

Each sub-fund of EF Tellsons ICVC will have its own assessment. This will be set out as the overall grade for the complete assessment, together with grading for each of the factors considered above.

EXAMPLE = EF Fund - “Sub-Fund” graded as Providing value to the investor










Range & Quality of service	Performance	Cost of investing	Economies of scale	Comparable market rates	Comparable services	Class of units
						

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Sub-Fund – EF Tellsons Endeavour Fund

Graded as providing value to the investor

WFM has shown its assessment of each of the individual criteria below. Overall, it is WFM’s opinion that an investment into the sub-fund provides value to investors and that the charges are justified in the context of the overall value delivered to investors.

Range & Quality of service	Performance	Cost of investing	Economies of scale	Comparable market rates	Comparable services	Class of units
						

The range of services that WFM provides to investors

As the AFM, WFM is responsible for overseeing any third-party that provides services to its funds. Being based in Wimborne, Dorset allows 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 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, risk, and other operational arrangements.

WFM engages with and monitors the following outsourced operational service providers:

Sponsor, Distributor and Investment Manager – Tellsons Investors LLP

Depositary – Northern Trust Investor Services Limited

Fund Accountant – Apex Fund and Corporate Services (UK) Ltd

Auditor – PKF Littlejohn LLP

Transfer Agent and Registrar – Investor Administration Solutions Ltd (an Appointed Representative of WFM)

Outcome of the assessment

WFM considers that a good level of service is provided to shareholders by all parties involved and it is commensurate to the amounts paid by the sub-fund for those services and provides value to the investor. Therefore, no further action is planned.

Performance of the sub-fund

WFM assesses the value represented by the investment performance achieved by the 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(s), its recommended holding period and, where relevant, its relative exposure to investment risk to achieve this.

The investment objective of the Fund is to target capital growth, with less of the volatility of equities, at a rate of 3-4% (net of fees) in excess of a composite performance benchmark over a 5 year period. The target performance benchmark represents 50% of UK Consumer Prices Index (CPI) (rolling 5-year average) and 50% of the FTSE Actuaries UK Conventional Gilts up to 5 years Index. Volatility is measured against the MSCI World 100% Hedged to GBP Index. Investment in the sub-fund should be regarded as long-term, which is at least five years.

The sub-fund’s risk and reward profile is 4, on a scale of 1 to 7, where 1 represents typically lower risk and reward and 7 higher risk and reward.

The sub-fund’s Investment Association (“IA”) sector is the IA Mixed Investment 20-60% Shares.

The sub-fund has 3 measured benchmarks, being the target performance benchmark in 1. below (“Composite”), the volatility benchmark in 2. below (“Volatility”) and its UK peer group comparator performance benchmark in 3. below (“IA Sector”).	
1. Composite	The target performance benchmark represents 50% of UK Consumer Prices Index (CPI) (rolling 5-year average) and 50% of the FTSE Actuaries UK Conventional Gilts up to 5 years Index.
2. Volatility	MSCI World 100% Hedged to GBP Index
3. IA Sector	IA Mixed Investment 20-60% Shares sector average

Performance Measures	5 Years	3 Years	1 Year
1. Composite	5.47%	3.39%	1.65%
2. Volatility	12.84%	14.26%	11.28%
3. IA Sector	19.33%	15.11%	3.30%

**EF Tellsons Endeavour Fund
Fund Performance**

Share Class	5 Years	3 Years	1 Year	Performance Grading (over 5 years)
A Acc Class	29.60%	22.36%	3.89%	
A Inc Class	29.64%	22.35%	3.88%	
Z Acc Class	28.00%	21.45%	3.62%	
Z Inc Class	27.93%	21.39%	3.62%	
PF Acc Class	26.62%	19.56%	3.35%	
SP Acc Class	31.89%	23.67%	4.25%	

**EF Tellsons Endeavour Fund
Volatility**

Share Class	5 Years	3 Years	1 Year	Performance Grading
A Acc Class	6.21%	7.71%	7.40%	
A Inc Class	6.23%	7.71%	7.41%	
Z Acc Class	6.21%	7.71%	7.40%	
Z Inc Class	6.23%	7.71%	7.41%	
PF Acc Class	5.80%	7.15%	6.92%	
SP Acc Class	6.21%	7.72%	7.41%	

The sub-fund has met its investment objective.



Outcome of the assessment

The sub-fund is meeting its objective, providing value to the investor. Therefore, there is no further action planned.

The Cost of investing

All expenses and general disbursements paid by the 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.

Share Class	Ongoing cost ("Ongoing Charges Figure" or "OCF")			Transaction Costs (not included in OCF)
	Total OCF	AMC	Other fees	
A Acc	0.96%	0.75%	0.21%	0.17%
A Inc	0.96%	0.75%	0.21%	0.17%
Z Acc	1.21%	1.00%	0.21%	0.17%
Z Inc	1.21%	1.00%	0.21%	0.17%
*PF Acc	0.21%	0.00%	0.21%	0.17%
SP Acc	0.61%	0.40%	0.21%	0.17%

*PF Acc share class attracts a performance fee from the Fund if certain conditions are met. During this period, the share class attracted a 1.22% fee which, when added to the OCF, gives an overall cost in this period of 1.43% for that share class.

Shareholders can compare the charges across WFM's fund range at:

<https://www.wayfunds.com/Funds/EnhancedFee>



Outcome of the assessment

The overall costs of the primary share class (A) is slightly higher than the sub-fund's peer group, the IA Mixed Investment 20-60% shares. However, WFM has determined the sub-fund provides value for its investors.

Comparable market rates

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. WFM has, however, completed an assessment of the sub-fund's overall costs against similar funds in the marketplace, to provide an indication as to how competitive the sub-fund may be.

The assessment was completed using FE Analytics data against a range of funds with similar constituents of the IA Mixed Investment 20-60% Shares sector (the sub-fund's Investment Association (IA) "peer group"). It should be noted that the IA sector is not the sub-fund's target benchmark for investment performance or volatility. It should also be noted that the figures shown for the sub-section of the sector:

1. Does not include funds that invest more than 10% in other funds, which can have significantly higher OCFs due to the inclusion of the underlying fund costs being considered in the calculation;
2. Includes funds domiciled in jurisdictions outside of the United Kingdom.

Share Class	Ongoing cost (OCF)			Transaction Costs (not included in OCF)
	Total OCF	AMC	Other fees	
A Acc	0.96%	0.75%	0.21%	0.17%
A Inc	0.96%	0.75%	0.21%	0.17%
Z Acc	1.21%	1.00%	0.21%	0.17%
Z Inc	1.21%	1.00%	0.21%	0.17%
*PF Acc	0.21%	0.00%	0.21%	0.17%
SP Acc	0.61%	0.40%	0.21%	0.17%
IA Mixed Investment 20-60% shares sector	0.90%	0.64%	0.26%	0.17%

*PF Acc share class attracts a performance fee from the Fund if certain conditions are met. During this period, the share class attracted a 1.22% fee which, when added to the OCF, gives an overall cost in this period of 1.43% for that share class.

***Outcome of the assessment**

WFM has compared the charges of this sub-fund's primary share class with that of comparable funds and the overall cost of investing in the sub-fund's primary share class is broadly similar to those funds in the sub-section of the IA sector described above. WFM has determined that the sub-fund is providing value for its investors.

Economies of scale

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 funds reach certain sizes, ensuring all benefits of economies of scale are applied directly to the funds and their investors. This means that as a fund grows, it benefits from the improved economies of scale. Certain services may have fixed or minimum fees. WFM seeks to ensure that each fund offers value to investors and is viable considering the impact of any fixed or minimum fees.

Outcome of the assessment

All available savings from economies of scale achieved by WFM or the sub-fund are passed to the investors. No further action planned.

Comparable services

With regard to AFM services, 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, because the size, investment nature and risk can vary between different funds, depending on their investment objectives and policies. However, WFM endeavours to ensure that the ongoing fees paid by the funds are similar to those paid by other comparable funds in its range.

Shareholders can compare the charges across WFM's fund range at:

<https://www.wayfunds.com/Funds/FundChargesandCosts>

Outcome of the assessment

All investors are provided with the same service and fees charged for similar funds across WFM's fund range are comparable.

Classes of shares/units

Each fund may have several share classes, with different characteristics and charging structures, to cater for the ways in which they may have been marketed. It is important to point out, however, that WFM has no control over the selection of share classes by investors or their financial advisers.

WFM conducts a review of each of the share classes across the sub-fund to compare them with the share classes of funds and sub-funds within its other fund ranges. This is to ensure, as far as WFM reasonably can, that shareholders are in the correct unit/share class given the size of their holding.

Share Class	Distribution Channel
A Acc	Primary accumulation share class open to all investors
A Inc	Primary income share class open to all investors

Z Acc	Restricted to founder investors in the Fund
Z Inc	Restricted to founder investors in the Fund
PF Acc	Class subject to performance fees
SP Acc	Institutional class



Outcome of the assessment

WFM endeavours to ensure that all shareholders are in the most appropriate share classes. Share classes are monitored for continued suitability. 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 investor, without obtaining their prior permission. No other action is currently planned.

