

**SIMPLIFIED PROSPECTUS OF THE  
ELITE CHARTERIS PREMIUM INCOME FUND**

**THIS DOCUMENT IS IMPORTANT - PLEASE ENSURE THAT  
YOU READ IT CAREFULLY BEFORE DECIDING WHETHER TO  
INVEST**

## INTRODUCTION

This document gives you a summary of the Elite Charteris Premium Income Fund (the “Fund”), which is an authorised unit trust and is a UCITS Scheme, to assist you in deciding whether you wish to invest in the Fund.

This Simplified Prospectus contains brief details of the Elite Charteris Premium Income Fund. Please refer to the full Prospectus for further information.

The first section deals with the generic features of the Fund and then there is a specific section on the technical details of the Fund.

As well as information on the Elite Charteris Premium Income Fund, we have also included answers to a number of questions you may have about the Fund.

## THE AIMS OF THE FUND

To enable you to achieve a combination of income and capital growth with a particular emphasis on income.

You can also invest in the Fund through a Stocks and Units Individual Savings Account (ISA), providing a tax-efficient investment in the Elite Charteris Premium Income Fund (please read the separate ISA Key Features and Terms and Conditions).

## YOUR INVESTMENT

Your investment is in Income Units in the Elite Charteris Premium Income Fund.

You can invest in the Fund directly or through certain products in the following manner subject to the minimum amounts specified:

### Product

	Minimum
Lump Sum	£1,000
Monthly Savings Plan	£100pm
ISA	£1,000

At its absolute discretion, Elite Fund Administration (‘EFA’ or ‘Elite’) may vary the minimum investment levels.

## RISK FACTORS

Investors should appreciate that there are inherent risks in all types of investments. Stock market prices

can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment.

- Past performance is not necessarily a guide to future growth or rates of return.
- The capital value and the income from units issued by the Fund can fluctuate and the price of units and the income from them can go down as well as up and are not guaranteed.
- Investment in the Fund should be regarded as long-term, which is upwards of three to five years. There can be no guarantee that the objectives of the Fund will be achieved.
- On encashment, particularly in the short-term, investors may receive less than the original amount invested. The Manager’s initial charge is deducted from an investment at the outset and an equivalent rise in the value of the units is required before the original investment can be recovered.
- Exemptions, thresholds and rates of tax may change in the future.

Any Fund specific risks are contained in the ‘Fund Information Sheet’ appended to this document.

## YOUR QUESTIONS ANSWERED

### What is the profile of a typical Investor?

The Fund is appropriate for those investors who understand the risks involved in stock market investment and are seeking a medium to long term investment.

You are recommended to seek independent investment advice before making any Investment into the Fund.

### How do I invest?

- You may invest into the Elite Charteris Premium Income Fund by telephone or by post. Investment into the Stocks and Units ISA is by post only.
- To invest by telephone, simply call your Financial Adviser who can arrange for an

investment to be made on your behalf. Alternatively, call the number shown later in this document under 'WAY Fund Managers Limited'.

- To invest by post, simply send the appropriate application form and cheque to your Financial Adviser or direct to Elite. We recommend you talk to your Financial Adviser before making an investment.
- Cheques should be made payable to '**WAY Fund Managers Limited**'. In order to comply with the UK law on money laundering, cheques must be drawn on your own account or a joint account with your spouse. If you ask your bank or building society to draw the cheque, they must state on the cheque that the funds have been drawn from an account in your name. For example, the payee would be '**WAY Fund Managers Limited (Re: A. N. Other)**'. Alternatively, ask them to write your name and address on the reverse of the cheque and add the bank/building society stamp and signature to confirm the money is drawn from your account.
- Investing via a monthly savings plan is by Direct Debit and will be collected on the first business day of each month. The completed Direct Debit Mandate should be sent with the appropriate application form to your Financial Adviser or direct to Elite.
- No interest payment will be made on client money held by WAY Fund Managers prior to investment in your chosen fund(s). Client money will be held in an account with HSBC plc.

### How do I sell my investment?

If you use the services of a firm of Financial Advisers, we recommend you contact them to arrange the sale of your units. Otherwise, you may sell your units in the Elite Charteris Premium Income Fund or ISA by telephone or in writing to Elite.

- You may sell all of your units or sell units to a minimum value of £1,000, provided the prevailing value of your remaining investment does not fall below the current minimum investment levels. The minimum

remaining investment restriction does not apply where units are being sold from a monthly savings plan to which contributions are continuing.

- Elite will send you a Contract Note confirming each transaction on the next business day after the valuation point at which units are sold.
- Settlement of your sale of units will be made by Elite on the fourth business day following receipt of valid written instructions to sell.

### Are there any Anti-Money Laundering Requirements?

If, at the time your application has been made, the requirements of the regulations regarding money laundering have not been met, Elite Fund Administration will normally require further evidence (of your identity and/or permanent address) from you before your investment can be completed. If you invest through a financial adviser, they will normally carry out this function as part of their service to you. If you are not investing through a financial adviser, please contact Elite before making an application.

### How are share prices calculated?

The price of units is calculated daily following a valuation of the underlying net assets of the funds. These valuations will normally be as at 12 noon on each business day. Dealing is on a forward basis, which means that you normally buy or sell units at the prices calculated at the valuation point immediately following receipt of your dealing instructions.

### What documentation do I receive once I have invested?

- You will be sent a contract note confirming your investment on the next business day after the valuation point at which you invest.
- You should keep these in a safe place, as we do not issue share certificates.

You will receive interim and annual reports for the Fund for the relevant accounting period together with other performance details. Where distributions are declared in respect of non-ISA investments, you will receive a tax voucher with or prior to the final report.

A copy of the Prospectus (which includes more

information) and the latest reports can be obtained free of charge from Elite.

### **What is my tax position?**

In respect of Elite Charteris Premium Income Fund; where there is income to distribute, this will normally be in the form of a Dividend distribution.

- A Dividend distribution will be subject to Income Tax on the aggregate of the distribution and associated tax credit. At the time of printing the value of the tax credit is equal to one ninth of the dividend receipt and the aggregate of the dividend receipt plus tax credit will form part of your investment income, which will be treated as the top slice of your total income for UK tax purposes.
- If you are a UK resident individual you cannot reclaim the tax credits in respect of a Dividend distribution from HM Revenue & Customs, regardless of your tax status. If you are liable to tax at the starting or basic rates only you will have no additional tax liability.
- An Interest distribution will be subject to a deduction of tax from the gross interest which, at the time of printing, was equivalent to one fifth of the gross interest payable. Non-taxpayers may be able to reclaim some or all of the tax deducted from an Interest Distribution.

Whether distributions are in the form of Dividend or Interest, if you are a higher rate taxpayer you may have an additional liability.

No Capital Gains Tax is paid within the Fund, although subject to your annual allowance you may have a personal liability when you dispose of your units.

Your tax position will depend on your individual circumstances.

### **Can I receive income from my investment?**

The Elite Charteris Premium Income Fund issues Income Units. However, any income generated can be reinvested to purchase further units in the Elite Charteris Premium Income Fund.

### **How can I keep track of my investment?**

Unit prices are published on the Financial Express website ([www.fundlistings.com](http://www.fundlistings.com)) and select “WAY Fund Managers”, or by contacting Elite.

### **Can I increase my investment?**

The minimum additional lump sum investment is £1,000. If you are investing monthly you can increase your investment at any time, in multiples of £10. Call your Financial Adviser or Elite for further information on how to increase your investment.

You can reduce your monthly contributions at any time, subject to the minimum monthly contribution being at least £100 in any single fund. To reduce your contributions, you must write to your usual Financial Adviser, or to Elite, quoting your account number and the new monthly contribution.

### **Can I change my mind about my application?**

- You may have the right to change your mind where the contract was arranged through an authorised financial adviser, unless they hold an appropriate customer agreement with you (which excludes the right to cancel), or dealt on your behalf on an execution only basis.
- If you are entitled to ‘cancellation rights’ we will send you a Notice of Cancellation. You will then have 14 days to cancel your investment.
- If you cancel, you will receive a refund of either the full amount invested or, should the buying price of units have fallen since the investment was acquired, the refund will be reduced by an amount equal to that fall in value.

Please note that applications resulting from non face-to-face communication (“distance contracts”) will not benefit from a right to cancel.

### **How much will any advice cost?**

Your financial adviser will give you details about the cost. The amount will depend on the size of the investment and the length of the investment term. It will be paid out of the direct charges. Details of the cost of advice will also be included in the contract note or letter of acknowledgment sent to you after

you invest.

### **What charges will apply to my investment?**

There are a number of charges that may apply to your investment in the Fund.

- Initial Charge – this charge is deducted directly from the amount you are investing.
- Annual Management Charge – this is calculated and deducted from the fund and is reflected in each day's published share price.
- Other Expenses - other expenses include depositary/trustee fees, audit, registration, Stamp Duty Reserve Tax and FSA fees and underlying fund charges.

### **What is the Total Expense Ratio?**

The Total Expense Ratio (TER) of a Fund is the annual operating expenses of the fund expressed as a percentage of the daily average net assets – it does not include initial charges and investment transaction expenses. The TER provides a measure to assist you in comparing the annual operating expenses of all European funds. In addition to the annual management charge, the TER includes certain charges which are deducted directly from the Fund and these include:

- Registration Fee, Depositary Fee; Audit Fee; FSA Fee; the effect of the TER applicable to any underlying collective investment; and the cost of producing reports.

### **What is the Reduction in Yield?**

The Reduction in Yield, (RIY) shows you how a fund's charges can be expected to reduce your investment return.

The growth figures used for these calculations are based on notional growth rates which may or may not be achieved. They are provided only to illustrate the effect of charges and expenses on an example investment. The yield figures and charges are based on historical data as at the date of the Fund's last annual report and accounts.

### **What is the Portfolio Turnover Rate?**

The Portfolio Turnover Rate (PTR) is calculated in accordance with a set formula in order to give you an indication of the volume of transaction activity within the underlying portfolio.

### **What is Stamp Duty Reserve Tax?**

Stamp Duty Reserve Tax (SDRT) is a tax levied by HM Revenue and Customs on the ACD or Depositary based on the sale (redemption) or transfer of units in a Fund. SDRT is levied at a rate of 0.5% that is (under The Regulations) permitted to be charged to the Fund or charged to individual Shareholders by way of an entry or exit fee. Such a fee would be additional to other charges and affect the value invested or proceeds received on redemption.

In most cases, any SDRT liability will be borne by the Fund. However, where the aggregate units being redeemed constitute more than 2% of the value of the Fund, the ACD reserves the right to levy a charge of 0.5% against exiting Shareholders.

Where units are being transferred between parties, the ACD will request advance payment of any estimated SDRT liability from the transferee before the transfer is completed.

### **Who do I contact if I have a complaint?**

If you have a query or if you wish to complain about any aspect of the service you have received, please contact Elite. If you have a query about the information contained in this booklet, please contact your financial adviser or Elite.

### **Compensation Arrangements**

WAY Fund Managers Limited is covered by the Financial Services Compensation Scheme. You are entitled to compensation from a scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum limit of £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

### **Is it possible to get more detailed information about the Fund?**

This Simplified Prospectus contains information which is abridged from the full prospectus. Copies of the Full Prospectus and the latest Managers Reports are available free of charge from Elite Fund Administration (at the address of the ACD). These documents are only available in English.

FSA Reference Number 222623

**Which contact details should I be aware of?**

Elite Fund Administration Elite Fund Administration (EFA) is a trading name of WAY Fund Managers Limited and can be contacted at the address and telephone number of the ACD below.

The Authorised Corporate Director (ACD) of the Fund is: WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB  
Telephone 01202 855856  
FSA Reference number 194147

The Auditor of the Fund is: Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU

The Depository of the Fund is: State Street Trustees Limited, 20 Churchill Place, London E14 5HJ  
FSA Reference Number 186237

The Regulator of the Fund is: The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS

**Issue Date – October 2010**

## **Elite Charteris Premium Income Fund - Fund Information Sheet**

### **Aims of the Fund**

The aim of the Fund is to achieve a combination of income and capital growth with a particular emphasis on income.

### **How the Aims are Achieved**

The Fund will aim to achieve its investment objective through investment in a portfolio of transferable securities (including investment trusts), derivatives, collective investment schemes, warrants, cash and near cash deposits and money market instruments.

- The portfolio will be actively managed and normally remain fully invested save for such operational liquidity as is required from time to time. The assets of the Fund will be managed in such a way that the Units in the Fund will be qualifying investments for Individual Savings Accounts.
- There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations. This means that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time provided such investment is compatible with the investment objective and policy of the Fund as a whole.
- The use of derivatives and/or hedging transactions are permitted in connection with the efficient portfolio management of the Fund, and borrowing will be permitted on a temporary basis under the terms of the Regulations. In particular, derivatives transactions, including options, may be written in respect of the underlying investments of the Fund on a fully covered basis.
- On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. The use of derivatives in this way may change the risk profile of the Fund.

### **Specific investment risks associated with this Fund**

- The Fund is a single country fund and as such, can give rise to more risk than where investments are spread over a larger number of countries. Smaller companies may be subject to greater and more rapid changes in price and may be less liquid than average. The Fund can invest a large proportion of its assets in such companies.
- The Fund will normally invest in written call options, which are intended to protect the capital value of investments within the Fund. Whilst the premiums received can help to boost the performance of the Fund, in certain market conditions, typically where stock prices are rising, such investments can have the effect of constraining capital growth, as they have an associated cost attached to them.
- Defensive investment in cash and money market instruments, at times when relevant stock market indices are rising, may constrain the growth of capital invested in the Fund.

### **Fund Structure**

The Fund is a Unit Trust and is a UCITS Scheme and was authorised on 22 August 2001. The base currency of the Fund is in UK £ Sterling. The Fund is open-ended with an unlimited duration. The Fund was launched on 10 December 2001 and issues Income and Accumulation Units.

## Investment Adviser

The Investment Adviser is Charteris Treasury Portfolio Managers Limited (Charters), 8-9 Lovat Lane, London EC3R 8DW. They are authorised and regulated by the Financial Services Authority (FSA). Charteris is entered on the FSA Register and has an FSA Reference Number of 114952.

## Charges

Initial Charge	5%
Annual Management Charge	1.5%
Other Annual Charges	0.17%
Total Expense Ratio	1.67%
Estimated Yield	4.2%
Portfolio Turnover Rate	50.67%
Charges Deducted From	Capital

## Effect of Charges

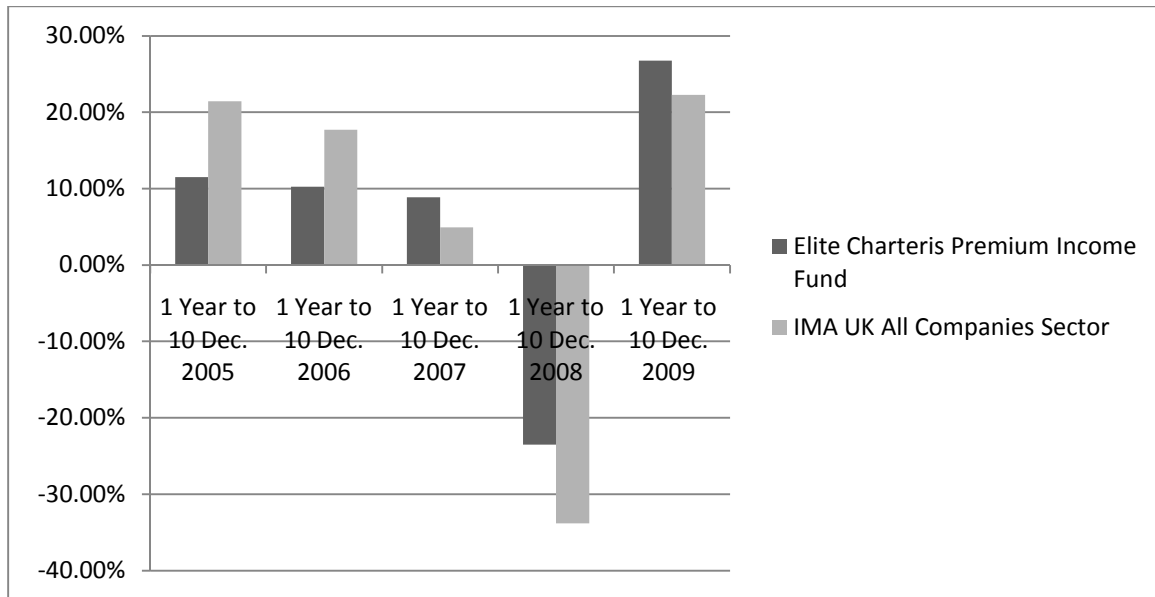
The following tables show you the effect our charges have on your investment. The figures are based on a theoretical investment of £10,000. From this we have deducted the relevant charges.

**Elite Charteris Premium Income Fund - Income Units**  
**Annual direct and indirect charges and expenses 1.67%**  
**Estimated Net Yield 4.2%**  
**Initial Charge 5%**

At the end of year	Investment to date	Income Units		
		Effect of deductions to date	Income Paid out to date	What you might get back at 6.0% growth a year
1	£10,000	£694	£398	£9,502
3		£1,120	£1,195	£9,503
5		£1,599	£1,992	£9,504
10		£3,071	£3,984	£9,507

The last line in the Table shows that over 10 years, the effect of total direct charges and expenses could amount to £3,071. Putting it another way, if the growth rate were to be 6%, which is in no way guaranteed, this would have the effect of reducing it to 4.0% a year.

## Past Fund Performance



October 2010