

Investment Objectives and Policy

The investment objective is to achieve an annual gross return of the Bank of England base rate + 5% over the full market cycle without the constraints of any fixed asset allocation parameters. The investment policy is to invest in a diversified portfolio of assets which exhibit favourable risk-reward characteristics. The fund will invest mainly in collective investments including listed funds and investment trusts which at the time of investment will typically have several of the following properties:

- niche strategy which we cannot replicate
- exceptional investment management skills
- appropriate liquidity
- excellent long term risk-adjusted track record
- investment vehicle or underlying assets trading at a discount to NAV
- catalysts exist for a re-pricing of the fund or underlying assets
- low correlation to existing portfolio assets
- its addition will be complementary to the existing portfolio

Investment Manager's Commentary

The Activus Investment Fund was down 0.5% in January. In a busy month for trading we reduced exposure to US equities which are looking increasingly frothy. We initiated a position in RTW Venture Fund which funds biotechnology companies and has an excellent track record at developing ideas into world class companies. Brevan Howard announced that it was increasing fees on its two listed funds which had the effect of moving the prices down by approximately 10%, we used the price drop to increase our position in BH Global and initiated a position in BH Macro. Additional new positions were made in Japanese and Asian equity funds.

In the near term markets will continue to be moved by news about the pandemic, vaccines and treatments. While the Biden administration will likely elevate geopolitical stability in general, China-US tensions are ongoing and we do expect markets will remain in a period of elevated volatility for some time. US equities continue to defy gravity, however we see reasonable value in Asian and UK equities. There is little value in government bonds whose yields remain close to or in many cases below 0%. The traditional 60/40 equity/bond portfolio becomes problematic when the '40' is priced to yield a zero or negative return and will certainly not protect a portfolio in the event of a market crash. Non-equity alternatives which we use include infrastructure, commodities, private equity, venture capital, gold, credit, index linked bonds and trading strategies. We are spending a lot of time evaluating alternative sources of income which exhibit stable capital values in order to balance the equity portion of the portfolio.

David Ferguson
31st January 2021

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	122.14	127.60
Shares in issue	25,077,038	7,901,945
Net Asset Value	£30,076,990	£10,082,794
Dividends	Accumulation	Accumulation
Dividend dates	none	none
Currency	GBP	GBP
Asset management charge	1.00%	0.00%
Performance fee	none	none
Total expense ratio	1.68%	0.68%
Dealing	Daily at NAV	Daily at NAV
Minimum Investment	£1,000	£1,000
Investor eligibility	All	Activus clients
Availability	Open	Open
ISIN	GB00BYPKW395	GB00BYPKW627
MEXID	PXXXI	PXXXK
Start date	19 Jul 2016	19 Jul 2016
Investment Manager	David Ferguson	
Administrator & ACD	Maitland Institutional Services Ltd	
Depository	Northern Trust	
Auditor	Grant Thornton UK LLP	
Fund Structure	UK domiciled UCITS	
	The Fund is open-ended.	
Further information	The Prospectus and Subscription Form can be obtained by contacting the investment manager or from the website www.aktivuswealth.co.uk	

Correlation measures how two securities move in relation to each other and the coefficient ranges from -1 (perfectly uncorrelated) to +1 (perfectly correlated). Correlations in this report are versus the Cboe UK All Companies index.
Beta measures the sensitivity of an investment to movements in the Cboe UK All Companies using daily data.
Alpha measures the additional annualised return after fees contributed by Activus and the asset managers in excess of the return predicted by the capital asset pricing model.

The information contained in this report should not be construed as investment advice and you should seek independent financial advice before making an investment decision. The views expressed herein reflect the views of Activus Wealth Ltd at the date of this document and should not be considered as a complete or thorough analysis of our market views. The prices, values and metrics in this report have been obtained or derived by Activus in good faith from public, private and internal sources including Maitland Institutional Services Ltd, FE Analytics, the London Stock Exchange, account providers and internally created models. Activus believes the information to be accurate but does not assume responsibility for its accuracy. The value of and income from investments may fluctuate and past performance is not a guide to future performance, future returns are not guaranteed and a loss of original capital may occur. CBOE UK All Companies Index is part of the CBOE UK Index Series ® which is a registered trade mark of CBOE Global Markets Inc, a company incorporated in the USA with registered address at 400 South LaSalle St Chicago IL60605 USA

Largest Investments

BlackRock Gold & General	5.3%
Third Point Investors (\$)	4.7%
Amati UK Smaller Companies	4.5%
Marlborough Special Situations	4.5%
Rights & Issues	4.4%
Pantheon International	4.4%
Baillie Gifford Pacific	4.3%
BH Global	4.3%
Biotech Growth Trust	4.2%
iShares Physical Gold	4.2%
Other investments	52.0%

Liquidity	3.1%
Total	100.0%

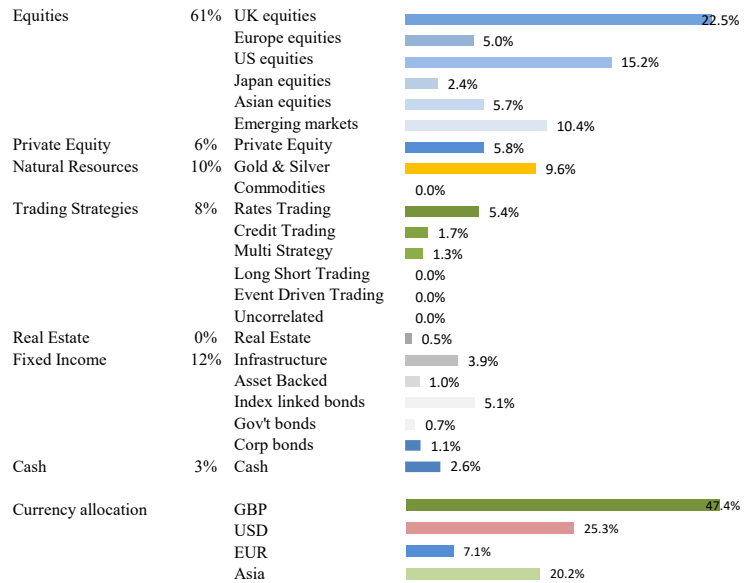
Performance

	A	Z
Annualised return	4.5%	5.5%
Cumulative return	22.1%	27.6%
Monthly return	-0.5%	-0.4%
Year to date return	-0.5%	-0.4%

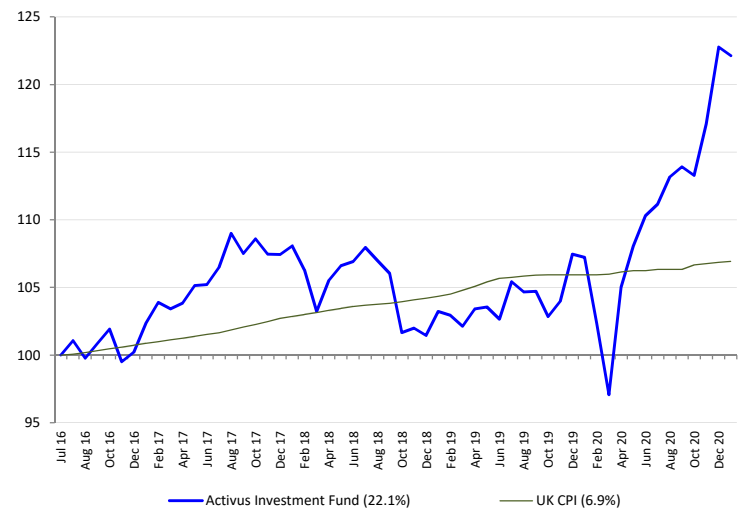
Risk Metrics

	Fund UK equities	
Volatility	7.6%	14.7%
Maximum Drawdown	-10.9%	-25.6%

Asset Allocation



Performance of A Shares since July 19th 2016



Volatility is a measure of risk. Standard deviation is used which shows how investment returns have varied from the average return over a specific period.
Sharpe Ratio measures the excess return per unit of risk. It is calculated as the return in excess of a risk free rate divided by volatility.
BOE - Bank of England Base Rate