

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 Actvus Investment Fund is up 0.1% in February. Rising yields had a negative effect on real assets with infrastructure, Treasury Inflation Protected Securities, gold and gold mining equities equities all falling. The fall in technology stocks on the other side of the Atlantic also had a small negative effect on the portfolio. Gains arose in UK & Asian stocks and private equity. During the month we reduced public equity and added three new private equity funds run by Apax, Partners Group and Standard Life.

Interest rates have risen dramatically over the first two months of the year, the US ten year government bond rising from below 1% to more than 1.5%. The questions of whether central banks have lost control of the yield curve and whether they can control inflation are being asked. Given that countries which have their own currency can print as much of it as they want, they can buy all the bonds the Treasury issues so the yield curve is fully within their remit. Inflation, however, despite central banks mission to target specific levels, is not something they can control. Repeated bouts of runaway inflation throughout recorded human history demonstrate that inflation can appear suddenly and once the cat is out of the bag is not easily controlled. Compelling arguments can be made for both inflation and deflation, however the simple truth is nobody knows which will happen, when it will happen or for how long. While we are not trying to predict which will occur, the real danger is runaway inflation and we have protection through real assets such as gold and index linked bonds.

David Ferguson
28th February 2020

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	122.27	127.84
Shares in issue	25,582,331	7,891,692
Net Asset Value	£31,280,400	£10,088,868
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	PXXXX
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.activuswealth.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 Actvus 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 Actvus 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. Actvus 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	4.9%
Third Point Investors (\$)	4.7%
Pershing Square Holdings	4.6%
BH Global	4.2%
iShares Physical Gold	4.2%
Pantheon International	4.1%
BH Macro	4.1%
CG Absolute Return Fund	4.0%
Rights & Issues	4.0%
Polar Capital Technology	3.8%
Other investments	43.1%
Liquidity	14.2%
Total	100.0%

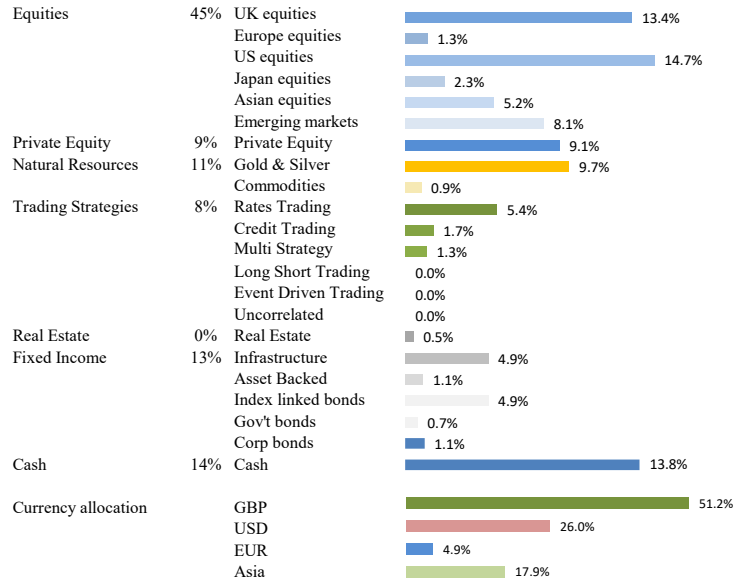
Performance

	A	Z
Annualised return	4.5%	5.5%
Cumulative return	22.3%	27.8%
Monthly return	0.1%	0.2%
Year to date return	-0.4%	-0.2%

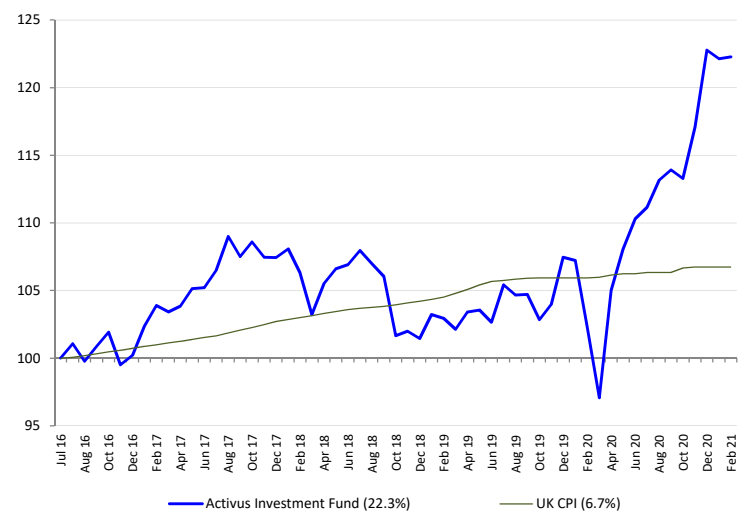
Risk Metrics

	Fund UK equities	
Volatility	7.5%	14.6%
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