

Investment Objectives and Policy

The Activus Opportunity Fund objective is to achieve capital growth before fees of at least the UK Consumer Price Index plus 5% over a 5 year period by combining a core portfolio of funds with excellent long-term risk adjusted returns with shorter-term opportunistic investment strategies. The fund will invest mainly in collective investment schemes, listed investment companies and exchange traded funds, 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 Opportunity Fund is up 1.2% in February. The rise in yields and US tech selloff detracted from returns this month. A significant positive move arose from European venture capital firm Draper Esprit which posted a 23% gain. Sterling has strengthened this year against the US Dollar which has been a headwind for the portfolio which has a more than 50% exposure to other currencies. We remain agnostic on currency exposure, hedging can be very expensive and having currency exposure adds diversification. During the month we reduced exposure to public equity and added to private equity and liquid alternatives funds.

An underwhelming US Treasury auction accompanied by rising bond yields led to a technology selloff in the US and falling equity markets globally. February was a particularly volatile month for many asset classes and we believe that this elevated uncertainty is likely to persist in the near term. In particular, the prices of shares in listed companies (public equity) are being whipsawed by market reaction to a plethora of factors including central banks, day traders and forecasts for the pandemic. We will be reducing exposure to public equity and increasing private equity, absolute return strategies, liquid alternatives funds, real assets and asset backed securities. 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)	111.18	114.08
Shares in issue	6,088,038	5,422,301
Net Asset Value	£6,769,464	£6,186,030
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	GB00BFYMDH41	GB00BFYMDK79
MEXID	PXOKLA	PXOIUY
Start date	3 Jul 2018	3 Jul 2018
Investment Manager	David Ferguson	
Administrator & ACD	Maitland Institutional Services Ltd	
Depository	Northern Trust	
Auditor	Grant Thornton UK LLP	
Fund Structure	UK domiciled UCITS	
Further information	The Fund is open-ended. 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 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

Amati UK Smaller Companies	8.5%
SDL UK Buffettology Fund	7.5%
Pershing Square Holdings	6.3%
Third Point Investors (S)	6.0%
iShares Physical Gold	4.6%
BlackRock Gold & General	4.5%
Hg Capital	4.3%
RTW Venture Fund	4.3%
Baillie Gifford Shin Nippon	4.3%
Baillie Gifford Pacific	4.1%
Other investments	33.7%

Liquidity	11.9%
Total	100.0%

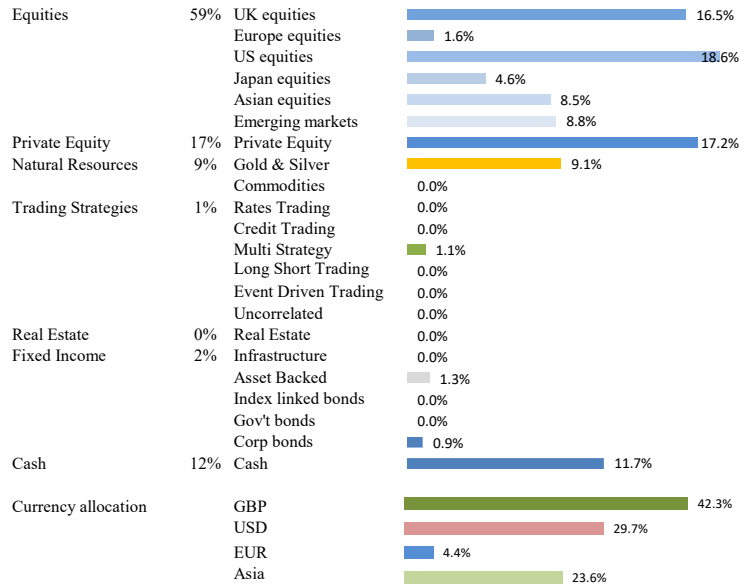
Performance

	A	Z
Annualised return	4.1%	5.1%
Cumulative return	11.2%	14.1%
Monthly return	1.2%	1.3%
Year to date return	2.1%	2.2%

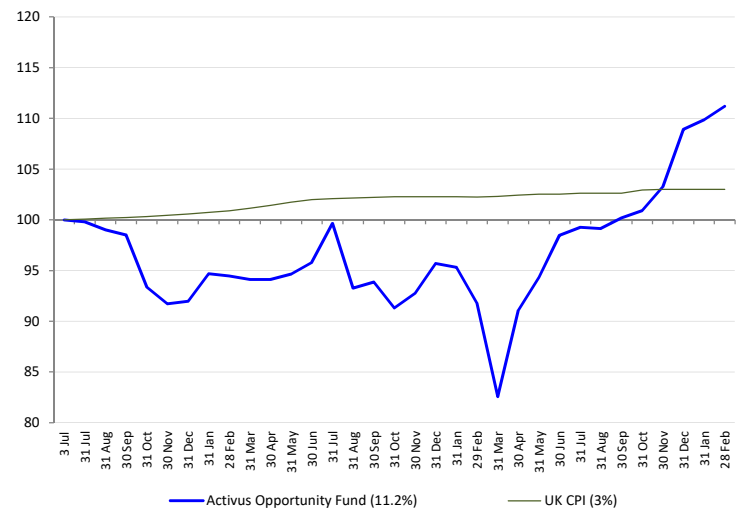
Fund Metrics

	Fund	UK equities
Volatility	12.5%	17.7%
Maximum Drawdown	-17.3%	-25.6%

Asset Allocation



Performance of A Shares since July 3rd 2018



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