

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 Actibus Investment Fund is up 0.2% in May and 3.8% for the year. During May disruptive industries including biotechnology and technology stocks fell on average 7% and Asian equities also fell, particularly Japanese smaller companies which were down 6%. Gold miners, gold, global macro and Berkshire Hathaway all made gains. For the year it is a similar picture with additional gains being made in our UK equity funds, private equity holdings and US hedge funds. In May we added to our position in Amati Strategic Metals.

We touched on the inflationary risk in our report last month and it is worth noting that the risk is not just on the inflationary side of the equation. The inflationary fear is that while a high UK growth rate in 2021 is something to be welcomed and is clearly a sign that things are moving in the right direction, the economic effects of the repeated lockdowns and government actions to offset their effects will be felt for many years to come. The massive amount of debt taken on by most of the major economies to fund the measures taken by governments will be at the very least a drag on economic growth and at worst the catalyst for a massive future sovereign debt crisis. Governments' money creation schemes follow the unproven Modern Monetary Theory and therefore rely on the concept of "This time is different" which is not a phrase with a successful economic history.

On the flipside other commentators fear the economy will enter into a period of stagnation with a deflationary vicious circle developing in place of the inflationary one described above. While the bounce back from lockdown in the UK and US seems to have allayed the short term risk of deflation, it is not hard to envisage a situation where the economy falls into a deflationary cycle once this initial positive effect abates. Scenarios where vaccine resistant virus mutations lead to a cycle of lockdowns, stifling growth and delaying the economic recovery, are not hard to envisage.

We will not try and second guess this fundamental economic argument but will continue to strive to manage the portfolio so that it is prepared for all economic weathers.

David Ferguson
31st May 2021

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	127.45	133.55
Shares in issue	28,413,416	8,306,273
Net Asset Value	£36,230,868	£11,082,804
Dividends	Accumulation	Accumulation
Dividend dates	none	none
Currency	GBP	GBP
Asset management charge	1.00%	0.00%
Performance fee	none	none
Total expense ratio	1.63%	0.63%
Dealing	Daily at NAV	Daily at NAV
Minimum Investment	£1,000	£1,000
Investor eligibility	All	Actibus 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.actibuswealth.co.uk	

Largest Investments

Third Point Investors (\$)	4.5%
Berkshire Hathaway	4.4%
Pershing Square Holdings	4.4%
Sequoia Economic Infrastructure	4.3%
Supermarket Income REIT	4.2%
BBGI Global Infrastructure	4.2%
International Public Partnerships	4.2%
Pantheon International	4.0%
iShares Physical Gold	3.8%
Hg Capital	3.7%
Other investments	56.1%
Liquidity	2.2%
Total	100.0%

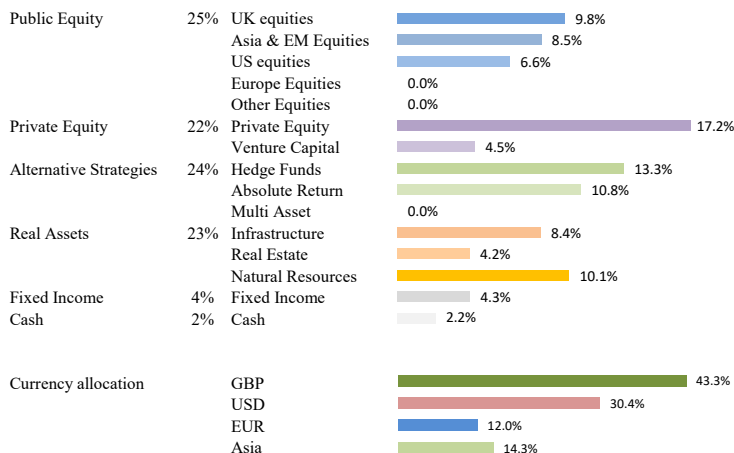
Performance

	A	Z
Annualised return	5.1%	6.1%
Cumulative return	27.5%	33.6%
Monthly return	0.2%	0.3%
Year to date return	3.8%	4.2%

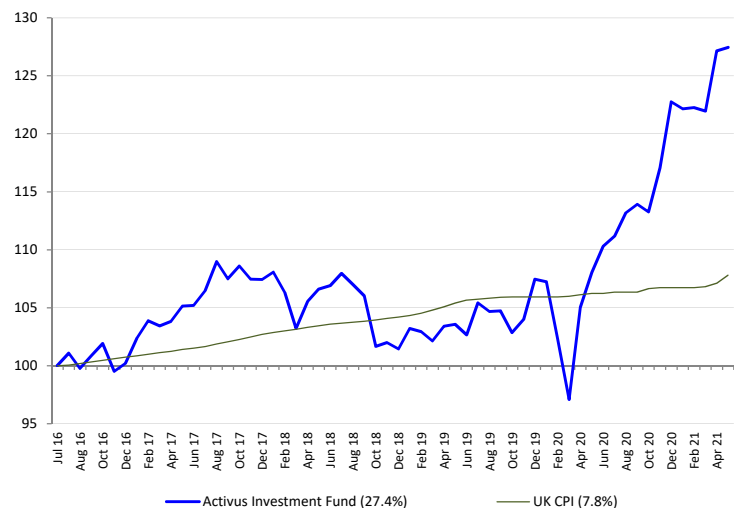
Risk Metrics

	Fund	UK equities
Volatility	7.5%	14.4%
Maximum Drawdown	-10.9%	-25.6%

Asset Allocation



Performance of A Shares since July 19th 2016



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 Actibus and the asset managers in excess of the return predicted by the capital asset pricing model.

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

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