

**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 down 0.9% in May and is up 4.4% for the year. During May we initiated a new position in UK equity fund Throgmorton Trust and Baillie Gifford's Scottish Mortgage Trust which invests in disruptive growth stocks. To fund these we exited our position in global macro fund BH Macro. In May we added to APAX private equity at a significant discount to the prevailing price, acquiring shares in an accelerated book-build.

The UK inflation data released this month will add to concerns for policy makers. Any student of economic history can detail many previous instances of governments massively increasing the money supply and all have led eventually to high inflation or even hyperinflation. It is true that many distinguished economists will explain that we are in a new paradigm such that not just one but whole forests of magic money trees can be harvested without the side effect of dangerously high inflation but the risk has to be that in fact there will be an eventual reckoning. Central banks would welcome a small amount of inflation as it would assist governments in paying off their debts in devalued currency and would ensure that there was no risk of a central banker's other worst nightmare of a stagnating or deflating economy. However inflation is a difficult beast to control once it's let loose.

Despite the recent increase in inflation it is worth noting that some market observers believe there is a very real risk of deflation. Recent inflation in raw materials, fuel, clothing, metals and building supplies could well be short lived, with further economic shocks coming from geopolitical tensions and Covid lockdowns dampening global demand. This in turn would force governments to further increase spending and standard economic theory would state that in this case the demand side push on inflation would evaporate, potentially pushing economies towards deflation and consumers into the Catch-22 of buy now or wait, which governments will be trying to avoid at almost any cost.

**David Ferguson**  
31st May 2021

**Investment Information**

Share Class	Class A Acc	Class Z Acc
Price per share (p)	113.74	116.98
Shares in issue	7,536,251	5,597,789
Net Asset Value	£8,571,891	£6,548,227
Dividends	Accumulation	Accumulation
Dividend dates	none	none
Currency	GBP	GBP
Asset management charge	1.00%	0.00%
Performance fee	none	none
Total expense ratio	2.27%	1.27%
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 <a href="http://www.activuswealth.co.uk">www.activuswealth.co.uk</a>	

**Largest Investments**

Third Point Investors (\$)	6.4%
Pershing Square Holdings	6.3%
Oakley Capital	4.7%
Pantheon International	4.7%
Apax Global Alpha	4.6%
Berkshire Hathaway	4.5%
Hg Capital	4.5%
RTW Venture Fund	4.4%
Princess Private Equity	4.4%
Draper Esprit	4.3%
Other investments	51.1%
Liquidity	0.1%
Total	100.0%

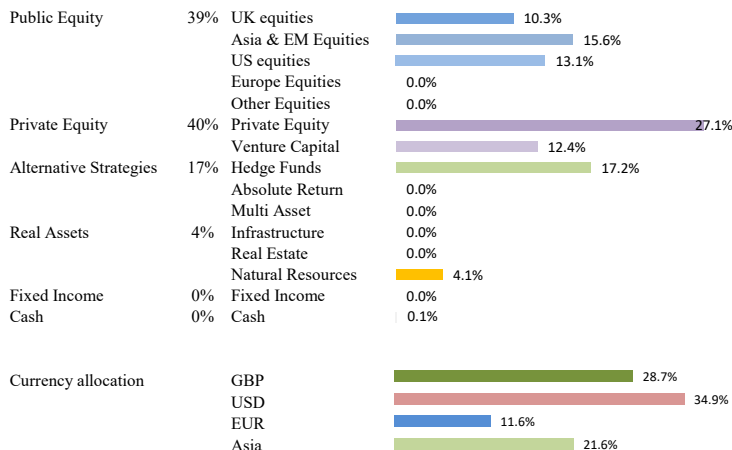
**Performance**

	A	Z
Annualised return	4.5%	5.5%
Cumulative return	13.7%	17.0%
Monthly return	-0.9%	-0.8%
Year to date return	4.4%	4.8%

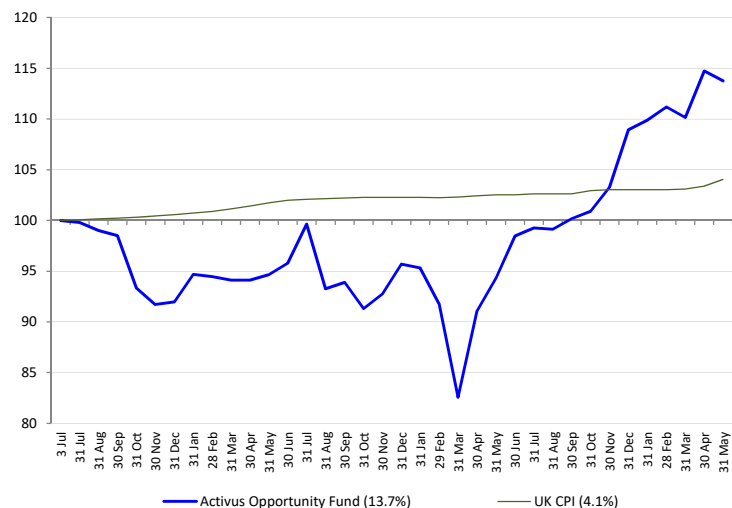
**Risk Metrics**

	Fund	UK equities
Volatility	12.2%	17.3%
Maximum Drawdown	-17.3%	-25.6%

**Asset Allocation**



**Performance of A Shares since July 3rd 2018**



**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.

**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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