

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 0.5% in July and up 6.4% for the year. During July we participated in a capital raise for Augmentum Fintech for which the share price subsequently increased by 20%. We also participated in the IPO for Seraphim Space, a venture capital investment trust which invests in technologies seeking to benefit from the increasing amount of data which is being made available from satellites. Examples include optimising irrigation for farmers thus reducing water usage, increased accuracy of weather prediction and real-time tracking of objects in space which can be used to manoeuvre satellites to avoid damage. Pershing Square was in the news this month with Bill Ackman's SPAC 'Pershing Square Tontine Holdings' backing out of its agreement to purchase 10% of Universal Music Group ("UMG") due to the SEC raising several issues. The listed investment company in which we are invested, Pershing Square Holdings ("PSH"), will now purchase between five and ten percent of UMG which is set to IPO in September. It seems entirely plausible to us that the listed share price could be materially higher than the acquisition price. The discount to net asset value of PSH shares has widened to almost 30%, a level not seen since last year. We view this discount as anomalous and will look to add to our position in due course. The fund is now 50% invested in private equity and venture capital, 40% in listed equities, 8% in hedge funds with 2% in cash.

In China the government told privately owned educational institutions this month that they must be run on a not-for-profit basis rather than to generate a return on capital. This caused a knock on effect on Chinese equity prices as concern arose as to whether this was the beginning of a clampdown on market socialism as practised in China. We believe this drop in prices is overdone and that the Chinese are unlikely to want to penalise other industries, particularly technology related companies, to which we have exposure. However, on a geopolitical level tensions continue in respect of the islands in the East China Sea and South China Sea as well as Taiwan and Hong Kong; the Sino/Chinese talks of the last week are not expected to reduce the friction in any of these areas. In fact during the last month US/China relations fell further with Xi celebrating the Chinese Communist Party's centenary with a very bellicose speech and Biden and a number of his Western Allies jointly calling China out for cyber espionage. This was followed by a bout of tit for tat sanctions against individuals.

David Ferguson
31st July 2021

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	115.91	119.40
Shares in issue	11,232,973	1,952,371
Net Asset Value	£13,020,541	£2,331,131
Dividends	Accumulation	Accumulation
Dividend dates	March/September	March/September
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 www.activuswealth.co.uk	

Largest Investments

Hg Capital	4.7%
Augmentum Fintech	4.6%
BlackRock Throgmorton Trust	4.3%
SL Private Equity	4.2%
Pantheon International	4.2%
Draper Esprit	4.2%
RTW Venture Fund	4.2%
HarbourVest Global PE	4.1%
Polar Capital Technology	4.1%
Scottish Mortgage Trust	4.1%
Other investments	53.2%
Liquidity	4.1%
Total	100.0%

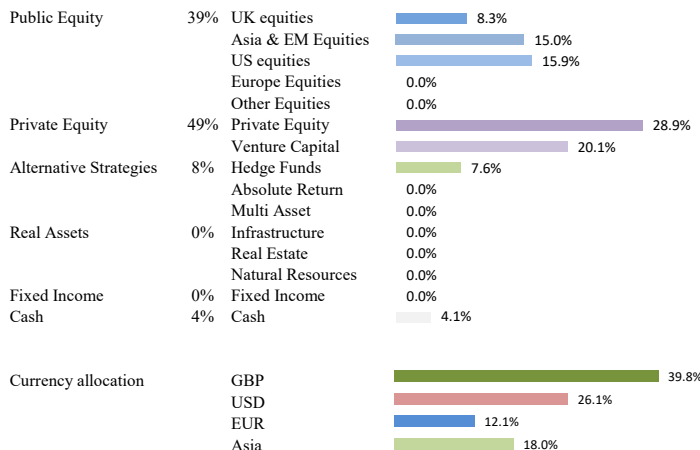
Performance

	A	Z
Annualised return	4.9%	5.9%
Cumulative return	15.9%	19.4%
Monthly return	-0.5%	-0.4%
Year to date return	6.4%	7.0%

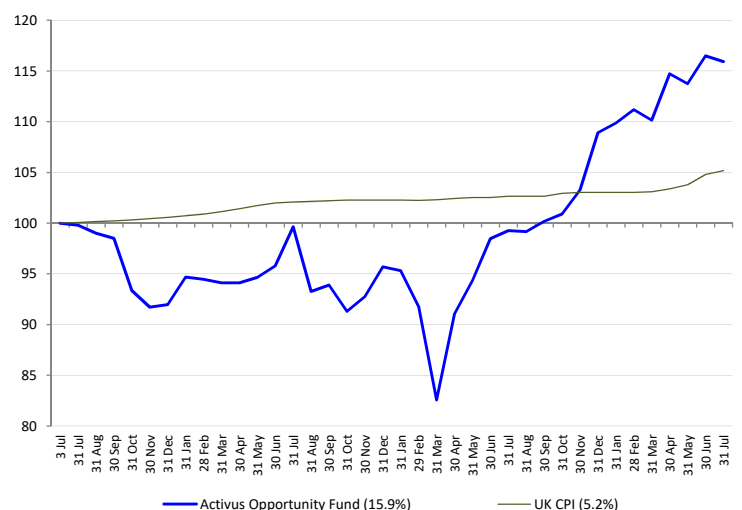
Risk Metrics

	Fund	UK equities
Volatility	12.0%	16.8%
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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