

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 unchanged in September and is up 10.4% for the year. Public equity fund exposure has been reduced to 18% and we added exposure to two absolute return funds in the month. Two of our venture capital funds had moved to a 25% premium to net asset value and we reduced these positions, at the same time increasing exposure to two other funds whose premium had fallen significantly. The largest allocation is to private equity with 28% of the portfolio and we believe the sector is materially undervalued compared to other assets with the discount to net asset value expected to compress further.

We are continually refining how we categorise fund investments, both for internal asset allocation purposes and also for describing to investors the types of portfolio investment risks being taken. Our latest iteration has five categories for equity-based 'risk' assets: public equities, investment companies, equity based hedge funds, private equity and venture capital, and five for diversifying assets: infrastructure, real estate, natural resources, absolute return and fixed income. The Opportunity Fund will typically be three quarters invested in equity-based risk assets with an expected range of 60% to 90%.

Uncertainty of fuel and energy supply in the UK, Europe and China, potential default of overseas bond payments by Chinese property company Evergrande, the possibility of a technical default by the US government on its debt mountain, North Korean missile testing and ongoing spats between the UK and the EU all add up to a period of potential upheaval with markets suffering wild swings in values. While a retreat to cash may feel superficially safe, the fear of inflation eroding real value and the impossibility of timing markets perfectly causing the market upswings to be missed means that the best approach is to de-risk the portfolio while remaining invested.

David Ferguson
30th September 2021

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	120.28	124.18
Shares in issue	11,733,733	2,133,596
Net Asset Value	£14,113,715	£2,649,355
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.aktivuswealth.co.uk	

Largest Investments

Third Point Investors (\$)	7.4%
Pershing Square Holdings	7.0%
Apax Global Alpha	6.3%
HarbourVest Global PE	4.6%
Berkshire Hathaway	4.6%
Cheyne Thematic	4.2%
BlackRock Throgmorton Trust	3.9%
RTW Venture Fund	3.9%
Amati UK Smaller Companies	3.8%
SL Private Equity	3.7%
Other investments	40.6%
Liquidity	10.1%
Total	100.0%

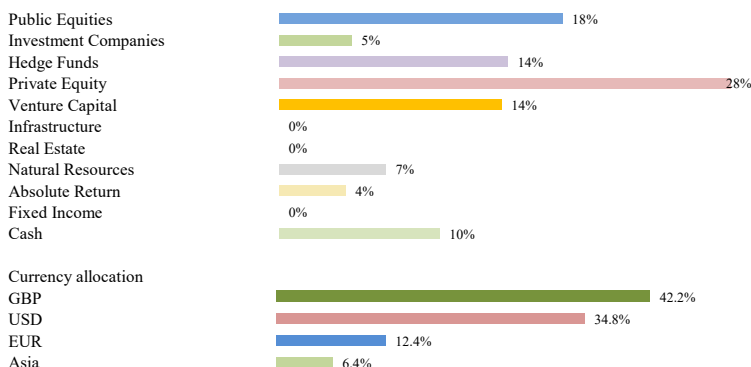
Performance

	A	Z
Annualised return	5.9%	10.4%
Cumulative return	20.3%	37.9%
Monthly return	0.0%	-0.9%
Year to date return	10.4%	7.6%

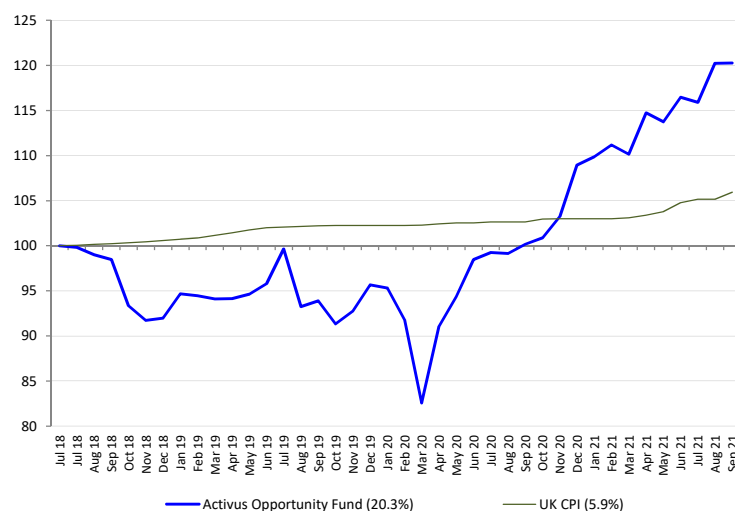
Risk Metrics

	Fund	UK equities
Volatility	11.8%	16.4%
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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