

**Investment Objectives and Policy**

The investment objective is to achieve an annual return after fees of the UK Consumer Price Index plus 2% over a three year period without the constraints of any fixed asset allocation parameters. The Fund is actively managed with a bias towards lower volatility assets such as alternatives and fixed income. 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 Activus Diversified Fund is down 3.2% in January. During the month we disposed of some of our holdings in technology and biotechnology equities while taking advantage of price distortions in listed investment companies to top up holdings in Apax and RIT Capital Partners. Most assets were down during the month with the largest detractors being high growth and smaller company equities. Positive contributions came from Berkshire Hathaway (+4%) and mining equities (+7%). We estimate that the increase in discount to net asset value of the underlying portfolio assets represents approximately 1% of this month's price fall and is highly likely to reverse in due course.

Part of the fall in the value of the fund in January is attributable to the widening of discounts which can be misleading as the true underlying value is higher. You may remember a similar effect at the time of the fall in value at the start of the Covid crisis. The explanation for this is that the fund consists predominantly of listed investment companies due to their many advantages over their open ended counterparts. They have better corporate governance, permanent capital, ability to leverage and are suitability for investing in illiquid asset classes to name a few advantages. The double-edged sword is that their share prices can trade at a premium or discount to their net asset value ("NAV"). When markets exhibit calm the differences in the share price versus the NAV tend to be quite stable. In times of increased market volatility when stocks are falling, their share prices tend to move down much faster than their NAVs. This leads to opportunities for us to buy at steeper than usual discounts, but also means that our fund share prices can fall further than the underlying value of our assets. Removing the discount effect from the calculation, we estimate that the true value is higher by approximately 1% for the fund and we fully expect the discounts to revert to mean over the coming weeks.

**David Ferguson**  
31st January 2022

**Investment Information**

Share Class	Class A Acc	Class Z Acc
Price per share (p)	098.48	098.90
Shares in issue	11,446,243	2,034,181
Net Asset Value	£11,271,863	£2,011,705
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	2.38%	1.38%
Dealing	Daily at NAV	Daily at NAV
Minimum Investment	£1,000	£1,000
Investor eligibility	All	Activus clients
Availability	Open	Open
ISIN	GB00BL5B7698	GB00BL5B7706
MEXID		
Start date	1 Sep 2021	1 Sep 2021
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 <a href="http://www.aktivuswealth.co.uk">www.aktivuswealth.co.uk</a>	

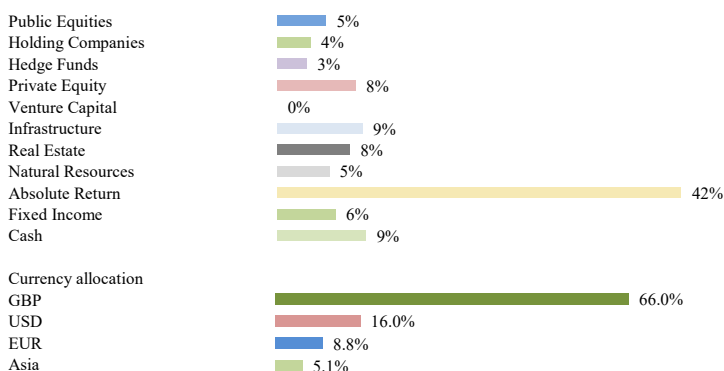
**Largest Investments**

Capital Gearing Trust	5.5%
Personal Assets Trust	5.5%
BlackRock European Absolute α	5.5%
Henderson European Absolute	5.5%
Ruffer Diversified Return	5.5%
Man AHL TargetRisk	5.5%
BNY Mellon Real Return	5.4%
BH Macro	4.0%
Supermarket Income REIT	3.2%
Gresham House Energy Storage	2.4%
Other investments	42.7%
Liquidity	9.3%
Total	100.0%

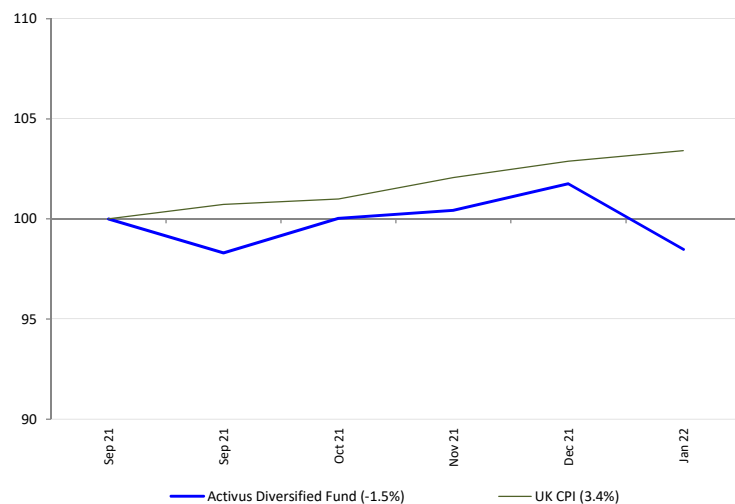
**Performance**

	A	Z
Annualised return	0.0%	0.0%
Cumulative return	-1.5%	-1.1%
Monthly return	-3.2%	-3.1%
Year to date return	-3.2%	-3.1%
<b>Risk Metrics</b>	Fund	UK equities
Volatility	-3.2%	-2.2%
Maximum Drawdown	0.0%	0.0%

**Asset Allocation**



**Performance of A Shares since September 1st 2021**



**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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