

**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 Activus Investment Fund is down 5.5% in January. During the month we took advantage of the increased volatility to add to positions in several of our private equity and venture capital holdings at favourable prices. The largest detractors were technology, biotech and venture capital. We estimate that the increase in discount to net asset value of the underlying portfolio assets represents approximately 2.5% of this month's price fall and is highly likely to reverse in due course.

During January the volatility index more than doubled amid the ongoing debate of whether higher inflation is permanent or temporary. There are compelling arguments on both sides and we do not have a strong view one way or the other. What is clear to us is that if governments could engineer a period of higher inflation in order to ease the debt burden they would do so, however inflation has proved in the past to be problematic to control and they will be wary of hyperinflation. It seems likely that there will be some base rate hikes in 2022, however these may well be short lived. We own several components of inflation protection including infrastructure, gold, mining equities and index-linked government bonds.

As the fund owns a number of investment companies which have seen their share prices drop more than their NAVs this month we expect to find opportunities to buy at steeper discounts to NAV than usual.

**David Ferguson**  
31st January 2022

**Investment Information**

Share Class	Class A Acc	Class Z Acc
Price per share (p)	129.27	136.35
Shares in issue	27,457,868	5,765,692
Net Asset Value	£35,493,793	£7,861,473
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	1.63%	0.63%
Dealing	Daily at NAV	Daily at NAV
Minimum Investment	£1,000	£1,000
Investor eligibility	All	Activus 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 <a href="http://www.aktivuswealth.co.uk">www.aktivuswealth.co.uk</a>	

**Largest Investments**

BH Macro	4.2%
Supermarket Income REIT	4.2%
Pershing Square Holdings	4.2%
BNY Mellon Real Return	4.0%
Ruffer Diversified Return	3.9%
Third Point Investors (S)	3.8%
Pantheon Infrastructure	3.5%
Berkshire Hathaway	3.4%
International Public Partnerships	3.3%
Hg Capital	3.2%
Other investments	57.7%
Liquidity	4.4%
Total	100.0%

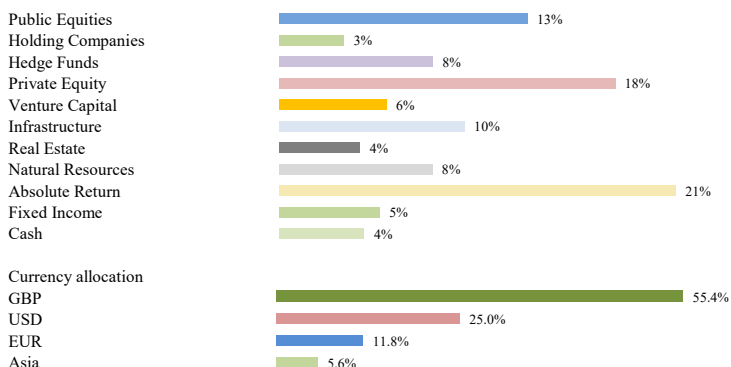
**Performance**

	A	Z
Annualised return	4.7%	5.8%
Cumulative return	29.3%	36.4%
Monthly return	-5.5%	-5.4%
Year to date return	-5.5%	-5.4%

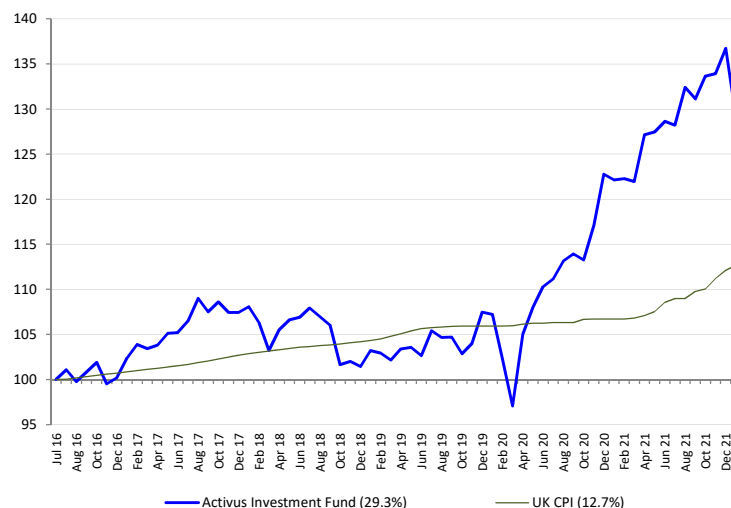
**Risk Metrics**

	Fund	UK equities
Volatility	7.7%	13.7%
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 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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