

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 1.0% in February. During February we added to return-seeking assets at favourable prices due to a significant and somewhat indiscriminate sell-off at the end of the month. At month-end the proportion of the portfolio invested in risk assets was 27%. Although most asset prices declined, several holdings showed gains including gold, mining stocks and real estate investment trusts. The fund has no direct exposure to Russia.

The obvious Big Event this month is the tragedy unfolding in the Ukraine. While it feels uncomfortable to concentrate on the financial effects of such events, we of course continue to do so looking to protect against downward price pressure and looking for pricing opportunities as the market overreacts to the news cycle as invariably happens. We have had examples already in this crisis with the immediate fall in the markets following Putin's ill-conceived invasion allowing purchases of some investment companies funds at a much larger discount than normal.

Of course the invasion itself and the effect of the economic sanctions imposed by the West will have an effect on the Western economies too. Italian and Austrian banks have large exposure to Russian banks which may cause a direct contagion effect. The increase in commodity prices will only fuel inflation fears and any retreat to a new Cold War of two opposing blocs will reverse some of the economic gains globalisation has driven. The market falls which are likely will however not be uniform and the volatility will continue to provide opportunities.

David Ferguson
28th February 2022

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	097.50	097.99
Shares in issue	12,405,432	2,066,258
Net Asset Value	£12,128,213	£2,014,777
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	
Further information	The Prospectus and Subscription Form can be obtained by contacting the investment manager or from the website www.aktivuswealth.co.uk	

Largest Investments

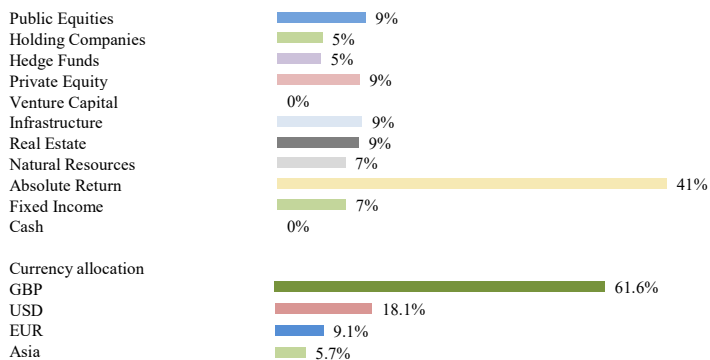
Ruffer Diversified Return	5.2%
BlackRock European Absolute α	5.2%
Personal Assets Trust	5.2%
Capital Gearing Trust	5.1%
BH Macro	5.1%
BNY Mellon Real Return	5.1%
Man AHL TargetRisk	5.0%
Henderson European Absolute	5.0%
Supermarket Income REIT	3.1%
Urban Logistics REIT	2.9%
Other investments	53.1%
Liquidity	-0.1%
Total	100.0%

Performance

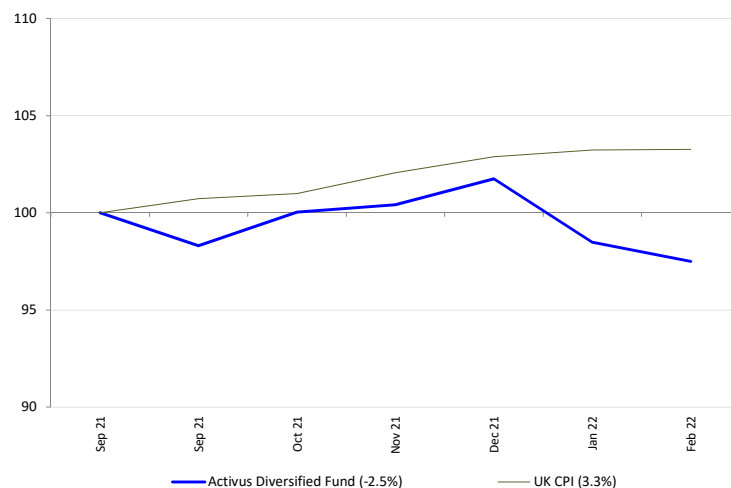
	A	Z
Annualised return	-5.0%	-4.0%
Cumulative return	-2.5%	-2.0%
Monthly return	-1.0%	-0.9%
Year to date return	-4.2%	-4.0%

Risk Metrics	Fund	UK equities
Volatility	6.6%	8.2%
Maximum Drawdown	-4.2%	-2.2%

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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