

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 2.0% in February. During February we added to our positions in Seraphim Space and PureTech Health at favourable prices. Price declines in many investment companies were significantly larger than declines in net asset values and we increased the proportion of the portfolio invested in return-seeking assets during the month to 78%. The fund sold long-short equity funds in order to consolidate its absolute return exposure to macro funds which we would expect to fare well in an increasingly volatile market. Most asset prices declined in February, however gold and mining stocks were up 10% on average. The fund has no direct exposure to Russia.

At the time of writing, Putin's war does not seem to be going as smoothly as he may have anticipated. Both Ukrainian resistance and the West's stronger than anticipated response seem to have surprised the Russian Government and while it is impossible to be sure what is really happening behind the reinstated Iron Curtain, domestic protest in Russia appears to be growing both on the street and from previously loyal oligarchs. However this crisis ends, Putin has achieved something which US presidents have tried and failed to do for decades. He has reminded Europe of the relevance of NATO and the need for European governments to increase their own defence spending in the face of the growing Russian threat. In addition he has brought Sweden and Finland closer to the alliance, caused the EU to reconsider its reliance on Russian energy

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.

David Ferguson
28th February 2022

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	114.79	118.99
Shares in issue	13,058,009	2,677,528
Net Asset Value	£14,691,213	£3,095,940
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.activexwealth.co.uk	

Largest Investments

Pantheon Infrastructure	5.5%
BH Macro	5.1%
Ruffer Diversified Return	5.1%
Pershing Square Holdings	5.0%
Third Point Investors (S)	4.9%
Apax Global Alpha	4.8%
HarbourVest Global PE	4.7%
Pantheon International	4.6%
Hg Capital	4.6%
Berkshire Hathaway	4.5%
Other investments	53.5%
Liquidity	-2.2%
Total	100.0%

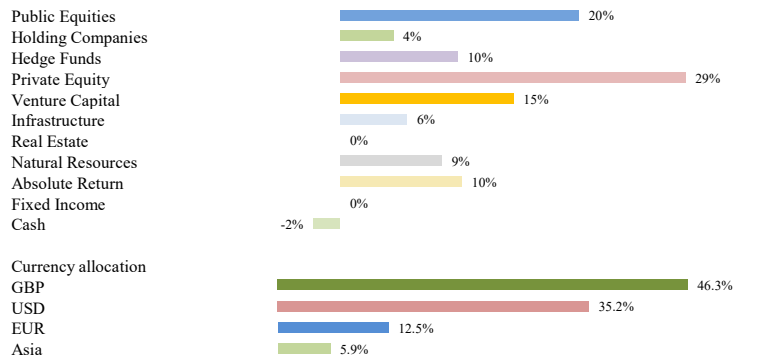
Performance

	A	Z
Annualised return	3.8%	4.9%
Cumulative return	14.8%	19.0%
Monthly return	-2.0%	-1.9%
Year to date return	-9.4%	-9.3%

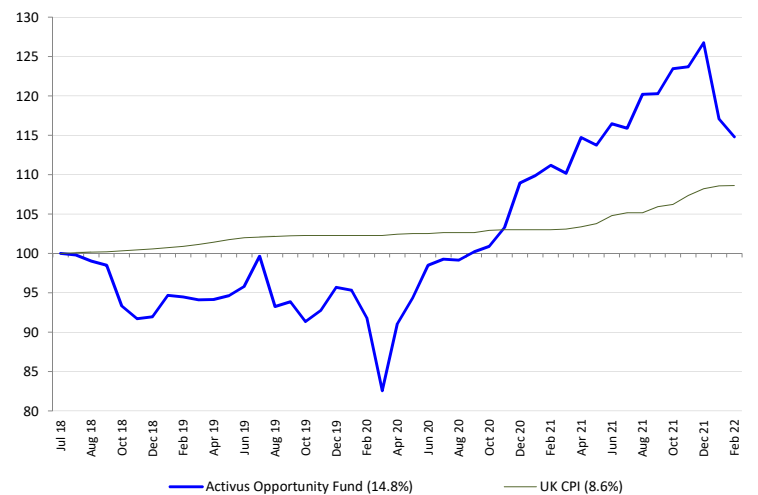
Risk Metrics

	Fund	UK equities
Volatility	12.0%	15.7%
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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