

**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 2.6% in May. Venture capital and private equity holdings provided the biggest drag on performance in May with Molten Ventures down 23% and both Hg Capital and Oakley Capital down 11%. Syncona return 20% growth for the month and the Supermarket Income REIT was up 3%. During the month we re-sized a few positions while maintaining a fairly neutral risk weighting. We estimate there is a 4% uplift to portfolio value if the discounts to net asset value ("NAV") revert to beginning of year levels.

Due to several macro concerns including higher inflation, questionable levels of government debt and the threat of a global war, May has seen an acceleration of the higher volatility and indiscriminate selling witnessed since the beginning of the year. For us this is a double edged sword, it means the value of portfolios decline but provides opportunities to acquire assets at bargain levels.

We tend to invest predominantly in listed investment companies and as we noted two years ago when the onset of the pandemic caused markets to fall sharply, when markets overshoot on the down side this typically results in a widening of the spread between price NAV. This is therefore a secondary component to the price move of your portfolio which significantly exaggerates the actual fall in value. Fortunately the difference between price and value also typically reverts to mean and is one of the reasons the Fund bounced back so quickly in 2020 from similar price drops to this year and in fact finished the year with double digit positive returns.

David Ferguson  
31st May 2022

**Investment Information**

Share Class	Class A Acc	Class Z Acc
Price per share (p)	127.95	135.41
Shares in issue	27,139,940	5,189,707
Net Asset Value	£34,726,583	£7,027,210
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	
Further information	The Fund is open-ended. The Prospectus and Subscription Form can be obtained by contacting the investment manager or from the website <a href="http://www.activexwealth.co.uk">www.activexwealth.co.uk</a>	

**Largest Investments**

Ruffer Diversified Return	5.7%
BH Macro	5.4%
Third Point Investors (\$)	4.2%
Pershing Square Holdings	4.1%
International Public Partnerships	3.7%
Pantheon Infrastructure	3.7%
BlackRock World Mining	3.2%
Pantheon International	3.2%
Supermarket Income REIT	3.2%
Apax Global Alpha	3.1%
Other investments	60.1%
Liquidity	0.5%
Total	100.0%

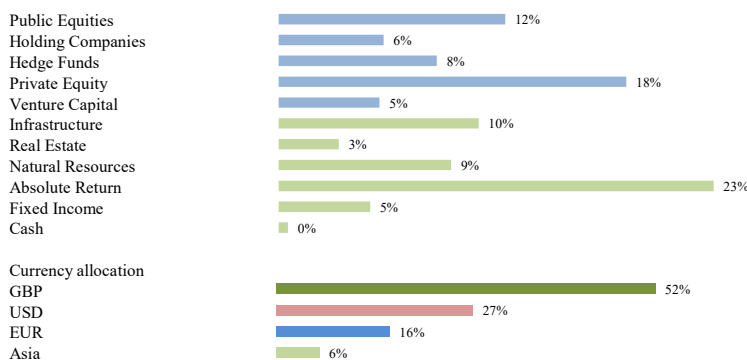
**Performance**

	A	Z
Annualised return	4.3%	5.3%
Cumulative return	28.0%	35.4%
Monthly return	-2.6%	-2.5%
Year to date return	-6.4%	-6.0%

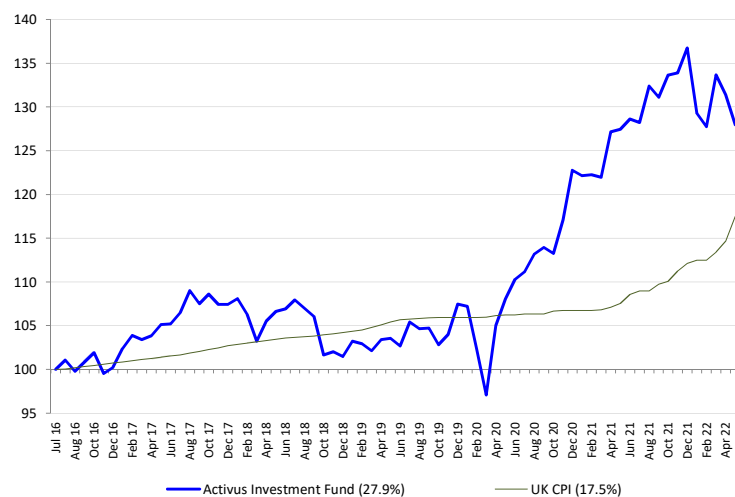
**Risk Metrics**

	Fund	UK equities
Volatility	7.8%	13.1%
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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