

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 3.0% for January. The largest detractor to performance this month came from Gresham House Energy Storage, down 47%. Gresham House's fall was caused by a windy and mild winter reducing demand by the grid for stored energy. This was exacerbated by a lack of volatility in wholesale energy prices and resulted in fears that income for the winter period would be lower than expected and may result in dividend cuts. BlackRock World Mining and BBGI Global Infrastructure were both down 8%, while there were positive months for Berkshire Hathaway, up 9%, and Pershing Square Holdings, up 6%. Elsewhere results were mixed with all sectors, listed equities, private equities, infrastructure and fixed income returning both gainers and fallers this month. There was no trading in the Fund in January, however, one of our short-dated gilts matured, freeing up funds for future investments.

Following the rally seen through November and December it was unsurprising to see major indices drifting off end of year highs at the start of the month. This trend was exacerbated by the unexpected, albeit small, rise in inflation announced on the 17th of January which saw equity markets immediately fall, although this is generally thought to be a mere blip in the downward trend of the last 12 months. However, despite many analysts opining that interest rates have peaked, given that at the last meeting of the Bank of England's Monetary Policy Committee three of the nine members voted for a further hike a lower interest rate environment may be further away than many have hoped for.

Other than that it has been a quiet month for domestic market news with international crises dominating the news and market sentiment. The ongoing Israel/ Palestine issue; the linked disruption to supply chains caused by Houthi rebel attacks on merchant shipping in the Red Sea; Ukraine; Taiwan; the ever-growing risk of a second Trump administration and its unpredictable effect on all of the previous issues are all major potential influences on market sentiment but which way and to what extent are the big unknowns.

David Ferguson
31st January 2024

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	088.31	089.04
Shares in issue	10,732,517	1,915,715
Net Asset Value	£9,477,315	£1,730,822
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
Start date	1 Sep 2021	1 Sep 2021
Investment Manager	David Ferguson	
Administrator & ACD	Apex Fundrock 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

UK Gilt 1% Apr 22 2024	7.5%
UK Gilt 2.75% Sep 7 2024	7.4%
BH Macro	7.0%
Personal Assets Trust	7.0%
Capital Gearing Trust	6.9%
Ruffer Investment Company	6.9%
UK Gilt 3.5% Oct 22 2025	4.7%
UK Gilt 5% Mar 7 2025	4.6%
International Public Partnerships	3.6%
BBGI Global Infrastructure	3.5%
Other investments	35.2%
Liquidity	5.7%
Total	100.0%

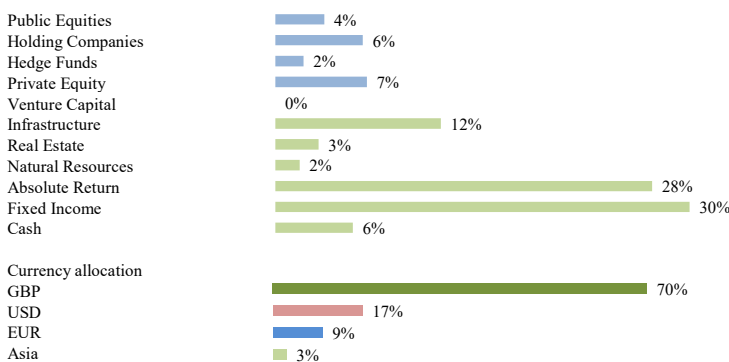
Performance

	A	Z
Annualised return	-5.0%	-4.1%
Cumulative return	-11.7%	-9.6%
Monthly return	-3.0%	-3.0%
Year to date return	-3.0%	-3.0%

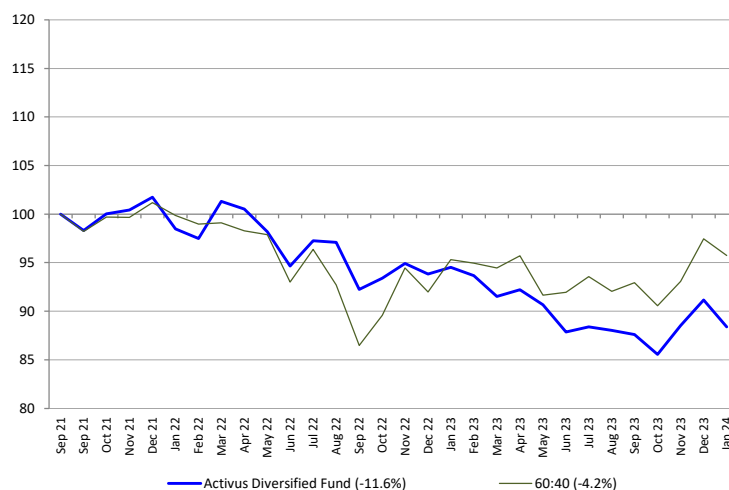
Risk Metrics

	Fund	UK equities
Volatility	7.8%	10.5%
Maximum Drawdown	-15.9%	-23.0%

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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