

**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 1.6% in January. Results across the portfolio were mixed with slightly more fallers (17) than risers (12). 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. Other notable fallers included Molten Ventures, down 14%, and BlackRock World Mining and BBGI Global Infrastructure, both down 8%. Top performer this month was BioPharma Credit, up 11%, while Berkshire Hathaway and abrdn Private Equity Opportunities were both up 9%. During the month we added to our holdings in BBGI Global Infrastructure, Syncona and abrdn Private Equity Opportunities, all of which continue to trade at very attractive discounts to net asset value.

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.

Looking ahead to UK political matters, 2024 will likely see an election and opinion polls predict a majority Labour government for the first time in 14 years. The need to boost the Conservative electoral prospects has raised the prospect of tax cuts in the March budget using lower inflation and reduced borrowing as the justification although warnings have already been sounded by the IMF that these could lead to Truss like effects on the market. Notwithstanding this warning the IMF is predicting a "soft landing" for global economies, increasing their forecast for global growth to 3.1%, and so it looks like the UK may avoid a technical recession this year, which may help to buoy equity markets.

**David Ferguson**  
31st January 2024

**Investment Information**

| Share Class             | Class A Acc                                                                                                                                                                        | Class Z Acc     |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Price per share (p)     | 123.00                                                                                                                                                                             | 132.11          |
| Shares in issue         | 27,815,215                                                                                                                                                                         | 3,802,338       |
| Net Asset Value         | £34,207,414                                                                                                                                                                        | £5,022,783      |
| 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     | Apex Fundrock 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                           | 6.3%  |
| Pershing Square Holdings           | 5.7%  |
| Hg Capital                         | 5.1%  |
| abrdn Private Equity Opportunities | 4.3%  |
| Oakley Capital                     | 4.3%  |
| 3i Group                           | 4.3%  |
| Berkshire Hathaway                 | 4.2%  |
| AVI Global Trust                   | 4.2%  |
| Pantheon International             | 4.2%  |
| Ruffer Investment Company          | 3.9%  |
| Other investments                  | 53.2% |

|           |        |
|-----------|--------|
| Liquidity | 0.4%   |
| Total     | 100.0% |

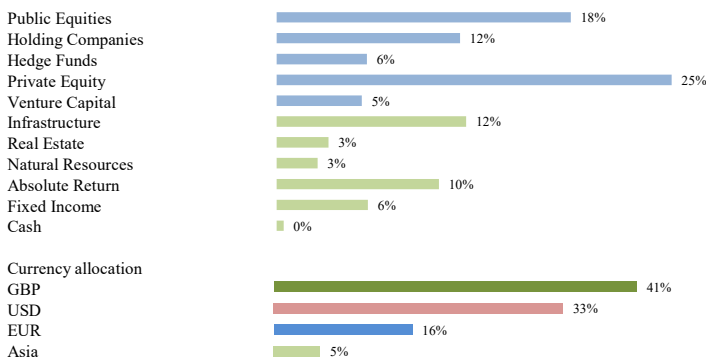
**Performance**

|                     | A     | Z     |
|---------------------|-------|-------|
| Annualised return   | 2.8%  | 3.8%  |
| Cumulative return   | 23.0% | 32.1% |
| Monthly return      | -1.6% | -1.5% |
| Year to date return | -1.6% | -1.5% |

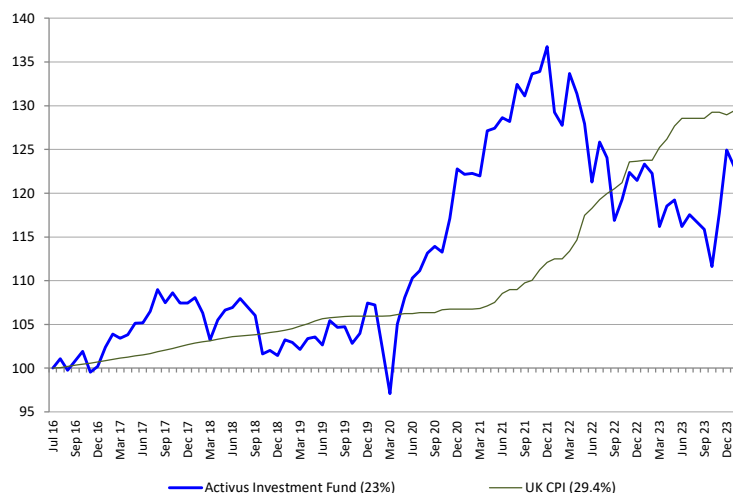
**Risk Metrics**

|                  | Fund   | UK equities |
|------------------|--------|-------------|
| Volatility       | 8.7%   | 8.9%        |
| Maximum Drawdown | -18.4% | -14.5%      |

**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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