

**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 0.7% in February and down 3.7% for 2024. The biggest faller this month was BlackRock World Mining, down 9%, as precious metal prices fell in February. Infrastructure holdings were also had a difficult month with Pantheon Infrastructure down 7%, BBGI Global Infrastructure down 6% and International Public Partnerships down 3%. While all three of these holdings were trading at premiums to NAV in October 2022, their discounts have widened this year to 26%, 17% and 19% respectively. Gresham House Energy Storage bucked the infrastructure trend this month and was the Fund's top performer, up 9%. In February we reinvested the proceeds of our gilt which matured in January into two short-dated gilts maturing later in the year.

During the last two years we have regularly discussed the changes in discounts to net asset value (NAV) of our underlying holdings. Since the end of October 2023 we have seen discounts tighten significantly in risk assets while diversifiers have not performed so well. Among risk assets private equity and technology stocks have fared particularly well. In private equity 3i Group's premium increased from 7% to 31% over the last four months, while abrdn Private Equity and Hg Capital have seen their discounts fall by over 10%. In the same period the discounts for Seraphim Space and Augmentum Fintech have narrowed by 19% and 14% respectively. These moves compare very favourably with diversifiers such as Gresham House Energy Storage, whose discount has widened by 14%, and Real Estate Credit Investments which has seen a 6% widening in its discount.

We feel our patience and belief that discounts will revert to historic norms over time has been justified and regardless of asset allocation, we believe there is further scope for discount tightening which should provide a tailwind for future performance.

David Ferguson  
29th February 2024

**Investment Information**

Share Class	Class A Acc	Class Z Acc
Price per share (p)	087.76	089.85
Shares in issue	10,737,926	1,913,333
Net Asset Value	£9,423,219	£1,719,035
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	
	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.activexwealth.co.uk">www.activexwealth.co.uk</a>	

**Largest Investments**

UK Gilt 1% Apr 22 2024	7.9%
UK Gilt 2.75% Sep 7 2024	7.8%
Capital Gearing Trust	7.4%
Personal Assets Trust	7.3%
Ruffer Investment Company	7.2%
BH Macro	7.1%
UK Gilt 3.5% Oct 22 2025	4.9%
UK Gilt 5% Mar 7 2025	4.8%
International Public Partnerships	3.8%
BBGI Global Infrastructure	3.8%
Other investments	37.5%
Liquidity	0.5%
Total	100.0%

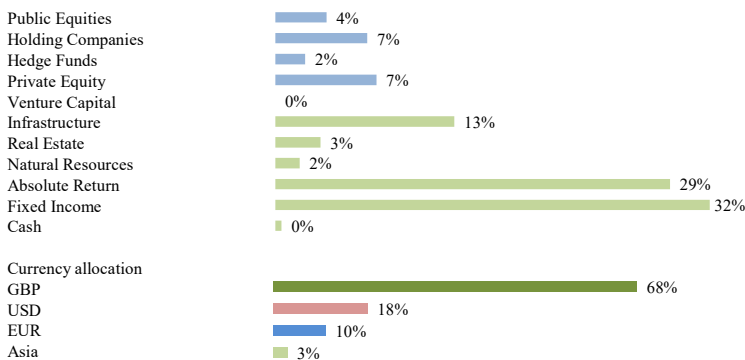
**Performance**

	A	Z
Annualised return	-5.1%	-4.2%
Cumulative return	-12.2%	-10.1%
Monthly return	-0.7%	-0.6%
Year to date return	-3.7%	-3.5%

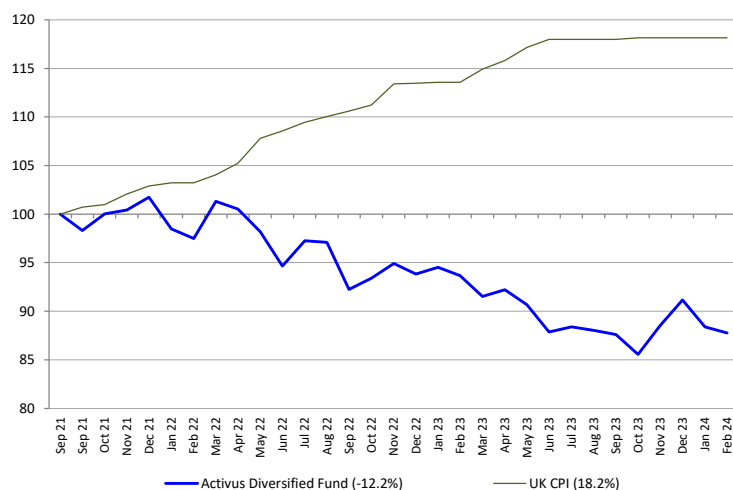
**Risk Metrics**

	Fund	UK equities
Volatility	7.7%	10.3%
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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