

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 0.2% in March and down 3.9% for 2024. The largest detractor this month was Gresham House Energy Storage, down 34%. The short-term outlook remains difficult for battery storage investments as expected revenues for 2024 are unlikely to be met, however, as outlined by the board of Gresham House in February, the medium to long term prospects remain positive as demand for battery storage is expected to grow significantly as the UK moves from fossil fuels to renewable energy. Other notable fallers were BH Macro and Real Estate Credit Investments both down around 4%. BH Macro has historically traded around or above NAV and was trading at premium as recently as June 2023. BH Macro's discount has widened gradually over the course of 2024 and now stands at 18% compared to 10% at the end of 2023. The first quarter of 2024 has seen US stock markets perform particularly strongly and this is reflected in the returns of Berkshire Hathaway and Pershing Square Holdings, up 18% and 14% respectively. Elsewhere private equity holdings made strong gains this month with 3i Group, up 14%, and Hg Capital, up 6%.

Over the past few months we have started to see discounts narrowing which is encouraging but there is still plenty of scope for further narrowing. According to new analysis released by the Association of Investment Companies (AIC) this month, the average investment company traded at a discount of 16.9% at the end of October 2023. This is the widest average discount observed since the depths of the 2008 financial crisis and the AIC's research shows that when discounts were similarly wide in 2008, the average investment company delivered impressive returns: 39% over the next year and 119% over the next five years. This would confirm what we have been saying over the last 18 months about why the discounts make it a good time to be holding heavily discounted investment companies.

David Ferguson
31st March 2024

Investment Information

Share Class	Class A Acc	Class Z Acc
Price per share (p)	087.72	089.87
Shares in issue	9,894,430	1,844,828
Net Asset Value	£8,678,968	£1,657,985
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	8.5%
UK Gilt 2.75% Sep 7 2024	8.4%
BH Macro	7.3%
Capital Gearing Trust	6.0%
Personal Assets Trust	5.9%
Ruffer Investment Company	5.8%
UK Gilt 3.5% Oct 22 2025	5.3%
UK Gilt 5% Mar 7 2025	5.2%
BBGI Global Infrastructure	3.7%
Supermarket Income REIT	3.7%
Other investments	40.0%

Liquidity	0.3%
Total	100.0%

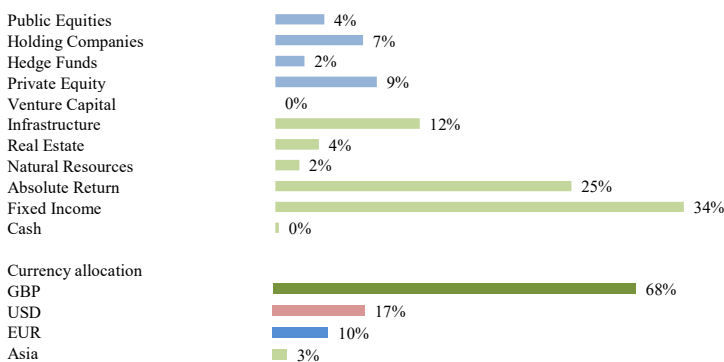
Performance

	A	Z
Annualised return	-5.0%	-4.1%
Cumulative return	-12.3%	-10.1%
Monthly return	0.0%	0.0%
Year to date return	-3.8%	-3.5%

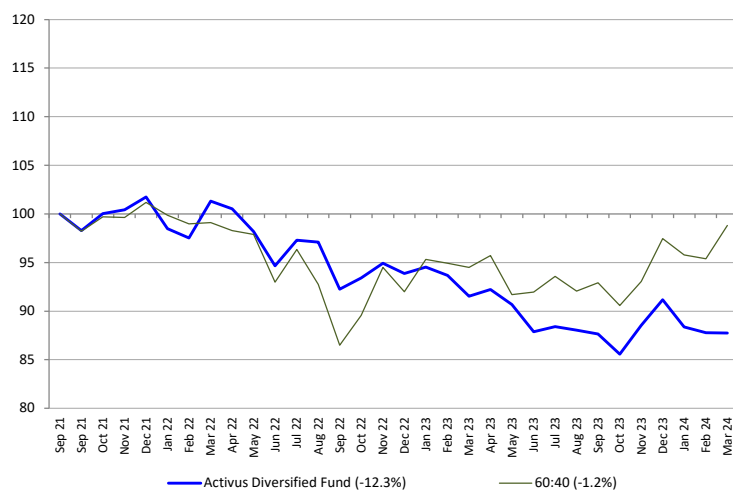
Risk Metrics

	Fund	UK equities
Volatility	7.6%	10.0%
Maximum Drawdown	-15.9%	-14.5%

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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