

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 up 0.9% in March and down 0.2% for 2024. Top performers this month came from 3i Group, up 14%, and Scottish Mortgage Trust, up 12%, while the largest detractors were Gresham House Energy Storage, down 34%, and Molten Ventures, down 11%. The first quarter of 2024 has seen US stock markets perform particularly strongly and this is reflected in the returns of the Fund's top performer Berkshire Hathaway, up 18%, and Pershing Square Holdings, up 14%, for the year. During this period Pershing Square has seen its discount to net asset value fall from 30% to 24%, suggesting scope remains for continued positive performance. The largest detractor this year has been Gresham House Energy Storage which is down 62% and is now trading at a discount of 71%. 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.

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)	125.09	134.60
Shares in issue	28,091,331	3,749,518
Net Asset Value	£35,112,882	£5,046,857
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	
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

Pershing Square Holdings	6.0%
BH Macro	5.6%
Hg Capital	5.0%
3i Group	4.7%
Berkshire Hathaway	4.5%
abrdn Private Equity Opportunities	4.5%
Oakley Capital	4.3%
Scottish Mortgage Trust	4.2%
AVI Global Trust	4.2%
Pantheon International	4.2%
Other investments	51.4%

Liquidity	1.5%
Total	100.0%

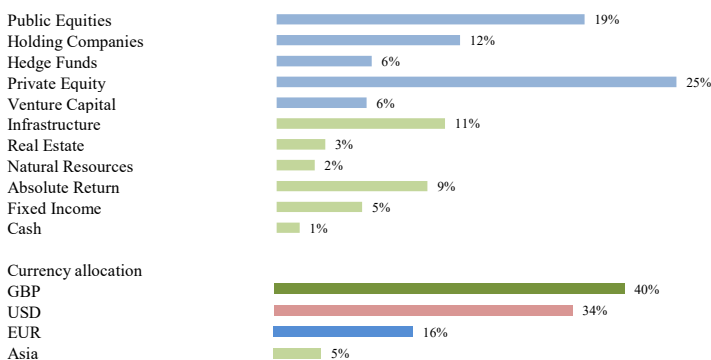
Performance

	A	Z
Annualised return	3.0%	3.9%
Cumulative return	25.1%	34.6%
Monthly return	1.2%	1.3%
Year to date return	0.1%	0.4%

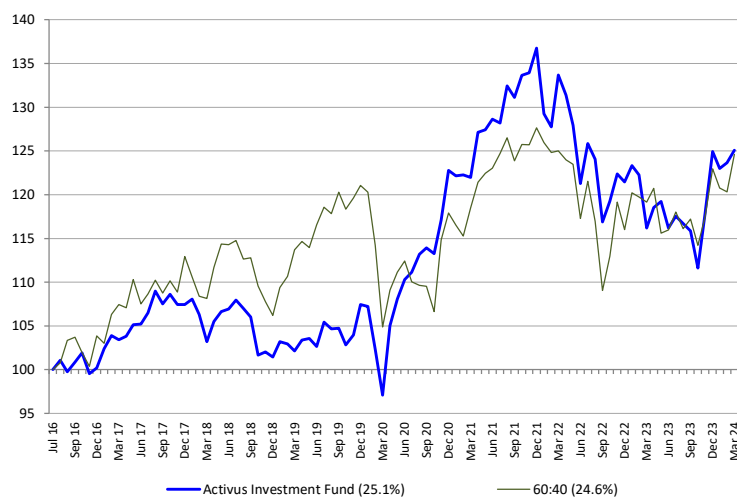
Risk Metrics

	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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