



HAWKSMOOR
FUND MANAGERS

**MI HAWKSMOOR
VANBRUGH FUND**

**QUARTERLY REPORT
Q2 2024**



For investors who are looking to achieve both a positive return on their investments after inflation, and preserve capital over the medium term.

KEY POINTS THIS QUARTER

- Vanbrugh returned +3.3%, compared to the sector return of +1.1%
- We introduced one new holding, and we exited three positions
- We increased exposure to other bonds
- We reduced exposure to private equity

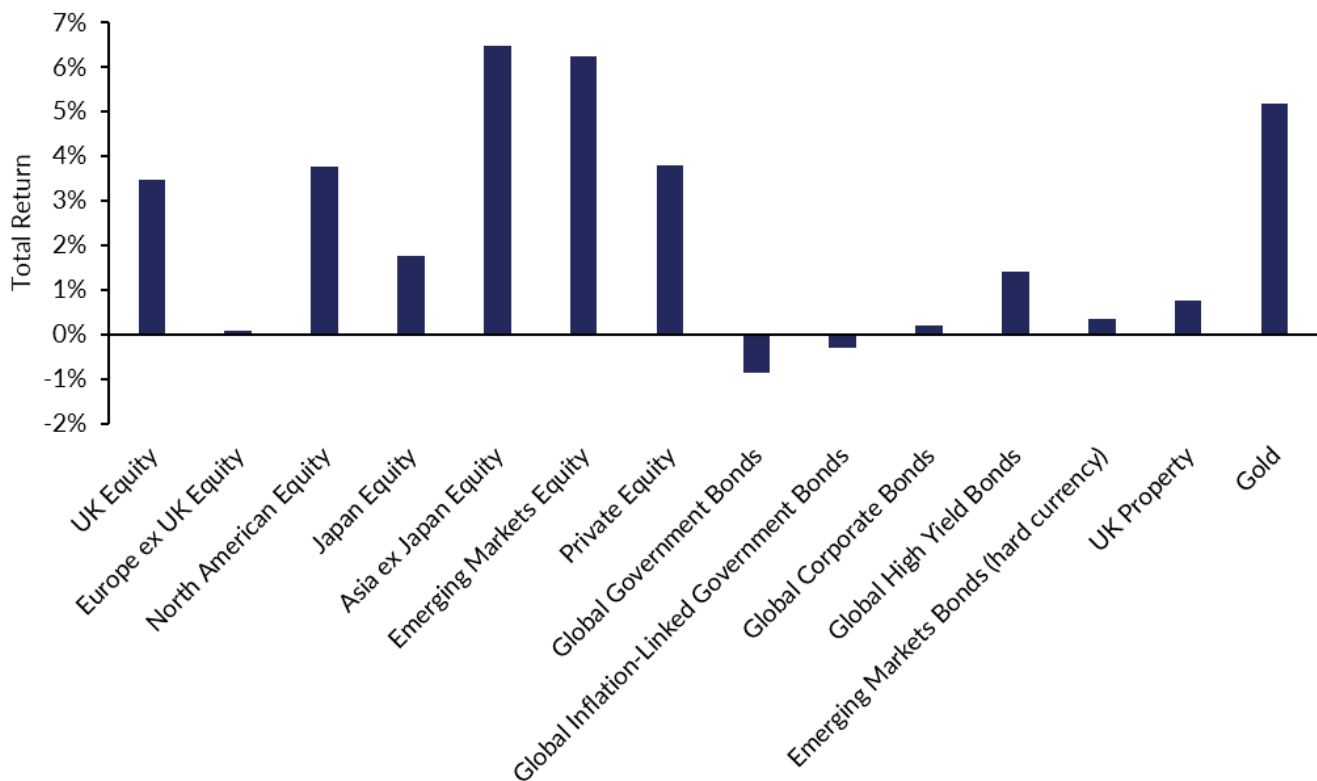
CONTENTS

Page

- 3: Quarterly Market Performance
- 4: Quarterly Fund Performance
- 5: Since Launch Fund Performance
- 6: Activity
- 7: Holdings and Outlook
- 8: Important Information



QUARTERLY MARKET PERFORMANCE



- Equity markets continued their strong start to 2024, buoyed by positive economic data releases particularly from the US alongside ongoing excitement about the impact artificial intelligence will have on profitability. Asian and emerging market equities caught up some ground after lagging in the first quarter. Europe was weak after elections saw far right parties gain ground.
- Bond markets were mixed with 10 negative returns from government bonds as yields increased impacting capital values, but positive returns from investment grade and high yield bonds as credit spreads tightened.
- Gold reached new all-time highs in all major currencies, despite real yields (the opportunity cost of holding gold) moving higher. Other factors more than offset real yield weakness, with strong buying from central banks, and a rise in global conflicts supporting the gold price.

Data: UK Equity - MSCI United Kingdom All Cap; Europe ex UK Equity - MSCI Europe ex UK; North American Equity - MSCI North America; Japan Equity - MSCI Japan; Asia ex Japan Equity - MSCI AC Asia Pacific ex Japan; Emerging Markets Equity - MSCI Emerging Markets; Private Equity - IT Private Equity; Global Government Bonds - ICE BofA Global Government; Global Inflation-Linked Government Bonds - ICE BofA Global Inflation-Linked Government; Global Corporate Bonds - ICE BofA Global Government; Global High Yield Bonds - ICE BofA Global High Yield; Emerging Markets Bonds (hard currency) - ICE BofA US Emerging Markets External Sovereign; UK Property - IA UK Direct Property; Gold - WisdomTree Physical Gold USD.

Source: FE fundinfo local currency, 31/03/2024 to 30/06/2024. See MSCI and ICE disclaimers on final page.

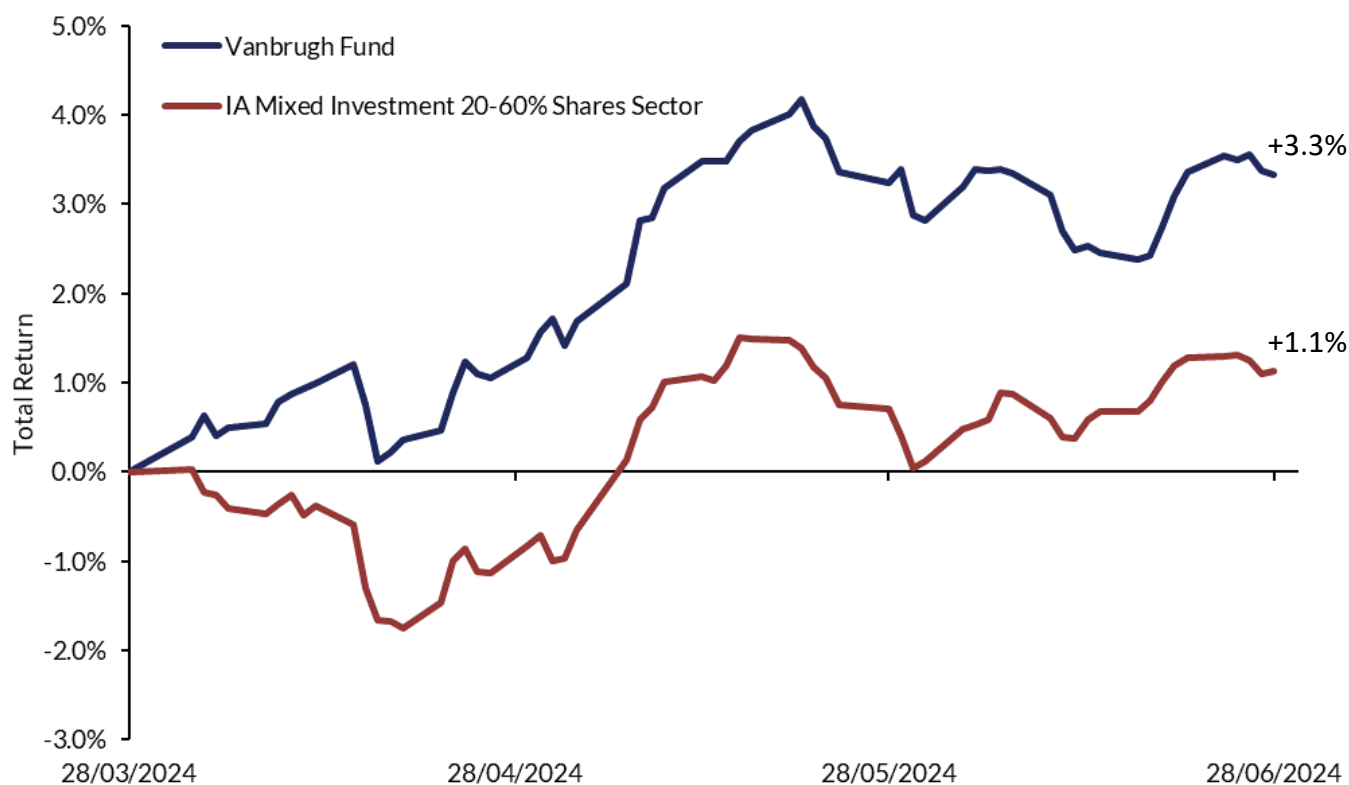
QUARTERLY FUND PERFORMANCE

Largest contributors:

- Cordiant Digital Infrastructure +0.34%
- Tufton Oceanic +0.30%
- WS Gresham House UK Multi Cap Income +0.27%

Largest detractors:

- Allianz Index Linked Gilt -0.14%
- M&G Japan Smaller Companies -0.08%
- Arcus Japan -0.08%

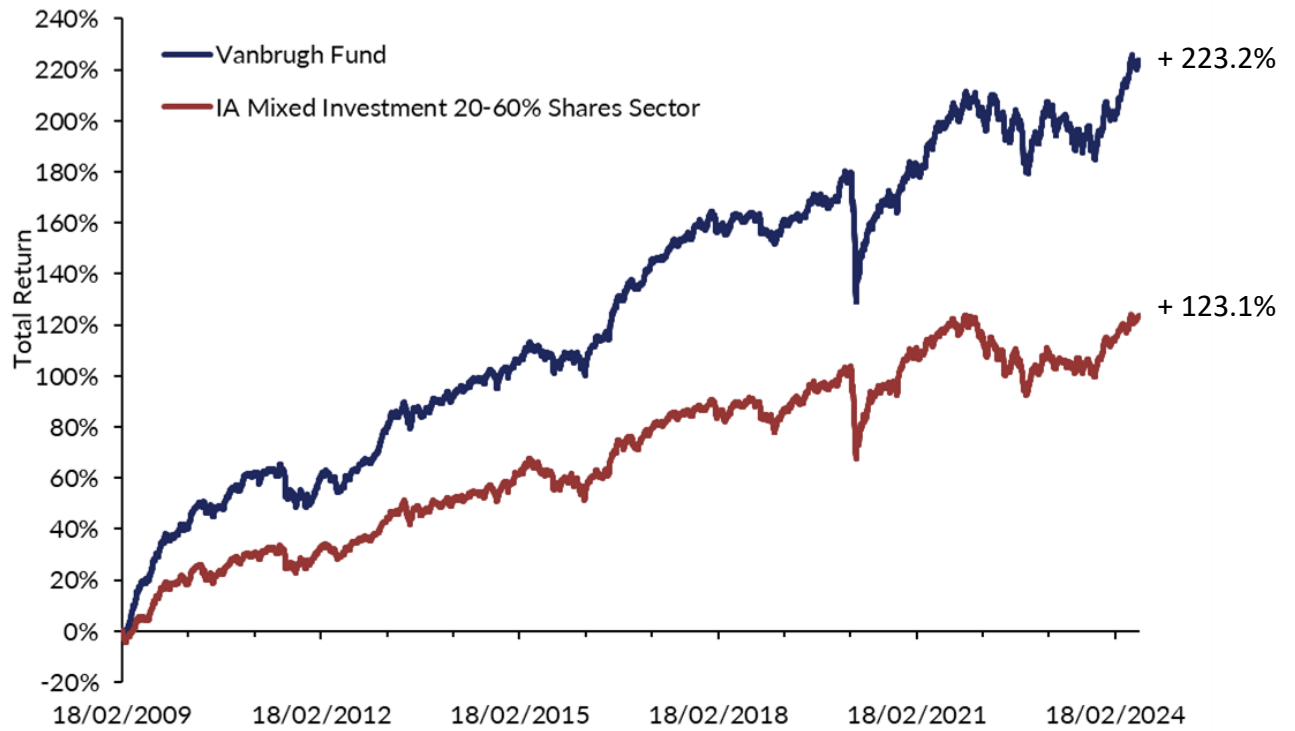


- Shares in Cordiant Digital Infrastructure rallied from depressed levels following the publication of the full year results which showed good performance in the underlying portfolio.
- Tufton Oceanic shares rallied as vessel values and charter rates improved during the quarter and the discount narrowed from wide levels.
- WS Gresham House UK Multi Cap Income rallied alongside the broader UK equity market.
- Allianz Index Linked Gilt fell as both nominal government bond yields and real yields rose during the quarter.
- Japanese holdings gave back some gains after a strong run over the past 18 months.

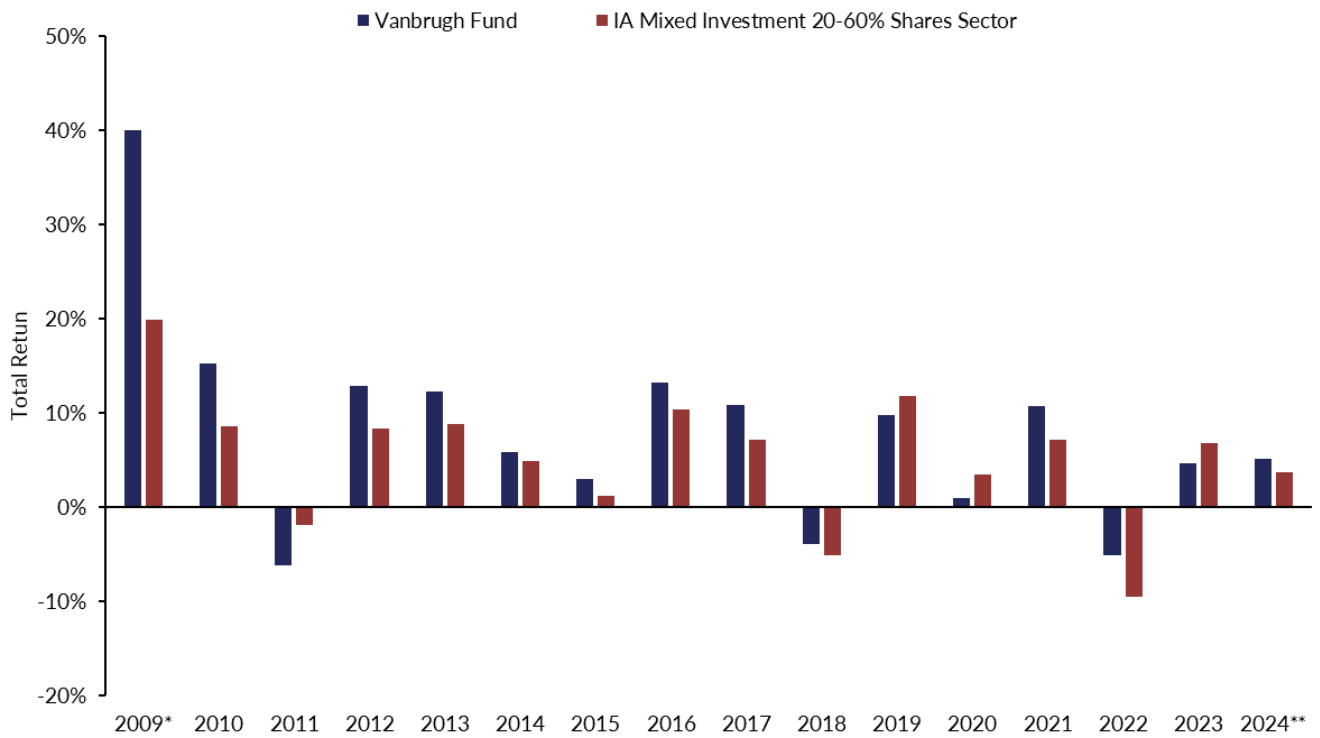
Source: FE fundinfo and internal, 31/03/2024 to 30/06/2024, must be held for entire period and uses month end weighting (text). FE fundinfo, 31/03/2024 to 30/06/2024 (chart).

SINCE LAUNCH FUND PERFORMANCE

Cumulative performance

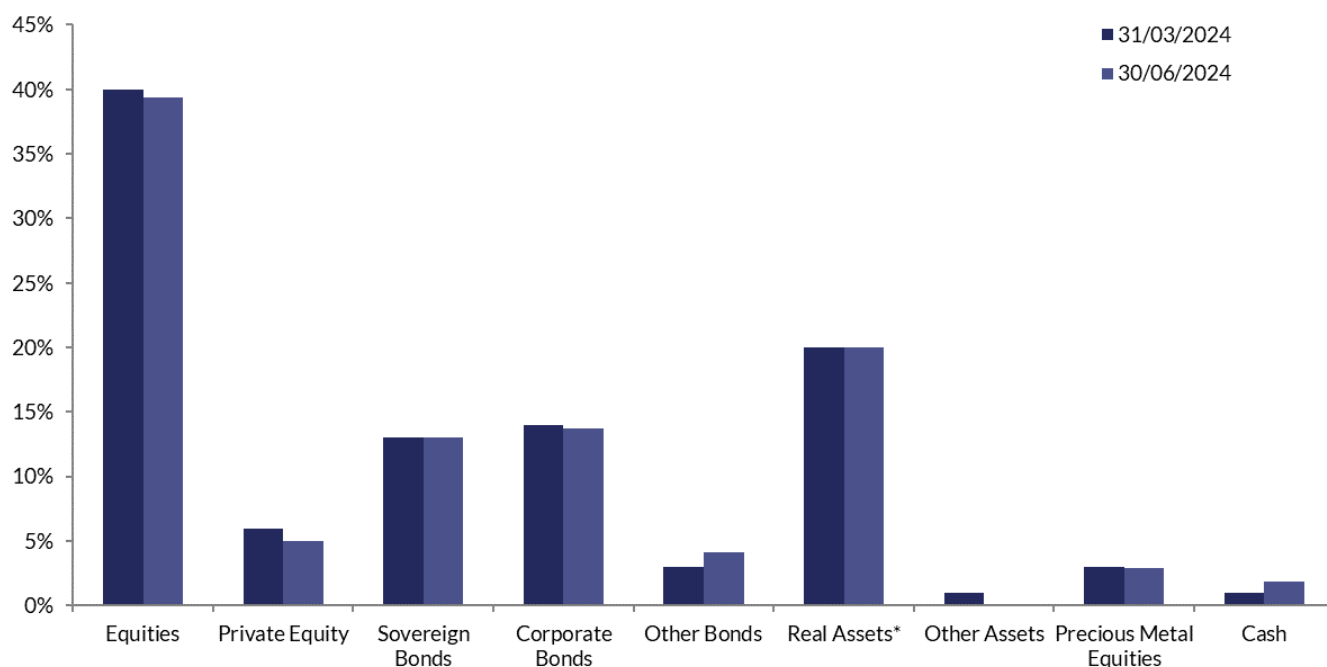


Discrete calendar year performance



Source: FE fundinfo, 18/02/2009 to 30/06/2024 (top). *From launch on 18/02/2009, **to 30/06/2024 (bottom).

ACTIVITY



This chart calculates the asset breakdown on a look through basis of the underlying holdings, therefore there may be differences in the breakdown shown here and on page 7.

Purchases:

- GCP Infrastructure

Sales:

- Close Sustainable Select Fixed Income
- CT Private Equity
- Hipgnosis Songs

Summary:

- Hipgnosis Songs was sold following a bidding war between Blackstone and Concord, which significantly boosted the share price following a challenging couple of years for the music royalty trust.
- The small remaining position in Close Sustainable Select Fixed Income was exited as credit spreads continued to tighten and the fund shifted away from credit into government bonds. Proceeds were reinvested into existing fixed income holdings Allianz Index Linked Gilt and TwentyFour Monument Bond.
- The small remaining position in CT Private Equity was also exited as we have greater confidence in our other private equity holdings.
- We introduced a new holding in GCP Infrastructure. The fund is trading on a wide discount to its net asset value, and offers an attractive yield relative to other infrastructure trusts. The management team are reducing equity like exposure in the predominantly debt focused portfolio, using proceeds to pay down trust level gearing and return capital to shareholders through share buybacks.

Source: Internal, 30/06/2024, *including Precious Metal Bullion.

HOLDINGS

Equities 47%

Aberforth UK Small Companies
Arcus Japan
Artemis UK Select
Augmentum Fintech
Bluebox Global Technologies
Chikara Indian Subcontinent
Chrysalis Investments
CIM Dividend Income
ICG Enterprise Trust
M&G Japan Smaller Companies
Ninety One Global Gold
Nippon Active Value
Oakley Capital Investments
Odyssean Investment Trust
Pacific North of South EM Income Opportunities
Polar Capital Global Insurance
Polar Capital Japan Value
Polar Capital UK Value Opportunities
Prusik Asian Equity Income
Schroder Capital Global Innovation Trust
Slater Growth
Strategic Equity Capital
VT De Lisle America
VT Teviot UK Smaller Companies
WF Gresham House UK Multi Cap Income
WS Lightman European

Cash 2%

Bonds 31%

Allianz Index-Linked Gilt
BioPharma Credit
CG Dollar
GCP Infrastructure
Man GLG Sterling Corporate Bond
Morgan Stanley Emerging Markets Debt Opportunities
RM Infrastructure Income
Schroder Strategic Credit
TwentyFour Income
TwentyFour Monument Bond

Real Assets 20%

BBGI Global Infrastructure
Cordiant Digital Infrastructure
Digital 9 Infrastructure
Greencoat UK Wind
HICL Infrastructure
International Public Partnerships
Life Science REIT
LondonMetric Property
Phoenix Spree Deutschland
Taylor Maritime
The Renewables Infrastructure Group
Tufton Oceanic Assets
Urban Logistics REIT
WisdomTree Core Physical Gold

OUTLOOK

Our equities exposure is highly differentiated compared to passive index options and many other actively managed funds. We have very little exposure to large cap US equities which trade on close to all-time high valuations and therefore offer close to all-time low prospective returns over the long-term. Instead, our exposure is focused on attractively valued portfolios managed by experienced, highly active fund managers able to take advantage of huge valuation dispersion to build portfolios with attractive return prospects without having to take on significant balance sheet or cyclical risks. Areas where we identify excellent opportunities include UK equities (across the market cap spectrum), which trade at historically low valuations. Japanese equities, where corporate governance improvements are helping to unlock the significant value in the market and with the potential benefits of the yen exposure (which is historically cheap vs other currencies) in weaker market conditions. Many areas of Asian and emerging market equities are also historically cheap, offering very high starting yields (6-8%) underpinning future return prospects.

Our bond exposure is biased towards higher quality credit and government bonds as we believe credit spreads in high yield bonds are not adequately compensating investors for rising default risk in aggregate. Valuation dispersion remains high, and we are able to access actively managed funds offering significant yield pickup versus passive bond options. Within government bonds, the shift higher in real yields from the deeply negative levels that have prevailed over the last decade means it's possible to harvest a positive return on these more defensive assets for the first time in years.

Our investment trust exposure is skewed towards deeply discounted alternative assets such as infrastructure, shipping, private equity and property where engagement and corporate events are key to realising value over the coming 12-18 months.

Source: Internal, 30/06/2024. Each fund has been allocated to an asset class for this breakdown, therefore there may be differences in the breakdown shown here and on the asset breakdown chart on page 6.

CONTACT US



David Chapman
Account Director
david.chapman@hawksmoorfm.co.uk
07384 114953

www.hawksmoorim.co.uk

IMPORTANT INFORMATION

This document is issued by Hawksmoor Fund Managers which is a trading name of Hawksmoor Investment Management (“Hawksmoor”), the investment manager of the MI Hawksmoor Vanbrugh Fund (“Fund”). Hawksmoor is authorised and regulated by the Financial Conduct Authority. Hawksmoor’s registered office is 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon EX1 3QS. Company Number: 6307442. The Fund’s Authorised Corporate Director, Apex Fundrock Ltd (“Apex Fundrock”) is also authorised and regulated by the Financial Conduct Authority. This document does not constitute an offer or invitation to any person, nor should its content be interpreted as investment or tax advice for which you should consult your financial adviser and/or accountant. The information and opinions it contains have been compiled or arrived at from sources believed to be reliable at the time and are given in good faith, but no representation is made as to their accuracy, completeness or correctness. Hawksmoor, its directors, officers, employees and their associates may have a holding in the Fund. Any opinion expressed in this document, whether in general or both on the performance of individual securities and in a wider economic context, represents the views of Hawksmoor at the time of preparation and may be subject to change. Past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested. FPC24178.

Please read the Prospectus and the relevant version of the Key Investor Information Document (“KIID”) which can be found on our website www.hawksmoorim.co.uk before making an investment. All information referred herein is at 30/06/2024 for the C Acc share class unless otherwise stated. C Acc share class launched 14/03/2014 so performance history extended to first share class launch date.

Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI’s express written consent.

The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates (“ICE Data”) and/or its Third Party Suppliers and has been licensed for use by Hawksmoor Investment Management Limited. ICE Data and its Third Party Suppliers accept no liability in connection with its use. See <https://www.hawksmoorim.co.uk/ice-data-indices-disclaimer/> for a full copy of the Disclaimer.