



HAWKSMOOR
INVESTMENT MANAGEMENT

MODEL PORTFOLIO
SERVICE

A GUIDE TO
OUR MODEL
PORTFOLIOS

The background is a dark blue, textured surface resembling crumpled paper or stone. A large, dark, semi-transparent triangular shape is overlaid on the right side, pointing towards the top right corner. The text is centered in the lower-left quadrant of this triangle.

INNOVATION BUILT
ON TRADITION

INTRODUCTION TO HAWKSMOOR

Hawksmoor is an award winning investment management business committed to the responsible management of the wealth entrusted to our care.

Hawksmoor focuses on the management of three services: Model Portfolios for the clients of Financial Advisers, funds-of-funds and discretionary investment management services for private clients, including trusts, pension schemes and charities. We are a privately owned business, with no ties to a bank or any other financial institution. Our managers have worked in the fund management industry for many years and have won leading industry awards for the performance of funds they have managed in the past.

Hawksmoor's Funds and services bring together these highly qualified and experienced investment professionals, all of whom are focused solely on providing you with the best service.



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.



THE HAWKSMOOR MODEL PORTFOLIOS

The Hawksmoor Model Portfolios have been designed to achieve what we believe to be the core objective of all investors: an attractive level of total return, taking into account inflation, taxes and fees, over the long term.

Model Portfolios are a way of accessing a well-diversified and actively-managed portfolio of investments made available to you with the convenience of a single investment decision. The model portfolios are designed to help you achieve your clients' investment objectives taking into consideration each client's risk profile. Hawksmoor offers six Model Portfolios all run with a multi-asset, funds-based approach using open-ended collective investments. Five of the Models are focussed on total return and independently risk-rated with a sixth having an income objective. All are run using a common investment process by our Fund Management Team.

Our multi-manager investment process has been developed over many years to provide a robust, reliable and repeatable approach, designed to deliver good long term results. The funds-based approach has gained an increasing number of advocates over the years, but our team has a proven pedigree, with experience of managing funds-of-funds dating back to 1995 and award-winning track-records achieved with their previous funds.

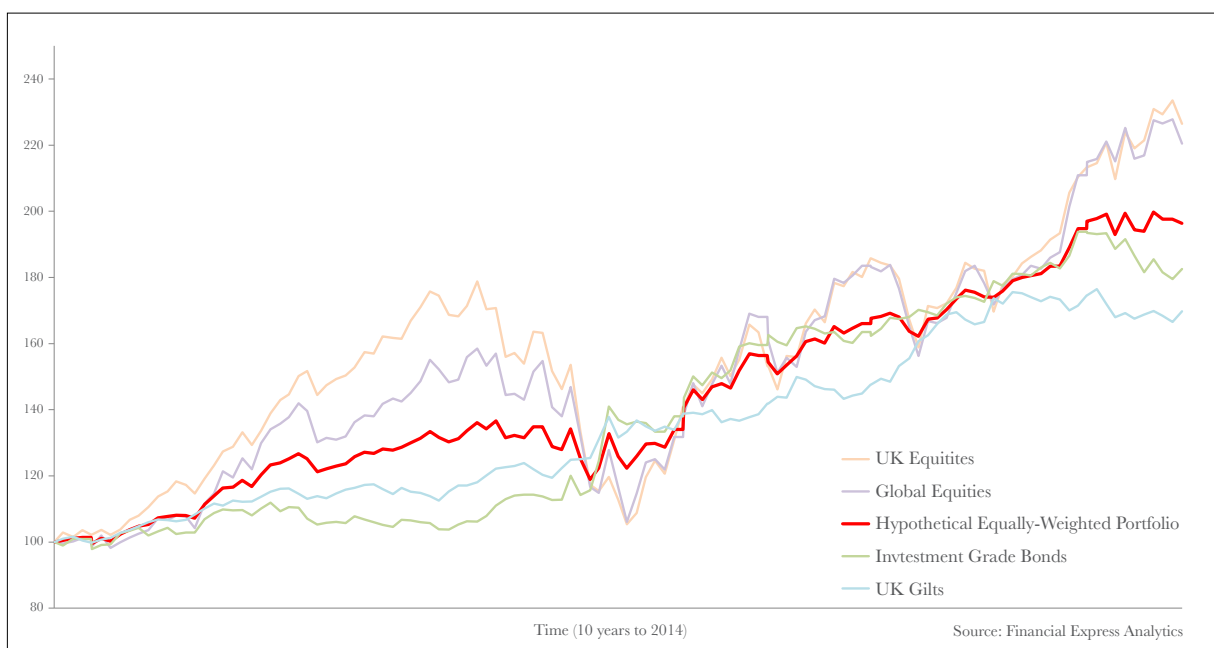
Hawksmoor's Model Portfolios are unfettered, which means that our Fund Management Team scours the huge universe of funds for investment ideas from a large range of fund providers. This contrasts with some funds-based portfolios which are limited to using a single company's funds. Our decisions are therefore based on our managers' expertise, not on the company's commercial interest, and this provides you with access to a carefully chosen portfolio of funds from across the investment industry. No one investment manager can claim to be the leader in the large number of different asset classes available to the modern investor. So an important part of our Fund Management Team's role is to bring together a portfolio of funds managed by experts drawn from a wide variety of different fund management companies.

THE BENEFITS OF A MULTI-ASSET APPROACH

Our Model Portfolios are multi-asset portfolios combining exposure to a broad range of assets; portfolios are highly diversified with investments providing carefully chosen exposure to bonds, equities and, where appropriate, ‘alternative assets’.

While all investments will have been chosen in the expectation that they will contribute to achieving the Model Portfolios’ ultimate objectives of providing an attractive return over the long term, the spread of assets is also designed to reduce the level of volatility in the performance of the Models, and to assist in guarding against risks that are always a feature of investment.

A simple equally-weighted portfolio split between different assets, as shown by the red line in the chart below, generates a superior risk-adjusted return than investors can achieve by investing in any single asset. Our Fund Management Team seeks to achieve additional value over and above this, by adjusting the Funds’ portfolios exposure to the various asset classes to reflect the managers’ judgement of the prevailing risks and rewards of each asset.



HOW WE INVEST

Hawksmoor has a disciplined process seeking to apply common sense to identify attractive investments. We seek to identify significant trends and themes affecting the world economy and its financial markets and then construct portfolios to benefit from these trends and themes.



As part of our process we look at comparative values across asset classes, recognising that valuation at the time of purchase is the key determinant of future success. Investment can never be an exact science, given the unpredictability of the future, so we favour investments with an attractive 'margin of safety' as one of means of limiting risk. Moreover, we constantly strive to identify the major risks in the prevailing market environment and aim to find investments that guard against them.

We are unashamedly 'Active Managers'. We invest into actively-managed funds believing that, over the long term, good active managers are able to outperform the markets in which they are invested. However, many actively-managed funds fail to do well for their investors, so the success of our Fund Management Team depends on good fund selection. Once we have identified our favoured investment areas and themes, we carefully research the fund universe to establish the best funds to provide the required exposure. This is a highly labour-intensive process, with frequent and regular engagement with fund managers and analysts, involving many hundreds of meetings over the course of each year.

THE BENEFITS OF THE MODEL PORTFOLIO SERVICE

Our Model Portfolio Service, with its range of active strategies, offers a high-quality, low-cost investment solution for Financial Advisers and Planners and we believe it is the next best thing to an in-house investment team.

Hawksmoor has been at the forefront of the development of risk-based Model Portfolios, working in partnership with many of the leading adviser platforms since 2009. The key benefits of the Model Portfolio Service to advisers and their clients include:

- **Control:** advisers can outsource investment management to Hawksmoor while retaining custody of assets on their chosen platform or 'wrap', facilitating holistic financial planning for their clients. They also retain control of the relationship with their clients and responsibility for the suitability of their investments: Hawksmoor simply manages the investments at arm's length;
- **Efficiency:** advisers and their clients do not need to follow a cumbersome advisory investment process – Hawksmoor manages the Model Portfolios on a discretionary basis;
- **Risk Based Solution:** our active portfolios are independently rated by Distribution Technology to assist advisers with risk-mapping and ensuring the suitability of their clients' investments;
- **Cost-effectiveness:** Hawksmoor's annual charge for the Model Portfolio Service is just 0.3% + VAT;
- **Transparency:** Hawksmoor provides regular factsheets and updates on the composition of the Model Portfolios, as well as their performance against the relevant benchmarks. Also, advisers are able to have access to the Managers to discuss investment strategy and the positioning of the portfolios;
- **Meeting FCA Requirements:** our investment process is designed to be robust, consistent and reliable, so that the adviser can have confidence in the suitability of our risk-rated Model Portfolios as an investment solution for their clients.

THE MODEL PORTFOLIO RANGE

Defensive Model Portfolio

This portfolio is designed for investors who are only prepared to accept very limited risk to capital from investing in financial markets and are therefore more willing to accept a lower return. The portfolio will be actively managed and diversified across global financial markets, however in order to reduce the risk of capital losses, an emphasis will be placed on fixed interest holdings and certain other defensive assets. An important way risk will be limited in the portfolio will be to have a maximum exposure to equities of 35% and a minimum allocation to fixed interest and cash of 45%. The portfolio is mainly invested in funds managed by highly regarded specialist managers who are experts in a particular field.

Cautious Model Portfolio

This portfolio is designed for investors prepared to accept some risk from investing in financial markets, but who are content to target more modest returns in exchange for a lower risk approach. The portfolio provides an actively managed and diversified spread of investments giving access to opportunities across global financial markets. However, while being actively managed in its asset allocation, the portfolio will have a minimum allocation to equities of 20% and a maximum of 50%, together with a minimum allocation to fixed interest and cash of 30%. The portfolio is mainly invested in funds managed by highly regarded specialist managers who are experts in a particular field. These funds combine together to provide broad exposure to global markets together with a focus on areas chosen for their potential either to enhance the returns achieved from the portfolio or to lower its overall level of risk.

Balanced Model Portfolio

This portfolio is designed for investors with a moderate risk profile seeking reasonable rates of total return over the long term, some of which will come by way of income. The portfolio provides an actively managed and diversified spread of investments giving access to opportunities across global financial markets. However, while being actively managed in its asset allocation, the portfolio will have a minimum allocation to equities of 40% and a maximum of 70%, together with a minimum allocation to fixed interest and cash of 20%. The portfolio is mainly invested in funds managed by highly regarded specialist managers who are experts in a particular field. These funds combine together to provide broad exposure to global markets together with a focus on areas chosen for their potential to enhance the returns achieved from the portfolio.

Growth Model Portfolio

This portfolio is designed for investors who are prepared to accept an above average level of risk in seeking a high rate of total return over the long term. The portfolio provides an actively managed and diversified spread of investments giving access to opportunities chosen from across global financial markets. However, while being actively managed in its asset allocation, the portfolio will have a minimum allocation to equities of 60% and a maximum of 90%. The portfolio is mainly invested in funds managed by highly regarded specialist managers who are experts in a particular field. These funds are selected so that in combination they provide broad exposure to global markets together with a focus on areas chosen for their potential to achieve strong returns.

Aggressive Model Portfolio

This portfolio is designed for higher risk investors looking to maximise long term returns on their investment from investing in financial markets and who are able to tolerate frequent and sometimes significant fluctuations in the value of their investment in the short term. The portfolio provides an actively managed and diversified spread of investments giving access to opportunities across global financial markets. This unconstrained portfolio will have a high exposure to equities particularly in overseas markets and specialist asset classes that exhibit the best potential for growth over the long term. The portfolio is mainly invested in funds managed by highly regarded specialist managers who are experts in a particular field.

Distribution Model Portfolio

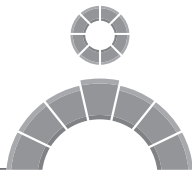
This portfolio is designed for investors whose priority is to achieve an attractive level of income from their investments and who are prepared to accept a moderate level of risk in doing so. However, while being actively managed in its asset allocation, the portfolio will have a minimum allocation to equities

of 40% and a maximum of 70%, together with a minimum allocation to fixed interest and cash of 20%. We aim for the overall yield on the portfolio to be higher than that available from a composite index of financial assets and we believe a diversified approach to asset allocation will enhance the opportunities to produce an attractive income yield, and offer good prospects for capital growth.

The main objective of the Model Portfolios is to provide good returns relative to the respective portfolios' risk or yield objective. There is not currently an appropriate industry-recognised benchmark for Model Portfolios, but we will show their respective performance relative to the most appropriate Investment Association Sector as per the table below. However, it is important to note that these are not perfect given the Sectors consist of funds with greater investment flexibility and have structurally different asset allocation guidelines. The performance of the Model Portfolios can be found on Financial Express, or via Hawksmoor's monthly factsheets, which are published on our website.

Model Portfolio	Equity Parameters	Fixed Interest/ Cash Parameters	Most appropriate IA Sector Performance Comparator
Defensive	0-35%	>45%	IA Mixed Investments 0-35% Shares
Cautious	20-50%	>30%	IA Mixed Investments 20-60% Shares
Balanced	40-70%	>20%	IA Mixed Investments 40-85% Shares
Growth	60-90%	n/a	IA Flexible Investments
Aggressive	n/a	n/a	IA Flexible Investments
Distribution	40-70%	>20%	IA Mixed Investments 40-85% Shares





HAWKSMOOR

INVESTMENT MANAGEMENT

For further information on any of our funds or services, please contact our Business Development Team on 01392 410180 or email bdteam@hawksmoorim.co.uk

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Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority

HA1191

Whatever is goode in its kinde ought to be
preserv'd in respect for antiquity, as well as
our present advantage, for destruction can
be profitable to none but such as live by it.

Nicholas Hawksmoor

on the rebuilding of All Souls College, Oxford, 17 February 1715



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