

# Maitland

MI Hawksmoor Open-Ended Investment Company

Interim Report 30 April 2019

# MI Hawksmoor Open-Ended Investment Company

## Contents

## Page

Directory .....	1
Basis of Accounting .....	2
Certification of Accounts by the Authorised Corporate Director .....	2
<b>The MI Hawksmoor Vanbrugh Fund</b>	
Investment Objective and Policy .....	3
Investment Manager's report .....	3
Portfolio Statement .....	6
Comparative Tables .....	8
Statement of Total Return .....	14
Statement of Change in Net Assets Attributable to Shareholders .....	14
Balance Sheet .....	15
Distribution Tables .....	16
<b>The MI Hawksmoor Distribution Fund</b>	
Investment Objective and Policy .....	17
Investment Manager's report .....	17
Portfolio Statement .....	20
Comparative Tables .....	22
Statement of Total Return .....	27
Statement of Change in Net Assets Attributable to Shareholders .....	27
Balance Sheet .....	28
Distribution Tables .....	29
<b>The MI Hawksmoor Global Opportunities Fund</b>	
Investment Objective and Policy .....	30
Investment Manager's report .....	30
Portfolio Statement .....	32
Comparative Tables .....	34
Statement of Total Return .....	36
Statement of Change in Net Assets Attributable to Shareholders .....	36
Balance Sheet .....	37
General Information .....	38

## Directory

### Authorised Corporate Director (ACD) & Registrar

Maitland Institutional Services Ltd  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.maitlandgroup.com](http://www.maitlandgroup.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 026 4283  
Fax: 0845 280 2425  
E-mail: [Hawksmoor@maitlandgroup.co.uk](mailto:Hawksmoor@maitlandgroup.co.uk)  
(Authorised and regulated by the Financial Conduct Authority)

### Directors of the Authorised Corporate Director

R. Ackermann  
J. Clark (retired 27 November 2018)  
P.J. Foley-Brickley  
S. Georgala (retired 27 November 2018)  
D. Jones  
G. Kok

### Investment Manager

Hawksmoor Investment Management Limited  
17 Dix's Field, Exeter EX1 1QA  
(Authorised and regulated by the Financial Conduct Authority)

### Fund Managers

Ben Conway  
Daniel Lockyer  
Richard Scott (effective 31 December 2018 stepped down as to Advisor)

### Depositary

Northern Trust Global Services SE (UK Branch)  
50 Bank Street, Canary Wharf, London E14 5NT  
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

### Independent Auditor

KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square, Canary Wharf, London E14 5GL

## Basis of Accounting

The interim financial statements have been prepared under the historical cost basis, as modified by revaluation of investments and in accordance with FRS102 and the Statement of Recommended Practice (SORP) for the Financial Statements of Authorised Funds issued by the Investment Association (IA) in May 2014.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2018.

The financial statements have been prepared on the going concern basis.

## Certification of Accounts by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook and the Statement of Recommended Practice issued by the IA.



**R. Ackermann**

**P.J. Foley-Brickley**

Directors

Maitland Institutional Services Ltd

27 June 2019

## Investment Objective and Policy

### Investment objective

The investment objective of the Sub-fund is to provide capital growth and income.

### Investment policy

The Sub-fund's portfolio will consist primarily of a diversified range of open and closed ended funds. The portfolio will be actively managed, with the Investment Manager seeking to take advantage of inefficiencies in the pricing of closed ended funds and significant movements in financial markets.

Through its investments in these collectives, the portfolio will be exposed to a range of asset classes (such as equities, bonds, property and commodities), underlying currencies and geographic spread and funds managed by a variety of fund management groups and style of investment manager.

The Company permits the use of derivatives for investment purposes by the Sub-fund; however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.

## Investment Manager's Report

for the period ended 30 April 2019

### Performance Review and Income Distribution

The 6-months to 30 April 2019 witnessed significant gyrations in financial markets with the end of 2018 characterised by heightened volatility and pronounced weakness in risk assets. In contrast, the first four months of 2019 saw a significant reversal with equities and corporate bonds enjoying one of the best starts to a year in recent history. Against this backdrop The Vanbrugh Fund delivered a total return of 2.8%, compared to a gain of 4.2% for the average performance of its peer group of funds in the IA Mixed Investment 20-60% Shares Sector. In absolute terms these positive returns build on the Sub-fund's strong long term performance track record, but we recognise that shorter term relative returns have been disappointing. We have communicated for some time however, that the Sub-fund would likely lag a sharp rise in markets given its more cautious positioning versus the peer group. Splitting the period under review into two discrete timeframes is instructive. From 1 November to 31 December 2018 the Sub-fund outperformed the sector average by 0.9% returning -1.6% versus -2.5%, during which time the MSCI World Equity Index was -6.8%. Between 1 January and 30 April 2019 the Sub-fund underperformed the sector average by 2.4% returning 4.5% versus 6.9%, a period in which global equities were up 16.9%. We will examine the key drivers of recent underperformance more closely later in this report. Meanwhile, long-term performance remains excellent with the Sub-fund generating total returns of 163.4% since launch in February 2009, which compares favourably with the sector average of 91.7%. Recognising the quality and consistency of performance, third party multi-manager research firms like Defaqto have assigned their top ratings to the Sub-fund. Vanbrugh has also recently won the 'Best Multi-Asset Fund: Long Term Growth' at the 2019 Professional Advisor awards. While past returns are pleasing and awards are nice things to have, we remain entirely focussed on achieving good returns for future investors in the Sub-fund whether they have been with us since launch, or only invested in recent weeks.

For the six-month period to 30 April 2019, Vanbrugh generated income of 1.0813 pence per C Income share (pps), going ex-dividend on 1 May with the income paid to income shareholders at the end of June 2019. This distribution together with the last dividend (1.1160 pps) amounts to an annualised yield of 1.77% based on the unit price as at 1 May 2018. We remind investors that we are focused on maximising The Vanbrugh Fund's total return over the long-term with attention to the ever-evolving risks in the investment environment. In pursuing this strategy, the level of income will vary with an expectation that looking ahead over the next twelve months the Sub-fund's yield paid out to investors should be at least 1% of the price as at 1 May 2019. The MI Hawkmoor Distribution Fund is available for investors wanting a higher income strategy and who are prepared to accept a slightly greater level of risk with their investment, while continuing to access a similar investment philosophy.

*Source: Financial Express Analytics, Local Currency. All figures refer to the C Accumulation share class unless otherwise stated.*

## Investment Manager's Report

continued

### Market Review

Following a difficult end to 2018, global financial markets bounced back in 2019 with the MSCI World Equity Index posting returns of 16.9% in the four months to the end of April 2019 and 8.9% for the full 6-month period under review. Concerns regarding the maturity of the business cycle and moderating economic growth persisted, whilst US-China trade negotiations and Brexit uncertainty rumbled on without clear signs of resolution. Central bank monetary policy also remained a dominant driver of market returns. Low interest rates and unconventional policy like quantitative easing has placed downward pressure on yields in the post-financial crisis world, encouraging investors to switch from safe investments such as cash and sovereign debt into riskier assets like equities and corporate bonds in pursuit of inflation beating returns. Low risk-free rates have also helped sustain lofty equity valuations and enabled companies to refinance debt cheaply. Changing perceptions regarding the longevity of this benign, easy money backdrop sparked a sell-off in most major asset classes, the majority of which ended 2018 in negative territory. Gold and the US dollar, traditional havens in times of stress, were among the few investments to do well in this period. A new year and a more dovish tone from the US Federal Reserve helped convince investors that the 'lower for longer' interest rate narrative was in fact alive and well, helping support the strong bounce back in equities and corporate bonds seen at the start of 2019. Fashionable U.S technology stocks and riskier high yield bonds led the way in their respective asset classes, although gains were fairly broad based with investors happy to look through the ebb and flow of political risks associated with Brexit and trade protectionism.

The magnitude of the gains for equity markets over the period is somewhat startling bearing in mind elevated starting valuations and the fact that we are 10 years into a bull market. Looking at the anatomy of the equity market rally in the first four months of 2019 is revealing, with gains driven exclusively by multiple expansion in the face of downgrades to corporate earnings forecasts. In other words, investors have been willing to pay a higher price for company earnings despite collective confidence in the veracity of those earnings deteriorating. Similarly, in bond markets, credit spreads (the yield premium on corporate bonds over government debt to compensate for greater counterparty risk) narrowed significantly and ended the period close to historic lows despite a shift higher in corporate debt to GDP ratios, which now stand at levels consistent with past recessions. The fact that equities have rallied at the same time as government bonds is also unusual with low sovereign debt yields suggesting a less rosy outlook for global economic growth than that implied by equity valuations.

*Source: Financial Express Analytics, Local Currency.*

### Portfolio Review and Investment Outlook

As investors with an unwavering focus on valuation, the 6-month period to the end of April 2019 has been a tough one to navigate. As intimated above, we see limited value in most mainstream equity and bond markets, especially given the maturity of the market and economic cycle. It is also increasingly difficult to construct cautious portfolios in the current environment, with traditional safe haven investments such as developed market sovereign debt offering negative returns when adjusted for inflation. We also think that low government bond yields impair the diversification benefits that high-grade bonds have historically brought to a multi-asset portfolio. Because of these views the Vanbrugh Fund currently has very low exposure to mainstream asset classes. 2019 year to date has as a result been a difficult place to be given those traditional investments - equities, government debt, corporate bonds - have all delivered strongly positive returns. We, however, have stuck to our process, constructing a truly diversified portfolio of individual assets that offer a margin of safety – often via valuation support or asset backing – and the prospect of positive asymmetric returns.

In January and February we tactically increased exposure to cheap looking UK equities, which included adding to our position in Artemis Alpha Trust at an attractive discount to net asset value. A reconfiguration of our absolute return exposure saw us exit the equity net-long Artemis Pan European Absolute Return fund in favour of Odey Swan; a hedge fund that we anticipate will protect capital better in times of equity market stress. Our exposure to investments with lower correlation to traditional asset classes was bolstered later in the period with the introduction of BH Macro, an interest rate and currency focused hedge fund, and CG Dollar which, via its holdings in US Treasury Inflation Protected Securities, provides attractive diversification benefits. Bearing in mind the scale of the equity rally at the start of 2019 it is not entirely surprising that some of the positions we class as hedges have performed poorly of late with Merian Global Equity Absolute Return, Jupiter Absolute Return, Odey Swan and our gold mining exposure delivering negative returns. These types of investments however, delivered positive performance in late 2018, a period when equities and bonds were falling, and we retain faith in their ability to help insulate the Sub-fund should we see more pronounced equity drawdowns in the future.

## Investment Manager's Report

continued

### Portfolio Review and Investment Outlook (continued)

A couple of our investment trust holdings were trimmed in the period, including GCP Asset Backed Income and Impact Healthcare REIT, where the investment case remains sound but where higher premiums to net asset value left the shares looking a little rich in the short term. Otherwise, our exposure to investment trusts remains considerable, providing not only trading opportunities around discount-premium movements, but also offering access to less liquid assets such as private equity, specialist debt and property. With many mainstream investments looking fully valued, we have continued to reduce the Sub-fund's exposure to the general direction of markets, which has resulted in a higher allocation to these more idiosyncratic investments that we believe can deliver positive returns over the long term. The maturity of the equity bull market and elevated valuations suggest that the high level of returns enjoyed over the past decade are highly unlikely to be sustained in the future. Against this backdrop, the Sub-fund is well diversified and remains focussed on identifying pockets of value from across the investment universe where we continue to see plenty of opportunity.

More information about The Vanbrugh Fund can be found on the Hawksmoor website [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk) including monthly factsheets and quarterly reports which give more details of the investments in the portfolio and how they have changed over the period covered by this report. If you would like to receive any of these documents on a regular basis and are not already doing so, please send an email to [funds@hawksmoorfm.co.uk](mailto:funds@hawksmoorfm.co.uk) and we will be pleased to add your email address to the distribution list.

We thank you for your support and interest in the Vanbrugh Fund.

Daniel Lockyer and Ben Conway  
Hawksmoor Investment Management Ltd  
16 May 2019

# The MI Hawkmoor Vanbrugh Fund

## Portfolio Statement

as at 30 April 2019

Holding	Security	Market value £	% of total net assets 2019
<b>Absolute Return 9.16% (9.57%)</b>			
76,412	BH Macro	1,788,041	1.16
11,500,000	Jupiter Absolute Return - I Accumulation*	6,065,100	3.94
3,000,000	Merian Global Equity Absolute Return - R GBP Hedged Accumulation*	4,686,600	3.05
30,000	Odey Swan - I GBP Income*	1,555,152	1.01
		<b>14,094,893</b>	<b>9.16</b>
<b>Alternatives 3.32% (3.65%)</b>			
615,000	Polar Capital Global Convertible - I GBP Distribution*	5,104,500	3.32
<b>Biotechnology 0.91% (0.96%)</b>			
75,000	Polar Capital Biotechnology - I GBP Income*	1,401,750	0.91
<b>Commodity 4.66% (4.40%)</b>			
1,600,000	LF Ruffer Gold - I Accumulation*	2,399,040	1.56
420,000	Merian Gold & Silver - U1 GBP Accumulation*	4,779,138	3.10
		<b>7,178,178</b>	<b>4.66</b>
<b>Emerging Market Equity 2.12% (2.24%)</b>			
3,290,000	Mobius Investment Trust	3,263,680	2.12
<b>Far East Equity 2.13% (3.03%)</b>			
1,005,000	Ashoka India Equity Investment Trust	1,015,050	0.66
140,000	Guinness Asian Equity Income Z GBP Distribution*	2,263,912	1.47
		<b>3,278,962</b>	<b>2.13</b>
<b>Fixed Interest 24.90% (28.60%)</b>			
37,000	Ashmore Emerging Markets Total Return - I GBP Income*	3,393,270	2.20
23,000	Ashmore Emerging Short Duration (GBP Hedged) - Z GBP Income*	2,224,330	1.45
1,881,533	BioPharma Credit	1,522,720	0.99
20,000	CG Portfolio Fund - Dollar D GBP Distribution*	3,090,600	2.01
1,990,546	GCP Asset Backed Income	2,169,695	1.41
2,400,000	GCP Infrastructure Investments	3,115,200	2.03
1,134,000	ICG-Longbow Senior Secured UK Property Debt Investments	1,134,000	0.74
45,000	MI TwentyFour Investment Funds - Monument Bond - I Income*	5,021,163	3.26
44,000	Muzinich Asia Credit Opportunities - Hedged GBP Income Founder*	4,297,920	2.79
2,869,199	RM Secured Direct Lending	2,869,199	1.86
4,000,000	Royal London Short Duration Global High Yield Bond - Z Income*	3,505,200	2.28
3,000,000	Schroder Strategic Credit - L Income*	2,877,600	1.87
30,000	Semper Total Return	3,095,700	2.01
		<b>38,316,597</b>	<b>24.90</b>
<b>Global Equity 4.61% (4.75%)</b>			
2,300,000	Artemis Global Select - I Accumulation*	2,771,730	1.80
800,000	Polar Capital Insurance- I GBP Income*	4,321,520	2.81
		<b>7,093,250</b>	<b>4.61</b>



# The MI Hawkmoor Vanbrugh Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Japanese Equity 3.86% (4.26%)</b>			
2,250,000	Baillie Gifford Japanese Income Growth - B Income*	3,010,500	1.96
3,150,000	Jupiter Japan Income - I Income*	2,925,090	1.90
		<b>5,935,590</b>	<b>3.86</b>
<b>Multi Asset 4.53% (3.76%)</b>			
2,249	Garraway Financial Trends - A GBP Hedged Accumulation*	2,155,335	1.40
1,026,003	Henderson Alternative Strategies Trust	2,790,728	1.81
20,000	Natixis ASG Managed Futures*	2,034,400	1.32
		<b>6,980,463</b>	<b>4.53</b>
<b>Private Equity 4.49% (3.87%)</b>			
88,000	HgCapital Trust	1,905,200	1.23
272,000	ICG Enterprise Trust	2,382,720	1.55
1,270,000	Oakley Capital Investments**	2,628,900	1.71
		<b>6,916,820</b>	<b>4.49</b>
<b>Property 15.12% (14.94%)</b>			
2,290,500	AEW UK Long Lease REIT	1,878,210	1.22
3,924,285	Civitas Social Housing REIT	3,433,749	2.23
2,122,000	Impact Healthcare REIT	2,270,540	1.47
1,670,000	Phoenix Spree Deutschland	5,945,200	3.86
1,900,000	Supermarket Income REIT	1,938,000	1.26
3,281,830	PRS REIT	3,262,139	2.12
2,796,396	Tufton Oceanic Assets	2,209,487	1.44
2,250,000	Warehouse REIT**	2,340,000	1.52
		<b>23,277,325</b>	<b>15.12</b>
<b>United Kingdom Equity 10.49% (9.11%)</b>			
800,000	Artemis Alpha Trust	2,304,000	1.50
3,200,000	Man GLG Undervalued Assets - D Income*	4,761,600	3.09
301,499	MI Downing UK Micro Cap Growth - B Accumulation*	552,243	0.36
1,450,000	Odyssean Investment Trust	1,450,000	0.94
600,000	Polar Capital UK Value Opportunities Fund GBP - Income*	7,080,000	4.60
		<b>16,147,843</b>	<b>10.49</b>
	<b>Investment assets</b>	<b>138,989,851</b>	<b>90.30</b>
	<b>Net other assets</b>	<b>14,922,762</b>	<b>9.70</b>
	<b>Net assets</b>	<b>153,912,613</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.10.18.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

\*\*Quoted on the AIM.

Total purchases for the period: £26,170,031

Total sales for the period: £17,495,168

# The MI Hawkmoor Vanbrugh Fund

## Comparative Tables

### Change in net assets per share

	A Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	212.82	218.18	204.10	183.63
Return before operating charges <sup>^</sup>	8.37	1.93	21.74	28.17
Operating charges	-4.68	-4.95	-4.94	-4.60
Return after operating charges <sup>^</sup>	3.69	-3.02	16.80	23.57
Distributions	-1.50	-2.34	-2.72	-3.10
<b>Closing net asset value per share</b>	<b>215.01</b>	<b>212.82</b>	<b>218.18</b>	<b>204.10</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.11	-0.17	-0.17
<b>Performance</b>				
Return after charges	1.73%	-1.38%	8.23%	12.84%
<b>Other information</b>				
Closing net asset value	£100,706	£127,610	£192,946	£257,440
Closing number of shares	46,838	59,961	88,433	126,137
Operating charges	2.19%	2.26%	2.33%	2.42%
Ongoing operating charges*	2.19%	2.26%	2.31%	2.36%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	217.55	223.00	220.33	206.85
Lowest share price	208.35	213.64	201.49	176.34

	A Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	149.61	151.70	140.07	123.91
Return before operating charges <sup>^</sup>	5.89	1.36	15.03	19.28
Operating charges	-3.29	-3.45	-3.40	-3.12
Return after operating charges <sup>^</sup>	2.60	-2.09	11.63	16.16
Distributions	-1.06	-1.64	-1.87	-2.23
Retained distributions on accumulation shares	1.06	1.64	1.87	2.23
<b>Closing net asset value per share</b>	<b>152.21</b>	<b>149.61</b>	<b>151.70</b>	<b>140.07</b>
<sup>^</sup> After direct transaction costs of	-0.05	-0.08	-0.12	-0.12
<b>Performance</b>				
Return after charges	1.74%	-1.38%	8.30%	13.04%
<b>Other information</b>				
Closing net asset value	£147,534	£159,953	£181,873	£354,152
Closing number of shares	96,927	106,912	119,889	252,834
Operating charges	2.19%	2.26%	2.33%	2.42%
Ongoing operating charges*	2.19%	2.26%	2.31%	2.36%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	152.94	155.06	152.26	140.67
Lowest share price	146.47	149.12	138.38	119.20

# The MI Hawkmoor Vanbrugh Fund

## Comparative Tables

continued

### Change in net assets per share

	B Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	139.53	142.69	133.11	119.41
Return before operating charges <sup>^</sup>	5.14	1.27	14.23	18.49
Operating charges	-2.37	-2.53	-2.53	-2.38
Return after operating charges <sup>^</sup>	2.77	-1.26	11.70	16.11
Distributions	-1.16	-1.90	-2.12	2.41
<b>Closing net asset value per share</b>	<b>141.14</b>	<b>139.53</b>	<b>142.69</b>	<b>133.11</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.07	-0.11	-0.11
<b>Performance</b>				
Return after charges	1.99%	-0.88%	8.79%	13.49%
<b>Other information</b>				
Closing net asset value	£4,014,480	£5,824,519	£6,905,567	£6,801,690
Closing number of shares	2,844,410	4,174,446	4,839,699	5,109,965
Operating charges	1.69%	1.76%	1.83%	1.92%
Ongoing operating charges*	1.69%	1.76%	1.81%	1.86%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	142.98	145.98	144.25	134.85
Lowest share price	136.70	140.25	131.51	115.03

	B Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	155.52	156.91	144.18	126.91
Return before operating charges <sup>^</sup>	5.73	1.40	15.49	19.81
Operating charges	-2.64	-2.79	-2.76	-2.54
Return after operating charges <sup>^</sup>	3.09	-1.39	12.73	17.27
Distributions	-1.29	-2.10	-2.30	-2.59
Retained distributions on accumulation shares	1.29	2.10	2.30	2.59
<b>Closing net asset value per share</b>	<b>158.61</b>	<b>155.52</b>	<b>156.91</b>	<b>144.18</b>
<sup>^</sup> After direct transaction costs of	-0.05	-0.08	-0.12	-0.12
<b>Performance</b>				
Return after charges	1.99%	-0.89%	8.83%	13.61%
<b>Other information</b>				
Closing net asset value	£6,462,390	£6,043,732	£5,060,031	£4,374,928
Closing number of shares	4,074,289	3,886,065	3,224,831	3,034,389
Operating charges	1.69%	1.76%	1.83%	1.92%
Ongoing operating charges*	1.69%	1.76%	1.81%	1.86%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	159.37	160.53	157.47	144.78
Lowest share price	152.37	154.82	142.50	122.28

# The MI Hawkmoor Vanbrugh Fund

## Comparative Tables

continued

### Change in net assets per share

	B Accumulation EUR			
	30.04.19 €c	31.10.18 €c	31.10.17 €c	31.10.16 €c
<b>Opening net asset value per share</b>	130.69	132.95	119.08	131.25
Return before operating charges <sup>^</sup>	8.89	-0.25	15.89	-10.11
Operating charges	-1.92	-2.01	-2.02	-2.06
Return after operating charges <sup>^</sup>	6.97	-2.26	13.87	-12.17
Distributions	-1.21	-1.94	-2.15	-2.43
Retained distributions on accumulation shares	1.21	1.94	2.15	2.43
<b>Closing net asset value per share</b>	<b>137.66</b>	<b>130.69</b>	<b>132.95</b>	<b>119.08</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.07	-0.10	-0.11
<b>Performance</b>				
Return after charges	5.33%	-1.70%	11.65%	-9.27%
<b>Other information</b>				
Closing net asset value	€6,818,185	€6,754,639	€6,762,086	€5,762,294
Closing number of shares	4,953,082	5,168,281	5,086,255	4,839,057
Operating charges	1.44%	1.51%	1.58%	1.67%
Ongoing operating charges*	1.44%	1.51%	1.56%	1.61%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	138.54	136.28	133.32	134.28
Lowest share price	125.51	129.84	118.53	116.23

The foreign exchange rate used to calculate net asset value and net distribution per share as at 30 April 2019 was €1.1632.

	C Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	121.40	123.99	115.50	103.49
Return before operating charges <sup>^</sup>	4.31	1.11	12.38	16.04
Operating charges	-1.76	-1.89	-1.90	-1.79
Return after operating charges <sup>^</sup>	2.55	-0.78	10.48	14.25
Distributions	-1.08	-1.81	-1.99	-2.24
<b>Closing net asset value per share</b>	<b>122.87</b>	<b>121.40</b>	<b>123.99</b>	<b>115.50</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.06	-0.10	-0.10
<b>Performance</b>				
Return after charges	2.10%	-0.63%	9.07%	13.77%
<b>Other information</b>				
Closing net asset value	£13,112,834	£26,853,400	£31,111,592	£20,702,965
Closing number of shares	10,671,834	22,119,923	25,091,656	17,923,621
Operating charges	1.44%	1.51%	1.58%	1.67%
Ongoing operating charges*	1.44%	1.51%	1.56%	1.61%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	124.55	126.91	125.41	117.10
Lowest share price	118.98	122.10	114.16	99.79

# The MI Hawkmoor Vanbrugh Fund

## Comparative Tables

continued

### Change in net assets per share

	C Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	132.35	133.20	122.03	107.14
Return before operating charges <sup>^</sup>	4.72	1.18	13.19	16.76
Operating charges	-1.92	-2.03	-2.02	-1.87
Return after operating charges <sup>^</sup>	2.80	-0.85	11.17	14.89
Distributions	-1.18	-1.95	-2.11	-2.39
Retained distributions on accumulation shares	1.18	1.95	2.11	2.39
<b>Closing net asset value per share</b>	<b>135.15</b>	<b>132.35</b>	<b>133.20</b>	<b>122.03</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.07	-0.10	-0.10
<b>Performance</b>				
Return after charges	2.12%	-0.64%	9.15%	13.90%
<b>Other information</b>				
Closing net asset value	£69,059,547	£62,757,524	£47,204,832	£32,229,247
Closing number of shares	51,100,225	47,419,174	35,440,274	26,411,601
Operating charges	1.44%	1.51%	1.58%	1.67%
Ongoing operating charges*	1.44%	1.51%	1.56%	1.61%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	135.79	136.34	133.66	122.53
Lowest share price	129.72	131.56	120.64	103.31

	D Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	121.55	123.99	115.35	103.23
Return before operating charges <sup>^</sup>	4.17	1.10	12.38	16.02
Operating charges	-1.46	-1.58	-1.60	-1.52
Return after operating charges <sup>^</sup>	2.71	-0.48	10.78	14.50
Distributions	-1.16	-1.96	-2.14	-2.38
<b>Closing net asset value per share</b>	<b>123.10</b>	<b>121.55</b>	<b>123.99</b>	<b>115.35</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.06	-0.10	-0.10
<b>Performance</b>				
Return after charges	2.23%	-0.39%	9.34%	14.04%
<b>Other information</b>				
Closing net asset value	£43,961,253	£29,503,126	£25,758,985	£17,513,247
Closing number of shares	35,711,145	24,272,936	20,775,609	15,182,478
Operating charges	1.19%	1.26%	1.33%	1.42%
Ongoing operating charges*	1.19%	1.26%	1.31%	1.36%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	124.86	126.97	125.48	117.01
Lowest share price	119.18	122.33	114.03	99.61

# The MI Hawkmoor Vanbrugh Fund

## Comparative Tables

continued

### Change in net assets per share

	D Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	128.03	128.52	117.51	102.93
Return before operating charges <sup>^</sup>	4.40	1.15	12.64	16.11
Operating charges	-1.53	-1.64	-1.63	-1.53
Return after operating charges <sup>^</sup>	2.87	-0.49	11.01	14.58
Distributions	-1.22	-2.05	-2.18	-2.38
Retained distributions on accumulation shares	1.22	2.05	2.18	2.38
<b>Closing net asset value per share</b>	<b>130.90</b>	<b>128.03</b>	<b>128.52</b>	<b>117.51</b>
<sup>^</sup> After direct transaction costs of	-0.04	-0.06	-0.10	-0.10
<b>Performance</b>				
Return after charges	2.24%	-0.38%	9.37%	14.16%
<b>Other information</b>				
Closing net asset value	£11,192,293	£467,060	£160,205	£34,836
Closing number of shares	8,550,578	364,812	124,652	29,644
Operating charges	1.19%	1.26%	1.33%	1.42%
Ongoing operating charges*	1.19%	1.26%	1.31%	1.36%
Direct transaction costs	0.03%	0.05%	0.08%	0.09%
<b>Prices</b>				
Highest share price	131.52	131.61	128.96	118.00
Lowest share price	125.53	127.07	115.96	99.32

\*The ACD believes this to be more representative of the charges going forwards.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average net asset value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

The Sub-fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-fund (synthetic ongoing charge) are included within the operating charges.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average net asset value for the accounting period.

## Comparative Tables

continued

### Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



Classes A,B,C and D (Income and Accumulation GBP) are ranked 3 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.



Class B Accumulation EUR is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

The two indicators above do not take into account the following risks of investing in this Sub-fund:

- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives.
- The price of some funds may not reflect the value of the assets they hold. This can result in wide changes in the share price.
- The other funds can themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.

For further risk information please see the prospectus.

### Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

# The MI Hawkmoor Vanbrugh Fund

## Statement of Total Return

for the period ended 30 April 2019

	30.04.19		30.04.18	
	£	£	£	£
Income				
Net capital gains		2,068,744		267,873
Revenue	1,714,445		1,139,443	
Expenses	(638,620)		(612,165)	
Interest payable and similar charges	—		—	
Net revenue before taxation	1,075,825		527,278	
Taxation	(53,729)		—	
Net revenue after taxation		1,022,096		527,278
<b>Total return before distributions</b>		<b>3,090,840</b>		<b>795,151</b>
Distributions		(1,261,237)		(720,640)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,829,603</b>		<b>74,511</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 April 2019

	30.04.19		30.04.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>137,726,672</b>		<b>122,508,206</b>
Amounts receivable on issue of shares	37,609,725		25,423,923	
Less: Amounts payable on cancellation of shares	(24,067,915)		(15,366,824)	
		13,541,810		10,057,099
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,829,603		74,511
Retained distributions on accumulation shares		814,528		374,901
<b>Closing net assets attributable to Shareholders</b>		<b>153,912,613</b>		<b>133,014,717</b>

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.



# The MI Hawkmoor Vanbrugh Fund

## Balance Sheet

as at 30 April 2019

	30.04.19		31.10.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		138,989,851		128,276,332
<b>Current Assets</b>				
Debtors	1,242,745		4,520,107	
Cash and bank balances	14,866,115		7,241,106	
<b>Total current assets</b>		<b>16,108,860</b>		<b>11,761,213</b>
<b>Total assets</b>		<b>155,098,711</b>		<b>140,037,545</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Distribution payable	(564,792)		(588,100)	
Other creditors	(621,306)		(1,722,773)	
<b>Total creditors</b>		<b>(1,186,098)</b>		<b>(2,310,873)</b>
<b>Total liabilities</b>		<b>(1,186,098)</b>		<b>(2,310,873)</b>
<b>Net assets attributable to Shareholders</b>		<b>153,912,613</b>		<b>137,726,672</b>

# The MI Hawkmoor Vanbrugh Fund

## Distribution Tables

for the period ended 30 April 2019

### Income Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Distribution payable 2019	Distribution paid 2018
A GBP	Interim^	Group 1	1.5016p	–	1.5016p	0.8142p
		Group 2	–	–	–	0.8142p
B GBP	Interim	Group 1	1.1620p	–	1.1620p	0.7111p
		Group 2	0.4068p	0.7552p	1.1620p	0.7111p
C GBP	Interim	Group 1	1.0813p	–	1.0813p	0.6955p
		Group 2	0.4744p	0.6069p	1.0813p	0.6955p
D GBP	Interim	Group 1	1.1639p	–	1.1639p	0.7726p
		Group 2	0.8375p	0.3264p	1.1639p	0.7726p

^No Group 2 shares held.

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Amount reinvested 2019	Amount reinvested 2018
A GBP	Interim^	Group 1	1.0582p	–	1.0582p	0.5680p
		Group 2	–	–	–	–
B GBP	Interim	Group 1	1.2943p	–	1.2943p	0.7827p
		Group 2	0.7713p	0.5230p	1.2943p	0.7827p
B EUR	Interim^	Group 1	1.2057€ c	–	1.2057€ c	0.7458€ c
		Group 2	–	–	–	0.7458€ c
C GBP	Interim	Group 1	1.1837p	–	1.1837p	0.7472p
		Group 2	0.4768p	0.7069p	1.1837p	0.7472p
D GBP	Interim	Group 1	1.2228p	–	1.2228p	0.8014p
		Group 2	0.2205p	1.0023p	1.2228p	0.8014p

^No Group 2 shares held.

Interim period: 01.11.18 - 30.04.19

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## Investment Objective and Policy

### Investment objective

The investment objective of the Sub-fund is to provide income with the prospect of capital growth.

### Investment policy

The Sub-fund's portfolio will consist primarily of a diversified range of open and closed ended funds. The portfolio will be actively managed, with the Investment Manager seeking to take advantage of inefficiencies in the pricing of closed ended funds and significant movements in financial markets.

Through its investments in these collectives, the portfolio will be exposed to a range of asset classes (such as equities, bonds, property and commodities), underlying currencies, geographic spread and funds managed by a variety of fund management groups and style of investment manager.

The Company permits the use of derivatives for investment purposes by the Sub-fund; however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.

## Investment Manager's Report

for the period ended 30 April 2019

### Performance Review and Income Distribution

The 6-months to 30 April 2019 witnessed significant gyrations in financial markets with the end of 2018 characterised by heightened volatility and pronounced weakness in risk assets. In contrast, the first four months of 2019 saw a significant reversal with equities and corporate bonds enjoying one of the best starts to a year in recent history. Against this backdrop, The Distribution Fund delivered a total return of 3.5%, compared to a gain of 5.8% for the average performance of its peer group of funds in the IA Mixed Investment 40-85% Shares Sector. In absolute terms these positive returns build on the Sub-fund's strong long run performance track record, but we recognise that shorter term relative returns have been disappointing. We have communicated for some time however, that the Sub-fund would likely lag a sharp rise in markets given its more cautious positioning versus the peer group. Splitting the period under review into two discrete timeframes is instructive. From 1 November to 31 December 2018 the Sub-fund outperformed the sector average by 1.5% returning -1.9% versus -3.4% during which time the MSCI World Equity Index was -6.8%. Between 1 January and 30 April 2019 the Sub-fund underperformed the sector average by 4.0% returning 5.5% versus 9.5%, a period in which global equities were up 16.9%. We will examine the key drivers of recent underperformance more closely later in this report. Meanwhile, long-term performance remains excellent with the Sub-fund generating total returns of 88.9% since launch in April 2012 which compares favourably with the sector average of 64.9%. Recognising the quality and consistency of performance, third party multi-manager research firms like Defaqto have assigned their top ratings to the Sub-fund. While past returns are pleasing, we remain entirely focussed on achieving good returns for future investors in the Sub-fund whether they have been with us since launch, or only invested in recent weeks.

For the 3-month period to 30 April 2019, the Distribution Fund generated income of 0.8882 pence per C Income Share (pps), going ex-dividend on 1 May with the income paid to shareholders at the end of June 2019. This distribution together with the last three quarterly dividends (3.5493 pps) amounts to an annualised yield of 3.65% based on the unit price as at 1 May 2018. The fund aims to deliver a yield in excess of that offered by a composite of financial assets.

*Source: Financial Express Analytics, Local Currency. All figures refer to the C Accumulation share class unless otherwise stated.*

## Investment Manager's Report

continued

### Market Review

Following a difficult end to 2018, global financial markets bounced back in 2019 with the MSCI World Equity Index posting returns of 16.9% in the 4 months to the end of April 2019 and 8.9% for the full 6-month period under review. Concerns regarding the maturity of the business cycle and moderating economic growth persisted, whilst US-China trade negotiations and Brexit uncertainty rumbled on without clear signs of resolution. Central bank monetary policy also remained a dominant driver of market returns. Low interest rates and unconventional policy like quantitative easing has placed downward pressure on yields in the post-financial crisis world, encouraging investors to switch from safe investments such as cash and sovereign debt into riskier assets such as equities and corporate bonds in pursuit of inflation beating returns. Low risk-free rates have also helped sustain lofty equity valuations and enabled companies to refinance debt cheaply. Changing perceptions regarding the longevity of this benign, easy money backdrop sparked a sell-off in most major asset classes, the majority of which ended 2018 in negative territory. Gold and the US dollar, traditional havens in times of stress, were among the few investments to do well in this period. A new year and a more dovish tone from the US Federal Reserve helped convince investors that the 'lower for longer' interest rate narrative was in fact alive and well, helping support the strong bounce back in equities and corporate bonds seen at the start of 2019. Fashionable U.S technology stocks and riskier high yield bonds led the way in their respective asset classes, although gains were fairly broad based with investors happy to look through the ebb and flow of political risks associated with Brexit and trade protectionism.

The magnitude of the gains for equity markets over the period is somewhat startling bearing in mind elevated starting valuations and the fact that we are 10 years into a bull market. Looking at the anatomy of the equity market rally in the first four months of 2019 is revealing, with gains driven exclusively by multiple expansion in the face of downgrades to corporate earnings forecasts. In other words, investors have been willing to pay a higher price for company earnings despite collective confidence in the veracity of those earnings deteriorating. Similarly, in bond markets, credit spreads (the yield premium on corporate bonds over government debt to compensate for greater counterparty risk) narrowed significantly and ended the period close to historic lows despite a shift higher in corporate debt to GDP ratios, which now stand at levels consistent with past recessions. The fact that equities have rallied at the same time as government bonds is also unusual with low sovereign debt yields suggesting a less rosy outlook for global economic growth than that implied by equity valuations.

*Source: Financial Express Analytics, Local Currency*

### Portfolio Review and Investment Outlook

As investors with an unwavering focus on valuation, the 6-month period to the end of April 2019 has been a tough one to navigate. As intimated above we see limited value in most mainstream equity and bond markets, especially given the maturity of the market and economic cycle. It is also increasingly difficult to construct balanced portfolios in the current environment with traditional safe haven investments such as developed market sovereign debt offering negative returns when adjusted for inflation. We also think that low government bond yields impair the diversification benefits that high-grade bonds have historically bought to a multi-asset portfolio. Because of these views The Distribution Fund currently has a very low exposure to mainstream asset classes. 2019 year to date has as a result been a difficult place to be given those traditional investments - equities, government debt, corporate bonds - have all delivered strongly positive returns. We, however, have stuck to our process, constructing a truly diversified portfolio of individual assets that offer a margin of safety - often via valuation support - and the prospect of positive asymmetric returns.

In January and February we tactically increased exposure to cheap looking UK equities, primarily by adding to a number of core holdings such as Man GLG UK Income and Schroder Income Maximsier which were complemented by a new position in GAM UK Equity Income. Private equity was also increased via ICG Enterprise Trust and Standard Life Private Equity Trust, taking advantage of wider discounts to net asset value in this area. Property exposure within Distribution is significant and an important component of overall income generation. Our holdings in specialist REITs investing in property sub-sectors that we believe offer the best risk-return profiles such as warehouses, supermarkets and residential homes increased over the period.

A couple of our investment trust holdings were trimmed in the period, including GCP Asset Backed Income and Impact Healthcare REIT, where the investment case remains sound but where higher premiums to net asset value left the shares looking a little rich in the short term. Otherwise, our exposure to investment trusts remains considerable, providing not only trading opportunities around discount-premium movements, but also offering access to less liquid assets such as private equity, specialist debt and property. With many mainstream investments looking fully valued, we have continued to reduce

## Investment Manager's Report

continued

### Portfolio Review and Investment Outlook (continued)

the Sub-fund's exposure to the general direction of markets, which has resulted in a higher allocation to these more idiosyncratic investments that we believe can deliver positive returns over the long term. The maturity of the equity bull market and elevated valuations suggest that the high level of returns enjoyed over the past decade are highly unlikely to be sustained in the future. Against this backdrop, the Sub-fund is well diversified and remains focussed on identifying pockets of value from across the investment universe where we continue to see plenty of opportunity.

More information about The Distribution Fund can be found on the Hawksmoor website [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk) including monthly factsheets and quarterly reports which give more details of the investments in the portfolio and how they have changed over the period covered by this report. If you would like to receive any of these documents on a regular basis and are not already doing so, please send an email to [funds@hawksmoorfm.co.uk](mailto:funds@hawksmoorfm.co.uk) and we will be pleased to add your email address to the distribution list.

We thank you for your support and interest in the Distribution Fund.

Daniel Lockyer and Ben Conway  
Hawksmoor Investment Management Ltd  
16 May 2019

# The MI Hawkmoor Distribution Fund

## Portfolio Statement

as at 30 April 2019

Holding	Security	Market value £	% of total net assets 2019
<b>Alternatives 4.08% (4.48%)</b>			
850,000	Polar Capital Global Convertible - I GBP Distribution*	7,055,000	4.08
<b>Commodity 1.58% (1.63%)</b>			
240,000	Merian Gold & Silver Fund - U1 GBP Accumulation*	2,730,936	1.58
<b>Emerging Market Equity 1.91% (2.18%)</b>			
3,380,000	Jupiter Emerging & Frontier Income Trust	3,298,880	1.91
<b>Far East Equity 4.12% (4.57%)</b>			
200,000	Guinness Asian Equity Income - Z GBP Distribution*	3,234,160	1.87
20,000	Prusik Asian Equity Income - 1C GBP Distribution*	3,895,008	2.25
		7,129,168	4.12
<b>Fixed Interest 24.37% (27.00%)</b>			
65,000	Ashmore Emerging Markets Total Return - I GBP Income*	5,961,150	3.45
47,000	Ashmore Emerging Short Duration (GBP Hedged) - Z GBP Income*	4,545,370	2.63
2,508,710	Biopharma Credit	2,030,292	1.18
2,400,000	Close Select Fixed Income - X Income*	2,460,000	1.42
1,854,249	GCP Asset Backed Income	2,021,131	1.17
2,500,000	GCP Infrastructure Investments	3,245,000	1.88
646,000	ICG-Longbow Senior Secured UK Property Debt Investments	646,000	0.37
64,000	Muzinich Asia Credit Opportunities - Hedged GBP Income Founder*	6,251,520	3.62
200,000	Ranger Direct Lending	728,000	0.42
1,718,000	Real Estate Credit Investment	2,980,730	1.72
3,556,032	RM Secured Direct Lending	3,556,032	2.06
5,000,000	Royal London Short Duration Global High Yield Bond - Z Income*	4,381,500	2.54
32,000	Semper Total Return	3,302,080	1.91
		42,108,805	24.37
<b>Global Equity 9.68% (9.20%)</b>			
2,000,000	BB Healthcare Trust	2,740,000	1.59
5,000,000	Fidelity Global Enhanced Income - W Income*	6,970,000	4.03
2,000,000	Overstone UCITS Equity Income - I Income*	3,432,000	1.99
3,700,000	Schroder Global Equity Income Fund - Z GBP Income*	3,585,300	2.07
		16,727,300	9.68
<b>Japanese Equity 5.72% (5.10%)</b>			
3,750,000	Baillie Gifford Japanese Income Growth - B Income*	5,017,500	2.90
5,250,000	Jupiter Japan Income - I Income*	4,875,150	2.82
		9,892,650	5.72
<b>Multi Asset 2.48% (3.07%)</b>			
3,000,000	Polar Capital Income Opportunities - B1 I GBP Income*	4,280,700	2.48
<b>Private Equity 3.65% (3.31%)</b>			
334,181	ICG Enterprise Trust	2,927,426	1.70
900,000	Standard Life Private Equity Trust	3,375,000	1.95
		6,302,426	3.65

# The MI Hawkmoor Distribution Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Property 21.29% (21.08%)</b>			
2,982,000	AEW UK Long Lease REIT	2,445,240	1.42
4,080,000	AEW UK REIT	3,769,920	2.18
6,918,909	Civitas Social Housing REIT	6,054,045	3.50
2,118,500	Impact Healthcare REIT	2,266,795	1.31
1,920,736	Phoenix Spree Deutschland	6,837,820	3.96
3,930,000	PRS REIT	3,906,420	2.26
2,850,000	Supermarket Income REIT	2,907,000	1.68
3,931,504	Tufton Oceanic Assets	3,106,359	1.80
1,885,000	Urban Logistics REIT**	2,167,750	1.25
3,200,000	Warehouse REIT**	3,328,000	1.93
		36,789,349	21.29
<b>United Kingdom Equity 16.64% (13.43%)</b>			
3,110,000	Aberforth Split Level Income Trust	2,472,450	1.43
200,000	Chelverton Small Companies Dividend Trust	344,000	0.20
521,828	GAM UK Equity Income - Z GBP Income*	5,080,205	2.94
2,650,000	LF Gresham House UK Multi Cap Income - F GBP Income*	2,988,670	1.73
7,000,000	Man GLG UK Income - D Income*	9,058,000	5.24
17,000,000	Schroder Income Maximiser - Z Income*	8,821,300	5.10
		28,764,625	16.64
<b>Investment assets</b>		<b>165,079,839</b>	<b>95.52</b>
<b>Net other assets</b>		<b>7,740,621</b>	<b>4.48</b>
<b>Net assets</b>		<b>172,820,460</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.10.18.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

\*\*Quoted on the AIM.

Total purchases for the period: £48,593,462

Total sales for the period: £15,857,762

# The MI Hawkmoor Distribution Fund

## Comparative Tables

### Change in net assets per share

	A Income GBP	A Accumulation GBP
	31.10.16 <sup>^^</sup> p	31.10.16 <sup>^^</sup> p
<b>Opening net asset value per share</b>	120.88	138.47
Return before operating charges <sup>^</sup>	-120.88	-138.47
Operating charges	0.00	0.00
Return after operating charges <sup>^</sup>	-120.88	-138.47
Distributions	0.00	0.00
Retained distributions on accumulation shares	n/a	0.00
<b>Closing net asset value per share</b>	<b>0.00</b>	<b>0.00</b>
<sup>^</sup> After direct transaction costs of	-0.14	-0.17
<b>Performance</b>		
Return after charges	-100.00%	-100.00%
<b>Other information</b>		
Closing net asset value	0	0
Closing number of shares	0	0
Operating charges	—	—
Direct transaction costs	0.12%	0.12%
<b>Prices</b>		
Highest share price	121.97	139.65
Lowest share price	116.76	133.74

<sup>^^</sup>On 22 January as part of the Retail Distribution Review the A Income GBP share class was transferred to B Income GBP share class and A Accumulation GBP share class was transferred to B Accumulation GBP share class. Return after charges at date of transfer was -3.41% (A Income & A Accumulation).

	B Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	134.33	138.32	129.86	117.02
Return before operating charges <sup>^</sup>	5.71	3.14	15.51	20.14
Operating charges	-2.27	-2.38	-2.29	-2.22
Return after operating charges <sup>^</sup>	3.44	0.76	13.22	17.92
Distributions	-2.37	-4.75	-4.76	-5.08
<b>Closing net asset value per share</b>	<b>135.40</b>	<b>134.33</b>	<b>138.32</b>	<b>129.86</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.12	-0.22	-0.14
<b>Performance</b>				
Return after charges	2.56%	0.55%	10.18%	15.32%
<b>Other information</b>				
Closing net asset value	£1,381,362	£1,370,429	£1,667,248	£1,569,618
Closing number of shares	1,020,191	1,020,190	1,205,388	1,208,663
Operating charges	1.69%	1.71%	1.70%	1.84%
Ongoing operating charges*	1.69%	1.70%	1.68%	1.78%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	137.04	142.84	140.09	131.61
Lowest share price	130.91	134.66	127.34	110.46



# The MI Hawkmoor Distribution Fund

## Comparative Tables

continued

### Change in net assets per share

	B Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	180.50	179.53	162.60	140.63
Return before operating charges <sup>^</sup>	7.75	4.09	19.84	24.68
Operating charges	-3.07	-3.12	-2.91	-2.71
Return after operating charges <sup>^</sup>	4.68	0.97	16.93	21.97
Distributions	-3.21	-6.27	-6.04	-6.20
Retained distributions on accumulation shares	3.21	6.27	6.04	6.20
<b>Closing net asset value per share</b>	<b>185.18</b>	<b>180.50</b>	<b>179.53</b>	<b>162.60</b>
<sup>^</sup> After direct transaction costs of	-0.09	-0.16	-0.27	-0.18
<b>Performance</b>				
Return after charges	2.59%	0.54%	10.41%	15.62%
<b>Other information</b>				
Closing net asset value	£838,154	£846,825	£660,264	£510,884
Closing number of shares	452,623	469,165	367,775	314,191
Operating charges	1.69%	1.71%	1.70%	1.84%
Ongoing operating charges*	1.69%	1.70%	1.68%	1.78%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	186.03	186.28	180.61	163.59
Lowest share price	175.90	176.79	159.60	134.34

	B Accumulation EUR			
	30.04.19 €c	31.10.18 €c	31.10.17 €c	31.10.16 €c
<b>Opening net asset value per share</b>	139.71	140.12	123.75	133.91
Return before operating charges <sup>^</sup>	10.37	1.66	18.32	-8.15
Operating charges	-2.05	-2.07	-1.95	-2.01
Return after operating charges <sup>^</sup>	8.32	-0.41	16.37	-10.16
Distributions	-2.54	-4.85	-4.74	-5.19
Retained distributions on accumulation shares	2.54	4.85	4.74	5.19
<b>Closing net asset value per share</b>	<b>148.03</b>	<b>139.71</b>	<b>140.12</b>	<b>123.75</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.13	-0.21	-0.15
<b>Performance</b>				
Return after charges	5.96%	-0.29%	13.23%	-7.59%
<b>Other information</b>				
Closing net asset value	€ 10,169,819	€ 10,175,698	€ 10,819,470	€ 10,854,807
Closing number of shares	6,870,292	7,283,611	7,721,605	8,771,590
Operating charges	1.44%	1.46%	1.45%	1.59%
Ongoing operating charges*	1.44%	1.45%	1.43%	1.53%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	149.17	144.61	140.44	137.36
Lowest share price	133.45	137.01	123.02	117.44

The foreign exchange rate used to calculate net asset value and net distribution per share as at 30th April 2019 was € 1.1632.

# The MI Hawkmoor Distribution Fund

## Comparative Tables

continued

### Change in net assets per share

	C Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	118.77	121.99	114.20	102.66
Return before operating charges <sup>^</sup>	4.89	2.76	13.70	17.70
Operating charges	-1.71	-1.79	-1.72	-1.68
Return after operating charges <sup>^</sup>	3.18	0.97	11.98	16.02
Distributions	-2.09	-4.19	-4.19	-4.48
<b>Closing net asset value per share</b>	<b>119.86</b>	<b>118.77</b>	<b>121.99</b>	<b>114.20</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.11	-0.19	-0.13
<b>Performance</b>				
Return after charges	2.68%	0.79%	10.49%	15.61%
<b>Other information</b>				
Closing net asset value	£26,417,326	£28,618,723	£29,221,446	£14,228,321
Closing number of shares	22,039,643	24,096,543	23,954,371	12,458,951
Operating charges	1.44%	1.46%	1.45%	1.59%
Ongoing operating charges*	1.44%	1.45%	1.43%	1.53%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	121.31	126.04	123.54	115.74
Lowest share price	115.78	119.05	112.05	96.97

	C Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	140.81	139.72	126.28	108.86
Return before operating charges <sup>^</sup>	5.88	3.17	15.37	19.24
Operating charges	-2.04	-2.08	-1.93	-1.82
Return after operating charges <sup>^</sup>	3.84	1.09	13.44	17.42
Distributions	-2.50	-4.87	-4.69	-4.83
Retained distributions on accumulation shares	2.50	4.87	4.69	4.83
<b>Closing net asset value per share</b>	<b>144.65</b>	<b>140.81</b>	<b>139.72</b>	<b>126.28</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.13	-0.21	-0.14
<b>Performance</b>				
Return after charges	2.73%	0.78%	10.64%	16.00%
<b>Other information</b>				
Closing net asset value	£78,353,925	£53,046,844	£25,382,732	£13,587,264
Closing number of shares	54,168,584	37,672,037	18,167,335	10,759,775
Operating charges	1.44%	1.46%	1.45%	1.59%
Ongoing operating charges*	1.44%	1.45%	1.43%	1.53%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	145.31	145.30	140.55	126.94
Lowest share price	137.28	137.72	123.90	104.06

# The MI Hawkmoor Distribution Fund

## Comparative Tables

continued

### Change in net assets per share

	D Income GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	117.66	120.55	112.58	100.94
Return before operating charges <sup>^</sup>	4.71	2.74	13.51	17.45
Operating charges	-1.40	-1.47	-1.41	-1.40
Return after operating charges <sup>^</sup>	3.31	1.27	12.10	16.05
Distributions	-2.08	-4.16	-4.13	-4.41
<b>Closing net asset value per share</b>	<b>118.89</b>	<b>117.66</b>	<b>120.55</b>	<b>112.58</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.11	-0.19	-0.12
<b>Performance</b>				
Return after charges	2.81%	1.05%	10.75%	15.90%
<b>Other information</b>				
Closing net asset value	£56,270,146	£43,748,768	£36,999,027	£24,674,552
Closing number of shares	47,329,338	37,183,090	30,691,753	21,917,468
Operating charges	1.19%	1.21%	1.20%	1.34%
Ongoing operating charges*	1.19%	1.20%	1.18%	1.28%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	120.32	124.62	122.08	114.09
Lowest share price	114.75	117.90	110.48	95.42

	D Accumulation GBP			
	30.04.19 p	31.10.18 p	31.10.17 p	31.10.16 p
<b>Opening net asset value per share</b>	128.35	127.03	114.56	98.52
Return before operating charges <sup>^</sup>	5.20	2.89	13.92	17.43
Operating charges	-1.54	-1.57	-1.45	-1.39
Return after operating charges <sup>^</sup>	3.66	1.32	12.47	16.04
Distributions	-2.30	-4.43	-4.26	-4.27
Retained distributions on accumulation shares	2.30	4.43	4.26	4.27
<b>Closing net asset value per share</b>	<b>132.01</b>	<b>128.35</b>	<b>127.03</b>	<b>114.56</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.12	-0.19	-0.12
<b>Performance</b>				
Return after charges	2.85%	1.04%	10.89%	16.28%
<b>Other information</b>				
Closing net asset value	£816,580	£166,025	£151,500	£12,876
Closing number of shares	618,585	129,353	119,261	11,240
Operating charges	1.19%	1.21%	1.20%	1.34%
Ongoing operating charges*	1.19%	1.20%	1.18%	1.28%
Direct transaction costs	0.05%	0.09%	0.16%	0.12%
<b>Prices</b>				
Highest share price	132.63	132.41	127.78	115.16
Lowest share price	125.20	125.34	112.44	94.24

\*The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average net asset value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average net asset value for the accounting period.

## Comparative Tables

continued

### Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

← Typically lower rewards, lower risk			Typically higher rewards, higher risk →			
1	2	3	4	5	6	7

The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives.
- The price of some funds may not reflect the value of the assets they hold. This can result in wide changes in the share price.
- The other funds can themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For further risk information please see the prospectus.

### Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## The MI Hawkmoor Distribution Fund

### Statement of Total Return

for the period ended 30 April 2019

	30.04.19		30.04.18	
	£	£	£	£
Income				
Net capital gains/(losses)		2,332,373		(4,756)
Revenue	2,960,838		1,839,264	
Expenses	(650,683)		(492,650)	
Interest payable and similar charges	—		—	
Net revenue before taxation	2,310,155		1,346,614	
Taxation	(224,510)		(96,636)	
Net revenue after taxation		2,085,645		1,249,978
<b>Total return before distributions</b>		<b>4,418,018</b>		<b>1,245,222</b>
Distributions		(2,610,642)		(1,644,060)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,807,376</b>		<b>(398,838)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 April 2019

	30.04.19		30.04.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>136,821,023</b>		<b>103,573,813</b>
Amounts receivable on issue of shares	48,052,893		28,052,647	
Less: Amounts payable on cancellation of shares	(15,254,143)		(11,300,880)	
		32,798,750		16,751,767
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,807,376		(398,838)
Retained distributions on accumulation shares		1,393,311		669,328
<b>Closing net assets attributable to Shareholders</b>		<b>172,820,460</b>		<b>120,596,070</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# The MI Hawkmoor Distribution Fund

## Balance Sheet

as at 30 April 2019

	30.04.19		31.10.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		165,079,839		130,045,597
<b>Current Assets</b>				
Debtors	1,698,562		3,147,183	
Cash and bank balances	10,240,917		7,026,028	
<b>Total current assets</b>		<b>11,939,479</b>		<b>10,173,211</b>
<b>Total assets</b>		<b>177,019,318</b>		<b>140,218,808</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Bank overdrafts	(1)		–	
Distribution payable	(622,827)		(571,357)	
Other creditors	(3,576,030)		(2,826,428)	
<b>Total creditors</b>		<b>(4,198,858)</b>		<b>(3,397,785)</b>
<b>Total liabilities</b>		<b>(4,198,858)</b>		<b>(3,397,785)</b>
<b>Net assets attributable to Shareholders</b>		<b>172,820,460</b>		<b>136,821,023</b>

# The MI Hawkmoor Distribution Fund

## Distribution Tables

For the period ended 30 April 2019

### Income Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Distribution payable 2019	Distribution paid 2018
B GBP	First interim	Group 1	1.3753p	–	1.3753p	1.2393p
		Group 2	0.4155p	0.9598p	1.3753p	1.2393p
	Second interim	Group 1	1.0039p	–	1.0039p	0.8621p
		Group 2	0.5256p	0.4783p	1.0039p	0.8621p
C GBP	First interim	Group 1	1.2081p	–	1.2081p	1.0936p
		Group 2	0.3965p	0.8116p	1.2081p	1.0936p
	Second interim	Group 1	0.8882p	–	0.8882p	0.7609p
		Group 2	0.3208p	0.5674p	0.8882p	0.7609p
D GBP	First interim	Group 1	1.2087p	–	1.2087p	1.0808p
		Group 2	0.6577p	0.5510p	1.2087p	1.0808p
	Second interim	Group 1	0.8807p	–	0.8807p	0.7637p
		Group 2	0.2407p	0.6400p	0.8807p	0.7637p

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Amount reinvested 2019	Amount reinvested 2018
B GBP	First interim	Group 1	1.8483p	–	1.8483p	1.6083p
		Group 2	0.2161p	1.6322p	1.8483p	1.6083p
	Second interim	Group 1	1.3629p	–	1.3629p	1.1593p
		Group 2	0.2104p	1.1525p	1.3629p	1.1593p
B EUR	First interim	Group 1	1.4512€ c	–	1.4512€ c	1.2575€ c
		Group 2	–	1.4512€ c	1.4512€ c	1.2575€ c
	Second interim	Group 1	1.0920€ c	–	1.0920€ c	0.8886€ c
		Group 2	0.0269€ c	1.0651€ c	1.0920€ c	0.8886€ c
C GBP	First interim	Group 1	1.4422p	–	1.4422p	1.2522p
		Group 2	0.4211p	1.0211p	1.4422p	1.2522p
	Second interim	Group 1	1.0641p	–	1.0641p	0.8884p
		Group 2	0.3286p	0.7355p	1.0641p	0.8884p
D GBP	First interim	Group 1	1.3384p	–	1.3384p	1.1390p
		Group 2	–	1.3384p	1.3384p	–
	Second interim	Group 1	0.9708p	–	0.9708p	0.8052p
		Group 2	0.4113p	0.5595p	0.9708p	–

^No group 2 shares held.

First interim period: 01.11.18 - 31.01.19

Second interim period: 01.02.19 - 30.04.19

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## Investment Objective and Policy

### Investment objective

The investment objective of the Sub-fund is to provide capital growth.

### Investment policy

The Sub-fund's portfolio will consist primarily of a diversified range of open and closed ended funds. The portfolio will be actively managed, with the Investment Manager seeking to take advantage of inefficiencies in the pricing of closed ended funds and significant movements in financial markets. These global opportunities will be unconstrained by region or sector and may be volatile in the short term.

Through its investments in these collectives, the portfolio will be exposed to a range of asset classes (such as equities, bonds, property and commodities), underlying currencies, geographic spread and funds managed by a variety of fund management groups and style of investment manager.

The Company permits the use of derivatives for investment purposes by the Sub-fund; however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Sub-fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.

## Investment Manager's Report

for the period ended 30 April 2019

### Performance Review and Income Distribution

Our Global Opportunities Fund launched on 18 September 2018 so has a relatively short performance track record. The 6-months to 30 April 2019 witnessed significant gyrations in financial markets with the end of 2018 characterised by heightened volatility and pronounced weakness in risk assets. In contrast, the first four months of 2019 saw a significant reversal with equities and corporate bonds enjoying one of the best starts to a year in recent history. Against this backdrop, the fund generated a positive return of 6.4%, modestly ahead of the average performance of its peer group of funds in the IA Flexible Investment Sector which returned 5.7%.

*Source: Financial Express Analytics, Local Currency. All figures refer to the C Accumulation share class unless otherwise stated. Available data is limited on account of the Fund being launched less than 12 months ago. Past performance is not a guide to future performance.*

### Market Review

Following a difficult end to 2018, global financial markets bounced back in 2019 with the MSCI World Equity Index posting returns of 16.9% in the four months to the end of April 2019 and 8.9% for the full six month period under review. Concerns regarding the maturity of the business cycle and moderating economic growth persisted, whilst US-China trade negotiations and Brexit uncertainty rumbled on without clear signs of resolution. Central bank monetary policy also remained a dominant driver of market returns. Low interest rates and unconventional policy like quantitative easing has placed downward pressure on yields in the post-financial crisis world, encouraging investors to switch from safe investments such as cash and sovereign debt into riskier assets such as equities and corporate bonds in pursuit of inflation beating returns. Low risk-free rates have also helped sustain lofty equity valuations and enabled companies to refinance debt cheaply. Changing perceptions regarding the longevity of this benign, easy money backdrop sparked a sell-off in most major asset classes, the majority of which ended 2018 in negative territory. Gold and the US dollar, traditional havens in times of stress, were among the few investments to do well in this period. A new year and a more dovish tone from the US federal reserve helped convince investors that the 'lower for longer' interest rate narrative was in fact alive and well, helping support the strong bounce back in equities and corporate bonds discussed above. U.S technology stocks and riskier high yield bonds led the way in their respective asset classes, although gains were fairly broad based with investors happy to look through the ebb and flow of political risks associated with Brexit and trade protectionism.

The magnitude of the gains for equity markets over the period is somewhat startling bearing in mind elevated starting valuations and the fact that we are 10 years into a bull market. Looking at the anatomy of the equity market rally in the first



## Investment Manager's Report

continued

### Market Review (continued)

four months of 2019 is revealing, with gains driven exclusively by multiple expansion in the face of downgrades to corporate earnings forecasts. In simple terms, investors have been willing to pay a higher price for company earnings despite collective confidence in the veracity of those earnings deteriorating. Similarly, in bond markets, credit spreads (the yield premium on corporate bonds over government debt to compensate for greater counterparty risk) narrowed significantly and ended the period close to historic lows despite a shift higher in corporate debt to GDP ratios, which now stand at levels consistent with past recessions. The fact that equities have rallied at the same time as government bonds is also unusual with low sovereign debt yields suggesting a less rosy outlook for global economic growth than that implied by equity valuations.

*Source: Financial Express Analytics, Local Currency*

### Portfolio Review and Investment Outlook

Our relatively new Global Opportunities Fund saw strong subscriptions over the period with activity focussed primarily on deploying the cash inflows into existing holdings. The Sub-fund is intended for risk-tolerant investors prepared to accept higher volatility in pursuit of potentially superior long-term returns. As such, the portfolio has greater exposure to equities than our other Funds but shares the same investment philosophy leading to high conviction positions in areas of the market offering value, albeit with the potential for periods of capital loss. Significant weightings in private equity, emerging markets and thematic funds also provide exposure to areas enjoying structural growth. Equity market risks remain elevated however and the Sub-fund's unconstrained approach allows us to invest in non-equity special situations. These include Civitas Social Housing REIT and AEW UK Long Lease REIT, which were both purchased at compelling discounts to net asset value and where idiosyncratic risk is a greater driver of returns than general market direction. Similarly, the portfolio includes other assets like gold and convertible bonds as well as absolute return funds which should help insulate the portfolio to a degree in times of equity market stress.

More information about The Global Opportunities Fund can be found on the Hawkmoor website [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk) including monthly factsheets and quarterly reports which give more details of the investments in the portfolio and how they have changed over the period covered by this report. If you would like to receive any of these documents on a regular basis and are not already doing so, please send an email to [funds@hawksmoorfm.co.uk](mailto:funds@hawksmoorfm.co.uk) and we will be pleased to add your email address to the distribution list.

We thank you for your support and interest in the Global Opportunities Fund.

Daniel Lockyer and Ben Conway  
Hawkmoor Investment Management Ltd  
16 May 2019

# The MI Hawkmoor Global Opportunities Fund

## Portfolio Statement

as at 30 April 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>Absolute Return 2.20% (2.83%)</b>		
10,000	Odey Swan Fund - I GBP Income*	518,384	2.20
	<b>Alternatives 2.29% (4.86%)</b>		
65,000	Polar Capital Global Convertible - I GBP Distribution*	539,500	2.29
	<b>Biotechnology 1.79% (1.17%)</b>		
22,500	Polar Capital Biotechnology - I GBP Income*	420,525	1.79
	<b>Commodity 3.74% (4.78%)</b>		
1,300,000	Golden Prospect Precious Metals	253,500	1.08
55,000	Merian Gold & Silver - U1 GBP Accumulation*	625,840	2.66
		879,340	3.74
	<b>Emerging Market Equity 6.92% (14.47%)</b>		
2,750	Aubrey Global Emerging Markets Opportunities - GBP Accumulation*	445,308	1.89
250,000	Blackrock Frontiers Investment Trust	340,000	1.45
600,000	Mobius Investment Trust	595,200	2.53
275,000	ScotGems	247,500	1.05
		1,628,008	6.92
	<b>Far East Equity 5.23% (6.69%)</b>		
285,000	Ashoka India Equity Investment Trust	287,850	1.22
235,000	Fidelity Asia Pacific Opportunities - W Accumulation*	481,045	2.05
2,500	Prusik Asia - U GBP Accumulation*	461,225	1.96
		1,230,120	5.23
	<b>Fixed Interest 7.07% (4.47%)</b>		
12,300	Ashmore Emerging Markets Total Return - I GBP Income*	1,128,033	4.79
4,800	Ashmore Emerging Short Duration (GBP Hedged) - Z GBP Income*	464,208	1.97
20,000	RDL Realisation	72,800	0.31
		1,665,041	7.07
	<b>Global Equity 11.21% (11.76%)</b>		
850,000	Artemis Global Select- I Accumulation*	1,024,335	4.35
235,000	Augmentum Fintech	253,800	1.08
490,000	LF Blue Whale Growth Fund - I GBP Income*	657,580	2.79
925,000	Schroder Global Recovery - Z Accumulation*	704,388	2.99
		2,640,103	11.21
	<b>Japanese Equity 6.78% (4.81%)</b>		
575,000	Baillie Gifford Japanese Income Growth - B Accumulation*	806,150	3.43
850,000	Jupiter Japan Income - I Income*	789,310	3.35
		1,595,460	6.78
	<b>Multi Asset 1.85% (3.84%)</b>		
160,000	Henderson Alternative Strategies Trust	435,200	1.85

# The MI Hawkmoor Global Opportunities Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Private Equity 11.61% (7.86%)</b>			
12,000	HgCapital Trust	259,800	1.10
70,000	ICG Enterprise Trust	613,200	2.60
350,000	Merian Chrysalis Investment Company	399,000	1.70
550,000	Oakley Capital Investments**	1,138,500	4.84
15,000	Pantheon International Participations	323,250	1.37
		<b>2,733,750</b>	<b>11.61</b>
<b>Property 12.50% (13.92%)</b>			
185,000	AEW UK Long Lease REIT	151,700	0.64
550,000	AEW UK REIT	508,200	2.16
300,000	Civitas Social Housing REIT	262,500	1.12
270,000	Phoenix Spree Deutschland	961,200	4.08
720,880	Tufton Oceanic Assets	569,581	2.42
425,000	Urban Logistics REIT**	488,750	2.08
		<b>2,941,931</b>	<b>12.50</b>
<b>United Kingdom Equity 22.14% (14.82%)</b>			
300,000	Artemis Alpha Trust	864,000	3.67
350,000	Downing Strategic Micro-Cap Investment Trust	252,000	1.07
1,000,000	Man GLG Undervalued Assets - D Income*	1,488,000	6.32
24,250	MI Downing UK Micro Cap Growth - B Accumulation*	44,419	0.19
145,000	Polar Capital UK Value Opportunities GBP - Income*	1,711,000	7.27
150,000	Strategic Equity Capital	328,500	1.39
635,000	Woodford Patient Capital Trust	523,875	2.23
		<b>5,211,794</b>	<b>22.14</b>
<b>US Equities 2.97% (2.44%)</b>			
550,000	Gabelli Values	698,500	2.97
<b>Investment assets</b>		<b>23,137,656</b>	<b>98.30</b>
<b>Net other assets</b>		<b>400,391</b>	<b>1.70</b>
<b>Net assets</b>		<b>23,538,047</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.10.18.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

\*\*Quoted on the AIM.

Total purchases for the period: £19,683,359

Total sales for the period: £2,380,777

## Comparative Tables

### Change in net assets per share

	C Accumulation	
	30.04.19 p	31.10.18^^ p
<b>Opening net asset value per share</b>	95.86	100.00
Return before operating charges^	6.44	-2.64
Operating charges	-1.46	-1.50
Return after operating charges^	4.98	-4.14
Distributions	0.00	-0.05
Retained distributions on accumulation shares	0.00	0.05
<b>Closing net asset value per share</b>	<b>100.84</b>	<b>95.86</b>
^After direct transaction costs of	-0.24	-0.17
<b>Performance</b>		
Return after charges	5.20%	-4.14%
<b>Other information</b>		
Closing net asset value	£6,607,986	£312,104
Closing number of shares	6,553,057	325,587
Operating charges	1.50%	1.53%
Direct transaction costs	0.25%	0.17%
<b>Prices</b>		
Highest share price	101.50	101.00
Lowest share price	92.90	95.12

	D Accumulation	
	30.04.19 p	31.10.18^^ p
<b>Opening net asset value per share</b>	95.89	100.00
Return before operating charges^	6.31	-2.85
Operating charges	-1.22	-1.26
Return after operating charges^	5.09	-4.11
Distributions	0.00	-0.07
Retained distributions on accumulation shares	0.00	0.07
<b>Closing net asset value per share</b>	<b>100.98</b>	<b>95.89</b>
^After direct transaction costs of	-0.24	-0.17
<b>Performance</b>		
Return after charges	5.31%	-4.11%
<b>Other information</b>		
Closing net asset value	£16,930,061	£4,647,834
Closing number of shares	16,766,231	4,847,274
Operating charges	1.25%	1.28%
Direct transaction costs	0.25%	0.17%
<b>Prices</b>		
Highest share price	101.64	101.01
Lowest share price	92.96	95.15

^^The C Accumulation and D Accumulation share classes launched on 18 September 2018.

Hawkmoor Investment Management Ltd (the "Investment Manager") has agreed to rebate the expenses of the Sub-fund (i.e. those expressly set out on the applicable Prospectus that have been reasonably incurred, including transaction charges), in the annual management charge, in excess of 1.00% (for the C Accumulation Share Class) and 0.75% (for the D Accumulation Share Class) of the average net asset value over each accounting period. This rebate excludes the synthetic charges which form part of the ongoing operating charges.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average net asset value for the accounting period.

## Comparative Tables

continued

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

The Sub-fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-fund (synthetic ongoing charge) are included within the operating charges.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average net asset value for the accounting period.

## Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives.
- The price of some funds may not reflect the value of the assets they hold. This can result in wide changes in the share price.
- The other funds can themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For further risk information please see the prospectus.

## Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

# The MI Hawkmoor Global Opportunities Fund

## Statement of Total Return

for the period ended 30 April 2019

	£	30.04.19 £
Income		
Net capital gains		936,813
Revenue	133,499	
Expenses	(57,744)	
Interest payable and similar charges	(89)	
Net revenue before taxation	75,666	
Taxation	(6,374)	
Net revenue after taxation		69,292
<b>Total return before distributions</b>		<b>1,006,105</b>
Distributions		60,618
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,066,723</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 April 2019

	£	30.04.19 £
<b>Opening net assets attributable to Shareholders</b>		<b>4,959,938</b>
Amounts receivable on issue of shares	19,175,354	
Less: Amounts payable on cancellation of shares	(1,663,968)	
		17,511,386
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,066,723
<b>Closing net assets attributable to Shareholders</b>		<b>23,538,047</b>

This is the first interim accounting period for this Sub-fund and therefore there are no comparatives.

# The MI Hawkmoor Global Opportunities Fund

## Balance Sheet

as at 30 April 2019

	30.04.19		31.10.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		23,137,656		4,896,410
<b>Current Assets</b>				
Debtors	1,290,974		16,095	
Cash and bank balances	170,193		80,798	
<b>Total current assets</b>		<b>1,461,167</b>		<b>96,893</b>
<b>Total assets</b>		<b>24,598,823</b>		<b>4,993,303</b>
<b>LIABILITIES</b>				
Investment liabilities		–		–
<b>Creditors</b>				
Other creditors	(1,060,776)		(33,365)	
<b>Total creditors</b>		<b>(1,060,776)</b>		<b>(33,365)</b>
<b>Total liabilities</b>		<b>(1,060,776)</b>		<b>(33,365)</b>
<b>Net assets attributable to Shareholders</b>		<b>23,538,047</b>		<b>4,959,938</b>

# MI Hawksmoor Open-Ended Investment Company

## General Information

### Authorised Status

MI Hawksmoor Open-Ended Investment Company (the “Company”) is structured as an Investment Company with Variable Capital (“ICVC”), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”) as a UCITS Retail Scheme and “Umbrella Company” under the COLL Sourcebook.

The Company was incorporated in England and Wales on 17 February 2009 under registration number IC000729. The Shareholders are not liable for the debts of the Company.

The Company currently has three Sub-funds, which are detailed below:

The MI Hawksmoor Vanbrugh Fund

The MI Hawksmoor Distribution Fund

The MI Hawksmoor Global Opportunities Fund

### Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

### Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### Base Currency

The base currency of the Company is Pounds Sterling.

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset value of the Sub-funds.

### Classes of Shares

The Instrument of Incorporation allows each Sub-fund to issue different classes of shares in respect of any Sub-fund.

The Sub-fund’s currently have the following classes of shares available for investment:

Sub-fund	Share Class								
	A GBP		B GBP		C GBP		D GBP		B EUR
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Acc
The MI Hawksmoor Vanbrugh Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓
The MI Hawksmoor Distribution Fund	–	–	✓	✓	✓	✓	✓	✓	✓
The MI Hawksmoor Global Opportunities Fund	–	–	–	–	–	✓	–	✓	–

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of shares.



## General Information

continued

### Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 10:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of units, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

### Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Or by telephone on:

0345 026 4283

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of Shareholders.

### Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on [www.maitlandgroup.com](http://www.maitlandgroup.com). Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

### Significant Information

From 25 February 2019 the address for the Authorised Corporate Director, Registrar, Head office and Customer service centre changed to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

All telephone and fax numbers remain the same.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Maitland

Registered in England No 6252939. Authorised and regulated by the Financial Conduct Authority.