



HAWKSMOOR

FUND MANAGERS

THE HAWKSMOOR FUNDS

*An innovative and differentiated
approach to multi asset investing for
Financial Advisers*



MEETING YOUR CLIENTS' NEEDS

For many Financial Advisers, the minimum objective for most of their clients is to increase their wealth in real terms over time. This means achieving a positive return after the impact of inflation, costs and charges is taken into consideration.

Mainstream equity and bond markets have dominated multi asset investment approaches for years, with equities delivering growth, and bonds delivering income and diversification benefits. Portfolios constructed using these building blocks have generally delivered positive real returns and met client objectives.

But times are changing...

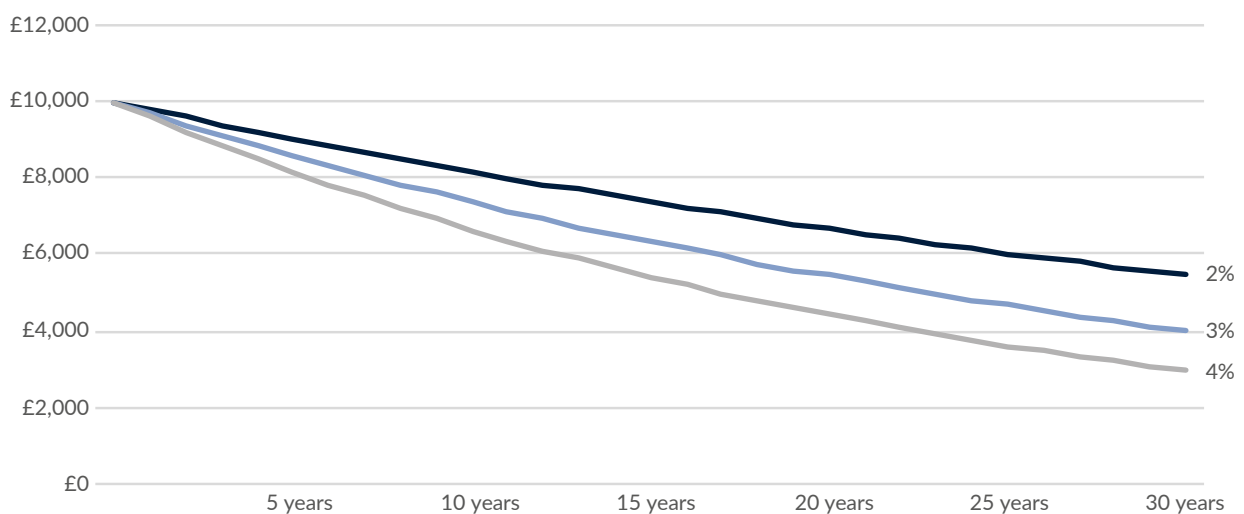
The longest equity bull market in history has resulted in extreme valuations which imply low future returns

The longest bond bull market in history has resulted in historically low yields and undermined the hedging qualities of government bonds

Expensive equities and low bond yields have resulted in reduced return expectations for investors using a traditional asset allocation framework

So how can you achieve real returns for your clients, given the threat of higher inflation, and elevated valuations in many traditional asset classes?

FIGURE 1: HOW DIFFERENT RATES OF INFLATION ERODE PURCHASING POWER



Source: Internal.

We believe that going forward, a more innovative and sophisticated approach to portfolio construction is needed to achieve real returns for clients.

THE HAWKSMOOR APPROACH

Hawksmoor's multi asset Funds – Vanbrugh, Distribution and Global Opportunities – all share the same award-winning investment process, including:



Having an **unconstrained approach** which evolves dynamically over time, and a willingness to zero-weight expensive markets.



Embracing **non-traditional asset classes** such as song royalties, ships and energy storage, whose risk and return drivers are often entirely independent of the economic cycle and other financial markets.



Taking advantage of a **broad investment universe** including closed-ended funds which provide exposure to specialist assets that can be hard to access via open-ended funds, and which offer trading opportunities around discount volatility.



Conducting 500+ research meetings a year to identify the best funds with the most talented fund managers, who typically ensure their investee companies abide by best practice concerning environmental, social and corporate governance (ESG) factors.



Being managed by an **experienced team with a proven track record** of delivering excellent through-the-cycle returns across the past 12 years.

Our Funds can be used as standalone portfolios for your clients, or they can also act as an excellent complement to other active and passive multi asset funds that invest using a more traditional framework.

Actively managed multi asset funds tend to have higher costs compared to passive solutions, yet we can demonstrate the added value that our Funds can offer your clients, in the form of investment opportunities, diversification benefits and superior risk-adjusted returns.

FISHING IN THE SMALLER POOLS

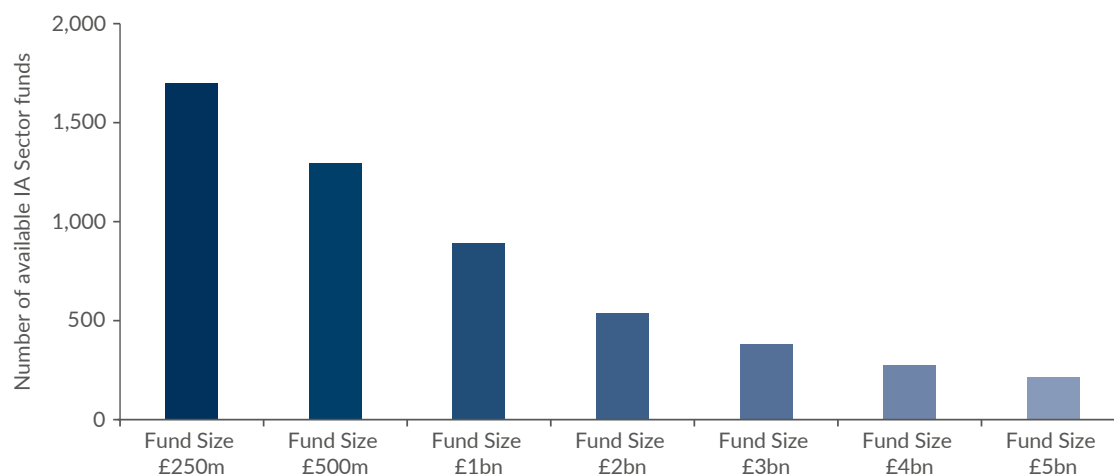
Hawksmoor's size means that when we look to buy funds, we can fish in the smaller pools that **larger competitors cannot access**. These smaller and lesser-known funds often have passionate and aligned managers who are driven to outperform. Research shows that the larger the fund, the lower the probability of outperformance (see Figure 2):

FIGURE 2: THE LARGER THE FUND, THE LOWER THE PROBABILITY OF OUTPERFORMANCE
















Our size also means that **there are more funds for us to pick from, compared to our peers**. If we assume a multi asset fund wants to own an 8% position in an IA Sector fund and assume that they do not want to own more than 20% of that fund, then the larger the multi asset fund, the fewer IA Sector funds are available for them to invest in (see Figure 3):

FIGURE 3: NUMBER OF IA SECTOR FUNDS AVAILABLE BY AUM



A SOLUTION FOR EVERY CLIENT

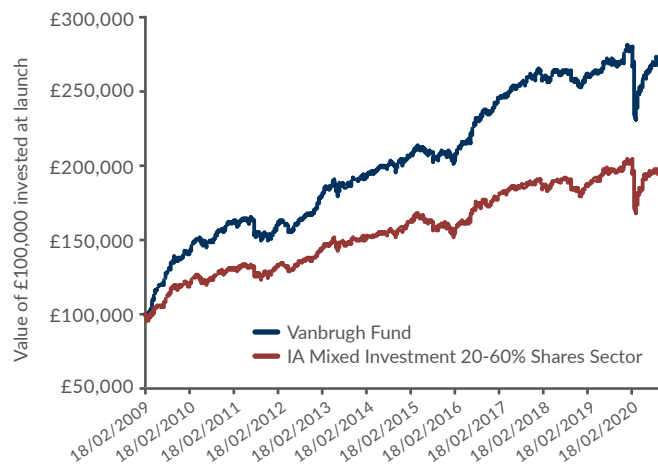


Description	For your clients who are looking to achieve both a positive return on their investments after inflation, and preserve capital over the medium term.	For your clients who are looking to receive an attractive level of income, above that of a composite index of financial assets, whilst achieving capital growth on their investments over the medium to long term.	For your clients who are looking to achieve a high level of capital growth on their investments over the long term.
IA category	IA Mixed Investment 20-60% Shares	IA Mixed Investment 40-85% Shares	IA Flexible Investment
Equity exposure parameters	 20-60%	 40-85%	 60-100%
Investment objective	Cautious Total Return	Balanced Income	Growth
Provides income		 	
Client investment timescale	3+ years	3-5 years	5+ years
Launch date	18/02/2009	13/04/2012	18/09/2018
Defaqto risk rating			
Dynamic Planner risk rating			

THE VANBRUGH FUND

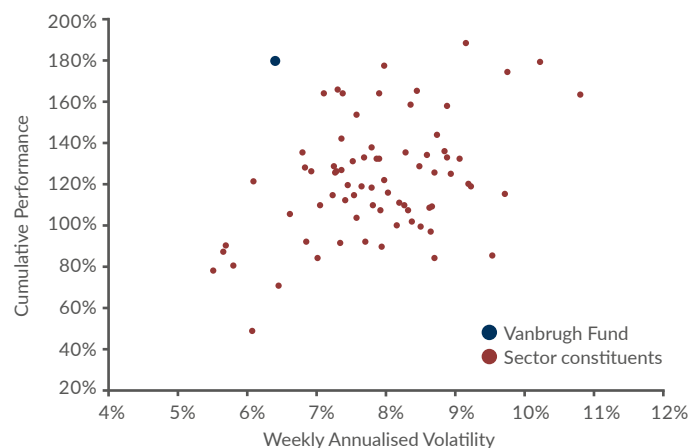
For your clients who are looking to achieve both a positive return on their investments after inflation, and preserve capital over the medium term.

Strong long term performance



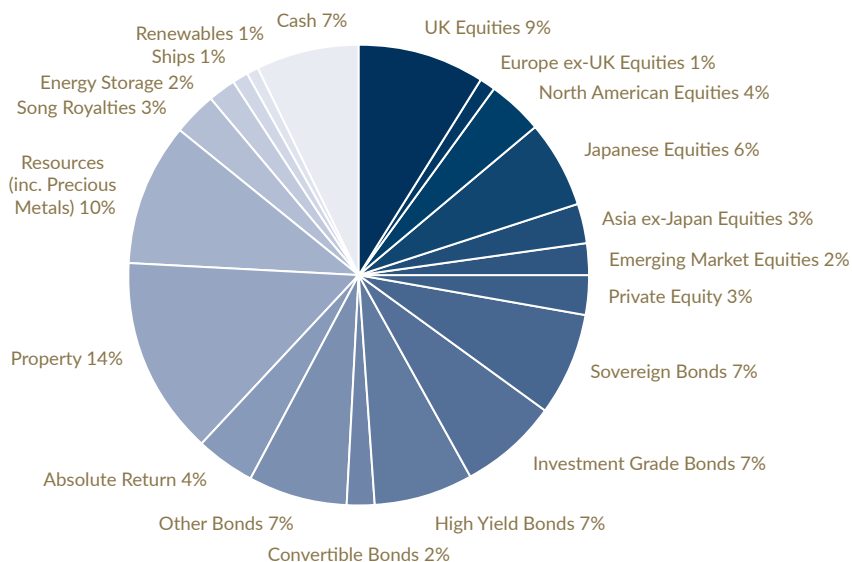
Source: FE Analytics, 18/02/2009 to 31/12/2020.

Sector-leading risk-adjusted returns



Source: FE Analytics, 18/02/2009 to 31/12/2020.

A high level of diversification



Source: Internal, 31/12/2020.



The Fund has delivered excellent through-the-cycle returns for clients. Since launch in February 2009, the Fund has outperformed the IA Mixed Investment 20-60% Shares Sector by 72%, providing an annualised return of 9%. An investment at launch of £100,000 would now be worth £279,579.

Our responsible, common-sense approach to risk has led to the Fund being the second highest performer in the IA Mixed Investment 20-60% Shares Sector since launch, with the seventh lowest volatility.

The Fund provides your clients with access to many different asset classes, including equities, bonds, property and alternative investments, such as song royalties, ships and energy storage. The Fund invests in both open-ended funds and investment trusts, and will have equity exposure of between 20% and 60%.

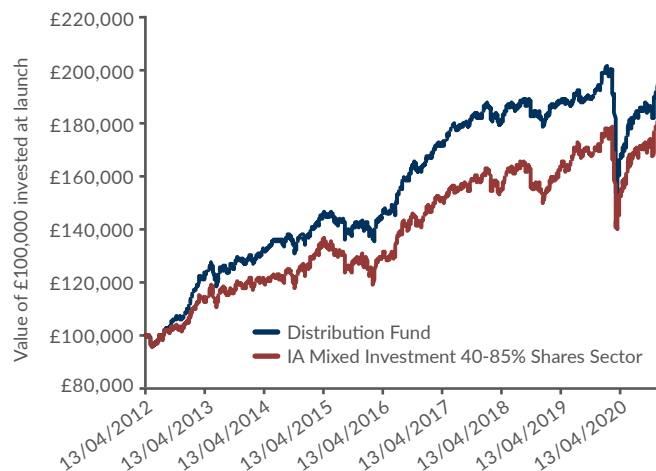


THE DISTRIBUTION FUND

For your clients who are looking to receive an attractive level of income, above that of a composite index of financial assets, whilst achieving capital growth on their investments over the medium to long term.

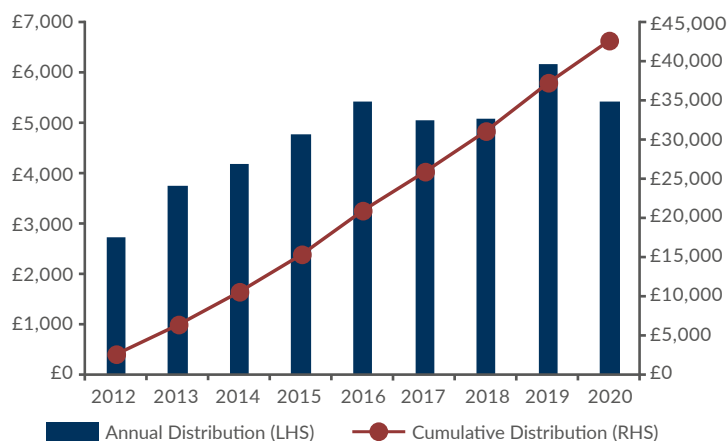


Strong long term performance



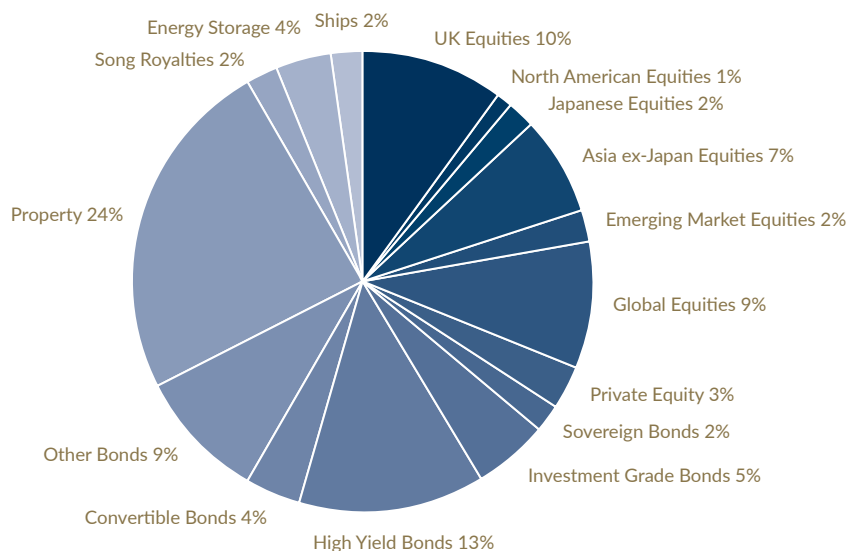
Source: FE Analytics, 13/04/2012 to 31/12/2020.

Stable and growing level of income



Source: FE Analytics, 13/04/2012 to 31/12/2020.

Income from a diverse array of assets

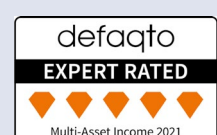


Source: Internal, 31/12/2020.

Regardless of the need for income, the Fund has delivered excellent through-the-cycle returns for clients. Since launch in April 2012, the Fund has outperformed the IA Mixed Investment 40-85% Shares Sector by 13%, providing an annualised return of 8%. An investment at launch of £100,000 would now be worth £196,049, with income reinvested.

Clients that chose to receive their income on a £100,000 investment at launch would have received £42,576 in income (red line), and the capital would be worth £141,800. We aim to grow the annual distribution (blue bar) each year in order to maintain an attractive distribution yield for new and existing investors.

The Fund generates income for your clients from many different asset classes, including equities, bonds, property and alternative investments, such as song royalties, ships and energy storage. The Fund invests in both open-ended funds and investment trusts, and will have equity exposure of between 40% and 85%.



THE GLOBAL OPPORTUNITIES FUND

For your clients who are looking to achieve a high level of capital growth on their investments over the long term.

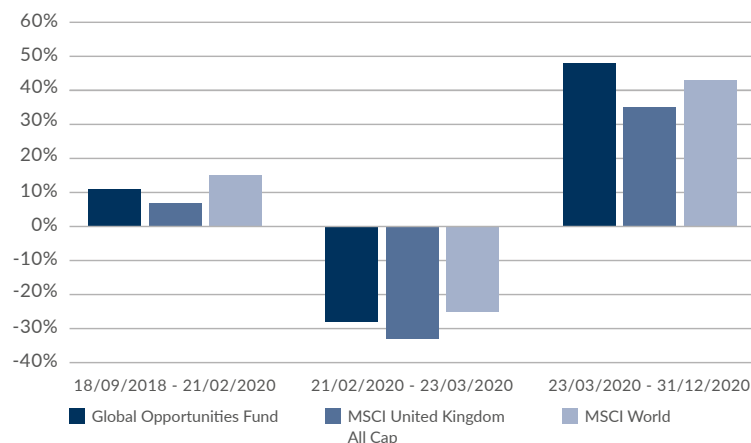


Strong initial performance



Source: FE Analytics, 18/09/2018 to 31/12/2020.

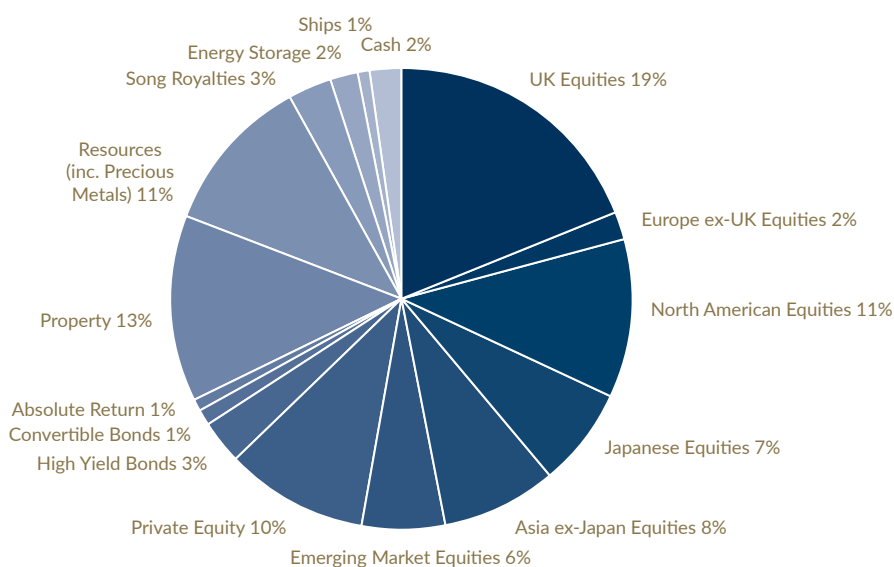
Good participation in equity market strength



Since launch in September 2018, the Fund has outperformed the IA Flexible Investment Sector and has delivered an annualised return of 7.6%.

In the recovery since the 23rd March 2020, the Fund has outperformed both the MSCI United Kingdom All Cap and MSCI World Indices, returning 48% for investors.

A high level of diversification



Source: Internal, 31/12/2020.

The Fund provides your clients with access to many different asset classes, including equities, bonds, property and alternative investments, such as song royalties, ships and energy storage. The Fund invests in both open-ended funds and investment trusts, and will have a minimum equity exposure of 60%.



THE HAWKSMOOR FUND MANAGER TEAM



From left to right: Ben Mackie, Ben Conway, Daniel Lockyer, Dan Cartridge, Hannah Isaac, David Chapman and Charlotte Sternberg (not pictured).

To find out more about the Hawksmoor Funds contact us using the details below, or visit our [website](#) where you can:

- register for our [next quarterly webinar](#)
- read our most recent [in-depth research articles](#)
- sign up to [receive our updates via email](#)
- read our lively [new weekly blog](#)

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Hawksmoor Investment Management



IMPORTANT INFORMATION

IA defined sector funds:

IA Asia Pacific Excluding Japan, Asia Pacific Including Japan, China/Greater China, Europe Excluding UK, Europe Including UK, European Smaller Companies, Global, Global Bonds, Global Emerging Markets Bond, Global Emerging Markets, Global Equity Income, Japan, Japanese Smaller Companies, North America, North American Smaller Companies, Property Other, Specialist, Sterling Corporate Bond, Sterling High Yield, Sterling Strategic Bond, Targeted Absolute Return, Technology & Telecoms, UK All Companies, UK Direct Property, UK Equity & Bond Income, UK Equity Income, UK Gilts, UK Index Linked Gilts, UK Smaller Companies.

Source: MSCI

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