



HAWKSMOOR
FUND MANAGERS

**MI HAWKSMOOR
DISTRIBUTION FUND**

QUARTERLY REPORT
Q2 2021



For investors 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 term to long term.

KEY POINTS THIS QUARTER

- Distribution returned 6.7%, outperforming the sector by 1.7%
- We introduced five new holdings, and exited five positions
- Equity exposure was increased
- Corporate bond exposure was reduced

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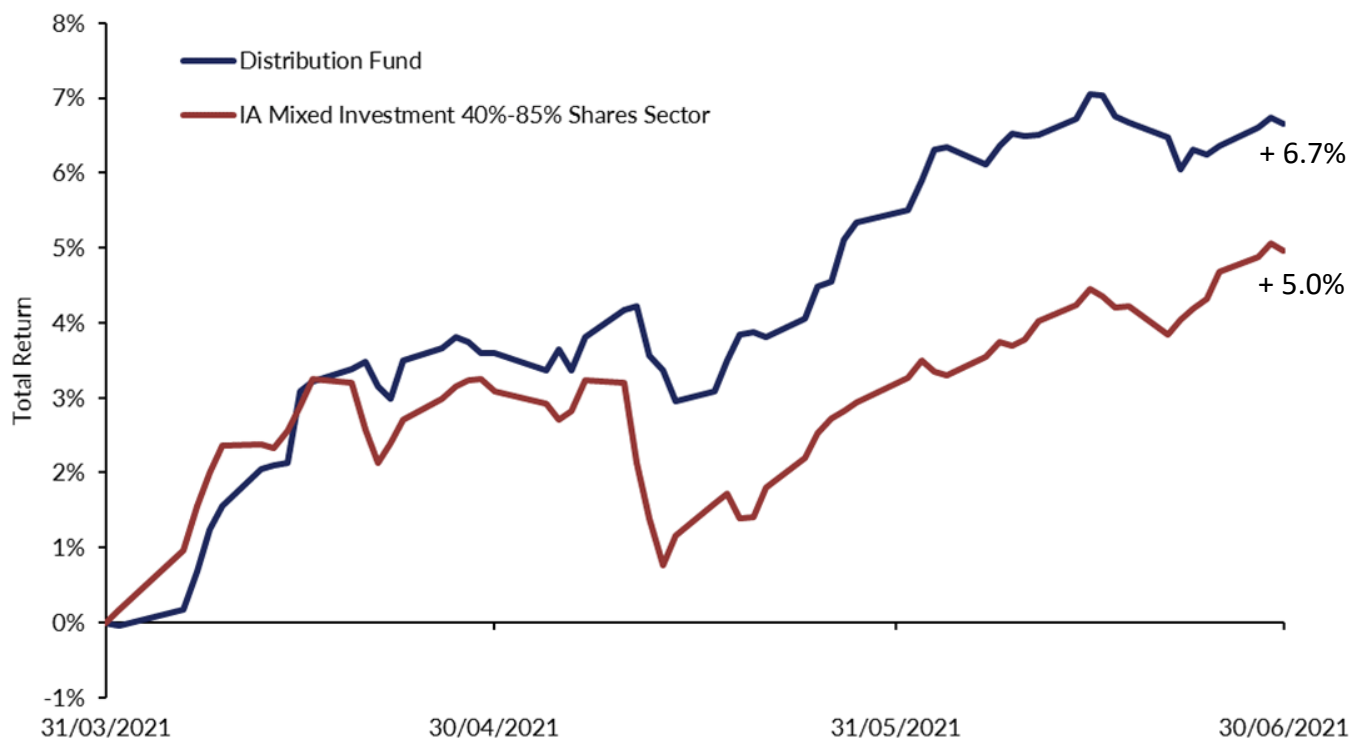
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QUARTERLY FUND PERFORMANCE

- Oakley Capital up strongly ahead of expected strong net asset value release in July
- Phoenix Spree bounced as the board announced a more aggressive share buyback program
- No material negative detractors, with Polar Japan the biggest detractor as the Japanese market was weak on rising COVID cases and new lockdowns



Largest contributors:

- Phoenix Spree Deutschland +1.14%
- Oakley Capital Investments: +0.87%
- BMO Commercial Property Trust : +0.37%

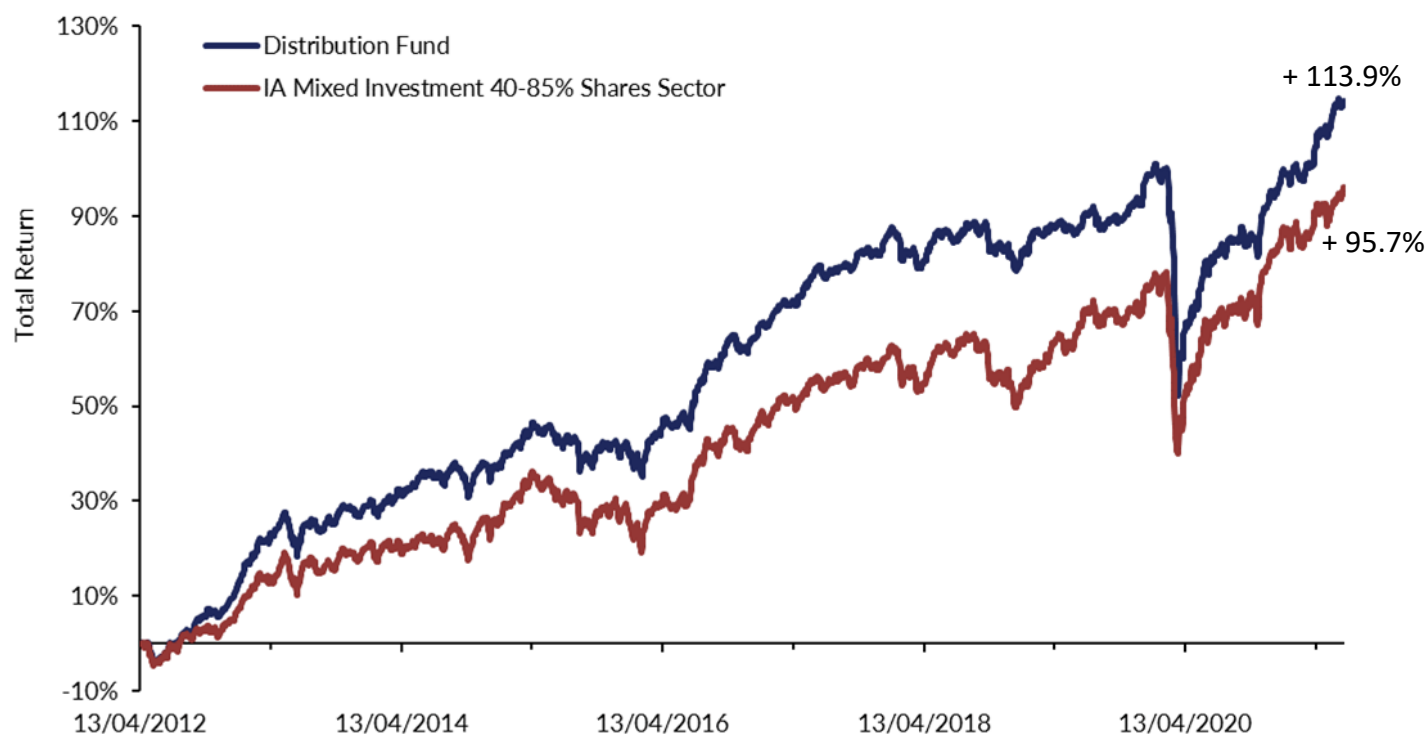
Largest detractors:

- Polar Capital Japan Value: -0.04%
- Hipgnosis Songs: -0.02%
- Jupiter Japan Income: -0.01%

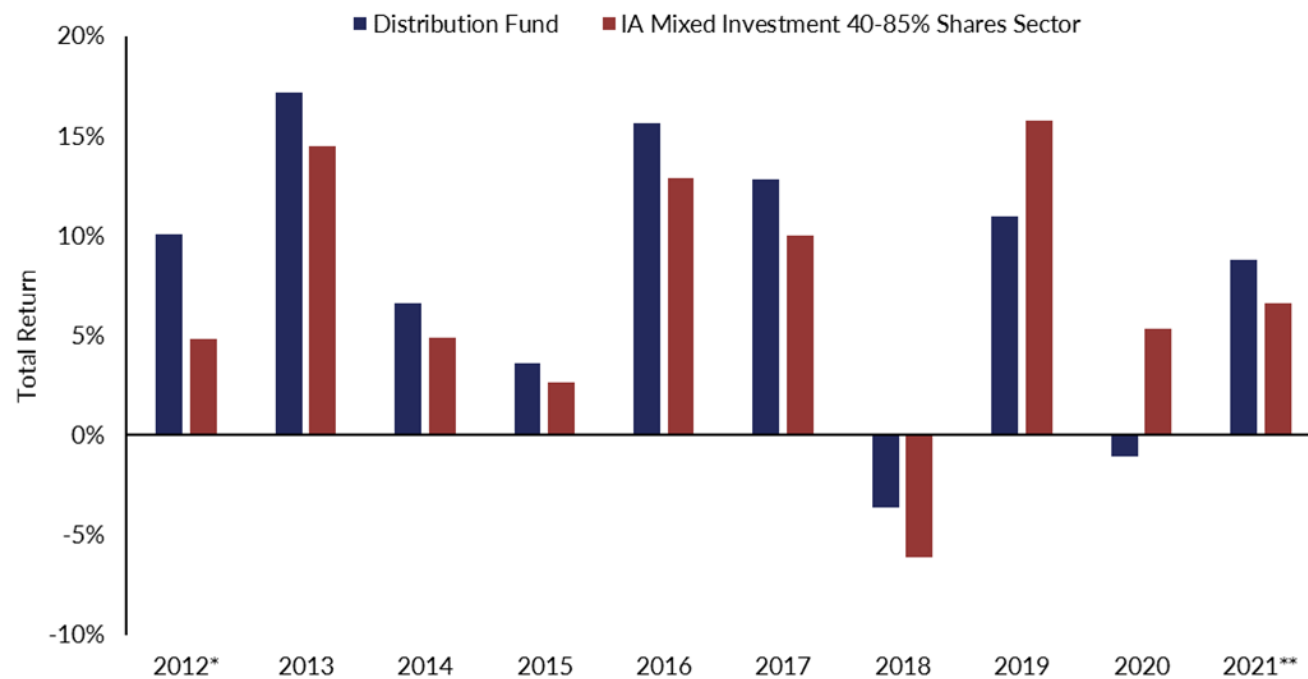
Source: FE Analytics, 31/03/2021 to 30/06/2021 (top). FE Analytics and internal, 31/03/2021 to 30/06/2021, all approximate and assumes static weights throughout period (bottom).

SINCE LAUNCH FUND PERFORMANCE

Cumulative performance

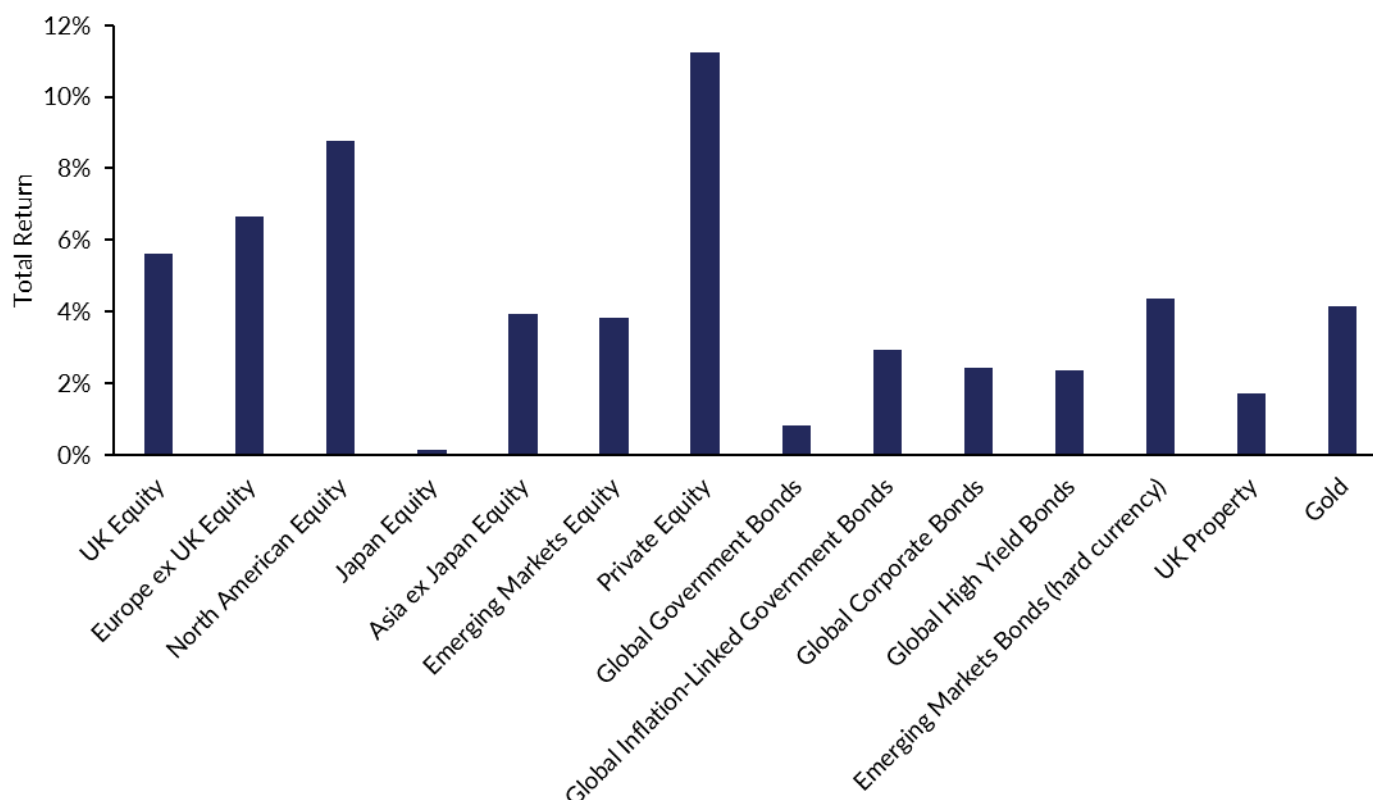


Discrete calendar year performance



Source: FE Analytics, 13/04/2012 to 30/06/2021 (top). *From launch on 13/04/2012, **to 30/06/2021 (bottom).

QUARTERLY MARKET PERFORMANCE

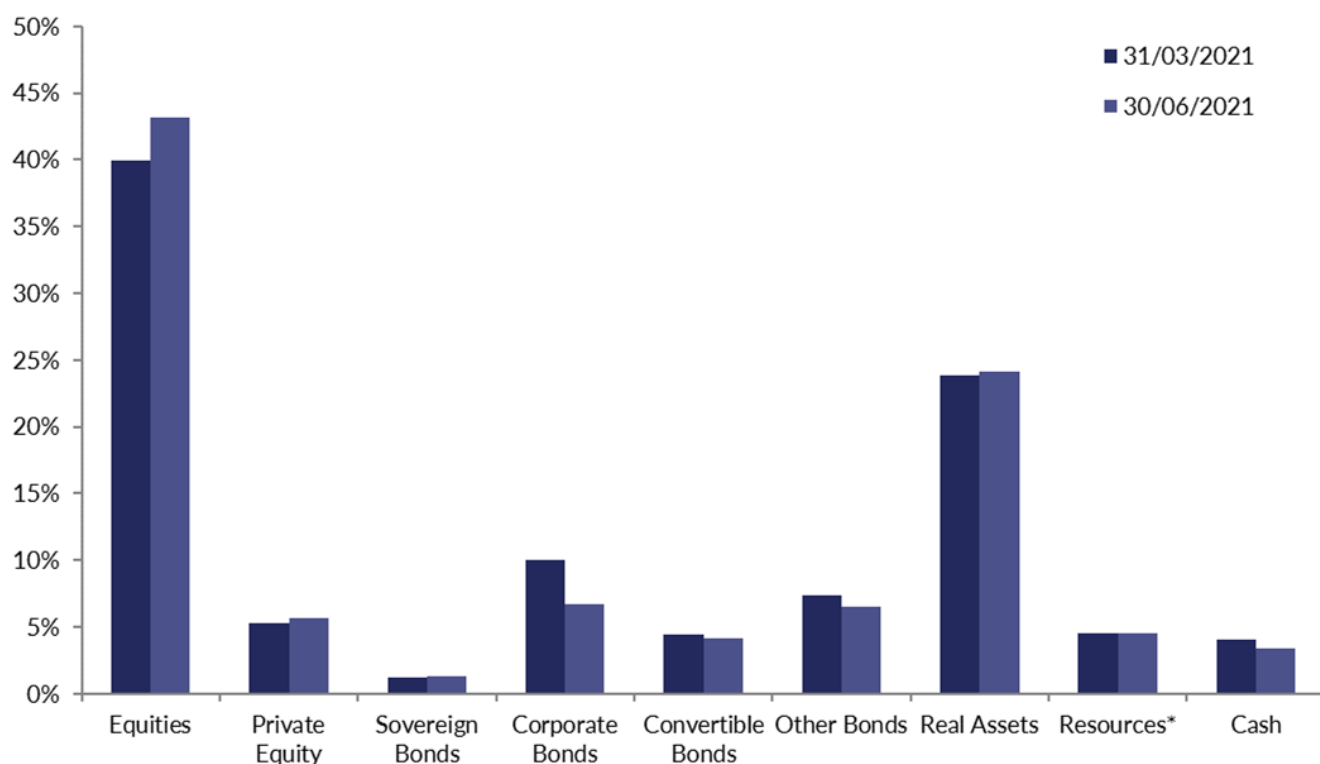


- Private equity was the stand out asset class with private equity trusts reporting excellent net asset value returns, and deal activity at elevated levels
- With the exception of Japan, developed market equities also enjoyed strong returns. Japan lagged amid rising COVID cases and new lockdowns
- Gold was volatile, but ended the month in positive territory, boosted by the 10-year US real yields falling from -0.63% to -0.87%
- Government bond yields were largely range bound over the period whilst corporate bonds achieved low single digit returns as the additional spread offered over sovereign bonds continued to narrow

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

Source: FE Analytics local currency, 31/03/2021 to 30/06/2021. See MSCI and ICE disclaimers on final page.

ACTIVITY



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

Purchases:

- Digital 9 Infrastructure
- Diverse Income Trust
- NB Private Equity Trust
- Taylor Maritime
- Teviot UK Smaller Companies

Disposals:

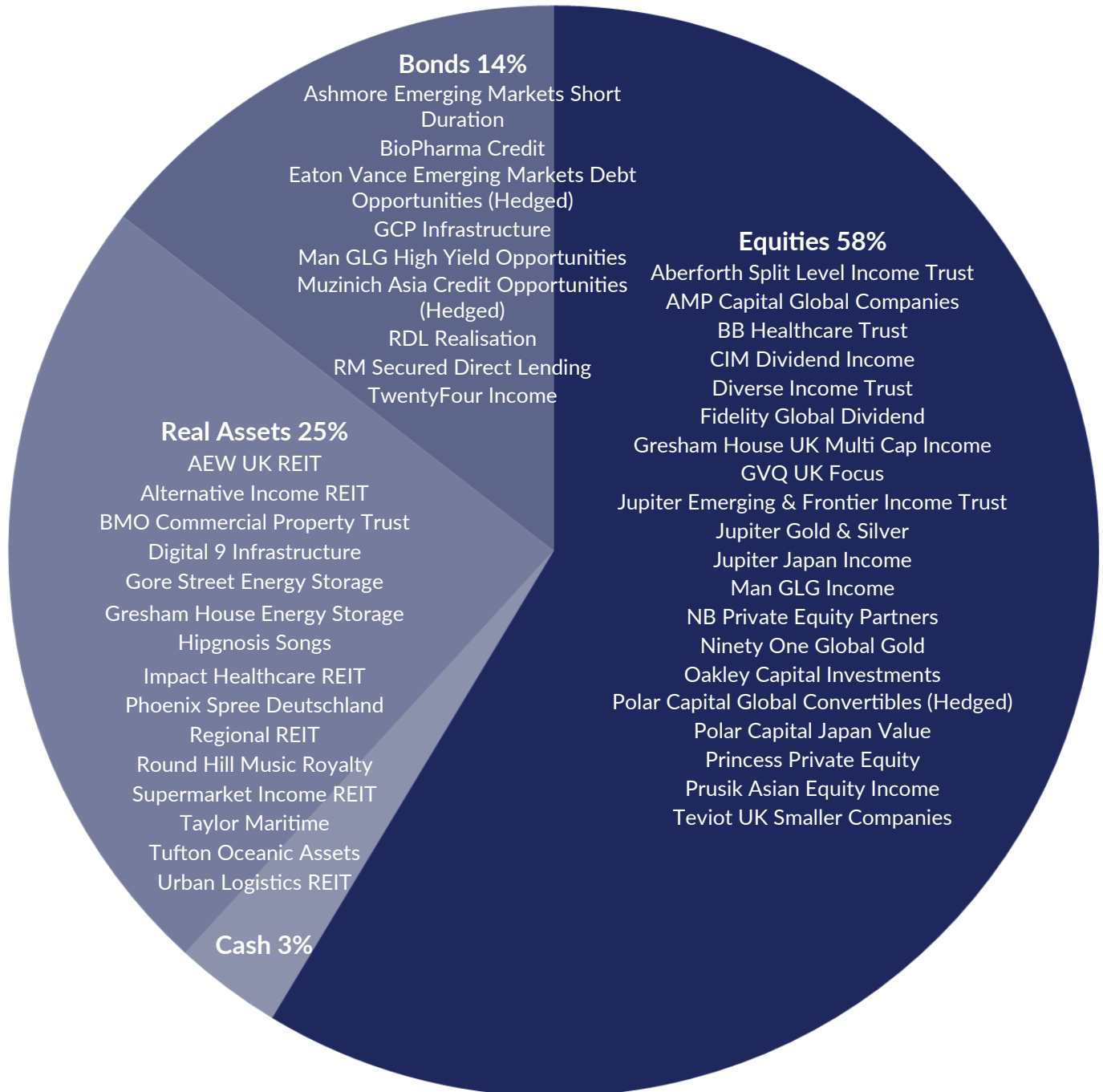
- Angel Oak Multi-Strategy income
- BlackRock Emerging Markets
- Civitas Social Housing REIT
- GCP Asset Backed Income
- PRS REIT

Summary:

- Within equities, we sold BlackRock Emerging Markets as the valuation opportunity diminished, and increased cheaply valued UK equity portfolios focused on smaller companies with the introduction of Diverse Income Trust and Teviot. We introduced NB Private Equity on an attractive discount to net asset value.
- PRS REIT, GCP Asset Backed Income and Civitas Social Housing were sold into strength with proceeds used to introduce D9 Infrastructure and Taylor Maritime. The former invests in essential digital infrastructure and offers attractive, uncorrelated returns whilst the latter benefits from a tight shipping market where elevated charter rates are resulting in extremely high yields

Source: Internal, 30/06/2021, *including Precious Metals.

HOLDINGS



Each fund has been allocated to an asset class for this pie chart, therefore there may be differences in the breakdown shown here and on the asset breakdown chart on page 6.

Source: Internal, 30/06/2021.

CONTACT US

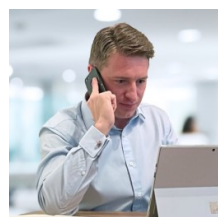


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IMPORTANT INFORMATION

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