



**HAWKSMOOR**  
FUND MANAGERS

**MI HAWKSMOOR  
DISTRIBUTION FUND**

QUARTERLY REPORT  
Q4 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 to long term.*

## KEY POINTS THIS QUARTER

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- Distribution returned 2.7%, performing in line with the sector
- We introduced six new holdings, and exited four positions
- Real asset and private equity exposure was increased
- Listed equity and conventional bond exposure was reduced

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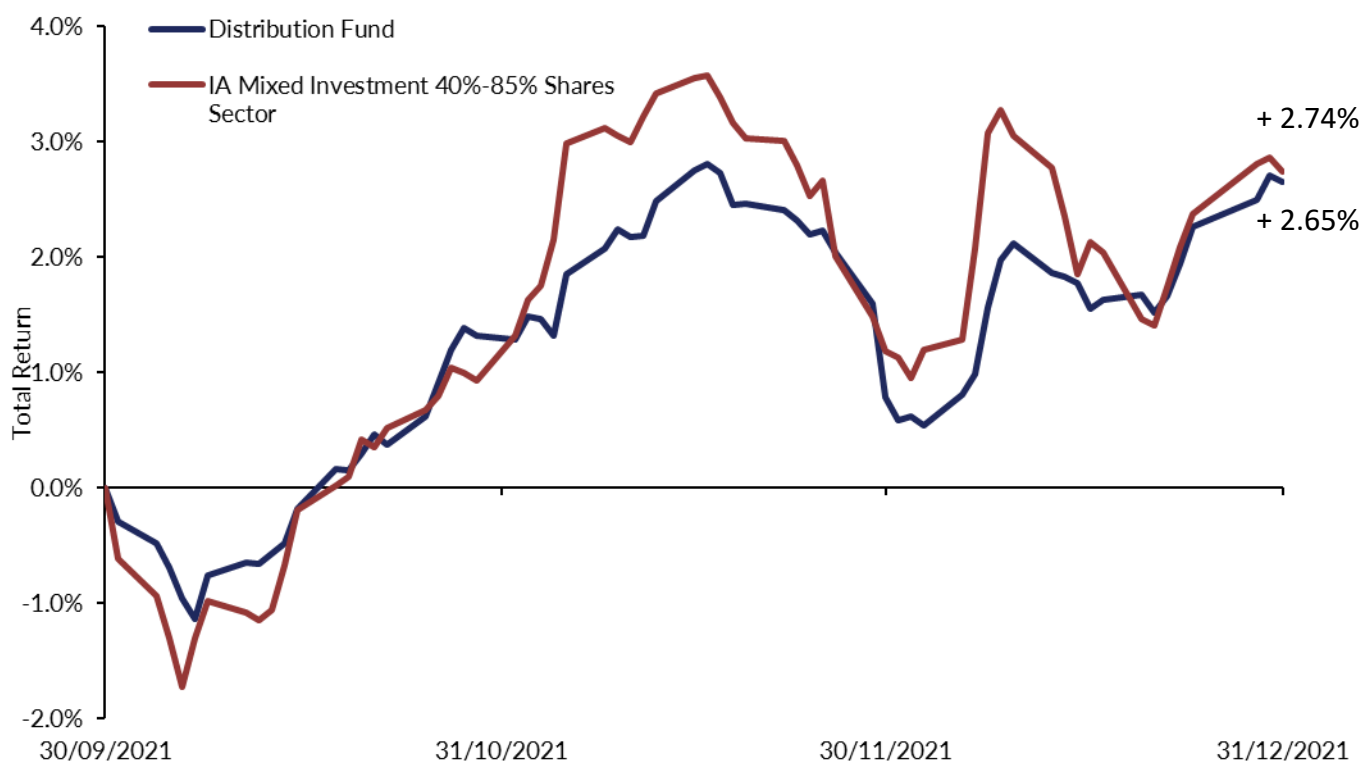
# QUARTERLY FUND PERFORMANCE

## Largest contributors:

- Oakley Capital +0.77%
- NB Private Equity +0.34%
- Jupiter Gold & Silver +0.34%

## Largest detractors:

- CIM Dividend Income -0.32%
- Polar Capital Japan Value -0.11%
- Jupiter Japan Income -0.07%

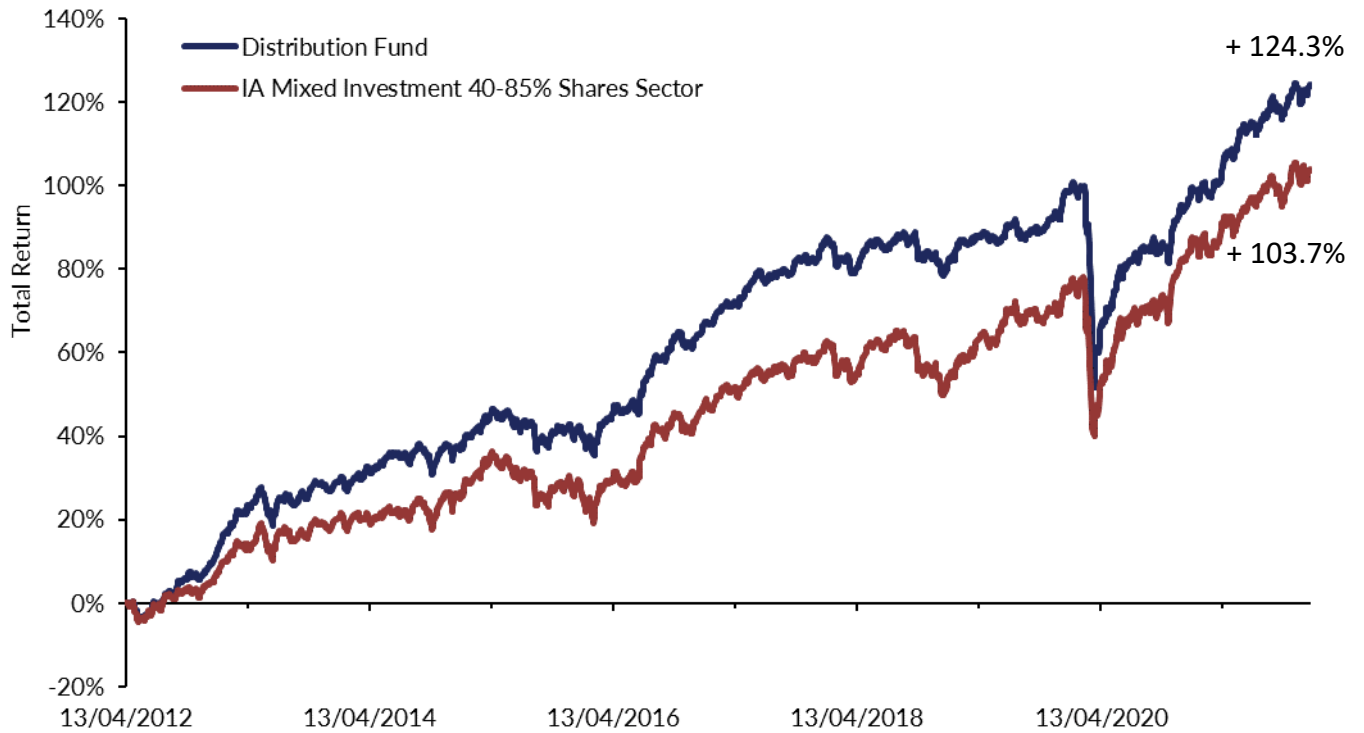


- Oakley Capital's share price rose strongly after the trust announced it realised an investment (TechInsights) at a 134% premium to book value, adding c.4% to net asset value
- The gold price rose c.4%, with gold miners also enjoying strong returns, benefitting Jupiter Gold & Silver
- Few material detractors, CIM Dividend Income gave up some gains after a stellar first 9 months of the year

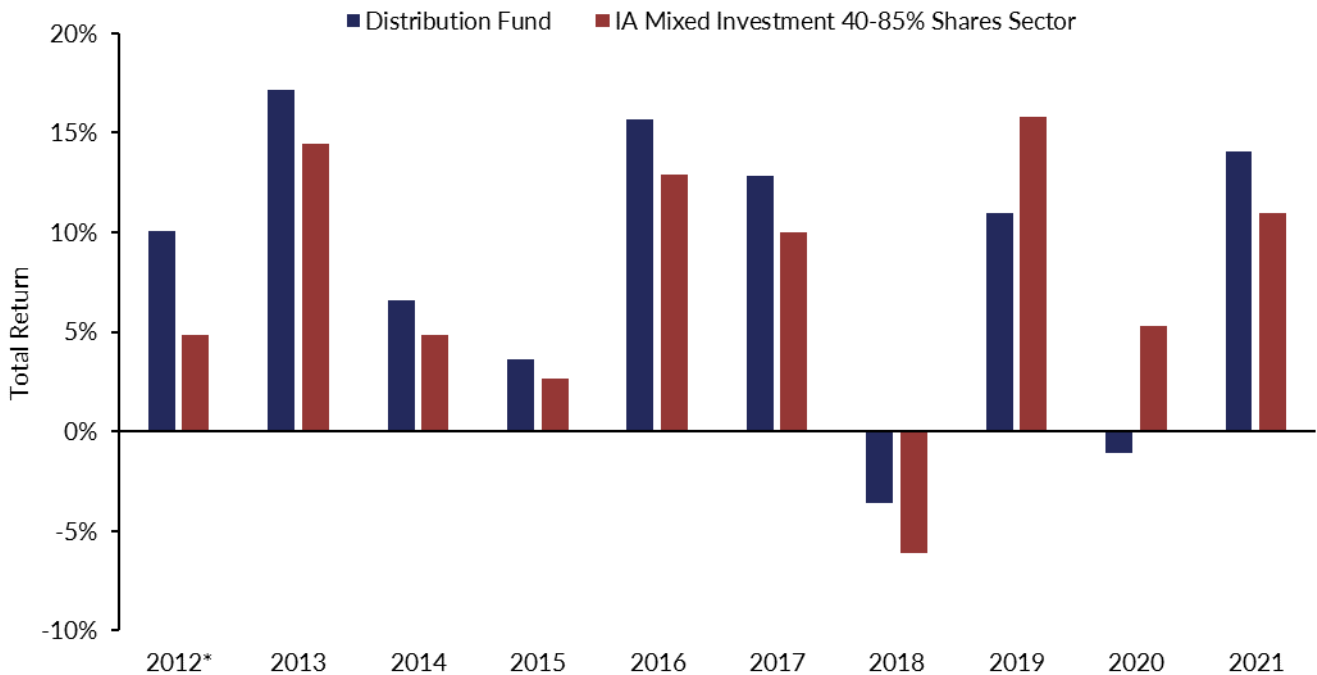
Source: FE Analytics and internal, 30/09/2021 to 31/12/2021, must be held for entire period and uses month end weighting (text). FE Analytics, 30/09/2021 to 31/12/2021 (chart).

# SINCE LAUNCH FUND PERFORMANCE

## Cumulative performance

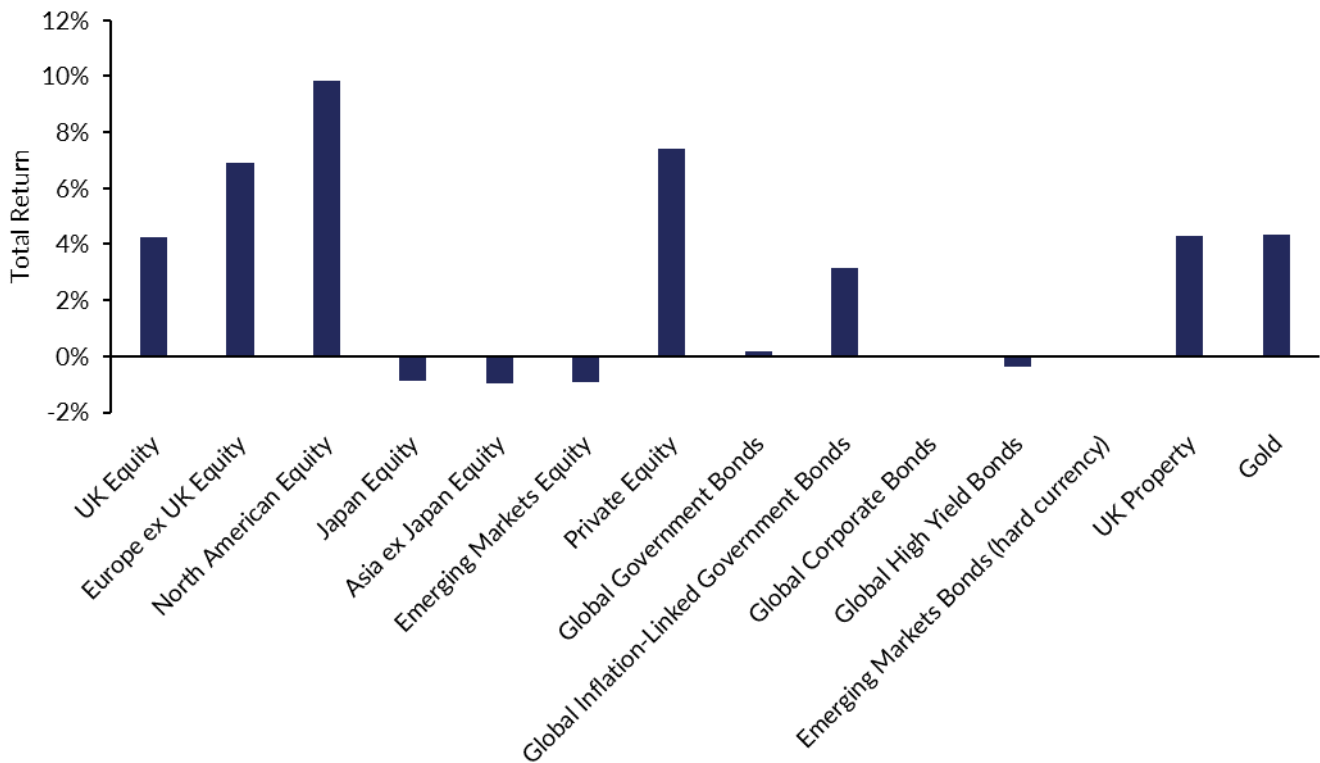


## Discrete calendar year performance



Source: FE Analytics, 13/04/2012 to 31/12/2021 (top). \*From launch on 13/04/2012 (bottom).

# QUARTERLY MARKET PERFORMANCE

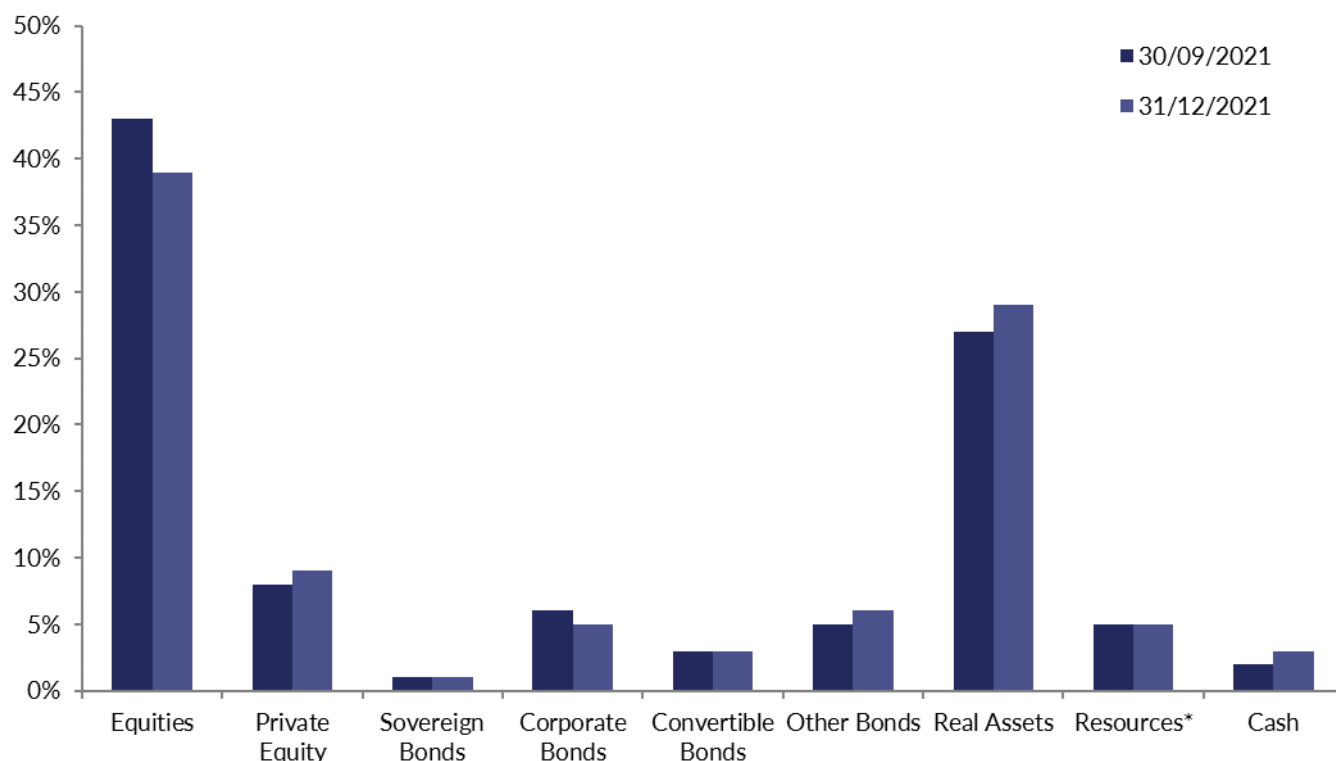


- US equities had a strong end to the year, with returns primarily driven by mega-cap companies
- Private equity trusts reported strong net asset value returns and deal activity at elevated levels
- Gold rose c.4% as real yields (opportunity cost for holding gold) fell and investors sought safe havens amid new COVID variant Omicron
- High inflation numbers saw investors seek protection in real assets like property and inflation-linked bonds, both of which performed strongly
- Emerging Market and Asian equities were weak, driven down by Chinese equities (MSCI China -6.5% during quarter)

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, 30/09/2021 to 31/12/2021. 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:

- Atrato Onsite Energy
- Harmony Energy Income
- Life Science REIT
- M&G Japan Smaller Companies
- VSL VPC Speciality Lending
- Weiss Korea Opportunity

### Disposals:

- Ashmore Emerging Markets Short Duration
- Fidelity Global Dividend
- Home REIT
- Princess Private Equity

### Summary:

- Exposure to alternative assets with attractive, often inflation-linked, return profiles was increased with the introductions of Atrato Onsite Energy (rooftop solar), Life Science REIT (life science properties) and Harmony Energy Income (battery storage).
- Specialist and attractively valued regional equity exposure was increased with the introduction of M&G Japan Smaller Companies and Weiss Korea Opportunities, funded from the sale of global equity fund Fidelity Global Dividend.
- Private debt specialist trust VSL VPC Specialty Lending was introduced on a wide discount offering an attractive yield.

Source: Internal, 31/12/2021, \*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, 31/12/2021.

## CONTACT US

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## IMPORTANT INFORMATION

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