



HAWKSMOOR
FUND MANAGERS

**MI HAWKSMOOR
DISTRIBUTION FUND**

QUARTERLY REPORT
Q2 2023



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

- Distribution returned -0.9%, lagging the sector return of +0.2%
- We introduced five new holdings, and exited four positions
- Fixed income exposure was reduced
- Cash was increased

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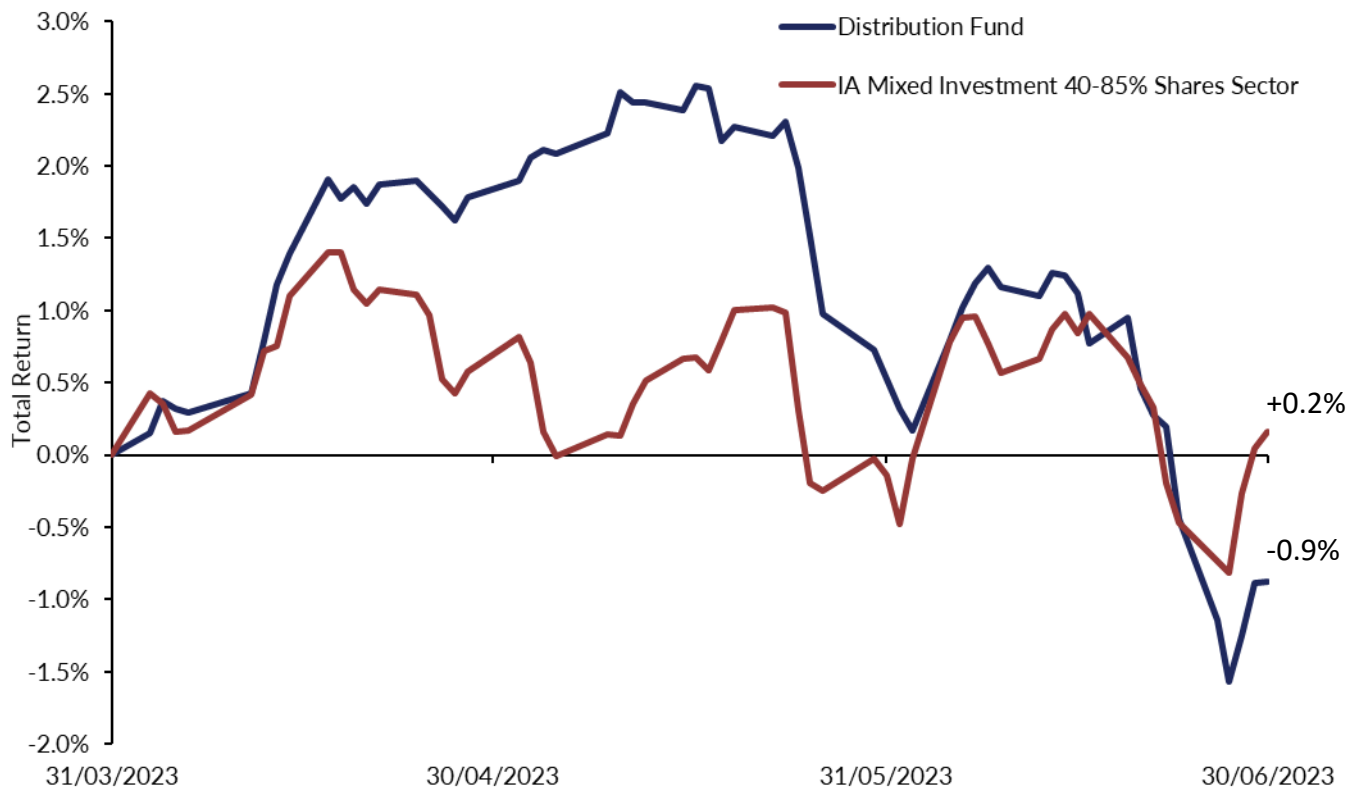
QUARTERLY FUND PERFORMANCE

Largest contributors:

- ICG Enterprise Trust +0.23%
- Life Science REIT +0.18%
- LF Gresham House UK Multi Cap Income +0.14%

Largest detractors:

- Taylor Maritime -0.26%
- Ninety One Global Gold -0.23%
- Jupiter Gold & Silver -0.21%

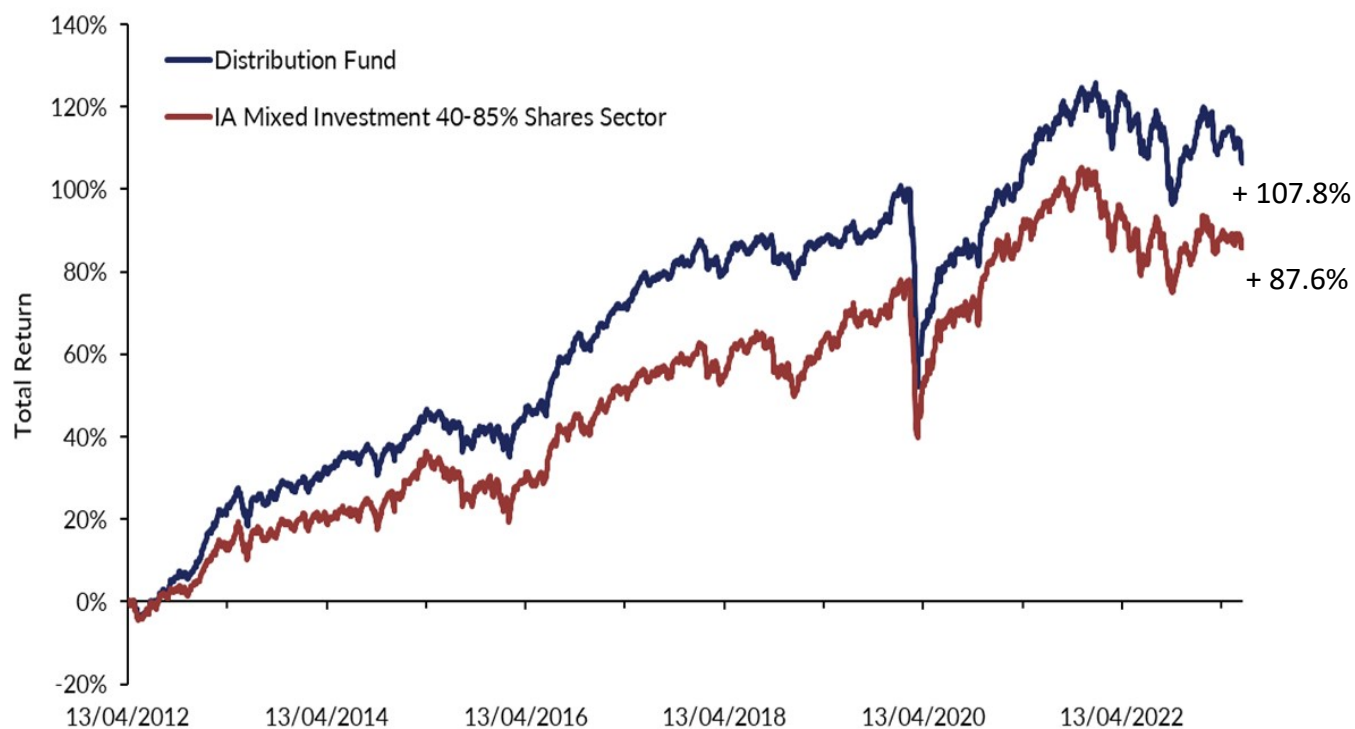


- ICG Enterprise and LXi REIT share prices bounced from depressed levels following a difficult period for the investment trust sector.
- LF Gresham House UK Multi Cap Income bucked the trend of UK equities being generally lower, benefitting from some M&A to deliver a small positive performance.
- Gold and gold miners sold off as real interest rates (the opportunity cost of holding gold) rose.
- Taylor Maritime's share price fell as charter rates (the daily price they receive for leasing ships) fell during the quarter.

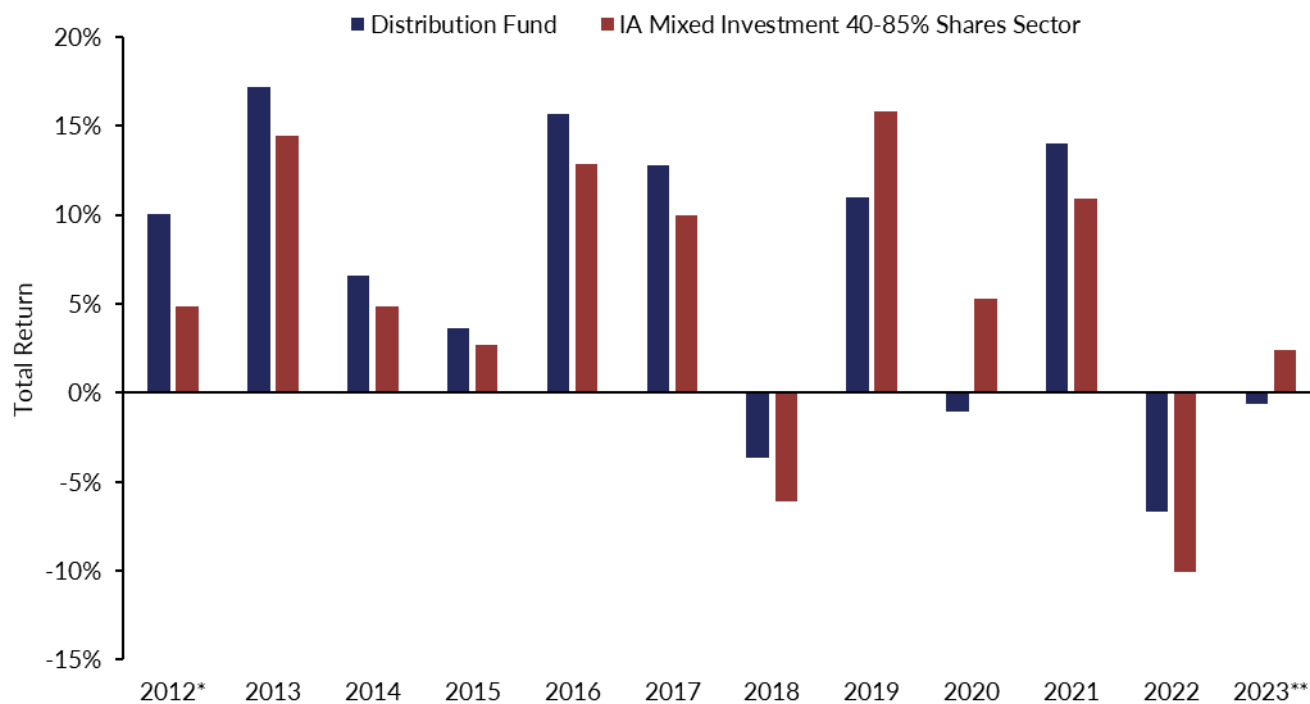
Source: FE fundinfo and internal, 31/03/2023 to 30/06/2023, must be held for entire period and uses month end weighting (text). FE fundinfo, 31/03/2023 to 30/06/2023 (chart).

SINCE LAUNCH FUND PERFORMANCE

Cumulative performance

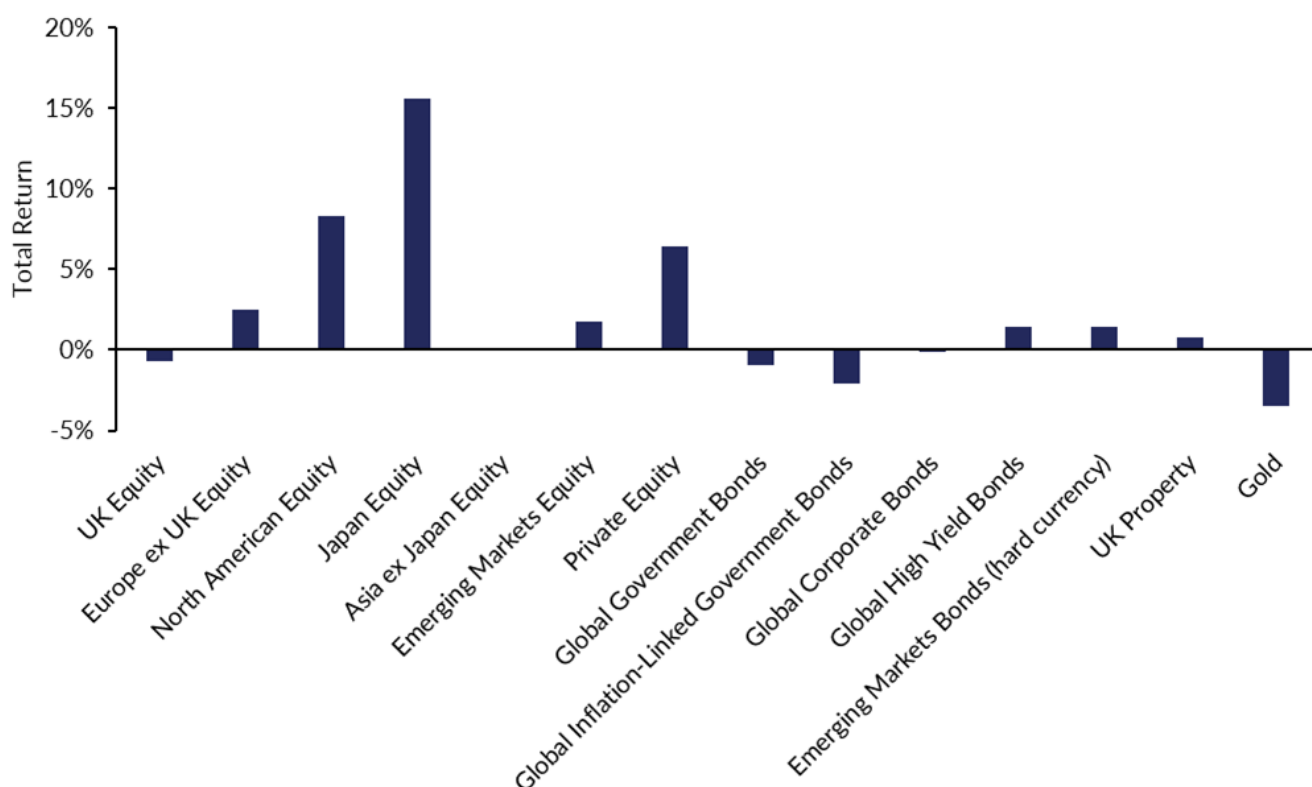


Discrete calendar year performance



Source: FE fundinfo, 13/04/2012 to 30/06/2023 (top). *From launch on 13/04/2012 **to 30/06/2023 (bottom).

QUARTERLY MARKET PERFORMANCE

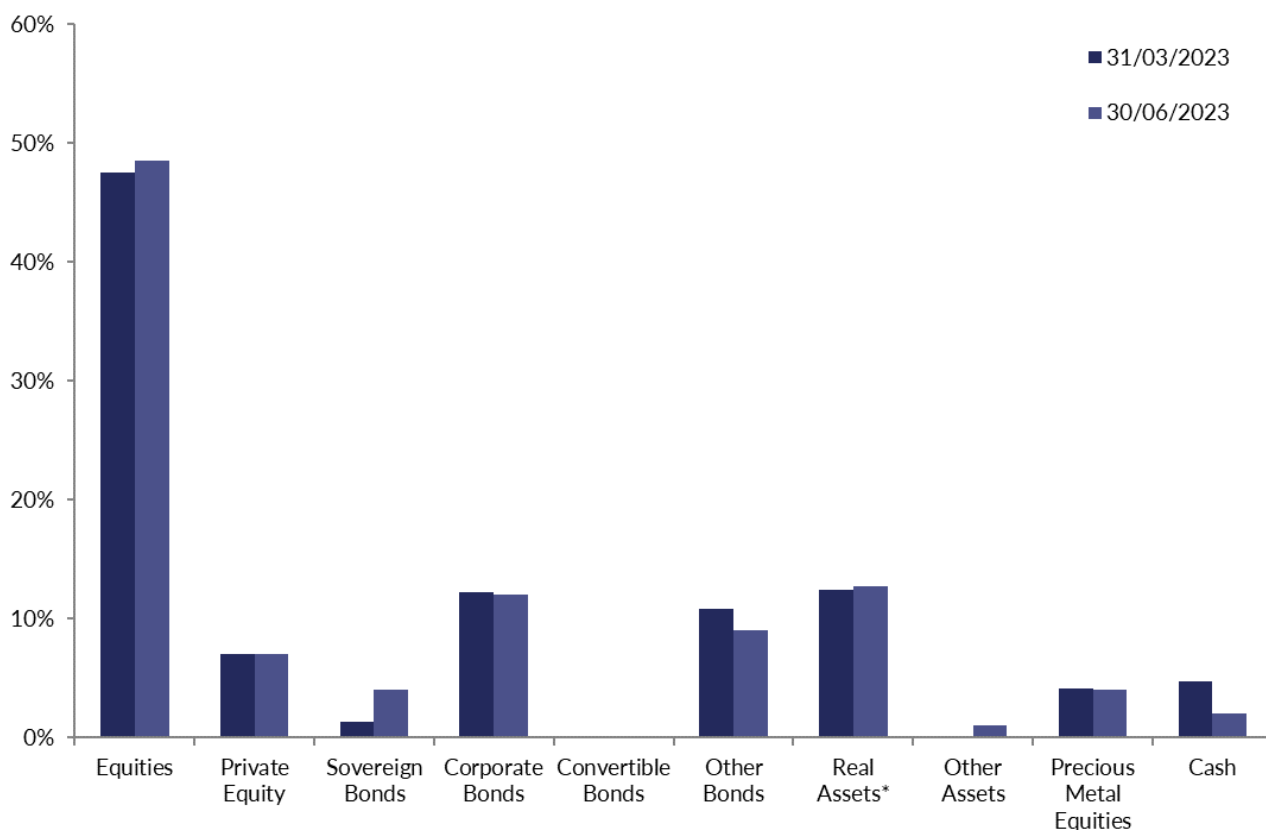


- In local currency terms, the Japanese market rallied sharply as the Governor of the Bank of Japan committed to more ultra-loose monetary conditions. In GBP terms, the gains were lower as the yen weakened substantially against sterling.
- US equities rose sharply, driven by the largest 10 stocks in the index which combined generated over 75% of the index returns, boosted by sharply higher forward guidance from chip-maker Nvidia on growing demand for artificial intelligence.
- Gold was weaker as global real yields (the opportunity cost of holding gold) increased.
- Government bond yields rose, but credit spreads narrowed resulting in mixed performance across fixed income markets.

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 fundinfo local currency, 31/03/2023 to 30/06/2023. 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:

- Allianz Index-Linked Gilt
- Artemis Corporate Bond
- Chrysalis Investments
- Hipgnosis Songs
- LXi REIT

Disposals:

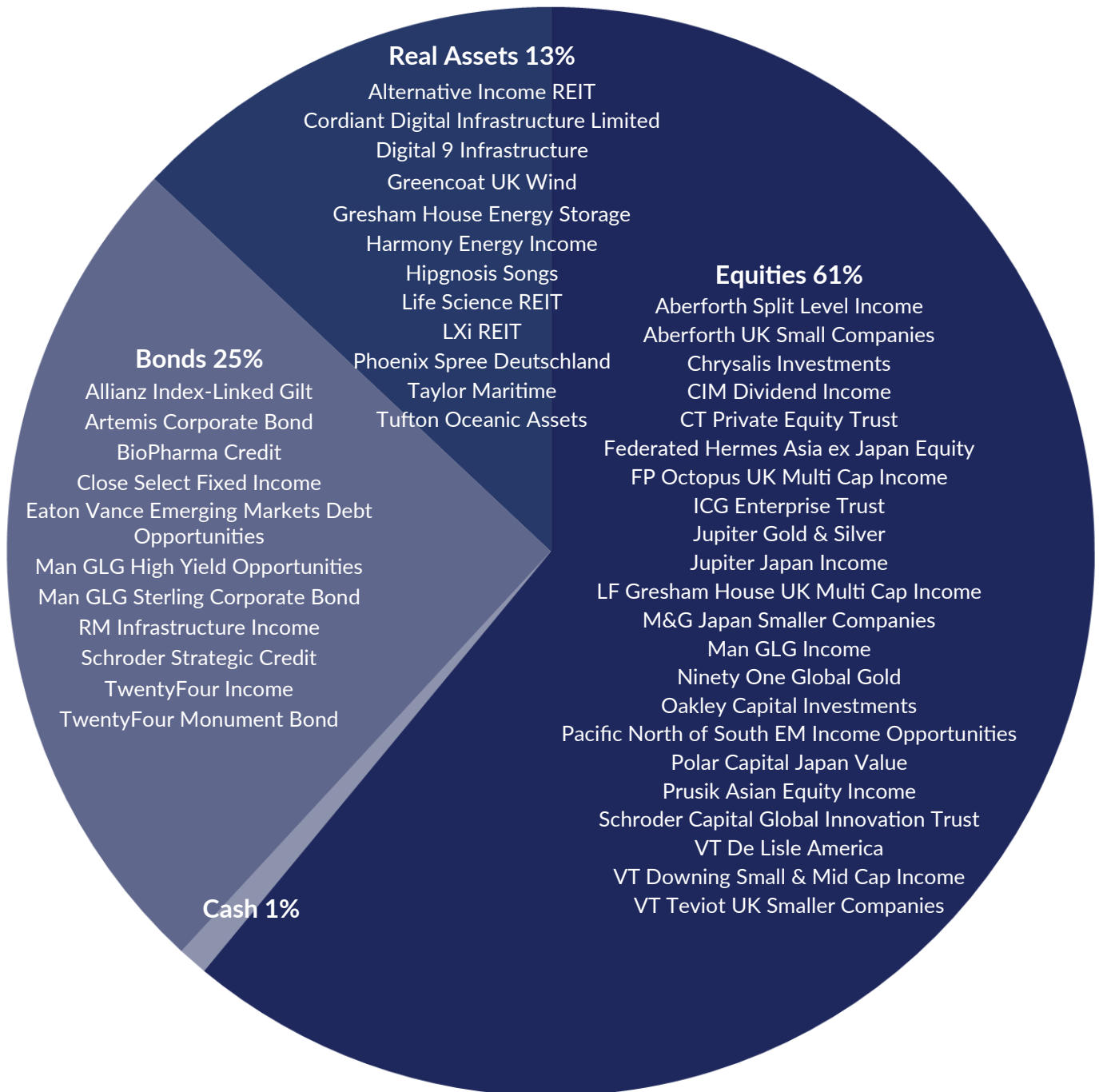
- Bellevue Healthcare Trust
- CG Dollar (GBP Hedged)
- Gore Street Energy Storage
- VPC Speciality Lending Investments

Summary:

We sold CG Dollar (GBP Hedged) and reinvested the proceeds into Allianz Index-Linked Gilt, as real yields on Gilts moved significantly higher and became competitive relative to US TIPS. We also reduced the credit risk in our bond exposure, selling VPC Speciality Lending Investments and replacing with investment grade rated Artemis Corporate Bond. We sold Bellevue Healthcare Trust where valuations are not compelling. We gently increased exposure to special situations in the investment trust space, introducing Hipgnosis Songs on a 50% discount with a continuation vote in September 2023 and private equity trust Chrysalis Investments at a steeply discounted price taking advantage of a forced seller, and LXi REIT on an attractive discount and high starting yield.

Source: Internal, 30/06/2023, *including Precious Metal Bullion.

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, 30/06/2023.

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IMPORTANT INFORMATION

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