



HAWKSMOOR
FUND MANAGERS

**MI HAWKSMOOR
VANBRUGH FUND**

QUARTERLY REPORT
Q1 2025



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

KEY POINTS THIS QUARTER

- Vanbrugh returned +0.3%, compared to the sector return of +0.2%
- We introduced two new holdings, and we exited three positions
- We increased exposure alternative asset classes
- We reduced exposure to listed equities

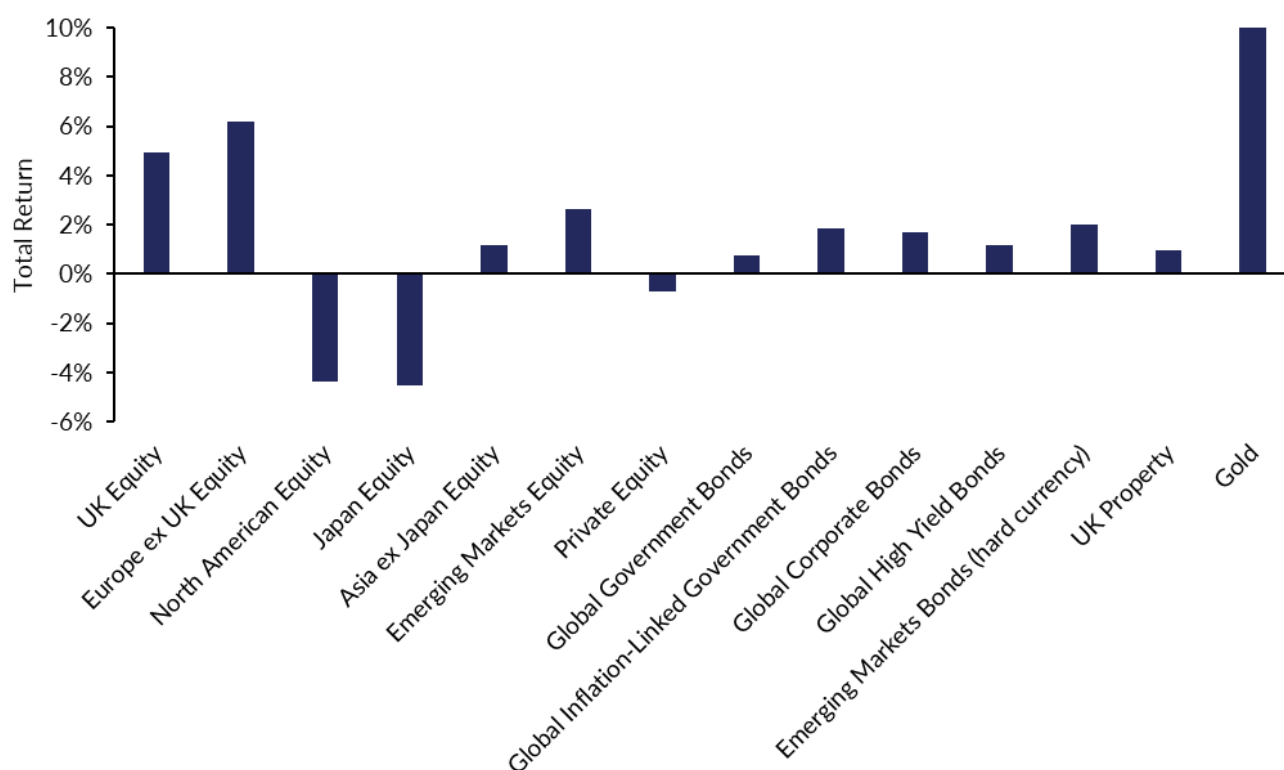
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QUARTERLY MARKET PERFORMANCE



- The period saw a stark rotation in equity markets with the previously dominant US underperforming other regions, compounded for sterling investors by a weaker dollar. The former has attracted huge capital flows in recent years helping drive significant multiple expansion, but signs of softer economic data and tariff uncertainty are prompting investors to question the risk profile of the US market. The confrontational tone of the Trump administration has prompted a policy rethink elsewhere with Europe in particular relaxing fiscal rules with a view to stimulating domestic economies. Japan aside, small and mid caps materially underperformed, compounding a protracted period of poor relative returns.
- There was divergence in sovereign bonds with German Bund yields higher on the aforementioned fiscal loosening. US Treasury yields headed in the other direction with investors presumably focussing more on the negative growth implications of tariffs as opposed to the potential inflation risks. Following a sustained period of tightening, credit spreads widened modestly in Q1, although remain close to historic tights.
- Gold was the stand out performer acting as it often does as a hedge to fear and uncertainty.

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, 31/12/2024 to 31/03/2025. See MSCI and ICE disclaimers on final page.

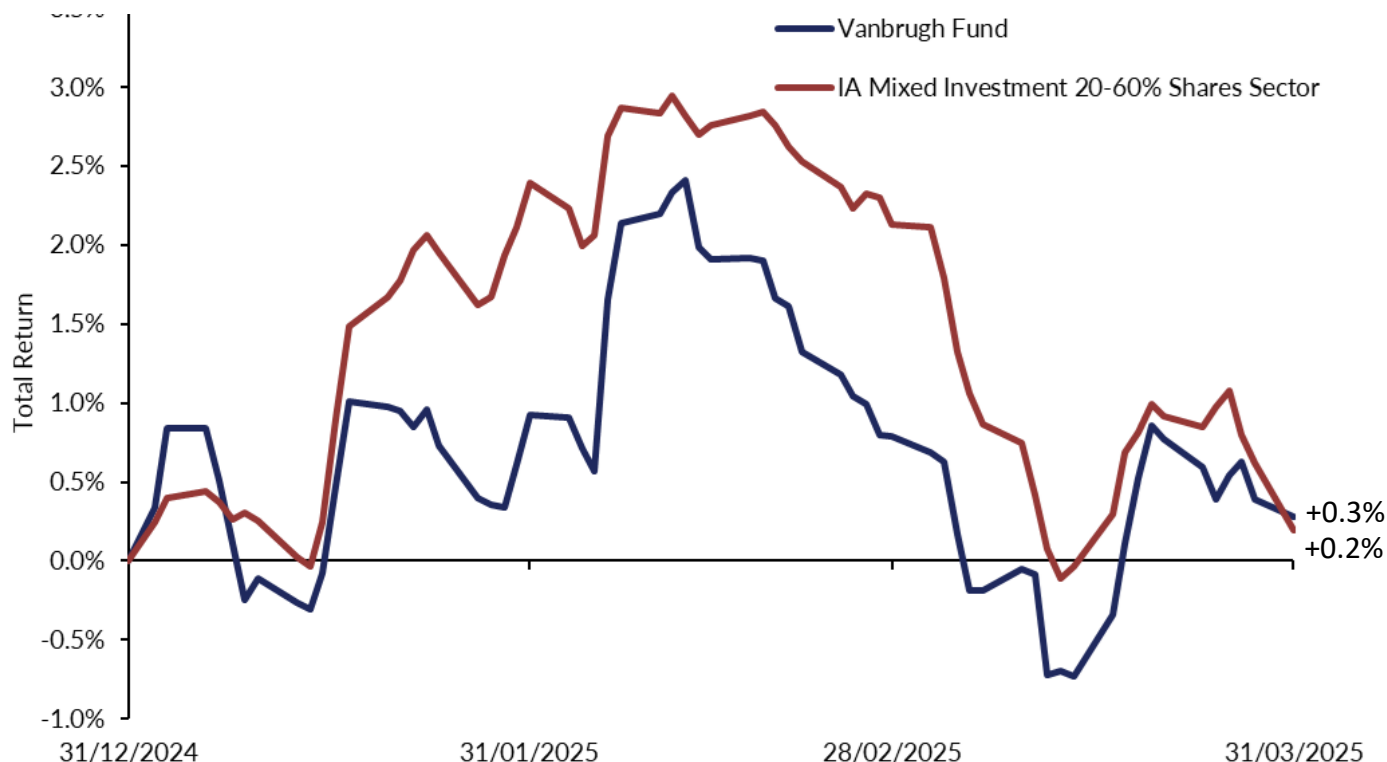
QUARTERLY FUND PERFORMANCE

Largest contributors:

- Konwave Gold Equity +1.18%
- WisdomTree Core Physical Gold +0.72%
- Urban Logistic REIT +0.33%

Largest detractors:

- VT De Lisle America -0.35%
- Taylor Maritime -0.26%
- Strategic Equity Capital -0.18%

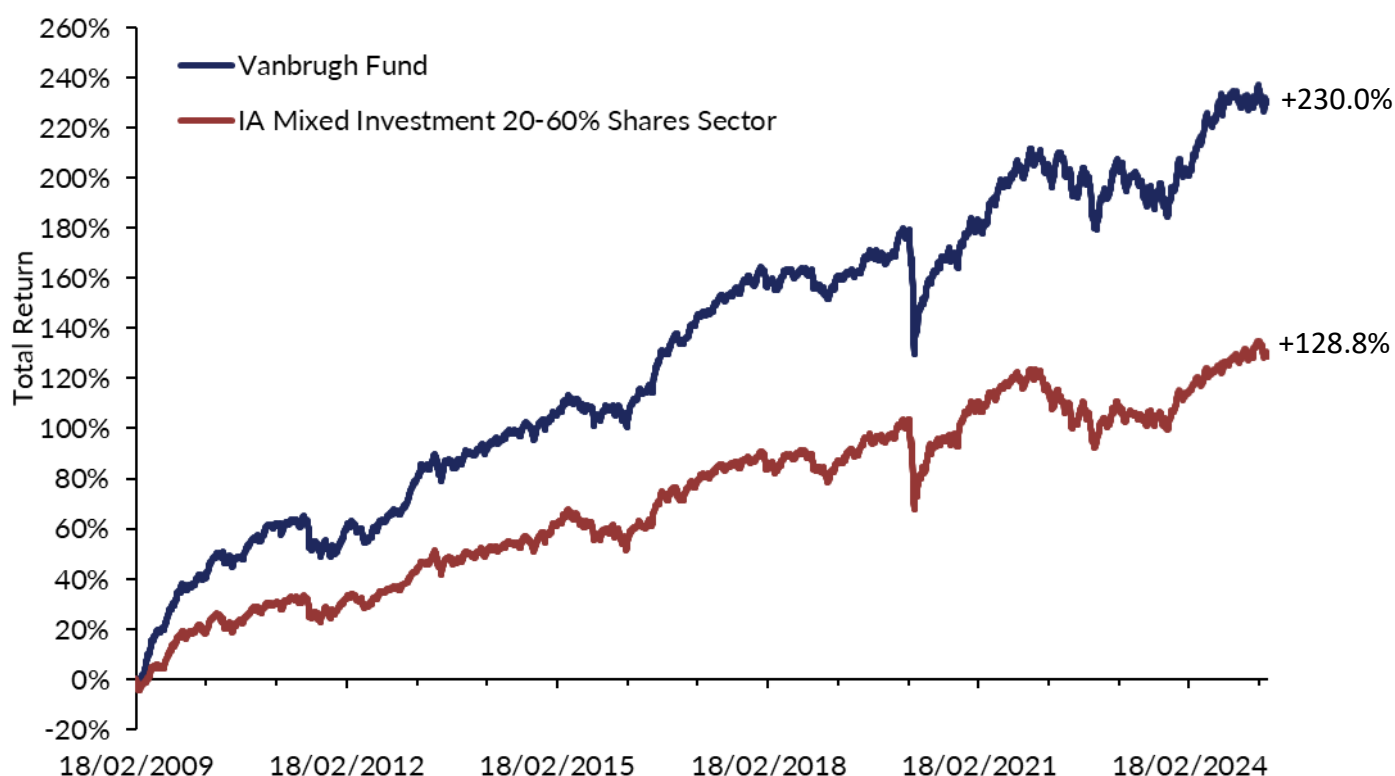


- Exposure to both physical gold and gold mining equities was beneficial during the quarter as investors flocked to the precious metal amid rising geopolitical uncertainty. Gold miners outperformed the move in the gold price, as typically occurs during a bull market due to the operational leverage of gold mining businesses.
- Urban Logistics REIT had a strong quarter. Activist trust Achilles Investment Company announced a position and that it was seeking board representation and a strategic review, following a poorly timed internalisation announcement from the incumbent board which appears to offer poor value for shareholders. Peer Warehouse REIT also received a bid during the quarter which gave a positive read across for Urban Logistics.
- US small cap position De Lisle America performed poorly as the 'Trump trade' unwound in the short term. Taylor Maritime drifted lower despite charter rates in its shipping segment rising during the quarter. Strategic Equity Capital was lower as UK small and mid caps materially underperformed large caps.

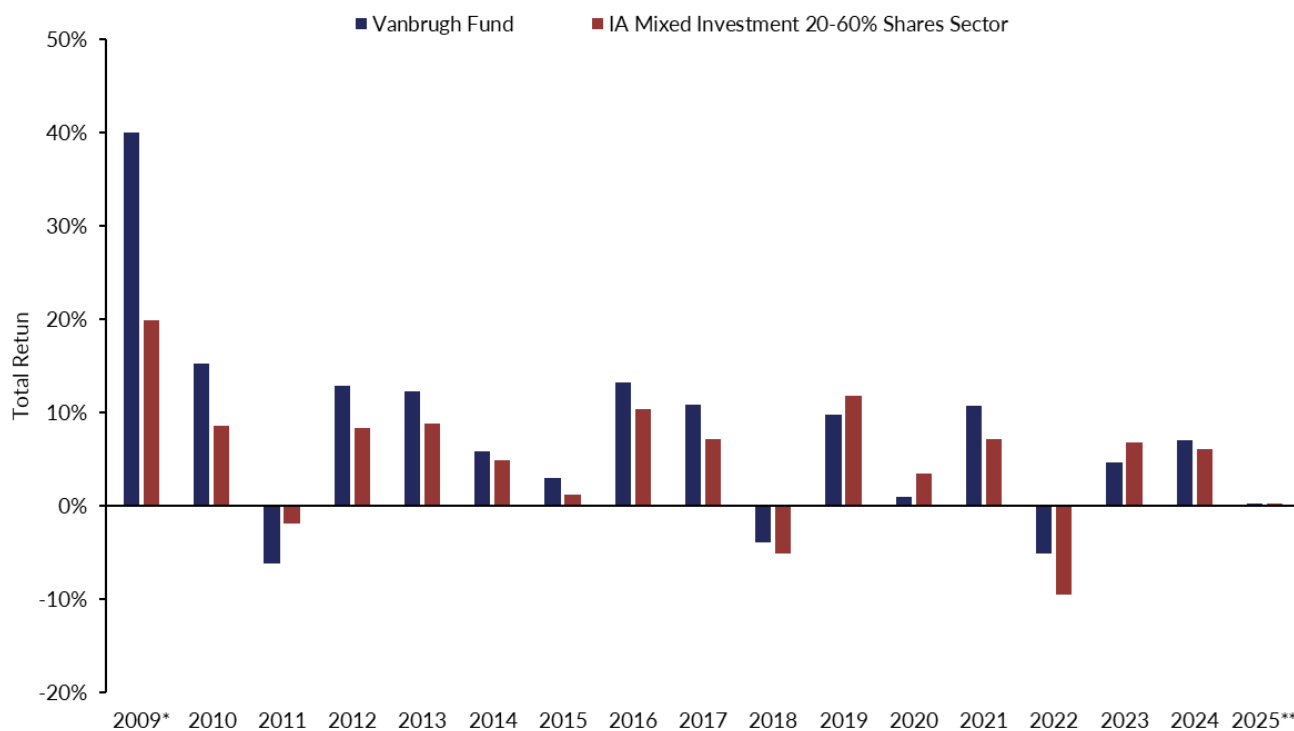
Source: FE fundinfo and internal, 31/12/2024 to 31/03/2025, must be held for entire period and uses month end weighting (text). FE fundinfo, 31/12/2024 to 31/03/2025 (chart).

SINCE LAUNCH FUND PERFORMANCE

Cumulative performance

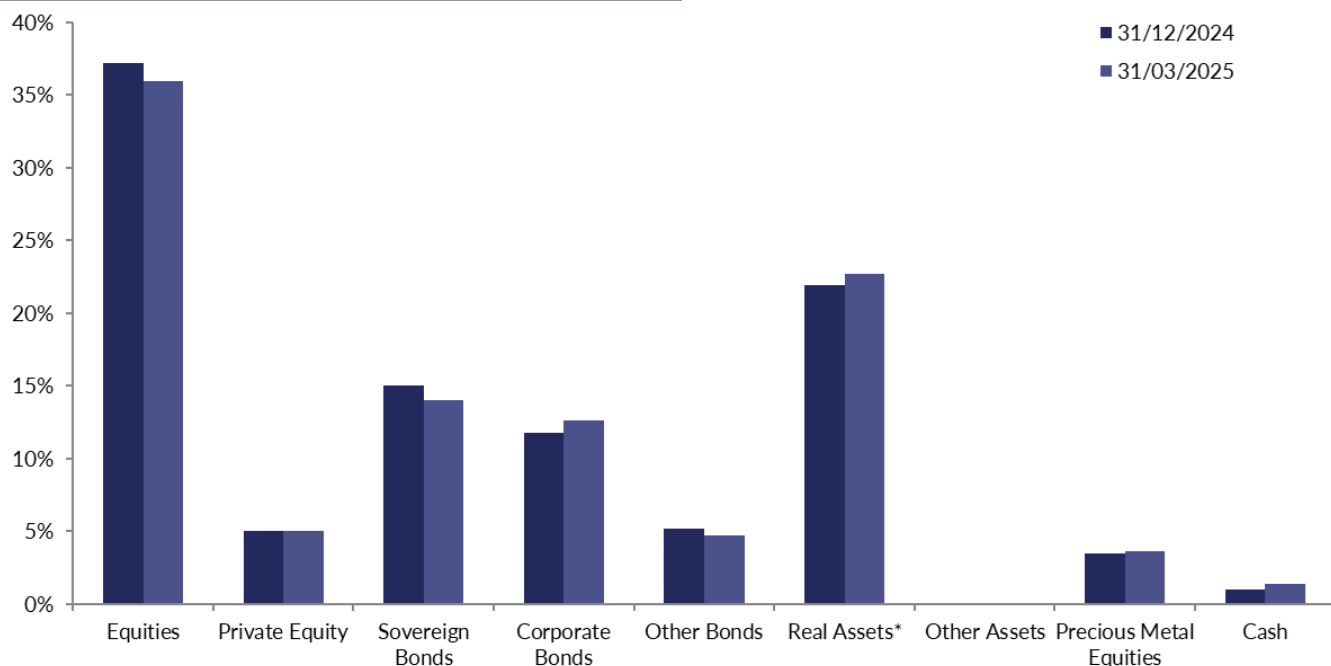


Discrete calendar year performance



Source: FE fundinfo, 18/02/2009 to 31/03/2025 (top). *From launch on 18/02/2009 (bottom). ** from 31/12/2024 to 31/03/2025.

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 page 7.

Purchases:

- Achilles Investment Company
- Smead US Value

Sales:

- BBGI Global Infrastructure SA
- Pantheon International Plc
- WA Gresham House UK Multi Cap Income

Summary:

- We participated in the IPO of Achilles Investment Company. The trust is taking stakes in a small number of other investment trusts across alternative asset classes (predominantly property and infrastructure) and seeking to unlock the value very wide discounts to net asset value present.
- We exited BBGI Global Infrastructure following a bid for the company at a material premium to the prior close share price.
- We exited the position in Gresham House UK Multi Cap Income, reinvesting the proceeds into an existing large cap UK equity fund in the portfolio—Artemis UK Select. The latter has a compelling valuation profile, and helps equalise the market cap exposure within the Fund.
- Pantheon International was exited, with proceeds rotated into HarbourVest Global Private Equity. The latter has materially improved its capital allocation policy which is now best in class, with an underlying maturity profile that is likely to result in more exits in the shorter term than we anticipate from Pantheon.
- We introduced a position in Smead US Value. The fund offers an attractive valuation profile which is a rarity for US funds, and modestly diversifies the existing value exposure in the fund geographically.

Source: Internal, 31/03/2025, *including Precious Metal Bullion.

HOLDINGS

Equities 44%

Aberforth Smaller Companies Trust
Arcus Japan
Artemis UK Select
Augmentum Fintech
Chikara Indian Subcontinent
Chrysalis Investments
CIM Dividend Income
Harbourvest Global Private Equity
Konwave Gold Equity
Law Debenture Corp PLC
M&G Japan Smaller Companies
Nippon Active Value
Oakley Capital Investments
Odyssean Investment Trust
Pacific North of South EM Income Opportunities
Polar Capital Global Insurance
Prusik Asian Equity Income
Schroder Capital Global Innovation Trust
Smead US Value
Strategic Equity Capital
The Mercantile Investment Trust
VT De Lisle America
VT Teviot UK Smaller Companies
WS Lightman European

Cash 1%

Bonds 32%

Aegon European ABS
Allianz Index-Linked Gilt
BioPharma Credit
GCP Infrastructure
iShares \$ TIPS 0-5 years ETF (unhedged)
Man Sterling Corporate Bond
Morgan Stanley Emerging Markets Debt Opportunities
RM Infrastructure Income
Schroder Strategic Credit
TwentyFour Income

Real Assets 23%

3i Infrastructure
Achilles Investment Company
Cordiant Digital Infrastructure
Digital 9 Infrastructure
FGEN Environmental Assets Group Ltd
Greencoat UK Wind
HICL Infrastructure
International Public Partnerships
Life Science REIT
Phoenix Spree Deutschland
Taylor Maritime
The Renewables Infrastructure Group
Tufton Oceanic Assets
Urban Logistics REIT
WisdomTree Core Physical Gold

OUTLOOK

The dominant performance of index heavy, expensive US mega-cap growth stocks is coming under severe pressure from a rapid change in narrative around the US market. The actions of President Donald Trump in the days following the end of the quarter, with a higher than expected tariffs blanket minimum 10% tariff applied to all goods imported to the US, sent shockwaves across global financial markets. Our investment process is not reliant on trying to predict what will happen next in global politics, what the next inflation print will be, or the reaction function of central banks. Instead, we are focused on making sure Vanbrugh is well diversified, invested in portfolios of assets with attractive starting valuations that should underpin good long term returns for investors regardless of the short term gyrations in financial markets.

Concerns around US financial assets, which have dominated global capital markets over the past 15 years, may result in capital flowing into areas that have been left behind and where valuations are compelling: UK, European and Asian equities, alternative asset classes like renewable and core infrastructure and property, defensive assets like physical gold and the related gold mining equities. These form a material part of Vanbrugh's portfolio.

In addition, the opportunity for idiosyncratic returns not dependent on the daily-changing mind of the US president are elevated. Discounts across the investment trust universe are close to all-time wide levels, activism from shareholders to unlock that value is rising, and investment trust Boards in aggregate are increasingly focused on returning capital to shareholders through rising dividends and buybacks, as well as more extreme measures including tenders and winding vehicles up.

Source: Internal, 31/03/2025. Each fund has been allocated to an asset class for this breakdown, therefore there may be differences in the breakdown shown here and on the asset breakdown chart on page 6.

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IMPORTANT INFORMATION

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Please read the Prospectus and the relevant version of the Key Investor Information Document ("KIID") which can be found on our website www.hawksmoorim.co.uk before making an investment. All information referred herein is at 31/03/2025 for the C Acc share class unless otherwise stated. C Acc share class launched 14/03/2014 so performance history extended to first share class launch date.

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