



HAWKSMOOR
FUND MANAGERS

**MI HAWKSMOOR
DISTRIBUTION FUND**

QUARTERLY REPORT
Q3 2025



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 +5.4%, compared to the sector return of +5.3%
- We introduced three new holdings, and exited two positions
- Equities and real assets were modestly reduced and UK government bonds were increased.

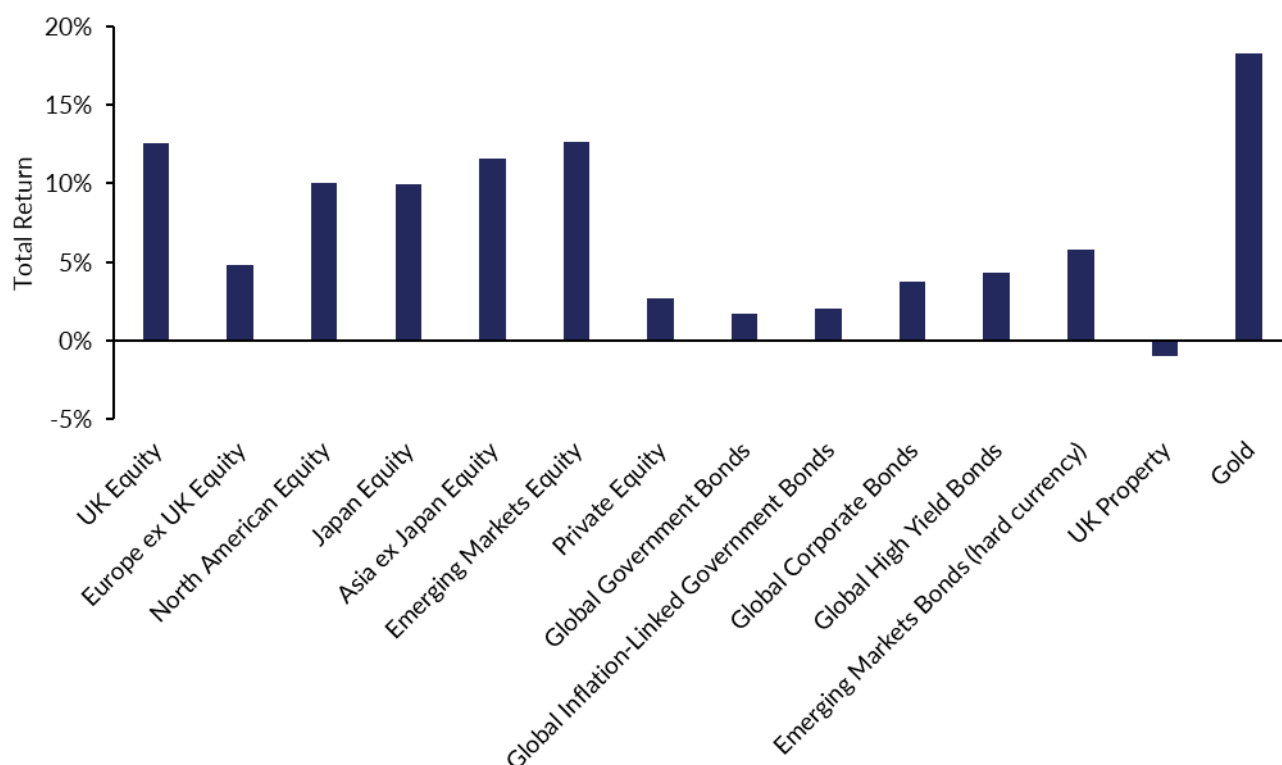
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QUARTERLY MARKET PERFORMANCE



- Investors continued to look through the potential impact of tariffs with many equity markets posting new all time highs in the period, buoyed by expectations of further interest rate cuts in the US and positive earnings revisions. Price action broadened out with small caps leading the way (in the US at least) following a protracted period of marked underperformance. Japan, where the corporate governance reform story continues to play out, was particularly strong with investors also eyeing the benefits to corporate earnings of a more inflationary backdrop. The prospects of softer US monetary policy and a weaker dollar proved tailwinds for Asian and EM equities.
- Divergence in rates markets (US 10 year government bond yields lower versus higher in the UK) was driven by shifting interest rate expectations as well as country specific concerns in relation to the UK where the market remains cautious ahead of the November budget. More generally, yield curves steepened across the board reflecting investor concerns regarding the sustainability of fiscal positions in many developed market economies. Credit spreads continued to grind tighter finishing the period close to historic lows,
- Those same fiscal concerns added further support to the gold price with the yellow metal attracting interest from investors worried about the potential debasement of fiat currencies.

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, 30/06/2025 to 30/09/2025. See MSCI and ICE disclaimers on final page.

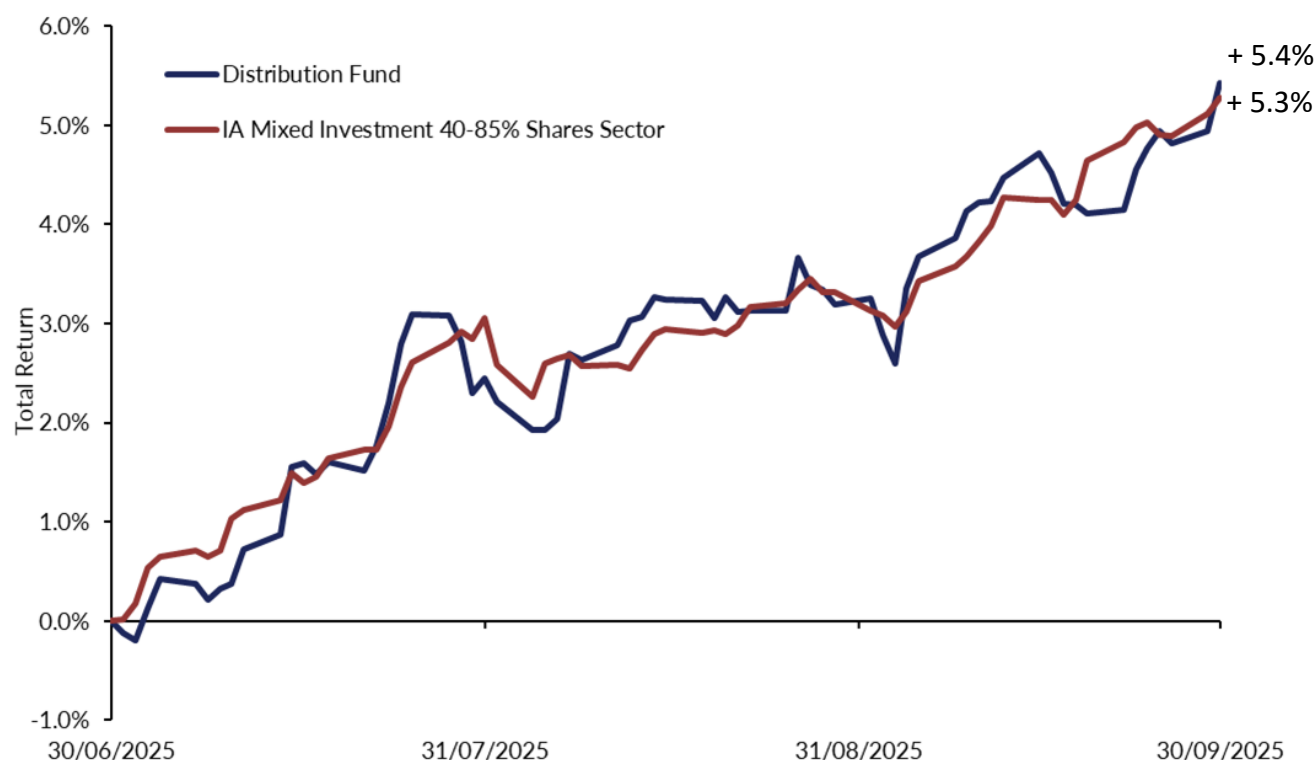
QUARTERLY FUND PERFORMANCE

Largest contributors:

- Konwave Gold Equity +2.80%
- Temple Bar Investment Trust +0.52%
- CIM Dividend Income +0.49%

Largest detractors:

- The Renewables Infrastructure Group -0.14%
- Foresight Environment Infrastructure -0.13%
- Foresight Solar Fund -0.11%



- Gold and gold miners continued their very strong start to the year, posting double-digit gains over the third quarter. Konwave Gold Equity fund was up another 50% over the quarter taking gains for the year to date to over 140%.
- Asia, Emerging Markets, Japan, Europe and US equity funds were also significant contributors to performance over the quarter. CIM Dividend Income, Pacific North of South Income Opportunities, M&G Japan Smaller Cos, De Lisle America and Lightman European all performed well in absolute terms and relative to their respective benchmarks.
- Large cap UK equities outperformed smaller companies, which aided Distribution which has a high allocation to strong performing equity income strategies such as Temple Bar Investment Trust.
- The detractors were more modest compared to the contributors and concentrated in the relatively small allocation to renewable infrastructure.

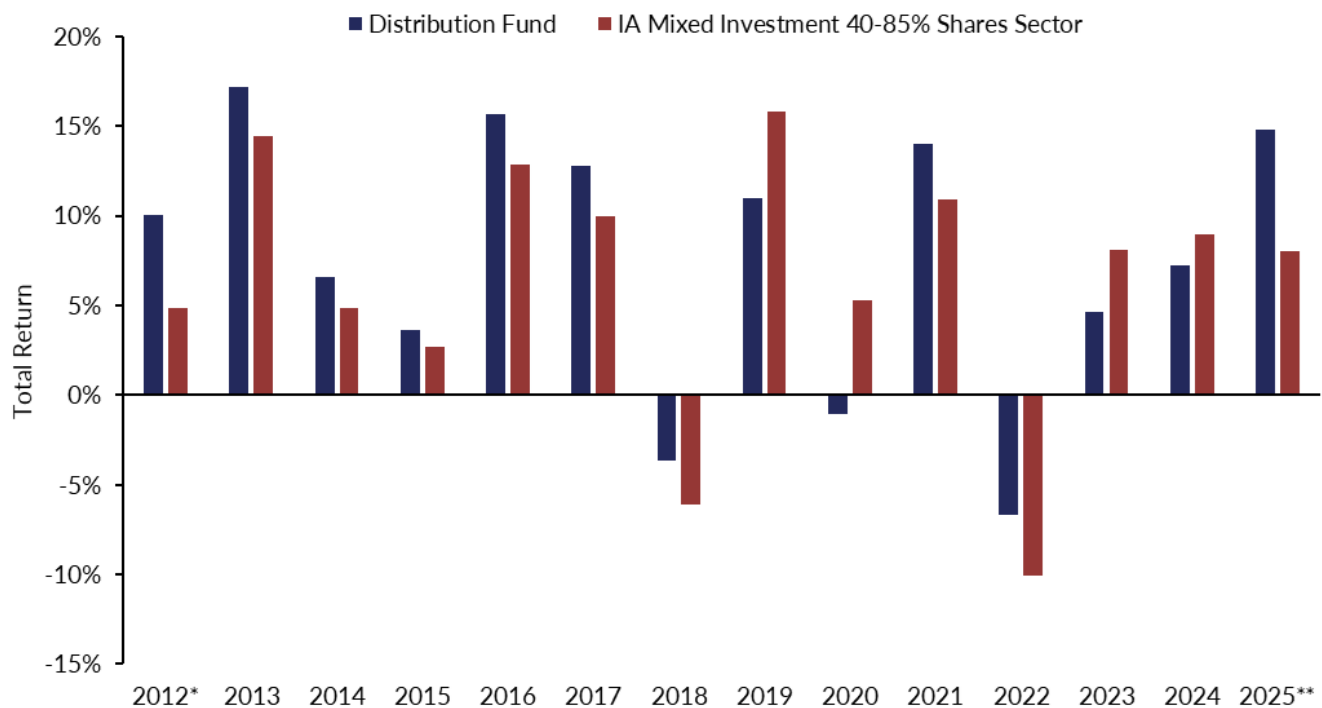
Source: FE fundinfo and internal, 30/06/2025 to 30/09/2025, must be held for entire period and uses month end weighting (text). FE fundinfo, 30/06/2025 to 30/09/2025 (chart).

SINCE LAUNCH FUND PERFORMANCE

Cumulative performance

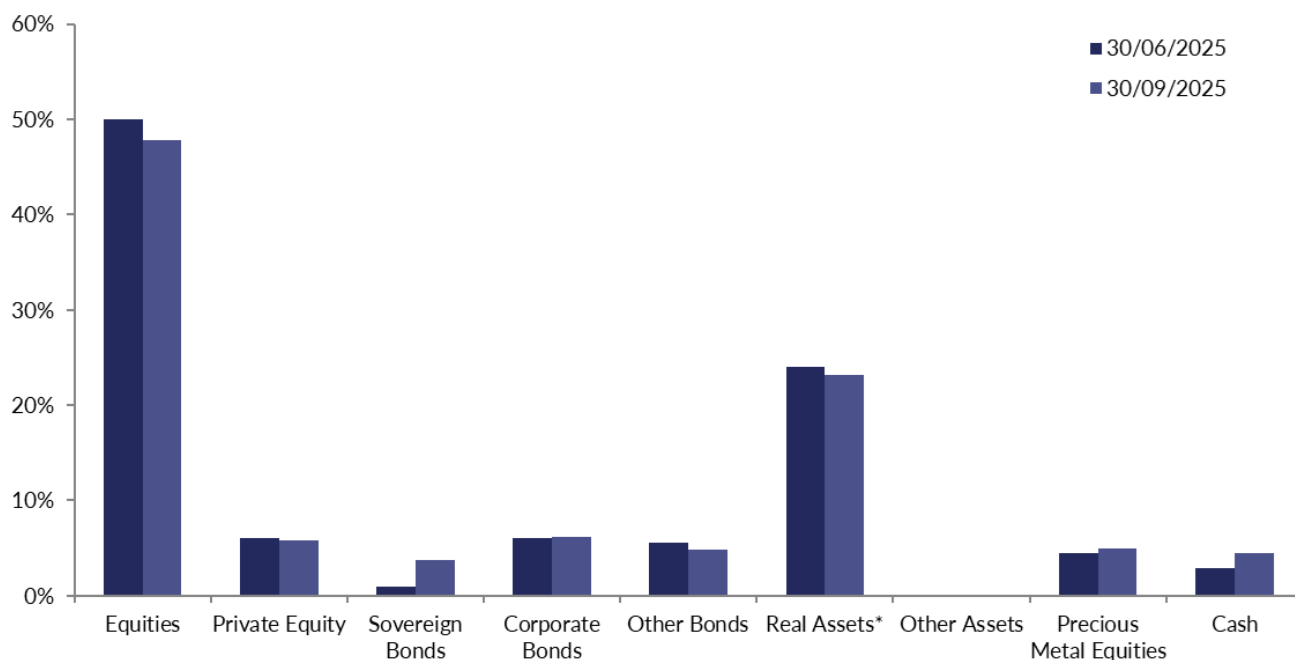


Discrete calendar year performance



Source: FE fundinfo, 13/04/2012 to 30/09/2025 (top). *From launch on 13/04/2012 (bottom). ** from 31/12/2024 to 30/09/2025.

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:

- iShares UK Gilts 0-5yr UCITS ETF
- Polar Capital Global Insurance
- Primary Health Properties

Disposals:

- RM Infrastructure Income
- Schroder Capital Global Innovation Trust

Summary:

- The small positions in Schroder Capital Global Innovation and RM Infrastructure Income were sold after a review of the upside versus downside potential during the final stages of their respective managed realisation strategies.
- The iShares UK Gilts 0-5yr UCITS ETF was introduced, funded by various top slices across a number of equity and alternative asset positions in recognition of strong gains over the quarter.
- Polar Capital Global Insurance was reintroduced after a period of weakness increased the value proposition.
- Primary Health Properties was a new position, introduced on a wider than average discount and a very attractive 8% yield. It owns and manages a portfolio of medical centres across the UK which are mostly let to the NHS. We believe this high yield from a government-backed income stream with potential for inflation linked rental income is very attractive.
- Extremely strong performance from Konwave Gold Equity prompted further profit taking over the quarter. In fact during the course of the year, we have sold the equivalent of the current position size in order to maintain the current weighting.

Source: Internal, 30/09/2025, *including Precious Metal Bullion.

HOLDINGS

Equities 58%

Aberforth Smaller Companies Trust
CC Japan Income & Growth
Chikara Indian Subcontinent
Chrysalis Investments
CIM Dividend Income
CT Private Equity Trust
Foresight Solar Fund
Konwave Gold Equity
Law Debenture Corp PLC
M&G Japan Smaller Companies
Man Income
Oakley Capital Investments
Pacific North of South EM Income Opportunities
Partners Group Private Equity
Polar Capital Global Insurance
Prusik Asian Equity Income
Smead US Value
Temple Bar Investment Trust
VT De Lisle America
VT Downing Small & Mid Cap Income
WS Gresham House UK Multi Cap Income
WS Lightman European

Cash 5%

Bonds 15%

BioPharma Credit
GCP Infrastructure
iShares UK Gilts 0-5yr UCITS ETF
Man High Yield Opportunities
Man Sterling Corporate Bond
Morgan Stanley Emerging Markets Debt Opportunities
TwentyFour Income

Real Assets 22%

3i Infrastructure
Achilles Investment Company
Cordiant Digital Infrastructure
Foresight Environmental Infrastructure
Greencoat UK Wind
HICL Infrastructure
International Public Partnerships
Life Science REIT
Phoenix Spree Deutschland
Primary Health Properties
Taylor Maritime
The Renewables Infrastructure Group
TR Property Investment Trust
Tufton Oceanic Assets

OUTLOOK

Recent years' performance has been dependent on how much US equity exposure investors owned, in particular the largest technology companies driving the AI theme. It is therefore pleasing that this past quarter, and indeed the year so far, has seen a much broader range of asset classes perform well. This broadening out phase is something we have been expecting and has benefitted Distribution's diversified portfolio focussed on asset classes with attractive starting valuations that should underpin good long term returns for investors regardless of the short term gyrations in financial markets. We also believe a prospective yield in excess of 4.5% is a compelling starting point for total returns over the coming 12 months.

Despite the strong returns this year from UK, European, Japanese and Asian equities, and physical gold and gold mining equities, we believe these remain good value in the current environment and remain a material part of Distribution's portfolio.

In addition, the opportunity for idiosyncratic returns across the investment trust universe remains large given the wider than average discounts, attractive dividend yields and elevated levels of corporate activity. Our engagement with boards continues and we are confident of further gains from Distribution's investment trust portfolio.

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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 30/09/2025 for the C Acc share class unless otherwise stated. C Acc share class launched 05/03/2014 so performance history extended to first share class launch date.

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