

ISSUE 13

NOVEMBER 2025

INVESTOR

THE PRICE OF
PERFECTION

HOW AI WILL
ENHANCE YOUR WEALTH
MANAGEMENT EXPERIENCE

VIVE LE VIAGER!

PROFILE:
TINZAR MINMIN

2025 CLIENT SURVEY

THERE'S MORE THAN
ONE GAME IN TOWN

WELCOME

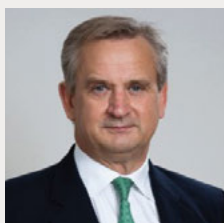
I am delighted to introduce our Winter edition of the Investor newsletter, as we head towards the close of another eventful year. It has been a period of both challenge and opportunity across global markets, and, as ever, we remain focused on helping our clients navigate an evolving investment landscape with clarity and confidence.

In this edition, Senior Investment Director James Kempster provides a market update, offering his perspective on the key themes shaping investments, while Senior Investment Manager James Crarer explores how artificial intelligence is transforming the wealth management industry. We also shine a light on Tinzar Minmin, who has recently been appointed as our Head of AIM Services, you can read more about Tinzar and her role on page 8.

Elsewhere, Senior Investment Manager Greg Sellers explores France's Viager system as an alternative to property equity release schemes, we share the highlights from our recent Client Survey and the Fund Managers discuss the merits of blending.

I hope you find this edition insightful and engaging. If any of the topics here spark a question or a conversation, please don't hesitate to get in touch with your Investment Manager.

Wishing you all a restful winter.



Michael Bishop
Managing Director

IN THIS ISSUE

MARKET UPDATE

THE PRICE OF PERFECTION

James Kempster
Senior Investment Director



The turbulence caused by President Trump's tariff shock earlier in the year is now firmly in the rear-view mirror. After a brief but dramatic period of volatility in April, the attention has shifted back to the Artificial Intelligence (AI) theme. What began as a recovery from political disruption has evolved into a rally driven by technological optimism.

Few stories capture this new phase better than the rise and rise of NVIDIA. Once a niche producer of graphics chips for gaming, it has become the cornerstone of the AI revolution. Its processors, known as GPUs, are now essential for training and running the vast models that power modern AI systems. Demand has been relentless, pushing revenues and margins sharply higher and propelling it to become the first company in history to reach a market value above \$5 trillion – five times what it was worth just two years ago.

It is not just NVIDIA that has benefitted - the so-called Magnificent Seven (the moniker given to the biggest American companies) now account for a record 37% of the US market. The same seven companies are also responsible for almost half of the market's gain this year as it rose to record levels.

“

*The rise and rise of NVIDIA...
the first company in history to reach
a market value above \$5 trillion*

As they say, a rising tide lifts all boats. Markets in the UK, Europe, Japan and elsewhere have also broken records this year. As in the US, the rally has been driven by the largest companies, while those at the other end of the spectrum have not fared as well. This has been the

pattern for much of the last few years, and although it makes diversification more difficult in the short term, it is always encouraging to see markets moving higher.

The dominance of these technology giants has reshaped global markets. Their scale means that indices increasingly reflect the fortunes of a small number of firms. While this concentration has fuelled strong returns, it has also introduced fragility: when leadership becomes this narrow, sentiment can turn quickly, as we saw back in April.

That tension has been evident during the latest reporting season. Investors are rewarding flawless results and punishing even minor disappointments. Microsoft's shares fell despite a near-20% rise in revenues, while Meta's strong profits were overshadowed by concerns about higher investment spending and unexpected tax charges. With confidence abundant but tolerance for error minimal, markets have become increasingly sensitive to anything that challenges the risk-on narrative.

Periods like this remind us that markets can overreact as easily as they can underreact. High valuations and concentrated gains leave little margin for error, but they also create opportunities elsewhere. It is also important to remember that this level of concentration is rarely sustained. Areas that have been overlooked, from smaller companies to parts of the fixed-income market, may offer better value as investor attention inevitably shifts.

Our focus remains on balance and discipline. The past six months have demonstrated both the resilience of global markets and the sensitivity that comes with success built on high expectations. We continue to believe that patience, diversification and an emphasis on valuation are the best ways to navigate a world where the price of perfection keeps rising.

HOW AI WILL ENHANCE YOUR WEALTH MANAGEMENT EXPERIENCE



James Crarer
Senior Investment Manager



At its heart, wealth management is—and always will be—about people. My role is to listen to your goals, understand your challenges, and help you make confident decisions about your future. That hasn't changed, and it never will. What is changing is how I can deliver that service, thanks to technology that is making the experience faster, clearer, and more personal.

Why Now?

We are at an inflection point in our industry. Just as banking, healthcare, and shopping have all been transformed by digital innovation, wealth management is being reshaped by Artificial Intelligence (AI). Importantly, AI is not here to replace the role of the investment manager. It is here to enhance it—quietly working behind the scenes to make your experience better.

What This Means for You

At Hawksmoor, we have already started adopting tools such as Microsoft Copilot and Palindrome. You may not see them directly, but you will feel their impact:

- **Faster information:** Copilot helps us prepare reports and research with greater speed and accuracy, meaning you get the insights you need more quickly.
- **Nothing gets missed:** Palindrome captures the detail of our meetings and conversations, producing accurate notes and structuring key information. It also allows me to interrogate that knowledge later—so whether it's a fact find, a preference you've shared, or a concern you raised months ago, I can surface it instantly.
- **More time with your manager:** By handling background tasks, these tools allow me to focus on the conversations that really matter—understanding your aspirations and helping you navigate complex decisions.

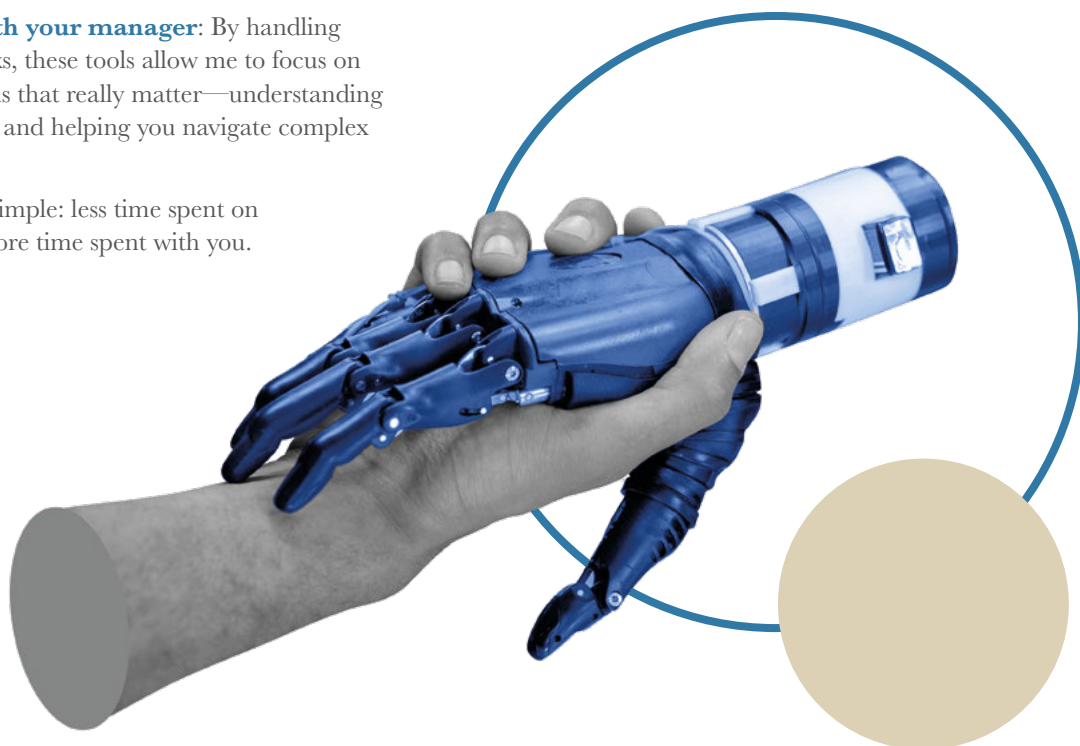
The end result is simple: less time spent on administration, more time spent with you.

Enhancing, Not Replacing, the Human Relationship

The most important point is this: technology does not replace trust. It does not replace judgement. It does not replace the personal relationship that sits at the centre of our work together. Those things remain human, and they remain my responsibility. What technology does is strengthen the service around that relationship. It makes communication clearer, responses faster, and advice more tailored to you.

The Future of Your Client Experience

As clients, your expectations are rightly high. You want service that is proactive, responsive, and personal. By embracing AI, we are positioning ourselves to deliver on those expectations, today and in the years to come. This is an exciting moment. We are combining the timeless values of our profession with the best tools of the modern world. The result is a client experience that feels less transactional, more personal, and ultimately more valuable to you and your family. Trust remains at the core of everything I do. With the right use of AI, I believe I can enhance that trust by giving you a service that is sharper, more relevant, and more attuned to your needs than ever before.



VIVE LE VIAGER!

Greg Sellers
Senior Investment Manager



I am venturing slightly away from my usual financial ramblings in this article. With the autumn Budget now confirmed for 26th November, no doubt speculation will grow about further tinkering with the UK inheritance tax system as Chancellor Reeves desperately tries to raise extra revenue to shore up the government's finances. This brings me on to the topic of this article and an interesting Gallic scheme I came across during my recent holiday in France.

For many people in the UK, their most valuable asset is their home. With property values steadily increasing over the years, more estates are being caught by inheritance tax (IHT) due to the appreciation of this asset. This has been exacerbated by the fact that the IHT-free allowance on which a deceased's estate is not subject to this tax (the 'nil rate band') has been frozen at £325,000 since the 2009-10 tax year. Although the government introduced an additional residence nil rate band of £175,000 (on top of the standard nil rate band)

for property passed to children (or 'linear descendants'), this too has been frozen since tax year 2020-21. The upshot is that the number of estates subject to IHT has been steadily rising. According to the Office for Budget Responsibility, the number of estates expected to be liable to IHT at the end of the decade is likely to reach 9.5% of all deaths (up from about 4% at the beginning of this decade).

Much IHT planning involves lifetime gifting of assets (usually to children/grandchildren) to try to reduce the tax burden. However, this is not often practical or desirable for the family home and many of the alternative options are not especially palatable. For example, some cash-poor but asset-rich pensioners have opted for equity release schemes. Whilst these schemes can reduce the estate for inheritance tax and release valuable capital from your home in retirement, **there are pitfalls and they should not be undertaken without specialist advice.** There are two main types of equity release, namely a lifetime mortgage and a home reversion plan. The former involves borrowing a lump sum or regular drawdowns secured against the home. As with all mortgages, interest is payable but for a lifetime mortgage is rolled up and only becomes payable when the homeowner dies or goes into a care home. The loan is repaid once the house is sold and the homeowner can continue to live in their house during their lifetime.

“

For many people in the UK, their most valuable asset is their home

The other main type is a Home Reversion Plan where the homeowner sells part (or all) of their home to a so-called reversion company in return for a lump sum or a regular income. They can stay in their home rent free even though they do not own it outright. There are pitfalls with both schemes and both have been subject to criticism. For example, with the former, interest is rolled up and can be substantial over the longer term. In the past, this has led to the outstanding loan on death exceeding the value of the house (negative equity). The launch of the Safe Home Income Plans (SHIP) in 1991 (now the Equity Release Council) introduced a no negative equity guarantee but outside of this scheme, risks remain. With the latter, the reversion company will not offer the full market value for the share of the house sold. There are other important considerations before embarking on such schemes which are too numerous to list in this article.

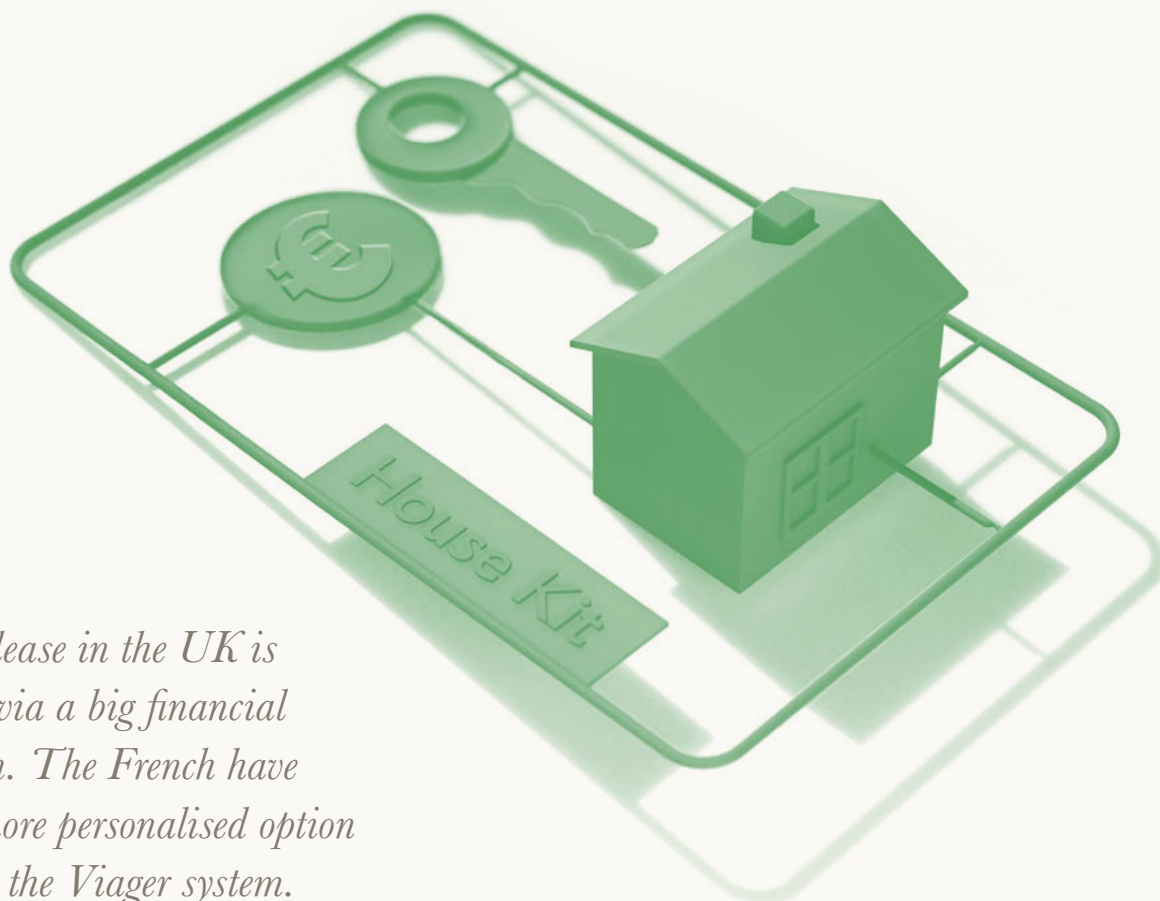
Equity release in the UK is normally via a big financial institution. The French have another more personalised option known as the Viager system. It offers a way for the buyer to obtain a French property at a discount to the prevailing market value whilst allowing the seller to release capital and secure an income whilst continuing to live in their home. The buyer will pay an upfront lump sum which is lower than the market value of the

property (in typical romantic French style, this is called a 'bouquet'). In addition, the seller will receive regular income (usually linked to inflation) which, a bit like an insurance premium, is based on the seller's age, sex and life expectancy. The income will stop on the seller's death and, at this point, the buyer can take occupancy of the property. As with all these equity release solutions, there are pitfalls. For the Viager system, if the seller dies prematurely, they have effectively sold their house at a sizeable discount for little return in their lifetime. For the buyer, there is the danger that they pay more in income than the value of the house if the seller ends up living longer than expected. Under the Viager system the house does not form part of the estate for the French version of inheritance tax (droits de succession) but the heirs to the estate lose the right to inherit the family home.

The Viager system is not perfect but nor is any equity release scheme. However, to me, it seems another way of offering an inter-generational housing transfer in France at a potential discount to the buyer and a method of releasing capital to the seller. For obvious reasons, it is usually used by those without children or other beneficiaries. Who knows –maybe the Viager will arrive on the UK shores one day for those wishing to reduce their IHT bill?

“

Equity release in the UK is normally via a big financial institution. The French have another more personalised option known as the Viager system.



PROFILE:

TINZAR MINMIN

HEAD OF AIM SERVICES



How did you get to where you are now?

I've always enjoyed mathematics, particularly solving equations. I knew early on that I wanted a career that would make use of my analytical skills. I went on to study Actuarial Mathematics (BSc) and Actuarial Finance (MSc) at the University of Leeds, where I was exposed to a wide range of subjects including mathematics, statistics, economics, and accounting. During this time, I found the portfolio risk management module especially engaging, which sparked my interest in analysing companies and making investment decisions.

After university, I was offered a role at BNY Mellon as a Performance Analyst. While I found the work enjoyable, I was keen to be on the investment side of the process. In 2019, I was fortunate to be offered a role at GBIM Ltd (now part of the Hawksmoor Investment Management), where I've been able to progress and grow professionally.

What has your experience as Head of AIM Services been like so far?

I'm really enjoying it! The handover period was quite fast-paced and challenging at the time, but things have now settled, and everything is going very well. We're also proud to have been recognised as the **Best IHT Portfolio Service** at the **MoneyAge Awards**. It was a lovely experience attending the ceremony to collect the award - a win that reflects the quality and competitiveness of the service we offer.

What does a typical working day look like for you?

My day typically starts at 7am, when I review the RNS news for any updates or results from the AIM-listed companies we hold. Staying on top of newsflow is critical, as it enables me to respond quickly to material developments that could affect client portfolios.

I manage both the Hawksmoor and GBIM AIM portfolio services, so much of my day is spent analysing companies, managing client portfolios, and reviewing potential investment opportunities across the AIM market. I also regularly meet with company management teams, attend client meetings, resolve queries, and ensure our portfolios remain well-informed and positioned for long-term growth.

What do you enjoy most about your role?

I enjoy that no two days are ever the same - my role is incredibly varied.

What has been the most significant moment of your career so far?

One of the things that I believe I have learnt the most from is the recent Covid market crash, having been younger during the previous recession I hadn't fully appreciated the impact such an event can have. Seeing how the markets have been affected and how we as a business navigate through the current situation has been an extremely valuable experience for me.

What is the most rewarding aspect of your job?

Investing in UK AIM companies, which is essential for fostering innovation, supporting entrepreneurship, job creation and ensuring the long-term growth and competitiveness of the UK capital markets.

What hobbies do you enjoy outside of work?

I love keeping fit by running or cycling, cooking and hosting dinner parties.

Do you think AIM is still important for wealth managers and financial advisers in 2025?

Yes, what is clear is that more individuals will be affected by Inheritance Tax, and AIM remains an efficient tool for mitigating IHT particularly for large estates and in ISA wrappers.

OUR 2025 CLIENT SURVEY

First and foremost, we would like to thank everyone who took the time to complete our 2025 Client Feedback survey. Nearly 200 clients shared their thoughts on our services, helping us understand what we're doing well and where we can continue to improve. The feedback we receive plays a key role in shaping how we deliver our investment management services.

Client Satisfaction

We were very pleased to see such strong levels of satisfaction throughout the survey. Almost two-thirds of respondents rated us five out of five for meeting their investment needs, and 89% said they were satisfied or very satisfied overall. Most clients also felt that our services fit their personal circumstances (93%), and more than half said Hawksmoor offers better value than other providers they've used.

Understanding

It was great to see that 97% of clients clearly understand their investment objectives. 99% of clients said they know how to contact us when they need support, with 95% also reporting that it is easy to get in touch when required, something we take great pride in. A few clients mentioned they would appreciate more regular updates and clearer reporting, which we are working to improve.

Positive client experience

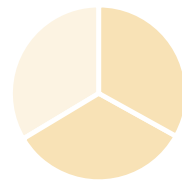
Over 90% of respondents rated their overall experience with Hawksmoor as good or excellent. This reflects the dedication of our teams across the firm, who strive to provide a service that combines expertise with genuine personal care.

Once again, we'd like to thank everyone who took the time to share their feedback. If you have an email address and would like to be involved in future surveys, please let your investment manager know.

Almost two-thirds
of respondents
rated us

5 out of 5

for meeting
their investment
needs

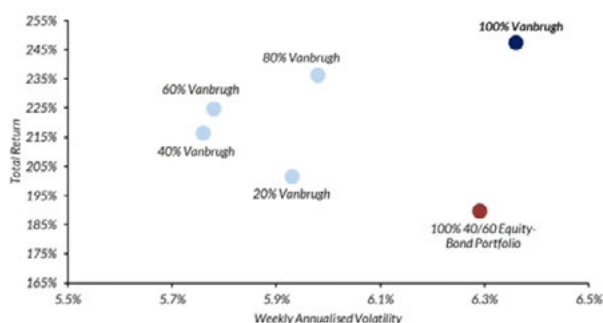


THERE'S MORE THAN ONE GAME IN TOWN



Hawksmoor Fund Managers

We have been talking about the merits of blending to potential investors for some years and specifically the improved risk-adjusted returns that can be harvested by combining passive multi-asset solutions with truly active ones such as those managed by Hawksmoor. A picture (or chart) says a thousand words.



Source: FE.fundinfo, 18/02/2009 to 30/06/2025.

Blending brings the additional benefit of creating a robust solution that is also cost competitive.

Blended Costs	C Shares OCF	D Shares OCF
20% Vanbrugh Fund / 80% Equity-Bond Portfolio	0.34%	0.29%
40% Vanbrugh Fund / 60% Equity-Bond Portfolio	0.59%	0.49%
60% Vanbrugh Fund / 40% Equity-Bond Portfolio	0.84%	0.69%
80% Vanbrugh Fund / 20% Equity-Bond Portfolio	1.09%	0.89%

Source: FE.fundinfo, 18/02/2009 to 30/06/2025.¹

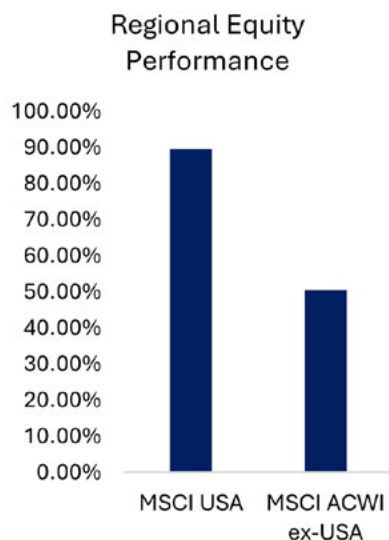
We recently compared the 5-year performance of our Vanbrugh fund with that of a well-known provider of passive multi-asset solutions (Vanguard). The latter runs with a home bias, but weights are otherwise relatively static driven by the slow evolution of exposure within global market cap weighted indices such as MSCI ACWI.

1. 40% equities represented by MSCI World All Cap, 60% bonds represented by ICE BofA Global Broad Market Hedge GBP. See MSCI and ICE disclaimers on final page. UCITS OCF used in table. Instruments used in calculating the OCF of the passive equity bond portfolio are Fidelity Index UK, Fidelity Index US, Fidelity Index Europe, Fidelity Index Japan, Fidelity Index Emerging Markets and iShares Global Aggregate Bond

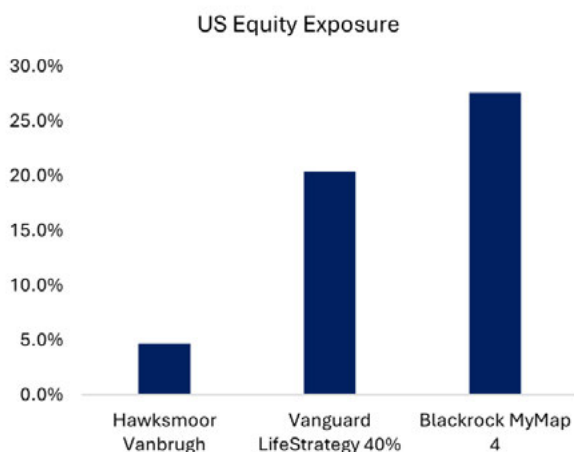
Its portfolio construction methodology, despite the home bias, inevitably results in a significant exposure to US equities which represent over two thirds of world equity indices today.

In a world where wealth managers and other domestic investors seem to be abandoning the home bias, we've also included in the charts below another well-known provider of passive multi-asset solutions (BlackRock) which tends to be managed more in line with market-cap weighted indices and has even more of the portfolio in US equities as a result. Vanbrugh (and our other multi-asset funds), in contrast, has a low allocation to US equities which is informed by our disciplined and well-established valuation conscious investment process.

As the following charts demonstrate, having lower exposure to US equities has been a major headwind to our relative returns when considering the extent to which the US has outperformed other regional markets. Despite these headwinds, Vanbrugh is still well ahead of the passive solutions of choice.



Source: FE fundinfo, 5 years to 09/09/2025



Source: Provider Factsheets

2. 40% equities represented by MSCI World All Cap, 60% bonds represented by ICE BofA Global Broad Market Hedge GBP. See MSCI and ICE disclaimers on final page of the article



Source: FE fundinfo, 5 years to 09/09/2025

The purpose of this article is not to denigrate the passive approach. We know there are historic periods where it has outperformed our actively managed funds and are confident there will be investment regimes and environments where it outperforms our funds in the future. Nothing to see here. No one has solved investment and the whole point of blending is to find best-in-class complementary approaches which, when combined, improve an end investor's risk adjusted returns. It is impossible to know in advance whether one approach will outperform the other in a given period. Blending avoids the need to make this prediction.

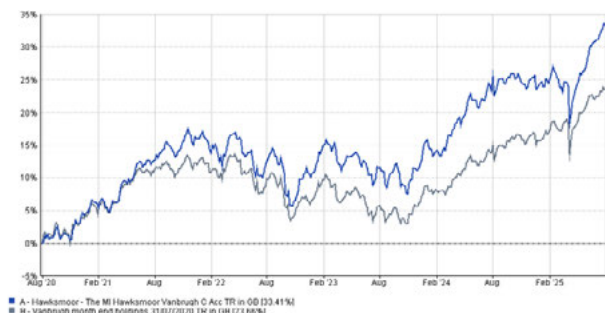


Source: FE fundinfo 18/02/2009 to 22/09/2025. ²

The focus here, instead, is to elucidate on how our funds have been able to deliver strong relative returns despite having such low exposure to the dominant US equity market. The key drivers can be distilled into 4 interrelated factors: dynamic portfolio management, access to a broad investment universe, the use of active managers, and a focus on idiosyncratic sources of return. It also hopefully leaves readers with a sense that the opportunity cost of embracing contrarianism and owning a Hawksmoor Fund is actually negative with our portfolios all delivering attractive absolute and relative returns regardless of the stylistic and factor headwinds that might have been blowing.

Dynamic portfolio management: The Hawksmoor Funds are actively managed with evolution in underlying exposures driven by changes in market valuations and relative return prospects.

These shifts in positioning can be dramatic at times, particularly during periods of heightened volatility, which contrasts with the more strategic and benchmark aware allocations of most passive multi-asset solutions. The chart below compares Vanbrugh's performance with the returns that would have been delivered had the 4 fund managers relocated to a cave and made no changes to the positioning of 5 years ago. Dynamic management has added value.



Source: FE fundinfo, 5 years to 31/07/2025

Broad investment universe: The Hawkmoor Funds fish in a deep and broad pool. Yes, we own equities and bonds, but we also have significant exposure to a host of alternative assets including illiquid private markets which we own via closed-ended investment trusts. These sorts of assets cannot be accessed via trackers or, by extension, passive multi-asset funds. Having a broader investment universe ultimately improves the probability of finding individual investments that can contribute to the return objectives of the Fund at any given point in the cycle, whilst also bringing diversification benefits. Infrastructure and other real assets, for example, have added 180bps to Vanbrugh's performance YTD.

Material exposure to gold miners which form a tiny part of global equity indices have added a further 160bps. As benchmark agnostic, unconstrained investors we are happy to take conviction positions in these sorts of smaller, more niche areas if justified by return prospects, allowing them to be significant drivers of overall fund returns.

A key differentiating feature of our Funds is the use of a much broader range of asset classes – particularly via investment trusts, which currently form between 30% and 50% of our funds' portfolios.

This exposure to private markets cannot be replicated via a passive multi-asset solution. In addition, we access parts of equity and bond markets not likely to be as prevalent in our peers' portfolios.

Use of skilful active managers: Our equity and bond allocations are populated almost exclusively by actively managed funds (we do use ETFs to gain exposure to physical gold, short dated gilts and US TIPS). The majority of these have outperformed the relevant index tracker net of costs during our holding period and have therefore been additive to returns. We'll leave that statement of fact there and leave the whole active versus passive debate for another time, other than to reiterate our strong belief that the probability of skilful active managers outperforming increases in periods when valuation dispersion within markets is high, as is the case today.

We believe that hard work and extensive due diligence increase the probability of uncovering talented active managers that outperform. Our exposure to active managers is significant and has been highly additive to returns. The nature of active managers' portfolios tends to be very different to the equity and bond allocations of those multi-asset funds that concentrate on the most liquid securities. This makes our Funds highly complementary.

“

Our exposure to active managers is significant and has been highly additive to returns

Idiosyncratic returns: We are on the constant lookout for alpha gems but finding them often means departing from the well-trodden path. Investment trusts, in particular, are a source of differentiated returns for our Funds, partly due to the aforementioned access they offer to diversifying alternative asset classes and private markets. Discount volatility and the inefficiencies of the sector also present trading opportunities which can add incrementally to returns.



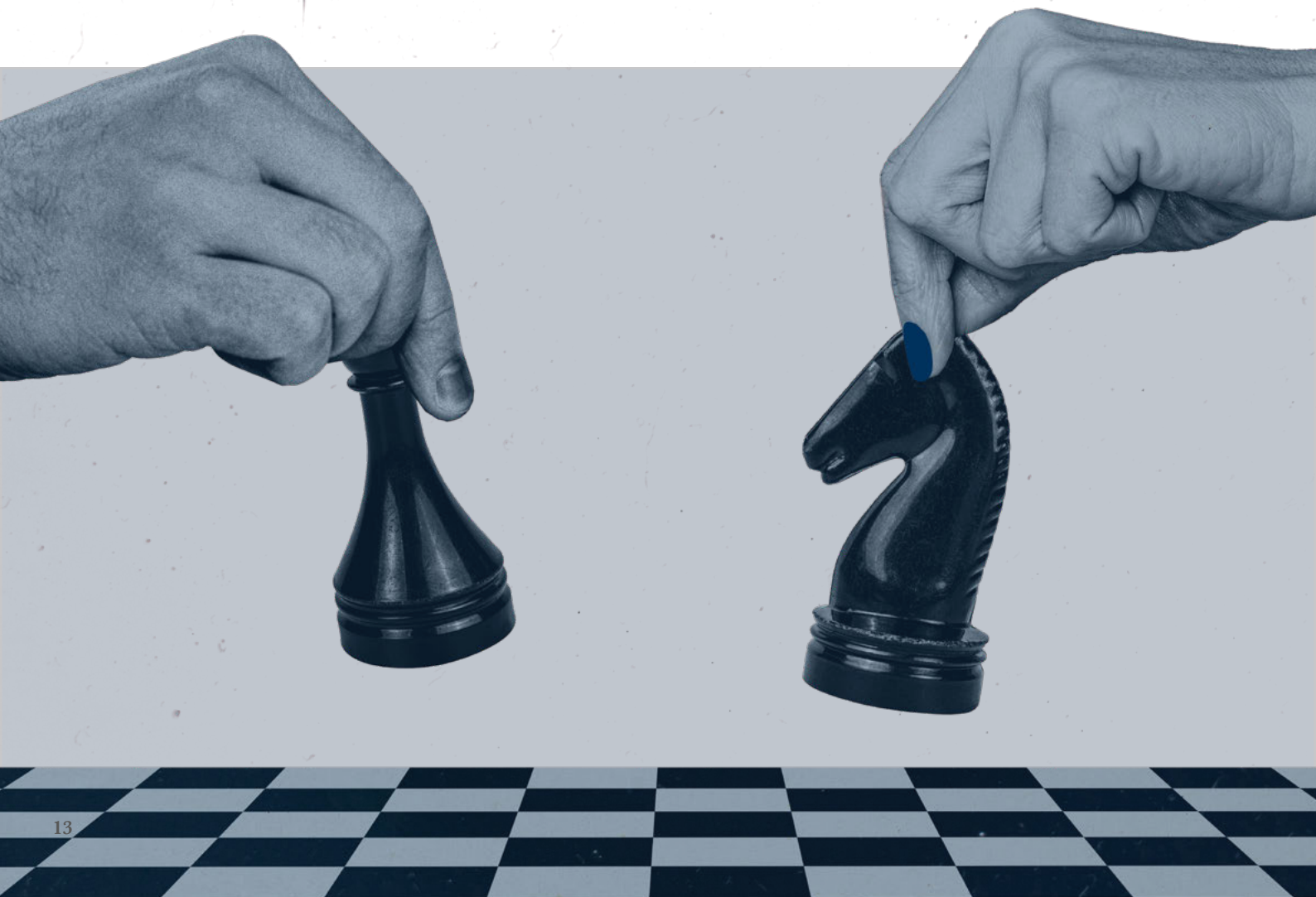
Finally, the sharp de-rating of investment trusts in 2022 (especially alternative ICs) combined with Boards that are increasingly cognisant that entrenched discounts cannot be met with complacency have fostered an environment where investors such as ourselves can seek to effect change through constructive engagement. Encouraging Boards and management teams to think more deeply about capital allocation or, in more extreme circumstances, to engineer a corporate event (take privates, managed wind-downs etc.) can expedite the realisation of shareholder value in a manner that is totally independent of moves in broader markets. The ability to harvest uncorrelated returns is a wonderful thing, especially at times where global equity and bond markets offer questionable value (at the index level anyway).

Our expertise in using investment trusts within our multi-asset Funds allows us to generate additional idiosyncratic alpha. This has been a key reason why we have outperformed our peers.

Our investment process with its broad investment universe, unconstrained portfolio construction, use of active managers, often contrarian positioning and access to idiosyncratic drivers of return leave us confident that the alpha generation of the past is repeatable going forward. Those factors also mean the Hawksmoor Funds blend fantastically well with more vanilla, passive multi-asset solutions, as well as those active multi-asset funds that focus primarily on the most liquid parts of global equities and bond markets with high weightings to the US.

Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Source: ICE. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by Hawksmoor Investment Management Limited. ICE Data and its Third Party Suppliers accept no liability in connection with its use. See <https://www.hawksmoorim.co.uk/ice-data-indices-disclaimer/> for a full copy of the Disclaimer.





info@hawksmoorim.co.uk
www.hawksmoorim.co.uk



funds@hawksmoorfm.co.uk
www.hawksmoorim.co.uk

Follow us on:  @Hawksmoorim  Hawksmoor Investment Management

IMPORTANT INFORMATION

Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority (www.fca.org.uk) with its registered office at 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon EX1 3QS.

This document does not constitute an offer or invitation to any person in respect of the securities or funds described, nor should its content be interpreted as investment or tax advice for which you should consult your independent financial adviser and or accountant. The information and opinions it contains have been compiled or arrived at from sources believed to be reliable at the time and are given in good faith, but no representation is made as to their accuracy, completeness or correctness. The information and opinions expressed in this document, whether in general or both on the performance of individual securities and in a wider economic context, represent the views of Hawksmoor at the time of preparation and may be subject to change. Past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested.