



Fund Review

Hawksmoor Fund Managers

MI Hawksmoor Vanbrugh Fund

March 2025



For professional advisers only

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Defaqto Fund Reviews

This document is designed to provide the reader with a quantitative overview of the fund reviewed. The review then goes on to examine information of a more qualitative nature, which has been obtained through an interview process with the fund manager/s.

The qualitative information covers specific areas including the fund manager's philosophy, their people, and the processes they employ. Additional information is also provided on their research capability, the resources they have at their disposal and how they manage risk. All of this information goes towards creating this comprehensive Fund Review.

Defaqto Ratings

Ratings to help advisers and their clients make better informed decisions

The Defaqto experts have created a range of ratings to help advisers find the best product or proposition for their clients.

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EXPERT RATED

Show at a glance how a fund or fund family performs in comparison to the rest of the market.

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EXPERT RATED

Demonstrate the comprehensiveness of products across a range of areas, from pensions to DFMs.

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An overall assessment of service – by advisers for advisers.

Suitability ratings to support compliant advice

Defaqto have created a set of ten Risk Profiles, and four Income Risk Profiles with corresponding ratings to which funds are mapped using a robust process. This helps advisers to evidence suitability for their clients in both the accumulation and decumulation phase:



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INCOME DRAWDOWN RATED

Fund Review

Hawksmoor Fund Managers
MI Hawksmoor Vanbrugh Fund
Fraser Donaldson Investment Consultant



Executive summary



The fund managers are Ben Conway, Daniel Lockyer, Ben Mackie, and Dan Cartridge.

Hawksmoor are active managers, focusing on the long term. They do not invest to a benchmark. Where they can, accepting potential short term volatility, they will invest in smaller funds as they believe this helps develop stronger relationships with the fund managers, aiding their own due diligence. They also invest in Investment Trusts where appropriate, targeting themes, not available elsewhere

Hawksmoor operates a collegiate approach to investment, with all members operating a generalist approach to fund analysis. The team undertake more

than 500 manager meetings a year. Notes and conclusions are all peer reviewed amongst the whole team.

Hawksmoor views risk to the investor as the risk of permanent loss of capital. They do not believe in assessing risk by correlation to a benchmark or a statistical measure of volatility, rather they assess how volatility may change in the future.

Oversight of the fund is provided by the compliance team, the funds' Authorised Corporate Director (Maitland) and the funds' Depositary and Custodian, Northern Trust.

Investment objective

The investment objective of the Fund is to provide capital growth and income. The Fund's portfolio will consist primarily of a diversified range of open and closed ended funds. The portfolio will be actively managed, with the Investment Manager seeking to take advantage of inefficiencies in the pricing of closed ended funds and significant movements in financial markets.

About Hawksmoor Fund Managers

Hawksmoor have offices in Exeter, London, Taunton, Bath, and Worcester.

The Hurst Point Group (a subsidiary of The Carlyle Group, which has upwards of \$441bn of AUM), completed the purchase of Hawksmoor in March 2021.

Hawksmoor now have an AUM of £3.1bn of which £485m is managed by the Hawksmoor Fund Managers team (as at end December 2024). They see the backing of the Hurst Point Group as central to their ability to evolve further.

There continues to be some staff ownership, with shares rolled over into those of the Hurst Point Group.



Quantitative review



The quantitative data that appears over the following pages has been generated by Defaqto using a combination of third-party and proprietary data sources and data provided by the asset manager. The information reflects the availability of data as at the dates highlighted.

All information reflects the investment solution specified in the information and classification table below.

Fund information and classification

Launch Date	14 March 2014	Type	OEIC
Fund Manager	Daniel Lockyer, Ben Conway, Ben Mackie	ISIN ¹	GB00BJ4GVQ92
Domicile	GBR	IA sector	Mixed Investment 20-60% Shares
Assets	Active	Morningstar category ²	GBP Allocation 40-60% Equity
Investment Style	Return Focused		

¹This is the shareclass used for the quantitative data and analysis over the following pages

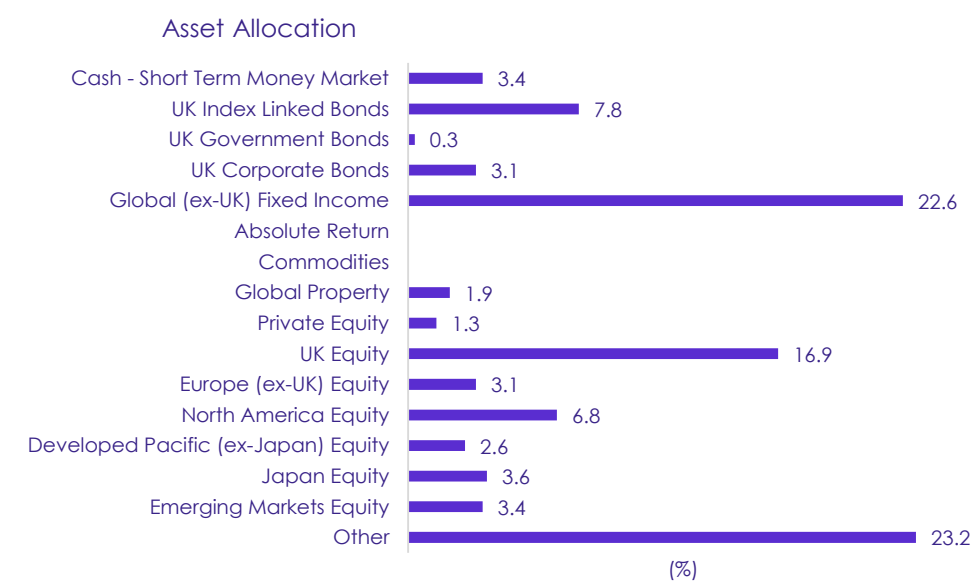
²The Morningstar Category is used in all comparative analysis, over the following pages.

Fund size and fees

AUM	£248M
Performance Date	28 February 2025
OCF Estimated	1.20%
OCF Actual	1.20%
Transaction Fee Actual	0.08%
Performance Fee (Yes/No)	No
Performance Fee Actual	n/a

Source: Morningstar, end 28 February 2025

Asset allocation



Note

This asset allocation chart is drawn using the 16 asset classes (including 'other') that we use in Defaqto Engage.

This may differ slightly from the asset allocation described by the asset manager, due to various asset class roll-up and mapping variances.

Source: Morningstar, 11 March 2025

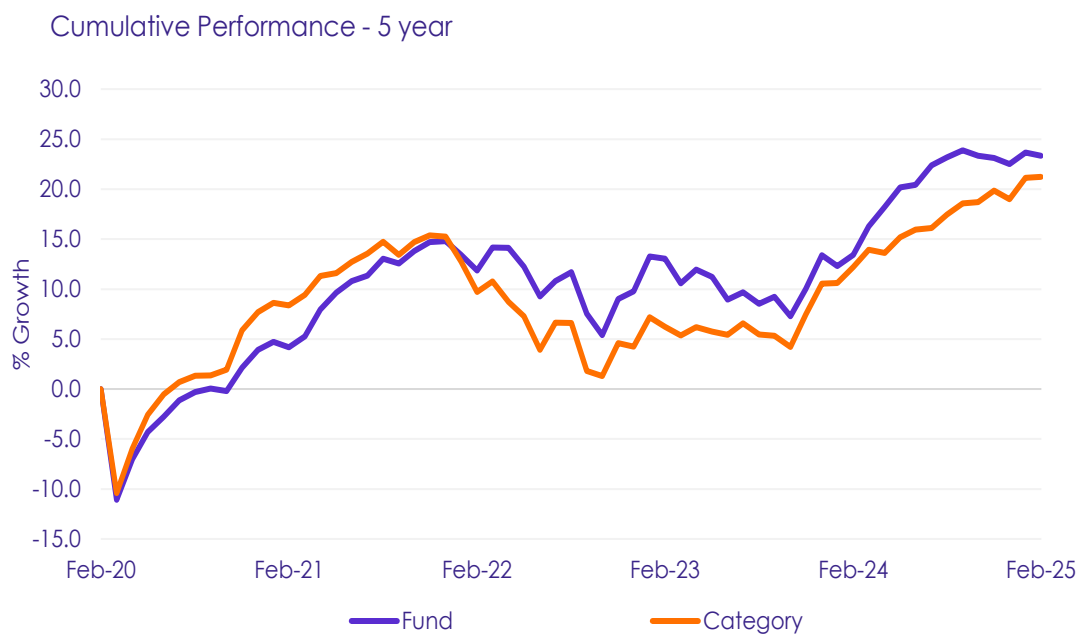
Top 10 holdings

Total Number of Equity Holdings	-
Total Number of Bond Holdings	-
Assets in Top 10 Holdings (%)	43.8%

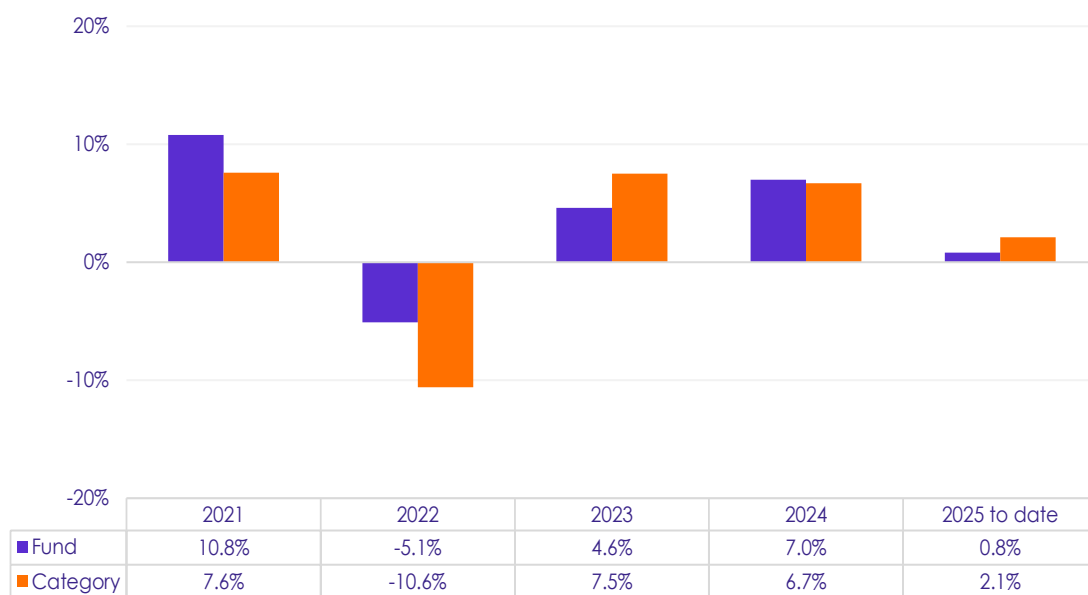
Name	Country	% of assets
Allianz Index-Linked Gilt E GBP Inc	United Kingdom	8.0
iShares \$ TIPS 0-5 ETF USD Dist	Ireland	6.0
Aegon European ABS I GBP Inc	Ireland	5.5
WisdomTree Core Physical Gold	Jersey	5.3
Multipartner Konwave Gold Equity C GBP	Luxembourg	3.6
VT De Lisle America B GBP	United Kingdom	3.2
Man Sterling Corp Bd Inst Inc G	United Kingdom	3.1
Mercantile Ord	United Kingdom	3.1
WS Lightman European I Inc	United Kingdom	3.1
Law Debenture Corporation Ord	United Kingdom	3.0

Source: Morningstar, 11 March 2025

Performance

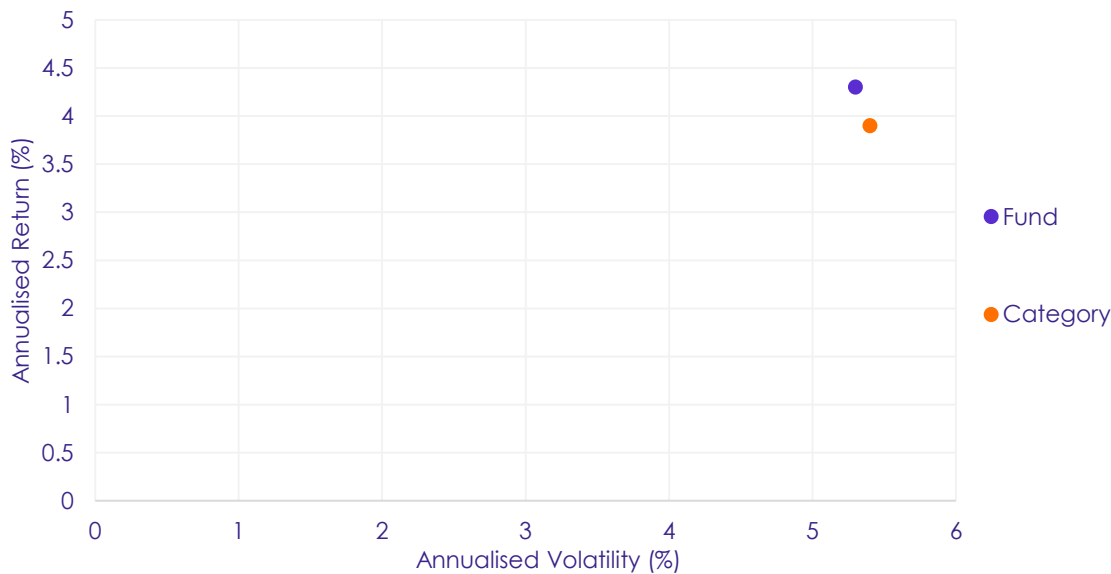


Annual Performance



Risk

Risk vs Return- 5 year



Source: Morningstar, end 28 February 2025

Drawdown

Last 60 Months	
Max Drawdown	-14.6%
Positive Months	36
Negative Months	24
Worst Month	-11.0%

Source: Morningstar, end 28 February 2025

Liquidity

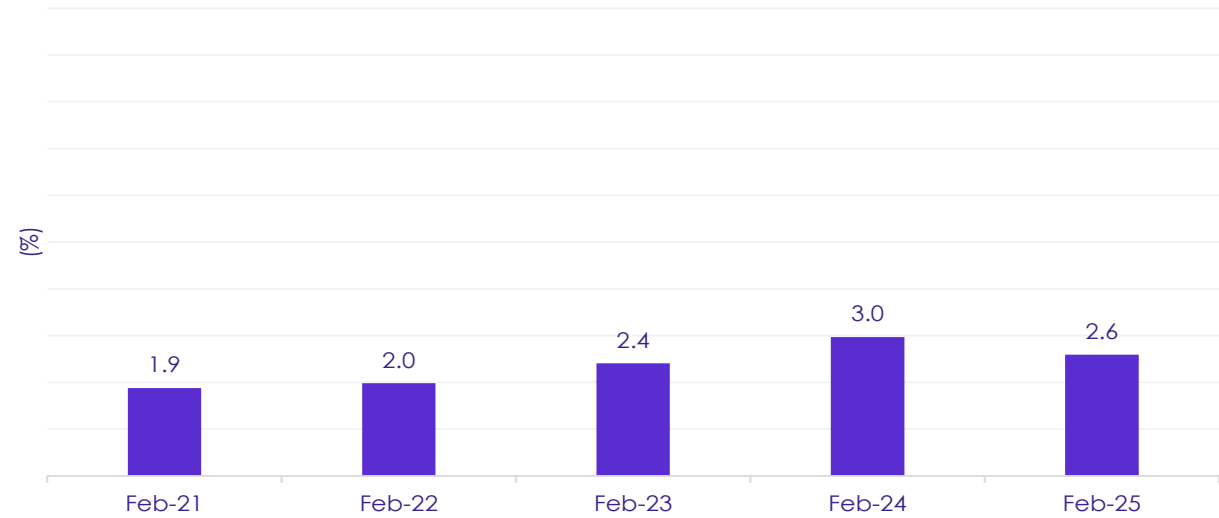
Days to liquidate holdings	% of portfolio
1 - 7 days	82.28%
8 - 30 days	11.68%
31 - 180 days	5.70%
181 - 365 days	0.30%
365+ days	-

Source: Hawksmoor Fund Managers, end 31 December 2024

Income and yield

Distribution Yield	2.6%
Distribution Frequency	Semi-Annually

Distribution Yield



Pre Tax Income



Source: Morningstar, end 28 February 2025



Philosophy

The fundamental aim of Hawksmoor is to achieve client objectives rather than shooting for volatility and/or performance targets. This applies to all their funds. With this in mind, the driver of their due diligence is qualitative rather than quantitative.

In turn, this means that Hawksmoor has an unconstrained approach to asset allocation. The only constraints are those imposed by the Investment Association (IA) sector in which the fund sits and the rules governing UCITs funds. This flexibility is not viewed as an opportunity to increase risk, rather it is their belief that reliance on artificial limits can hinder the successful implementation of their portfolio construction risk controls.

Hawksmoor does not invest to a benchmark and they aim to remain fully invested at all times. They will stick to their long-term view and in doing so will accept short-term periods of higher volatility.

Hawksmoor are in favour of active management, they seek out smaller funds which they believe they can develop stronger relationships with, which chimes with their more qualitative approach. Because of their size, they are able to invest in smaller funds, getting the benefit of early growth and having some exposure to 'incubator'

funds.

Hawksmoor's size also allows them to invest in closed-end funds to a significant extent, where larger funds cannot. This gives them access to a wider range of asset classes including property, private equity and even areas such as ships and songs. In turn, this enables Hawksmoor to target their investments more accurately to the themes they believe in.

Given their fundamental aim, they not only look to diversify their portfolios but also build in a value margin of safety to their selections. The Team aim to seek good value investments that exhibit a margin of safety, but that does not necessarily preclude investments in high-growth areas.

Hawksmoor will not rule out fund capacity restraints should the size of their funds reach a level that compromises their philosophy.

People

Ben Conway, Daniel Lockyer, Ben Mackie and Dan Cartridge are the senior managers for this fund.

Ben joined Hawksmoor in July 2010. He has worked on the Fund Management team since 2011 and has been a co-manager of the Vanbrugh, Distribution and Global Opportunities Funds since January 2014. In the Autumn of 2018, he was appointed a Director of Hawksmoor Investment Management Limited and is now Head of the Fund Management Team.

Daniel joined Hawksmoor in June 2009 as a Fund Manager and remains co-manager of the Vanbrugh, Distribution and Global Opportunities Funds.

Ben Mackie joined Hawksmoor in 2019 as a fund manager. Dan, an assistant fund manager joined Hawksmoor in 2016.

Dan Cartridge joined Hawksmoor Investment Manage-

ment in November 2016 and is a fund manager on the Hawksmoor Vanbrugh, Distribution, and Global Opportunities Funds

2024 saw changes to the Executive Board, which now comprises Michael Bishop - Managing Director and Andrew Westenberger - CEO Hurst Point Group.

**Ben Conway**

Ben Conway is Head of the Fund Management Team and Chief Investment Officer at Hawksmoor Investment Management. He joined the firm in 2010 and became a co-manager of the Vanbrugh and Distribution funds in 2014, followed by the Global Opportunities fund in 2018. He began his financial career at Deutsche Bank in London in 2002, before moving on to Merrill Lynch to become a director of Japanese equities. Between 2008 and 2010, Conway ran an energy consultancy in Sydney.

Daniel Lockyer

Daniel Lockyer has been involved in the investment management industry for more than 25 years. He began his investment career in 1998 with Abbey Life Investment Services in Bournemouth, before joining Christows Stockbrokers. He was then a founding member of limia in 2002 where he was awarded the prestigious Investment Week Fund Manager of the Year Award in 2008 for his stewardship of the limia Income fund. He joined Hawksmoor in June 2009 and now serves as co-manager of the Vanbrugh, Distribution and Global Opportunities Funds.

Ben Mackie

Ben joined Hawksmoor in 2019 as a Fund Manager and helps manage the Vanbrugh, Distribution and Global Opportunities Funds. He is a Fellow of the Chartered Institute for Securities and Investment. Having begun his investment career in London working as a Portfolio Manager for Barclays Wealth, he relocated home to the Westcountry in 2009 spending 7 years with Charles Stanley where he sat on the firm's structured product and investment strategy committees. He moved to Brooks Macdonald as an Investment Director in 2016 with responsibility for private client portfolios and intermediary relationships.

Dan Cartridge

Dan Cartridge joined Hawksmoor Investment Management in November 2016 and is a fund manager on the Hawksmoor Vanbrugh, Distribution, and Global Opportunities Funds. Dan has a first-class degree in Mathematics with Finance from the University of Exeter, holds the Investment Management Certificate and has passed Level 1 of the CFA programme.

Process

Hawksmoor operates a collegiate approach to investment. The fund management team is close-knit, with all members operating a generalist approach to fund analysis. Lines of communication between the team are permanently open and access to all research and meeting notes can be accessed by the team at any time in their internal library. Although a separate team, all notes and research produced by the discretionary team are also available.

Hawksmoor, where possible, and because of their size can include smaller funds (boutique, start-ups and closed-end funds), which gives them a larger pool of potential investments than many of their peers, and also enables them to target preferred themes more accurately.

Hawksmoor believes that supporting smaller funds leads to a much stronger relationship with the fund managers. This is important as the foundation of Hawksmoor's investment process is qualitative rather than quantitative. There are likely to be at least two due diligence meetings with a fund manager before a fund is considered for inclusion in the portfolio. Once selected, there would be at least one formal fund manager meeting a year and also likely one or more informal meetings/calls.

The analyst's due diligence notes and opinion, from fund manager meetings are a key input into the fund selection process. Overall, the team undertake some 500+ manager meetings each year.

Prospective funds are discussed amongst the whole team. The key questions being:

Is the fund needed to fulfil portfolio construction

requirements?

Is the fund better than what they have already got in the portfolio?

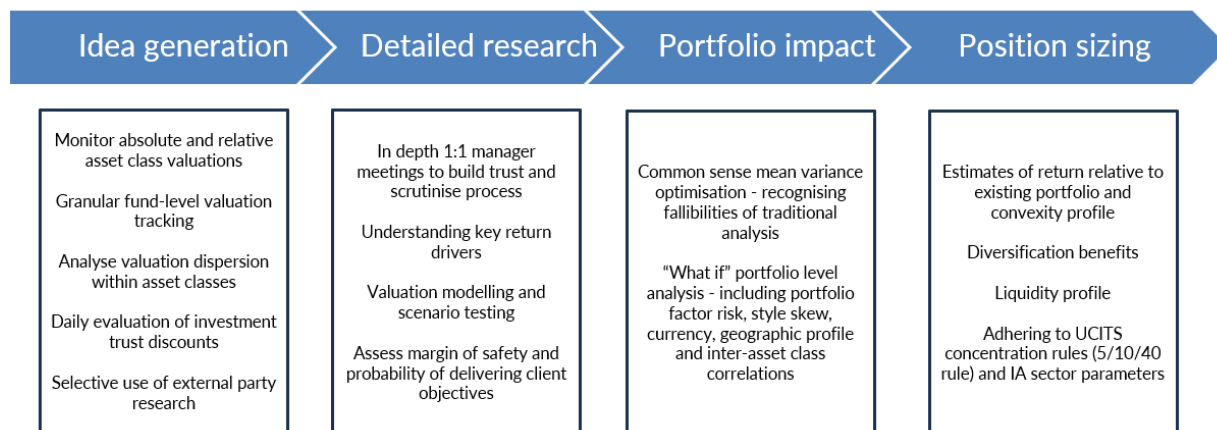
Is the fund (underlying holdings) exhibiting good value in terms of price, or for closed-end funds perhaps undervalued?

Do the fund managers operate a philosophy and process that chimes with their own?

Before a fund is included in a portfolio, at least two of the four fund managers have to agree to its inclusion. While there is perhaps less formality in terms of structure and meeting regularity, this approach is perhaps well suited to the close-knit nature of the team and their collegiate approach.

They would consider imposing fund capacity limits if size ever got in the way of their process and philosophy.

Bottom-up stock selection with common sense mean variance optimisation



Risk management

Hawksmoor does not believe in running risk models, suggesting that nothing works well enough. They do, however, run frequent compliance test tolerances to ensure that the portfolio is not too heavily weighted to one fund or theme and that sufficient diversification is maintained.

All prospective investment selections are peer-reviewed with at least two of the four fund managers having to agree on actions before any portfolio changes are made.

Portfolio construction ensures diversification in terms of asset distribution, despite the fund being unconstrained in terms of asset allocation.

Hawksmoor views risk to the investor as the risk of permanent loss of capital. With this in mind, they do not believe in assessing risk by correlation to a benchmark or a statistical measure of volatility.

Hawksmoor sees volatility as a backward-looking by-

product of performance and as such takes what they see as a common sense approach by assessing how volatility may change in the future, which means using a more qualitative approach.

The historic quantitative factors the team use include: the last 10 years' discrete volatility, the maximum drawdown and the fund's beta relative to a composite index of financial assets. The forward-looking qualitative factors used include: valuations, structural changes, correlation benefits within portfolios, style and mandate of the fund.

Internal oversight of the fund is provided by the compliance team. External oversight of the fund is provided by the funds' Authorised Corporate Director (Maitland Institutional Services Ltd) and the funds' Depositary and Custodian, Northern Trust.

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Maintaining the UK's largest financial product database, Defaqto uses proprietary research methodology to develop independent ratings, reviews, insights, and technology that raises industry standards, powers consumer choice, and helps the industry to meet evolving consumer needs.

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