



**HAWKSMOOR**  
FUND MANAGERS

**MI HAWKSMOOR  
VANBRUGH FUND**

QUARTERLY REPORT  
Q1 2026



*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

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- Vanbrugh returned -0.4%, compared to the sector return of -1.0%.
- We introduced three new holdings, and we exited five positions.
- Exposure to private equity and corporate bonds was reduced.
- Exposure to public equities and sovereign bonds was increased.

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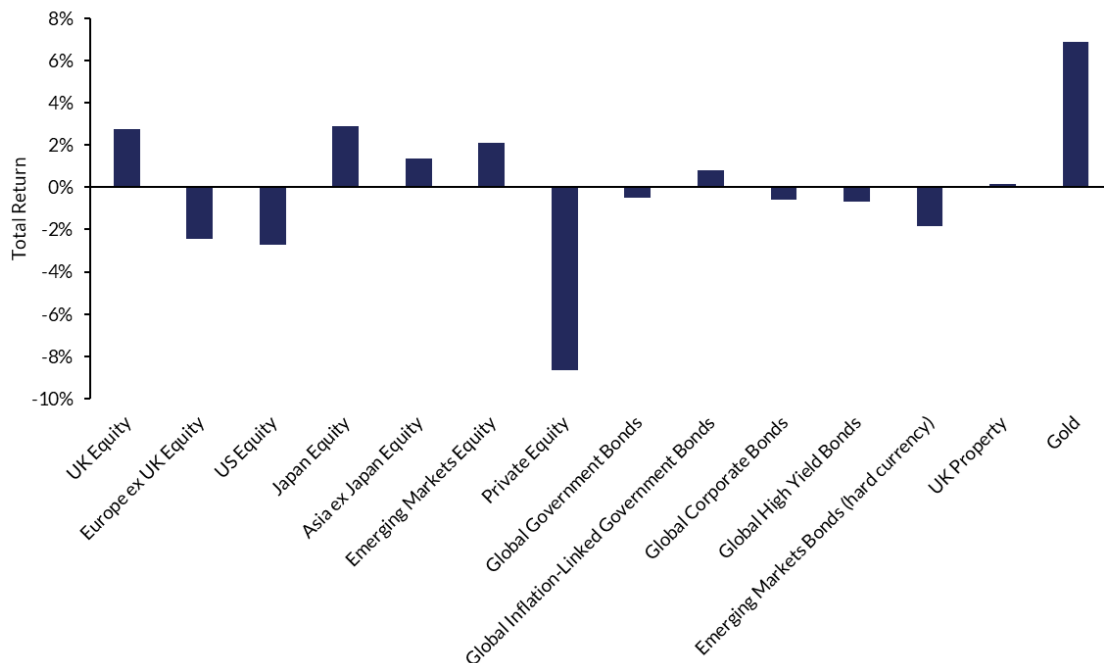
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# QUARTERLY MARKET PERFORMANCE



- Equity markets enjoyed a strong start to 2026, with the likes of the UK, Japan and Emerging Markets posting double digit returns up to the end of February. The outbreak of conflict in the Middle East saw much of these gains reverse. With the all important Strait of Hormuz effectively shut, economies reliant on energy imports bore the brunt in the sell-off, whilst the US with its abundant oil supply and deep industrial base outperformed in March, but continues to lag YTD. Erratic Presidential tweets and difficulties forecasting the duration of the war have resulted in elevated volatility, but the moves so far seem consistent with a relatively quick resolution. A more protracted conflict would likely pressure valuations lower given the deeper negative impact on inflation and growth.
- Government bonds were modestly down in the full period owing to March's sharp increase in yields as investors fretted over war and its impact on inflation. The sharpest increase was at the front end of the curve as markets began to price in interest rate hikes as opposed to cuts. Longer duration bonds still underperformed, however. Credit spreads in both investment grade and high yield widened, but only modestly so.
- Gold was extremely volatile in the period, selling off aggressively in March but remaining in positive territory YTD. The war-inspired weakness seems odd given gold's traditional appeal as a safe haven in times of geopolitical turmoil, and appears to have been driven by general de-grossing as investors sought to raise cash from profitable positions.

Data: UK Equity - MSCI United Kingdom All Cap; Europe ex UK Equity - MSCI Europe ex UK; US Equity - MSCI USA; 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, 31/12/2025 to 31/03/2026. See MSCI and ICE disclaimers on final page.

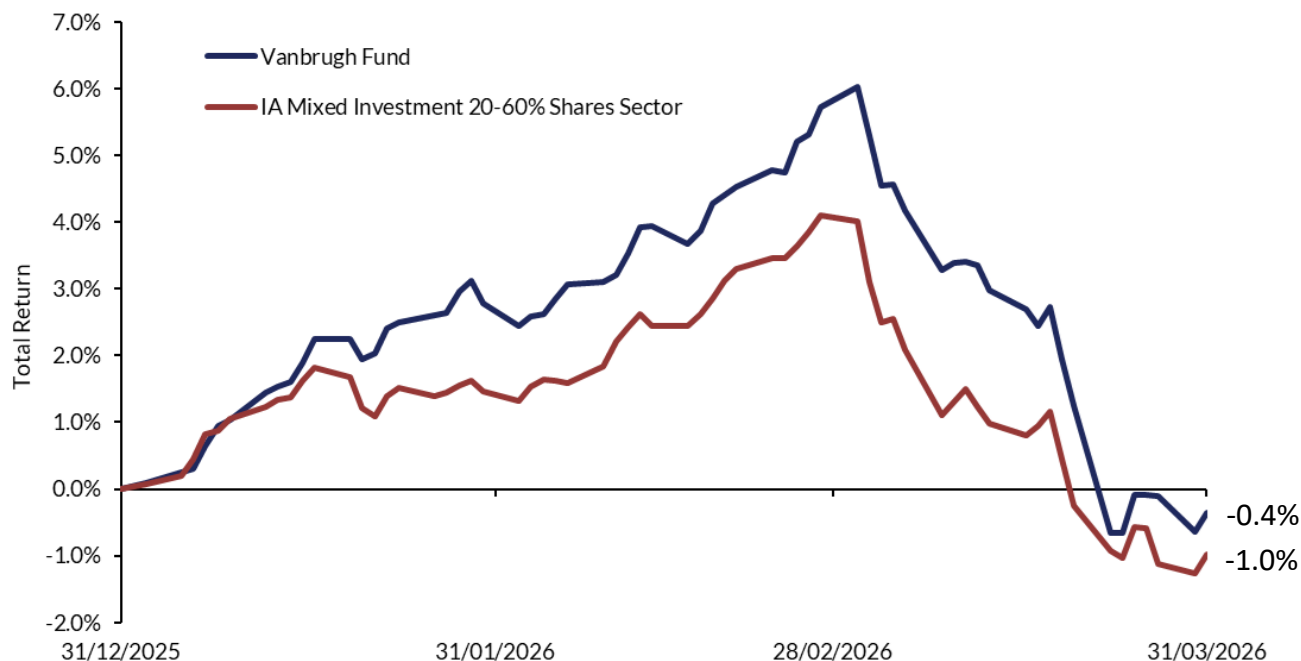
# QUARTERLY FUND PERFORMANCE

## Largest contributors:

- WisdomTree Core Physical Gold +0.30%
- Nippon Active Value +0.18%
- WS Lightman European +0.17%

## Largest detractors:

- Oakley Capital Investments -0.33%
- Chikara Indian Subcontinent -0.27%
- Aberforth Smaller Companies Trust -0.20%

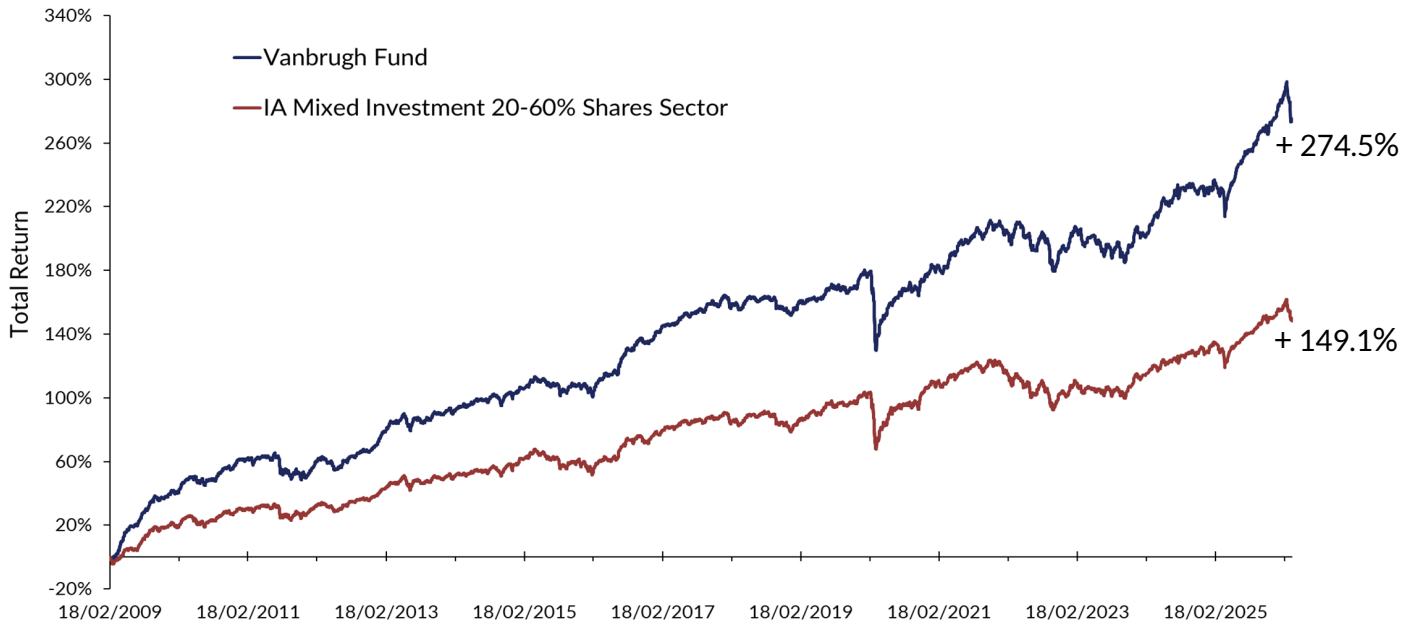


- Gold was the best performing asset class during the quarter with WisdomTree Core Physical Gold the top contributor to returns.
- Small cap Japanese trust Nippon Active Value benefited from a combination of a rising net asset value and narrowing discount.
- European large cap value equities performed well, with Lightman European benefiting from its value style in addition to good stockpicking to materially outperform broader European equities.
- Private equity trusts came under pressure from concerns around AI's impact on Software-as-a-Service companies which tend to dominate private equity portfolios, alongside concerns about rising private credit risks with Oakley Capital the biggest detractor.
- Indian equities sold off sharply amid the Middle East conflict, with a significant proportion of India's energy imported from the region.

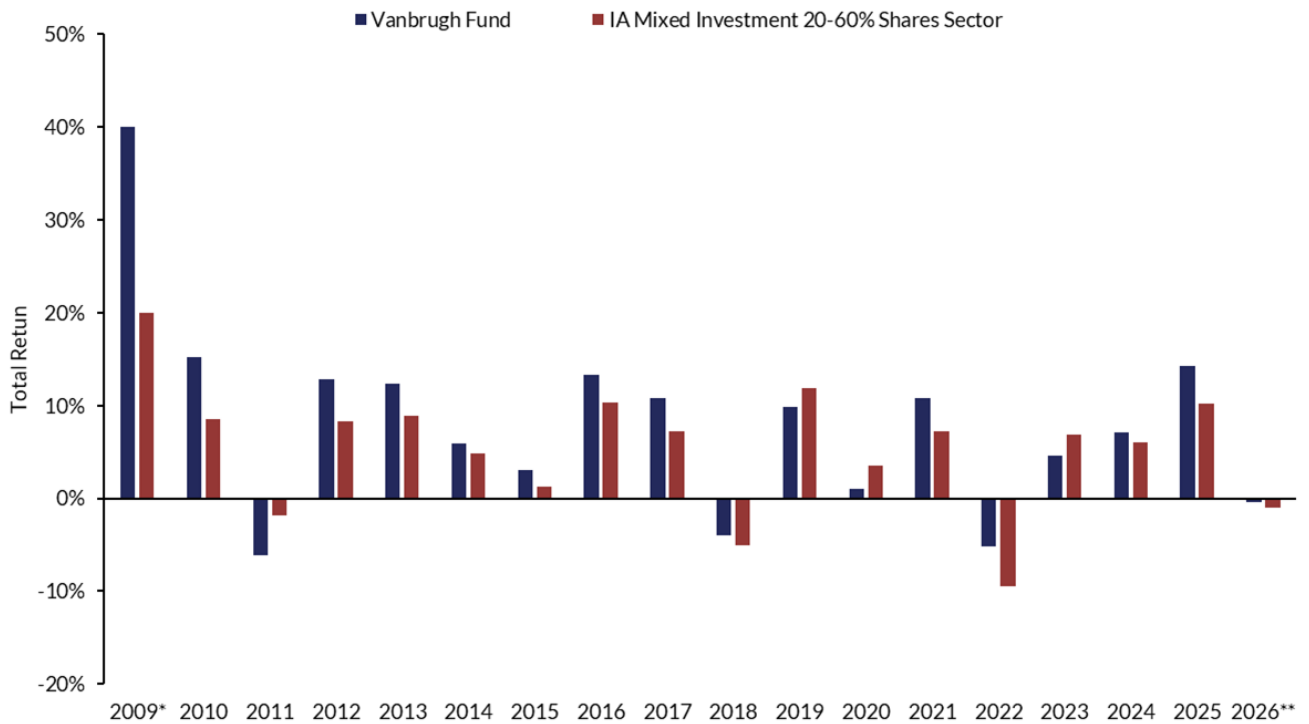
Source: FE fundinfo and Hawksmoor Investment Management, 31/12/2025 to 31/03/2026, must be held for entire period and uses quarter end weightings (text). FE fundinfo, 31/12/2025 to 31/03/2026 (chart).

# SINCE LAUNCH FUND PERFORMANCE

## Cumulative performance

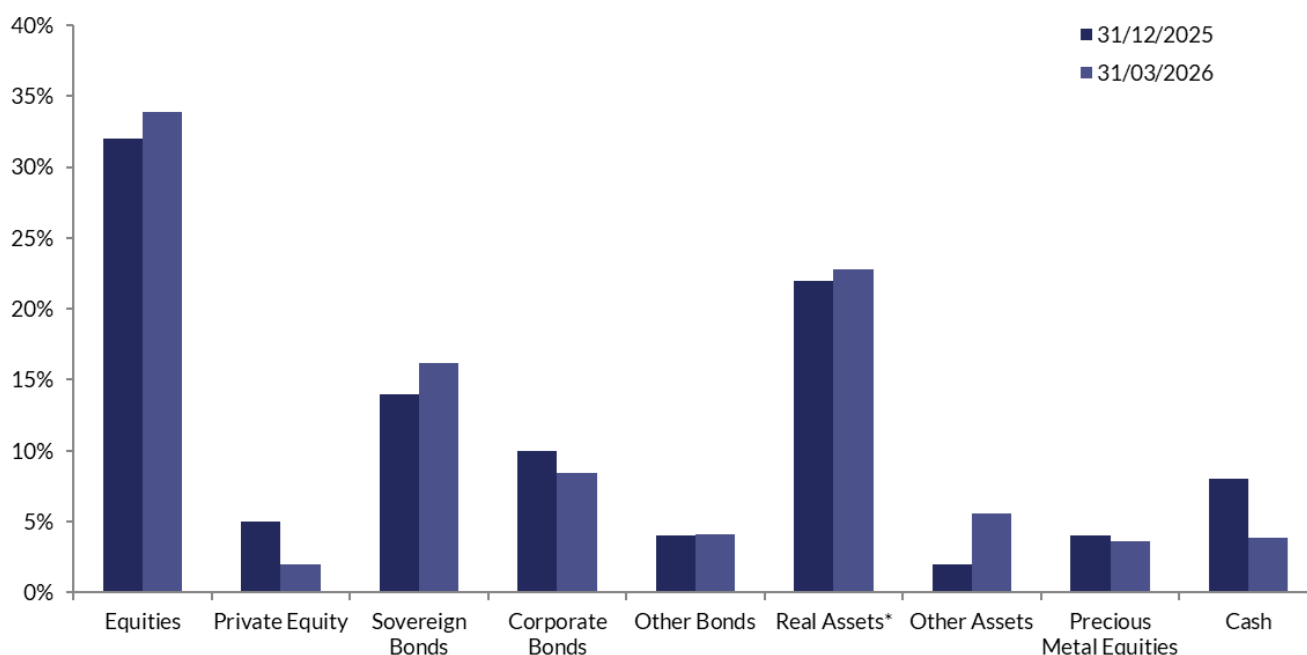


## Discrete calendar year performance



Source: FE fundinfo, 18/02/2009 to 31/03/2026 (top). \*From launch on 18/02/2009 (bottom). \*\*31/12/2025 to 31/03/2026.

# 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:

- BH Macro GBP
- L&G All Stocks Index Linked Gilt Index
- VT Castlebay UK Equity

## Sales:

- Allianz Index-Linked Gilt
- Artemis UK Select
- Augmentum Fintech
- HarbourVest Global Private Equity
- Life Science REIT

## Summary:

- After a very strong start to the year for equity and fixed income markets, with equity valuations across many major regions reaching multi-year high levels and credit spreads remaining tight, BH Macro was introduced on a wide discount to increase the defensiveness of the portfolio funded from trimming select equities, including the full sale of Artemis UK Select. One area of equity markets that had been weak for a prolonged period was UK large cap quality stocks. A new position in Castlebay UK Equity was introduced to take advantage of this with the fund offering a compelling valuation profile.
- Private equity exposure was reduced. Augmentum Fintech was bid for in February at a material premium to the prior close share price. We exited the position close to the bid level during the sharp market falls around the Middle East conflict. HarbourVest held up well in the initial declines and was exited to rotate into public equity, given elevated risks around the private equity realisation environment from another major macro headwind surfacing.
- Life Science REIT was exited after it agreed a takeover offer from British Land.
- Allianz Index-Linked Gilt was sold, with proceeds invested in L&G All Stocks Index Linked Gilt. A series of changes in the management team of the Allianz fund, combined with underwhelming performance versus the tracker prompted the switch.

Source: Hawksmoor Investment Management, 31/03/2026, \*including Precious Metal Bullion.

# HOLDINGS

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## Equities 38%

Aberforth Smaller Companies Trust  
Arcus Japan  
Chikara Indian Subcontinent  
Chrysalis Investments  
CIM Dividend Income  
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  
Polar Capital UK Value Opportunities  
Smead US Value  
The European Smaller Companies Trust  
VT Castlebay UK Equities  
VT De Lisle America  
VT Teviot UK Smaller Companies  
WS Lightman European

## Cash 4%

## Other Assets 6%

BH Macro GBP  
RiverNorth Relative Value

## Bonds 29%

Aegon European ABS  
BioPharma Credit  
GCP Infrastructure  
iShares \$ TIPS 0-5 years ETF (unhedged)  
iShares UK Gilts 0-5yr UCITS ETF  
L&G All Stocks Index Linked Gilt Index  
Man Sterling Corporate Bond  
Morgan Stanley Emerging Markets Debt Opportunities  
TwentyFour Income

## Real Assets 23%

3i Infrastructure  
Achilles Investment Company  
Cordiant Digital Infrastructure Limited  
Foresight Environmental Infrastructure  
Foresight Solar Fund  
Greencoat UK Wind  
HICL Infrastructure  
International Public Partnerships  
Phoenix Spree Deutschland  
Primary Health Properties  
Taylor Maritime  
The Renewables Infrastructure Group  
Tufton Assets Ltd  
WisdomTree Core Physical Gold

# OUTLOOK

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Recent years' performance has been dependent on how much US equity exposure investors owned, in particular the largest technology companies driving the AI theme. 2025 saw a much broader range of asset classes perform well and US equities underperform global equities. US equity underperformance has continued into 2026, but the market remains expensively valued compared to other regional equity markets globally. Large cap equities have rerated in many regions, but small and mid cap equities remain attractively valued in absolute terms and relative to large caps, offering good opportunities for active investors to exploit.

Within fixed income markets, credit spreads are at very tight levels for both investment grade and high yield, with better value to be found in sovereign bonds (both nominal and inflation linked). There remains dispersion below the surface of credit markets, allowing active investors to build portfolios offering more attractive yield profiles than passive equivalents.

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 Vanbrugh's investment trust exposure in the coming years. In the short term, this has been evidenced by M&A activity across the investment trust holdings with Augmentum Fintech and Life Science REIT bid for during the first quarter of 2026.

In the short-term, the conflict in the Middle East raises concerns about the outlook for global growth, inflation and interest rate trajectory. As ever, the focus remains on Vanbrugh's portfolio being robust in a range of different macro scenarios playing out, with attractive valuations of each holding being the key underpin to long-term return generation.

Source: Hawksmoor Investment Management, 31/03/2026. 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.

## CONTACT US

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## IMPORTANT INFORMATION

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