

**SHINING A LIGHT ON THE.....  
MI Hawksmoor The Vanbrugh Fund**

**AT A GLANCE**

<b>Investment Objective</b>
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.

<b>Launch</b>	<b>18<sup>th</sup> February 2009</b>
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000003XHH">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000003XHH</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Daniel Lockyer	1 <sup>st</sup> June 2009
Ben Conway	1 <sup>st</sup> January 2014

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 31<sup>st</sup> August 2022:

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>MI Hawksmoor Vanbrugh Fund</b>	13.25%	10.81%	-3.93%	9.81%	0.97%	10.77%	-2.99%
<b>IA Mixed Invest 20 - 60% Shares</b>	10.57%	7.20%	-5.11%	12.08%	3.49%	6.28%	-7.74%

Performance over 12 months, 3 years, 5 years and since launch:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Since launch</b>
<b>MI Hawksmoor Vanbrugh Fund</b>	-1.06%	11.19%	17.80%	199.17%
<b>IA Mixed Invest 20 - 60% Shares</b>	-7.19%	4.01%	9.54%	106.25%

*You should note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

<b>Tracking Error</b>	<b>Information Ratio</b>	<b>Active Share</b>	<b>Upside Capture Ratio</b>	<b>Downside Capture Ratio</b>	<b>Batting Average</b>	<b>Beta</b>	<b>Alpha</b>	<b>Equity Style</b>
4.84	0.47	-	91.85	75.57	55.56	0.95	1.60	Mid/Value

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## Volatility Measurements

<b>3-Yr Std Dev (volatility)</b>	9.09%
<b>3-Yr Mean Return (average)</b>	3.60%

## Investment Style Details

Giant	3.23%
Large	5.01%
Medium	7.71%
Small	8.67%
Micro	4.85%

## Top 5 Holdings (50 holdings)

MI TwentyFour AM Monument Bond I...	-	6.03%
Dollar GBP D	-	5.14%
Schroder Strategic Credit L Inc	-	4.52%
WisdomTree Core Physical Gold US...	-	4.40%
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## Top 5 Sectors

Financial Services	20.57%
Basic Materials	17.22%
Industrials	15.55%
Consumer Cyclical	10.84%
Healthcare	8.97%

## Top 5 Regions

United Kingdom	36.78%
United States	17.85%
Japan	12.91%
Asia – Emerging	12.10%
Canada	6.50%

## Fund Benchmark

<b>Fund Benchmark</b>	IA Mixed Invest 20 – 60% Shares
<b>Fund size (Mil)</b>	GBP 236.79
<b>Ongoing Charge (share class C)</b>	1.27%

## Bull points (pros)

Alternative global strategy using a “fund of funds” approach, primarily focused on investment trusts  
 Mix of equities and bonds but includes exposure to infrastructure, ships, battery storage, resources, property, and private equity  
 Focused on reduced volatility and delivering positive returns above CPI  
 Long track record over different market environments  
 Seen more as a defensive buy and hold strategy

## Bear points (cons)

Annual charge is relatively high, but this is reflected in the returns  
 This is likely to be a slow and steady return profile and may lag when markets are roaring ahead  
 The investment trusts may mean in periods such as 2020 this can fall with the market

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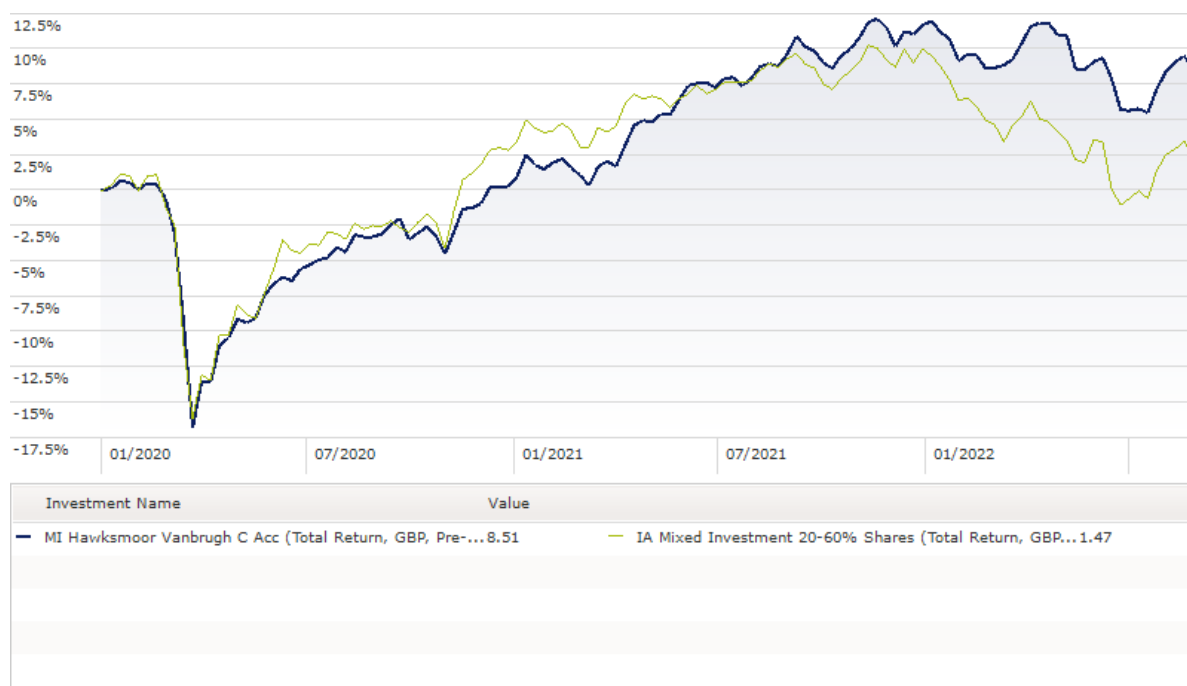
## UPDATE....

Although the team are keen to express that this is not linked to a benchmark, the closest way of seeing performance is to place it against the IA Mixed Investment 20 – 60% Sector. The two charts demonstrate that consistency of performance which is a key element of the strategy.



Since launch the fund has delivered an annualised return after charges of 8.44% p.a., over three years. This is around 3.60% p.a. which reflects the downturn in 2020. The chart shows how the fund performed in 2020 and 2022.

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This strategy is not looking to be exciting, it is designed to be “boring”. It doesn’t have a volatility target but they aim keep volatility low and deliver steady returns. The strategy will invest across a range of assets but will only have a maximum 60% exposure to equities. This is currently at its lowest level, at around 25%. The balance is invested in bonds (debt) and real assets. Currently around 25% of the fund is in real assets, which include infrastructure, property, ships, battery storage and private equity.

The type of assets they hold will change overtime as they look to invest where they see the greatest value, but they are also looking to limit on the downside. Currently, in terms of equities they have exposure to UK Mid and Small Cap, Japan, and Asia where they see value, but no exposure to US, Europe, and Emerging Markets. They also have low exposure to developed market government bonds and more exposure to structured credit.

In terms of what they are looking for are good managers who are consistent in what they are aiming to achieve. If they can identify the right assets and managers, then they can deliver those returns to investors. They really see this as an all-weather strategy. Looking at the performance, this shouldn’t deliver 20% + returns, it should be about delivering steady year-on-year returns.

A lot of the returns come from the investment trusts and the opportunities within this are currently greater than ever before. They are therefore taking advantage of opportunities as they arise.

For investors this is a strategy that could be seen as an anchor. It shouldn’t provide any nasty surprises and therefore, although there will be periods when it appears to lag the wider market, it will be in periods of extreme volatility that this will really shine.

Over three years the MSCI World Index has delivered 8.03% p.a., but the volatility is 17.90%. This strategy has delivered 3.60% with a volatility of 9.09%. In 2020, at the low point, Vanbrugh was down around 16% and the MSCI World Index around 28%. This should therefore be seen as part of a mix of investments within a portfolio.

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In summary, we have this on our watchlist. We have met the managers several times. If we were to add this strategy it would be more in our alternatives bucket to provide that safety net. In a more normalised market, if they can deliver between 5% and 8% after charges, this should fit well within any portfolio.

*The source of information in this note has been provided by Hawksmoor and is correct as of September 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*