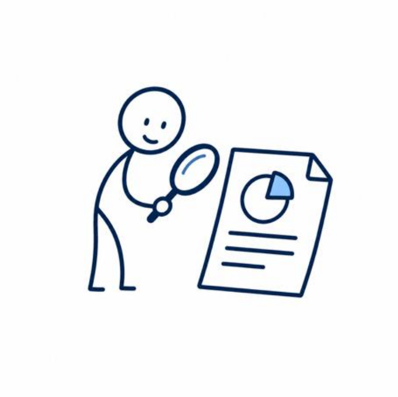
Growing together, with integrity and respect



Hawksmoor Multi Asset Fund Range – Strategy Review – August 2026

The Hawksmoor multi-asset range consists of three actively managed fund-of-funds:

- **MI Hawksmoor Vanbrugh Fund**
- **MI Hawksmoor Distribution Fund**
- **MI Hawksmoor Global Opportunities Fund**

Although each fund has a different objective and risk profile, they follow the same underlying investment philosophy and process.

What makes Hawksmoor interesting is that this is not a conventional multi-asset range built around relatively static allocations to global equities and bonds. The managers have considerable freedom to invest across open-ended funds, investment trusts and alternative assets, with portfolios driven more by valuation and individual investment opportunities than by benchmarks.

1. Strategy Overview

At the centre of the Hawksmoor approach is the belief that investors should seek to grow their wealth in real terms, after inflation and costs.

The three funds then apply this philosophy at different levels of risk.

Fund	Primary Objective	IA Sector	Launch	Fund Size*
Vanbrugh	Positive real returns with an emphasis on capital preservation	IA Mixed Investment 20–60% Shares	February 2009	£214.9m
Distribution	Attractive income alongside capital growth	IA Mixed Investment 40–85% Shares	April 2012	£174.2m
Global Opportunities	Higher long-term capital growth	IA Flexible Investment	September 2018	£74.4m

*Fund sizes at 31 July 2026.

In simple terms:

Vanbrugh is the more cautious strategy. Hawksmoor describes it as a potential core holding for investors seeking long-term total returns while watching for downside risk. Its formal aim is to deliver returns after charges ahead of CPI over rolling periods of at least three years.

Distribution uses the same underlying process but accepts more risk in pursuit of income and capital growth. Its stated aim is to maintain a yield above a composite of financial asset classes while seeking to increase distributions alongside capital. At 31 July 2026, its historic yield was 3.96% and the projected yield was 4.34%.

Global Opportunities is the highest-risk strategy. It has a minimum 60% equity exposure and seeks capital growth over periods of at least five years. Hawksmoor describes it as appropriate for investors prepared to accept greater volatility in pursuit of higher long-term returns.

2. Why This Review Is Interesting

Multi-asset funds are plentiful.

What makes Hawksmoor interesting is how different these portfolios can look from a conventional multi-asset solution.

Many multi-asset portfolios start with a strategic asset allocation, then populate the equity and bond allocations with mainstream funds or passive investments. Hawksmoor effectively starts from a different place.

The team asks where attractive investment opportunities are and then builds portfolios around them.

This leads them into areas including:

- investment trusts;
- smaller specialist fund managers;
- infrastructure;
- property;
- shipping;
- commodities and precious metals;
- private equity;
- specialist fixed income; and
- absolute return strategies.

Hawksmoor describes this as going “beyond 60/40”. Its own illustration of Vanbrugh shows how materially its allocation can differ from a traditional equity/bond portfolio.

There is another interesting element.

Hawksmoor deliberately regards the funds as capacity constrained. The business argues that becoming too large would reduce its ability to invest in smaller funds and investment trusts and make portfolios harder to reposition. Protecting the investment process is therefore more important than maximising assets under management.

We like that philosophy. Capacity discipline matters if accessing smaller and less liquid investments is genuinely part of the source of potential added value.

3. Investment Philosophy

Several clear pillars underpin the Hawksmoor approach.

Unconstrained rather than benchmark-driven

The managers do not believe that constructing portfolios around a benchmark improves the probability of achieving positive real returns.

Asset allocation can therefore change materially as valuations and opportunities change.

Valuation matters

Hawksmoor repeatedly refers to investing with a margin of safety.

Rather than forecasting where markets or economies will go next, the emphasis is on finding assets where the managers believe the potential return compensates investors for the risks being taken.

Truly multi-asset

Equities and bonds remain important, but they are only part of the opportunity set.

Investment trusts give the team access to areas such as infrastructure, property, shipping, and private equity that may be harder to access effectively through conventional open-ended funds.

Active managers can add value

Hawksmoor is firmly an active-management house.

The team undertakes more than 400 research meetings a year in its search for managers and investment ideas.

Investment trusts are an important source of return

This is perhaps the most distinctive part of the process.

Hawksmoor believes investment trusts can generate returns beyond the underlying assets. Opportunities can also arise from:

- discounts and premiums;
- inefficient pricing;
- corporate activity;
- manager engagement; and

- access to less liquid asset classes.

This means portfolio returns can be influenced by both the performance of the underlying investment and movements in the trust's discount or premium.

Dynamic asset allocation

The portfolios are not rebalanced back towards a predetermined strategic allocation.

Instead, allocations shift as managers' assessments of valuations and relative opportunities change.

We think this combination of bottom-up fund selection, valuation discipline, investment trust expertise, and genuinely flexible asset allocation best explains what differentiates Hawksmoor from many multi-asset competitors.

4. Team and Resources

The current fund management team comprises:

- **Ben Conway – Head of Fund Management**
- **Daniel Lockyer – Senior Fund Manager**
- **Ben Mackie – Senior Fund Manager**
- **Dan Cartridge – Fund Manager**

Ben Conway and Daniel Lockyer have worked together at Hawksmoor for more than a decade, providing considerable continuity to the investment process. The current website states that Ben Mackie, and Dan Cartridge support them.

One feature we particularly like is the team-based approach.

This does not appear to be a proposition built around one star manager. The team is clearly identifiable, with a substantial research workload and a common philosophy across all three portfolios.

Hawksmoor also states that the fund managers invest personally in the funds alongside clients.

For a proposition whose success depends heavily upon manager selection and identifying opportunities away from mainstream markets, research depth and continuity are important.

5. Portfolio Overview

The portfolios show how differently the same philosophy can be applied depending on the risk objective.

Vanbrugh

At 31 July 2026 the broad allocation was:

- **36.6% equities**
- **27.7% fixed income**
- **31.2% real assets/alternatives**
- **4.5% cash**

There were 46 holdings, with 34.3% invested in listed closed-ended investment companies. Their weighted average discount was 10.8%.

This illustrates what Hawksmoor means by multi-asset. Almost one-third of the portfolio sat within real assets and alternatives, including infrastructure, commodities, property and shipping.

During the second quarter, the managers added Neuberger Berman Commodities and Lazard Rathmore Alternative. The former was intended to increase resilience to prolonged inflation, while the latter was introduced to provide more defensive characteristics during risk-off markets.

Distribution

At 31 July 2026:

- **55.7% equities**
- **17.9% fixed income**
- **23.5% real assets/alternatives**
- **2.9% cash**

The portfolio held 43 holdings, with 49.1% invested in listed closed-ended investment companies trading at a weighted average discount of 9.6%.

The portfolio has a noticeable UK exposure, but this partly reflects where the managers are finding income and valuation opportunities rather than a conventional home-market strategic allocation.

During Q2, Aegon European ABS was introduced as the managers took profits from selected equity and investment trust positions and sought a more defensive destination for the proceeds.

Global Opportunities

This is considerably more equity-orientated:

- **81.8% equities**
- **16.1% real assets/alternatives**
- **2.1% cash**
- **no fixed-income exposure**

The portfolio held 44 holdings at the end of July, with 49.6% invested in listed closed-ended investment companies.

Again, this is far removed from a market-cap-weighted global equity allocation. UK equities represented 27.0% of the portfolio while US equities represented just 6.3%.

This positioning is deliberate. Hawksmoor has argued that global equity indices have become increasingly concentrated and believes opportunities are emerging in overlooked regions, smaller companies and investment trusts.

A common thread

The funds overlap meaningfully because the team applies the same research ideas at different risk levels.

Holdings such as Konwave Gold Equity, Cordiant Digital Infrastructure, European smaller companies, specialist Japanese strategies and selected UK managers occur across more than one portfolio.

We do not see this as a weakness. These are three expressions of one process rather than three independently managed investment philosophies.

However, advisers using more than one Hawksmoor fund should understand the underlying overlap rather than assuming that holding two funds necessarily provides additional manager diversification.

6. Performance Overview

Performance has been strong over the longer term across the range.

Vanbrugh

To 31 July 2026:

- Annualised since launch: **8.3%**
- IA sector: **5.7%**
- Five years: **33.9%**
- IA sector: **21.1%**
- Three years: **35.2%**
- IA sector: **27.8%**

Since launch, the fund had returned 300.3% compared with 164.4% from the IA Mixed Investment 20–60% Shares sector.

Distribution

To 31 July 2026:

- Annualised since launch: **8.1%**
- IA sector: **6.9%**
- Five years: **42.0%**
- IA sector: **31.2%**
- Three years: **44.0%**
- IA sector: **35.2%**

Since launch, cumulative performance was 203.7% compared with 158.0% for the IA Mixed Investment 40–85% Shares sector.

Global Opportunities

To 31 July 2026:

- Annualised since launch: **8.3%**
- IA sector: **6.5%**
- Five years: **40.2%**
- IA sector: **32.8%**
- Three years: **45.5%**
- IA sector: **36.2%**

Since its September 2018 launch, the fund had returned 87.4% compared with 63.8% from the IA Flexible Investment sector.

These numbers are encouraging, particularly because the portfolios have not simply replicated their peer groups' asset allocations.

Nevertheless, there will be periods when the approach looks very different from mainstream markets and consequently underperforms.

We saw this during Q2 2026. Vanbrugh returned 5.6% against 6.6% for its sector, Distribution returned 9.0% against 9.5%, while Global Opportunities returned 10.5% compared with 9.9% from its sector.

That should not necessarily be viewed negatively. A genuinely differentiated strategy cannot be expected to outperform a benchmark or peer group during every market environment.

7. What We Like / What We Would Monitor / Where It Fits

What We Like

A genuinely differentiated approach

This is not another version of a conventional 40/60, 60/40 or 80/20 portfolio. The opportunity set is materially wider.

Investment trust expertise

The ability to exploit discounts, corporate activity and specialist closed-ended assets provides a potential source of return that many multi-asset funds largely ignore.

Valuation discipline

The focus on margin of safety rather than continually forecasting the macroeconomic environment makes sense to us.

Dynamic allocation

The managers have genuine flexibility to change the portfolios when opportunities change.

Long-term evidence

Vanbrugh has operated since 2009 and Distribution since 2012, providing meaningful evidence of how the philosophy has behaved across different market environments.

Capacity discipline

The willingness to constrain assets to preserve access to smaller investments is positive and worth highlighting.

What We Would Monitor

Costs

This is an actively managed fund-of-funds strategy and costs are higher than many passive or simpler multi-asset alternatives.

For the C share class, current OCFs are:

- Vanbrugh: **1.15%**
- Distribution: **1.19%**
- Global Opportunities: **1.35%**

These figures include the underlying open-ended fund costs identified by Hawksmoor but advisers should consider the total cost of ownership relevant to the share class and platform being used.

The case for Hawksmoor therefore depends on the managers continuing to add sufficient value to justify those higher costs.

Investment trust exposure

Investment trusts create opportunities, but discounts can widen significantly during stressed markets.

This can result in greater short-term volatility than might be expected from the underlying asset allocation alone.

Liquidity and capacity

The ability to invest in smaller funds and specialist investment trusts is part of the advantage Hawksmoor is trying to exploit. Therefore, it is important that asset growth does not dilute that advantage.

Portfolio complexity

These portfolios require more explanation than a simple equity/bond solution.

That is not necessarily a negative, but advisers need to understand what lies beneath the asset allocation numbers.

Style divergence

The portfolios can look very different from mainstream global markets. For example, Global Opportunities currently has substantially more UK exposure and much less US exposure than a global market-cap-weighted portfolio.

There will inevitably be periods where this positioning works against the funds.

Where It Fits

We can see two particularly interesting applications.

As a stand-alone multi-asset solution

Each fund has a sufficiently broad underlying portfolio to operate as a core investment appropriate to its respective risk and return objective.
Vanbrugh appears particularly relevant where capital preservation and real returns are important.

Distribution may be relevant where natural portfolio income combined with capital growth is required.

Global Opportunities provides a more aggressive option for investors with a longer time horizon and greater capacity for volatility.

As a complementary allocation

This may be the more interesting use.

Because Hawksmoor differs so much from many benchmark-aware and passive multi-asset solutions, it may work well alongside them.

Hawksmoor makes this argument itself, suggesting that blending its portfolios with more conventional approaches can improve portfolio diversification.

We think that is worth considering.

Rather than asking whether Hawksmoor should replace a more traditional multi-asset allocation, an adviser could ask:

Does adding Hawksmoor introduce genuinely different sources of return?

Looking through the portfolios, we think the answer is potentially yes.

8. Money Wise UK Summary

The Hawksmoor range is one of the more distinctive multi-asset propositions we have reviewed.

Many funds are described as flexible or unconstrained, but their underlying portfolios often remain dominated by conventional equities and bonds.

Hawksmoor is different.

Investment trusts, smaller specialist managers, infrastructure, commodities, shipping, property and other alternative strategies are genuine parts of the investment process rather than marginal allocations.

That creates both the opportunity and the risk.

The opportunity is that Hawksmoor can generate returns from areas largely ignored by mainstream multi-asset portfolios. Its investment trust expertise and willingness to invest away from major market indices provide genuine diversification.

The risk is that these portfolios can behave very differently from conventional benchmarks. Investment trust discounts can move sharply, smaller investments can be less liquid, and the portfolios inevitably depend heavily on the team's ability to identify good managers and recognise valuation opportunities.

Costs are also higher than many passive multi-asset solutions, so continued evidence of active management adding value matters.

The long-term track records of Vanbrugh and Distribution give us greater confidence that this is an established process rather than simply an interesting investment theory. Global Opportunities has a shorter history, although results since its 2018 launch have also been encouraging.

For us, Vanbrugh is probably the standout strategy within the range. Its objective of generating positive real returns while balancing capital preservation sits naturally with financial planning, and the portfolio provides genuinely different sources of diversification.

Distribution is also interesting, particularly where income is required, while Global Opportunities offers the same philosophy for investors prepared to accept materially greater volatility.

Overall, we see Hawksmoor as less of a conventional multi-asset range and more as an active, valuation-driven portfolio of investment ideas.

That distinction is important.

It means Hawksmoor may work as a complete solution, but its most interesting role may be alongside more conventional investment approaches, where its different sources of return can improve overall portfolio diversification.

Money Wise UK View: Positive

A differentiated and well-established multi-asset approach with a clear philosophy, experienced team and strong long-term performance record. The use of investment trusts and alternative assets is a particular attraction, although advisers need to be comfortable with higher costs, portfolio complexity and periods of potentially significant divergence from mainstream markets.

Disclaimer

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Investment trusts may trade at a discount or premium to the value of their underlying assets and these discounts or premiums can change significantly. Investments in smaller companies, specialist assets, emerging markets and alternative investments may involve additional risks and can be more volatile or less liquid than mainstream investments.

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