

PFS HAWKSMOOR THE VANBRUGH FUND

Interim report 30 April 2011 (Unaudited)

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Manager and Advisers

Authorised Corporate Director & Registrar

Phoenix Fund Services (UK) Limited
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 01245 398950
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(Authorised and regulated by the Financial Services Authority)

Directors of the ACD

R Elliot
S.A. King
S.D. Mathieson
J Rice

Investment Advisers

Hawksmoor Investment Management Limited
3 Barnfield Crescent
Exeter
EX1 1QT
(Authorised and regulated by the Financial Services Authority)

Fund Managers

Richard Scott
Daniel Lockyer

Depositary

BNY Mellon Trust and Depositary (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
(Authorised and regulated by the Financial Services Authority)

Auditors

Shipleys LLP
Chartered Accountants & Registered Auditors
10 Orange Street, Haymarket, London WC2H 7DQ

Managers' Report

For the period from 31 October 2010 to 30 April 2011

Investment Objective

The investment objective of the Fund is to provide capital growth and income.

Investment Policy

The Fund's portfolio will consist primarily of a diversified range of open and closed ended funds, although significant exposure to other investments such as fixed interest securities are expected to be included in the portfolio from time to time. 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.

Through its investments the Fund will be exposed to a range of asset classes, underlying currencies and geographic areas. The portfolio will include funds managed by a variety of fund management groups and style of investment manager.

Performance Review and Income Distribution

The Vanbrugh Fund achieved a total return of 4.7% over the six month period to 30 April 2011. As in all previous periods of the Fund's life, this was a good result compared with Vanbrugh's peer group of cautious managed funds, with the IMA Cautious Managed Sector Average's total return being 3.8%. The FTSE APCIMS Income Index (which is a composite measure of the performance of global shares, UK gilts, UK property and cash) produced a total return of 5.4% over the same period. Taken together with the performance achieved in the period from the launch of The Vanbrugh Fund on 18 February 2009 to 30 April 2011, the Fund achieved a total return of 62.7%, compared with returns of 32.4% and 38.4% for the IMA Cautious Managed Sector Average and FTSE APCIMS Income Index respectively. One important aspect of performance is not just the end result, but also the manner in which it has been achieved. The FTSE APCIMS Income Index is considerably more volatile than both the average cautious managed fund, and Vanbrugh. It is therefore a notable feature of Vanbrugh's performance since the Fund was launched that its worst week of performance saw the Fund lose 3.7% of its value, compared with a fall of 5.6% for the average IMA Cautious Managed Fund, and a loss of 6.4% for the FTSE APCIMS Income Index. Thus while Vanbrugh has significantly outperformed comparable funds it has hitherto exposed its investors to smaller losses. In the latest period under review the strongest contributors to performance included a number of Vanbrugh's holdings in closed ended funds, such as private equity specialists, the funds invested in property securities and some of the stock-picking equity funds such as Artemis Global Income Fund. Vanbrugh successfully avoided any holdings in funds that performed very poorly in the period. However, the volatility hedge (BNP Paribas VolEdge) acted as a significant drag on performance reducing Vanbrugh's return by over 1%. Given on-going risks in markets, and the Fund's significant investments in equity funds, it was felt appropriate to maintain this hedge through the period. The same hedge had proved highly effective last May and June in limiting losses when markets fell back sharply.

Managers' Report

continued

Performance Review and Income Distribution (continued)

For the six month period to 30 April 2011 Vanbrugh generated income of 0.8 pence, going ex-dividend on 3 May 2011. It is worth reminding investors of our comments in previous reports that as managers, we are focussed on maximising the Fund's total return while adopting a cautious approach appropriate to the mandate. As a result the level of income will vary. The combination of an extended period of exceptionally low interest rates and the sharp rise in the Fund's price since it was launched has had the effect of reducing the Fund's percentage running yield. We are hopeful that the Fund will continue to be able to generate a worthwhile, if modest, yield. However, with the strong rerating seen by many traditional income producing assets we are conscious of the increasing downside risk to the capital value of such investments, and by not having an explicit income target we have the flexibility to avoid holding investments solely for their income. Our expectation is that looking ahead over the next twelve months, the Fund's yield will be in the range of 1% to 1.75%.

Market Review

2011 was unlikely to be the cheeriest year, given the requirement for austerity measures to address deficits built up in the aftermath of the Credit Crisis in several developed markets. However, economic challenges facing western countries including the UK have been put firmly in perspective by events that have taken a terrible toll on human lives. The Japanese and New Zealand earthquakes, together with violence in much of North Africa and the Middle East, follow on from other disasters in recent months, including terrible floods in Australia and Pakistan and the earthquake in Haiti. We have taken the view that it is right to be patient with investments in Japanese and Frontier Markets equities, both of which have been thrown off course in the short term by unforeseen events. In both cases, downside risks are limited by valuations that are lower than those in most other areas, so that the strong performance seen leading up to the Tohoku earthquake and violence in North Africa should reassert itself in time.

The sharp initial setback in global markets following the devastating Tohoku Pacific earthquake proved fleeting. Investors quickly refocused on what has generally been encouraging economic and corporate news, so most markets rebounded. The rebound included a partial recovery in directly affected areas, such as Japan itself, and some Middle Eastern markets. Supportive economic data included a fall in the level of German unemployment to its lowest level since the reunification of Germany, and the strongest performance of US manufacturing industry since the early part of the last decade. However, the role of economic news in cheering investors was probably less important than a renewed surge in central bank liquidity support for markets. Leading the way was the Bank of Japan, which pumped liquidity into its markets equivalent to over 5% of the country's gross domestic product in the course of just a fortnight following the earthquake.

The importance of central bank liquidity support should never be overlooked when it comes to explaining the performance of financial markets, particularly in understanding short term movements. For example, it is not a coincidence that equity markets only really started to mount a sustained recovery from their sell-off in May and June last year once the Chairman of the US Federal Reserve, Ben Bernanke, had signalled the adoption of further quantitative easing measures in his speech at the Jackson Hole Summit of Central Bankers in late August. In November, Bernanke admitted to an explicit link between the aim of his monetary policy and the value of corporate bonds and equities stating "Lower corporate bond rates will encourage investment. And higher stock prices will boost consumer wealth and help increase confidence, which can also spur spending. Increased spending will lead to higher incomes and profits that, in a virtuous circle, will further support economic expansion".

Managers' Report

continued

Market Review (continued)

But investors should only regard central bankers as fair weather friends, as US house owners can testify only too well from the US Federal Reserve's inability to prevent a sharp fall in house prices. Investors who rely on central bankers to provide a safety net for their investment decisions are taking a perilous risk, as they may find the safety net removed the moment they most need it. It is far better to invest on the basis that there is no safety net, and to focus instead on areas of durable value in markets. If identified correctly, such assets may see their prices puffed up along with others when liquidity is plentiful, but they should have the necessary attributes to protect value better than others when times are tough. One of the main reasons why leading emerging markets have struggled in recent months is that their authorities have been tightening monetary policy. With the lingering deflationary forces of the Credit Crisis continuing to figure high in the minds of central bankers in most developed economies, it is not surprising that interest rates have been maintained at such low levels for so long. However, increasingly vociferous bodies of opinion within the European Central Bank and the Bank of England are pushing for interest rates to be increased, with current inflation numbers at uncomfortably high levels. For example, the UK's Consumer Price Index increased by 4.4% over the year to end February 2011, thereby being over double the Bank of England's mandated target of 2%.

Policy Review and Investment Outlook

Global financial markets have been impressively resilient given the magnitude of events in recent months. Asset prices have been tested by natural disasters, violent upheavals in important nations, turbulence in European sovereign credit markets and rising inflationary pressures threatening the ability of the authorities to maintain highly supportive monetary policies. With the last of these factors putting an increasing strain on bond markets, we remain cautious of most fixed interest securities. However, it is still possible to find value by employing a selective approach, emphasising niche areas such as bonds with coupons linked to short term interest rates or inflation, and high quality asset backed securities with coupons also linked to short-term interest rates. Notwithstanding our concerns about on-going risks facing the world economy we believe that many equities remain good value, particularly with many share prices having lagged the growth in corporate profits. However, with equity markets now in their third year of a powerful rally from their Credit Crisis lows, it is probable that the pattern of more mixed performance, evident in recent months, will persist. This should provide favourable conditions for stock-pickers, and create opportunities to add value by switching between geographic markets and asset classes in what is likely to remain a volatile environment.

We therefore continue to focus our fixed interest holdings on specialist areas in the light of our concerns about government bonds. For example, we have increased exposure to floating rate securities overall by subscribing at launch to the NB Global Floating Rate Income Fund. Our key fixed interest funds all have low durations, or negative ones in the case of Old Mutual Global Strategic and L&G Dynamic Bond Funds, which gives these funds the potential to produce positive returns in the event of a sell-off in government bond markets. We also introduced a large holding during the period in a new fund, the M&G UK Inflation Linked Corporate Bond Fund, which introduces a strong element of inflation protection into Vanbrugh's portfolio.

Managers' Report

continued

Policy Review and Investment Outlook (continued)

The Fund's equity holdings are increasingly being focussed on unloved areas that we believe offer the most attractive combination of low valuations and underappreciated growth potential. For example, we added to Vanbrugh's holding in Polar Capital Global Healthcare Growth & Income Trust and introduced a new holding in Worldwide Healthcare Trust. In both cases we were able to buy shares at attractive discounts in these closed ended funds, taking advantage of most investors' disinterest in a sector of the market that we feel is ripe for a period of improved performance.

More information about The Vanbrugh Fund can be found on the website www.hawksmoorim.co.uk with information on the website including monthly factsheets which will give you more details of the investments in the portfolio and how they have changed over the period covered by this report. If you would like to receive these factsheets on a regular basis and are not already doing so, send an email to richard.scott@hawksmoorim.co.uk or daniel.lockyer@hawksmoorim.co.uk and we will be pleased to add your email address to the distribution list.

We thank you for your support and interest in the Fund.

Richard Scott and Daniel Lockyer
Hawksmoor Investment Management Ltd

19 May 2011

Portfolio Statement

as at 30 April 2011

Holding	Security	Value £	% of Total Net Assets	
			2011	2010
Absolute Return				
450,000	Absolute Return Trust Limited	535,500	1.89	
1,700,000	Artemis Strategic Assets	1,144,440	4.05	
35,000	BH Global	378,350	1.35	
250,000	Cazenove Absolute Equity Limited	276,250	0.98	
550,000	CF Eclectica Absolute Macro Fund - C Acc*	502,975	1.78	
40,000	Schroder ISF Emerging Debt Absolute Return - Income	1,011,600	3.58	
		<hr/>	<hr/>	<hr/>
		3,849,115	13.62	12.82
Emerging Market Equity				
600,000	Advance Frontier Markets Fund - Income	270,000	0.96	
550,000	Blackrock Frontiers Investment Trust	523,875	1.85	
		<hr/>	<hr/>	<hr/>
		793,875	2.81	1.99
European Equity				
120,000	European Assets Trust NV	836,400	2.96	
		<hr/>	<hr/>	<hr/>
		836,400	2.96	2.04
Far East Equity				
850,000	Schroder Asian Income Maximiser Fund - C Income*	467,075	1.65	
		<hr/>	<hr/>	<hr/>
		467,075	1.65	2.67
Fixed Interest				
1,500,000	AXA Fixed Interest - US Short Duration Hi Yield Fund Income Net *	1,557,000	5.52	
1,000,000	Cazenove Strategic Bond Fund - X Class Income*	1,024,500	3.62	
300,000	Henderson Diversified Income	428,750	1.52	
1,350,000	Legal & General Dynamic Bond Trust - I Income*	890,325	3.15	
1,500,000.00	M&G UK Inflation Linked Corp Bond - I Income*	1,555,950	5.50	
1,000,000	NB Global Floating Rate Income	1,010,000	3.57	
1,000,000	Old Mutual Global Strategic Bond Fund - B Income*	1,029,800	3.64	
10,000	PFS TwentyFour - Monument Bond Fund - I Income*	1,040,147	3.68	
		<hr/>	<hr/>	<hr/>
		8,536,472	30.20	26.43
Global Equity				
1,500,000	Artemis Global Income Fund Inst Dist *	874,350	3.09	
800,000	BlackRock New Energy Investment Trust	316,000	1.12	
500,000	Impax Environmental Markets Plc	650,475	2.30	
700,000	Invesco Perpetual Global Equity Income Fund	1,029,630	3.65	
425,000	Investec Global Gold Fund - I *	842,903	2.98	
500,000	JPMorgan Fund ICVC - Global Consumer Trends Fund *	359,550	1.27	
250,000	New Star Investment Trust Plc	192,500	0.68	
525,400	Polar Capital Global Healthcare G & I Trust	543,789	1.92	

Portfolio Statement

continued

Holding	Security	Value £	% of Total Net Assets	
			2011	2010
Global Equity (continued)				
70,000	Polar Capital Global Healthcare G & I Trust - Sub Shs	7,000	0.02	
10,000	Veritas Funds Plc Global Income Fund	1,455,900	5.15	
60,000	Worldwide Healthcare Trust	417,000	1.48	
		<hr/>	<hr/>	<hr/>
		6,689,097	23.66	27.04
Japanese Equity				
325	GLG Japan Corealpha - P Income	426,075	1.51	
8	JO Hambro Capital Japan Fund - GBP	10	-	
1,550,000	Jupiter Japan Income Fund - H Income *	790,345	2.80	
		<hr/>	<hr/>	<hr/>
		1,216,430	4.31	4.08
Private Equity				
175,000	3i Group	490,175	1.73	
3,225,000	F&C Private Equity Trust Restricted Voting Shs	167,700	0.59	
130,000	Graphite Enterprise Trust	479,700	1.70	
250,000	Private Equity Investor Plc	430,000	1.52	
		<hr/>	<hr/>	<hr/>
		1,567,575	5.54	3.26
Property Equities				
750,000	TR Property Investment Trust - Sigma Ordinary Shares	648,750	2.29	
50,448	Thames River Real Estate Securities Fund 'B' GBP Inc	617,484	2.18	
		<hr/>	<hr/>	<hr/>
		1,266,234	4.47	2.18
United Kingdom Equity				
315,000	Aberforth Geared Capital & Income Trust	341,775	1.21	
65,000	Aberforth Smaller Companies Trust	436,475	1.54	
200,000	Artemis UK Special Situations - I Accumulation	771,680	2.73	
		<hr/>	<hr/>	<hr/>
		1,549,930	5.48	7.42
Structured Products				
850,000	BNP Paribas VolEdge Tracker Certificate 01/03/2013	233,470	0.83	
		<hr/>	<hr/>	<hr/>
		233,470	0.83	0.00
Total Value of Investments		27,005,673	95.53	96.54
Net Other Assets		1,263,279	4.47	3.49
Total Value of the Fund as at 30 April 2011		£28,268,952	100.00	100.00

All holdings are ordinary shares unless otherwise stated

*Collective Investment Scheme permitted under COLL, not listed on any exchange

Significant Portfolio Changes

for the Interim period ended 30 Apr 2011

Major purchases since 1 November 2010

	Cost
	£
M&G UK Inflation Linked Corp Bond - I - Inc	1,540,609
NB Global Floating Rate Income GBP	1,000,000
Schroder ISF EM DBT Absolute Ret - Inc	985,255
European Assets Trust NV Ordinary	756,139
Henderson Diversified Income Ltd	751,098
Other purchases	9,785,710
Total Purchases for the interim period	£14,818,811

Major sales since 1 November 2010

	Proceeds
	£
Henderson Strategic Bond Fund - I - Inc	443,918
Henderson Diversified Income Ltd	423,006
SR Europe Investment Trust Plc Ordinary 10p	393,358
Invesco Perpetual UK Smaller Cos Inv Tst Ord 100p	382,233
M&G Global Dividend - I - Inc	374,523
Other sales	3,181,406
Total Sales for the interim period	£5,198,444

Comparative Tables

Net Asset Values

	Income Shares		
	Net Asset Value £	No. of shares in issue	Net Asset Value Pence per share
2009*	5,731,188	4,285,166	133.75
2010	17,011,471	11,253,768	151.16
2011**	28,268,952	17,864,484	158.24

*From 18 February 2009

**As at 30 April 2011

Price History

The table below shows the highest buying and lowest selling prices on a calendar year basis in pence per share for the last five years. Past performance is not necessarily a guide to the future performance.

Year	Income Shares	
	Highest Buying	Lowest Selling
2009*	138.55	97.79
2010	157.38	137.92
2011**	158.91	153.99

*From 18 February 2009

**As at 30 April 2011

Distribution Record

Year	Income Shares
	Net revenue per share (pence)
2009*	1.3860
2010	2.0800
2011**	0.8197

*From 18 February 2009

**As at 30 April 2011

Total Expense Ratio

The Sub-Fund invests in collective investment schemes, the expenses incurred by these schemes in relation to the Sub-Fund (synthetic TER) are disclosed in the below table as other expenses together with direct expenses of the Sub-Fund.

Expense Type	30 April 2011	31 October 2011
Managers' periodic charge	1.50	1.50
Other expenses	0.98	1.29
Total expense ratios	2.48	2.79

* The total expense ratio is annualised based on the fees incurred during the accounting period.

Statement of Total Return

for the half year ended 30 April 2011

	30.04.11		30.04.10	
	£	£	£	£
Income				
Net capital gains		969,127		906,051
Revenue	226,392		142,991	
Expenses	(189,038)		(100,458)	
Finance costs: Interest	(111)		(26)	
Net revenue before taxation	37,243		42,507	
Taxation	(1,698)		–	
Net revenue after taxation		35,545		42,507
Total return before distributions		1,004,672		948,558
Finance costs: Distributions		(120,392)		(71,252)
Change in net assets attributable to shareholders from investment activities		£884,280		£877,306

Statement of Change in Net Assets Attributable to Shareholders

for the half year ended 30 April 2011

	30.04.11		30.04.10	
	£	£	£	£
Opening net assets attributable to shareholders		17,011,471		5,731,188
Amounts receivable on issue of shares	11,341,361	5,616,348		
Less: Amounts paid on cancellation of shares	(968,160)		(331,019)	
		10,373,201	5,285,329	
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		884,280		877,306
Closing net assets attributable to shareholders		£28,268,952		£11,893,823

Balance Sheet

as at 30 April 2011

	30.04.11		30.04.10	
	£	£	£	£
ASSETS				
Investment assets		27,005,672		16,418,149
Debtors	284,255		442,346	
Bank balances	1,199,370		361,207	
Total other assets		1,483,625		803,553
Total assets		£28,489,297		£17,221,702
LIABILITIES				
Creditors	(73,911)		(88,690)	
Distribution payable on Income shares	(146,435)		(121,541)	
Total other liabilities		(220,346)		(210,231)
Net assets attributable to shareholders		£28,268,952		£17,011,471

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 October 2010.

Directors' Statement

This report has been prepared in accordance with the requirements of the Financial Services Authority's Collective Investment Schemes Sourcebook and the Statement of Recommended Practice issued by the Investment Management Association.

S.A.King

S.D. Mathieson

Directors

Phoenix Fund Services (UK) Limited

27-May-11

Distribution table

for the half year ended 30 April 2011

Income Share Distribution

Final paid 30 June 2011

Shares	Net	Equalisation	Distribution 2011	Distribution 2010
Group 1	0.8197	—	0.8197	1.0000
Group 2	0.3015	0.5182	0.8197	1.0000

Further information

Interim: Group 1 - Shares purchase on 31 October 2010
Group 2 - Shares purchase on 1 November 2010 - 30 April 2011

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

General Information

Authorised Status

Hawksmoor Investment Management (the “Company”) is incorporated in England and Wales as an ICVC under registration number IC000729. The Shareholders are not liable for the debts of the Company.

The Company is authorised by the FSA as a NURS Scheme under the COLL Sourcebook and is an umbrella company for the purposes of the OEIC Regulations with each Fund being a NURS Scheme. The effective date of the authorisation order made by the FSA was 17 February 2009.

Head Office

Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Structure of the Company

Hawksmoor Investment Management is structured as an umbrella company. Provision exists for an unlimited number of sub-funds, and at the date of this Report one sub-fund, PFS Hawksmoor - The Vanbrugh Fund is authorised.

Classes of Shares

The Company can issue different classes of shares in respect of any sub-fund.

Holders of Income shares are entitled to be paid the income attributable to such shares in respect of each annual accounting period.

General Information

continued

Valuation Point

The Scheme Property of the Company and each Fund will normally be valued at 10am on each Dealing Day for the purpose of calculating the price at which Shares in the Company may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Fund at any time if it considers it desirable to do so, with the Depositary's approval.

Buying and Selling of Shares

The ACD will accept orders for the purchase and sale of shares on normal business days between 8:30am and 4:30pm. Instructions to buy or sell shares may either be in writing to:

PO Box 10380, Chelmsford, Essex, CM1 9JX

Or by telephone to:

0845 026 4283

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Pricing Basis

There is a single price for buying, selling and switching shares in a Fund which represents the Net Asset Value of the Fund concerned. The Share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of Shares are published daily on the Investment Management Association website at www.investmentuk.org and in the Financial Times. Neither, the ACD nor the Company can be held responsible for any errors in the publication of the prices. The Shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Simplified Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

General Information

continued

Risk Warning

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable. As a Sub-Fund is not a legal entity, if the assets of one Sub-Fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the Sub-Funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the Sub-Funds.



Phoenix Fund Services (UK) Ltd.

Registered in England No 6252939. Authorised and registered by the Financial Services Authority.