

PFS HAWKSMOOR THE VANBRUGH FUND

Interim short report 30 April 2011 (Unaudited)

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Fund Managers

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Auditors

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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

Fund Facts

Accounting and Distribution Dates

	Accounting	Distribution
Interim	30 April	30 June
Final	31 October	31 December

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

Performance Record

	Performance to 30 April 2011 (%)		
	6 Months	1 Year	Launch
Income Shares	4.7	7.7	58.2

The performance of the Fund is based on the net asset value per Income share.

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

Fund Facts

continued

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.

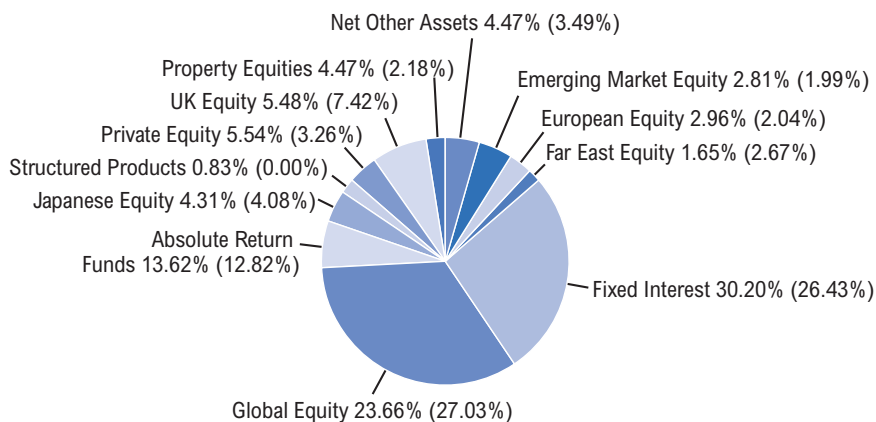
Risk warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and income from it can fall as well as rise and may be affected by exchange rate variations.

Fund facts

continued

Sector spread of investments at 30 April 2011



The figures in brackets show allocations at 31 October 2010.

Major Holdings

The top ten holdings at the end of each period are shown below.

Holding	% of Fund as at 30.04.11	Holding	% of Fund as at 31.10.10
AXA Fixed Int - US Short Duration		AXA Fixed Interest - US Short Duration	
Hi Yield Inc Net	5.51	Hi Yield Fund - Income Net	8.48
M&G UK Inflation Linked Corp Bond - I - Inc	5.50	Veritas Global Income Fund	6.49
Veritas Funds Plc Global Income Fund	5.15	Invesco Perpetual Global Equity Income Fund	5.57
Artemis Strategic Assets Fund - Ins	4.05	PFS TwentyFour - Monument Bond Fund - 'I' Income	4.60
PFS TwentyFour - Monument Bond Fund I Income	3.68	Legal & General Dynamic Bond 'I' - Income	3.90
Old Mutual Global Strategic Bond Fund B Income	3.64	Old Mutual Global Strategic Bond Fund 'B' - Income	3.78
Invesco Perpetual Global Equity Income Fund	3.64	Artemis Strategic Assets Fund	3.66
Cazenove Strategic Bond Fund X Class Inc Units	3.62	Thames River Real Estate Securities Fund 'B' - Income	3.28
Schroder ISF EM DBT Absolute Ret - Inc	3.58	Cazenove Strategic Bond Fund 'X' - Income	3.01
NB Global Floating Rate Income GBP	3.57	CF Eclectica Absolute Macro Fund 'C' - Accumulation	2.95

General information

Buying and selling 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 on 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.

Report and accounts

This document is a short report of PFS Hawksmoor Open Ended Investment Company for the year ended 31 October 2010. The full Report and Accounts for the Fund is available free of charge upon written request to Phoenix Fund Services (UK) Ltd, PO Box 10380, Chelmsford, Essex, CM1 9JX.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Risk Profile

The Fund is aimed at investors willing to meet the maximum investment requirements for whom the spread of risk through investment in a range of collective investment schemes (both regulated and unregulated) will be suitable. Investors in this Fund will be willing to accept a higher level of risk associated with investment in unregulated and/or geared funds. Investors will also be willing to accept the risk of exposure to volatile markets and the potential loss of some of all of their investment.



Phoenix Fund Services (UK) Ltd.

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