KESTREL SECTORFLEX FUND (A)

Minimum Disclosure Document

31 July 2024

INVESTMENT OBJECTIVE

The Kestrel SectorFlex Global Fund seeks to achieve long-term capital growth through a diversified portfolio that is at least 80% invested in equities, reflecting the sector composition of the MSCI All-Country World Index.

INVESTMENT UNIVERSE

In order to achieve its objective, the investments to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing securities, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy.

The Fund is a global fund with a flexible mandate to invest in a combination of liquid securities, money market instruments, interest bearing securities, bonds, debentures, equity securities, property securities, preference shares and convertible equities. The fund is actively managed and follows a market orientated investment approach towards equity valuation.

DISTRIBUTIONS*

The Fund is known as a Roll-Up Fund, meaning that income generated by the fund (such as dividends, interest or capital gains) is not distributed to the clients.

FUND INFORMATION

Portfolio Manager:	Ter'a Verte Fund Management
Launch Date:	1 May 2024
Issue Date:	19 November 2024
Portfolio Value	$ 18'621'552
NAV Price (at month end):	$ 99.78800
Category	Worldwide Multi Asset Flexible
Bloomberg Ticker:	IWMWFAU
ISIN:	MU0645S00004
Fund Benchmark:	80% of All-Country World Index 20% of USD 3Month Overnight Index Swap rate
Minimum Investment Amount:	$ 10,000
Valuation:	Weekly
Valuation Time:	16:00 Eastern time
Distributions:	Roll-Up Fund; see explanation*

FEE STRUCTURE

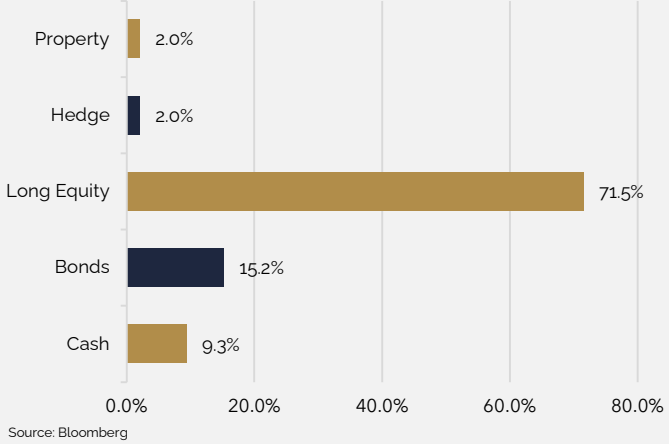
Annual Service Fee:		1.00%
Initial Advisory Fee (max):		0.00%
Annual Advice Fee (if applicable):		0.00% - 1.00%
Total Expense Ratio (TER):	Mar 23:	1.22%
Portfolio Transaction Cost:	Mar 23:	0.19%
Total Investment Charge (TIC):	Mar 23:	1.41%

PLEASE NOTE THAT PERFORMANCE WILL BE MADE AVAILABLE AFTER ONE YEAR

PORTFOLIO HOLDINGS

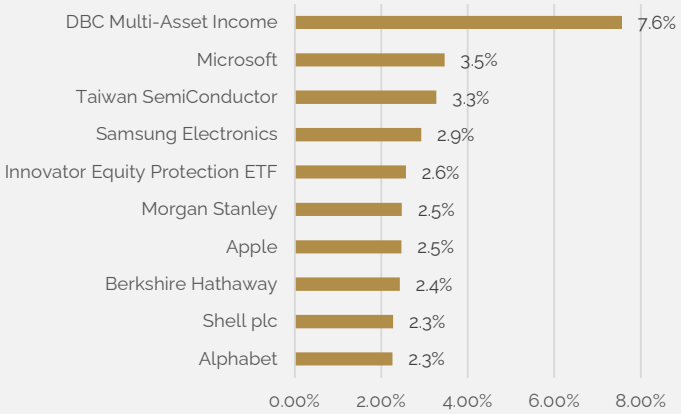
As at 31 July 2024

ASSET ALLOCATION



Source: Bloomberg

TOP EQUITY HOLDINGS

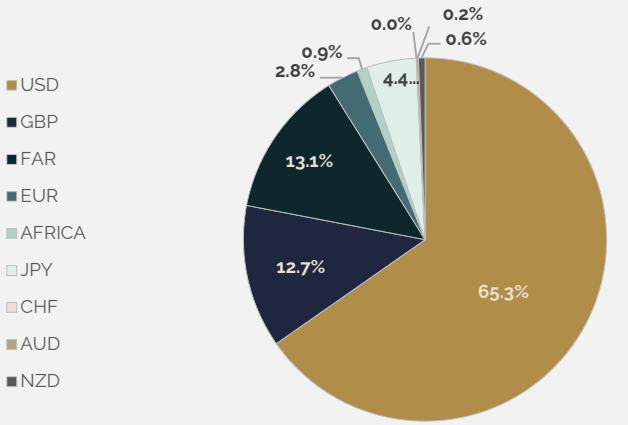


Net equity exposure in the Fund is 75.5% and Cash is at 9.3%.

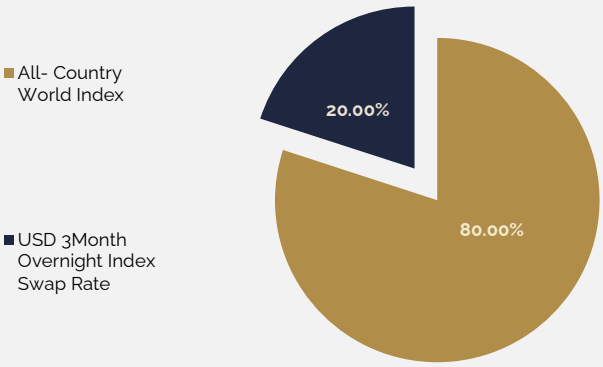
PORTFOLIO HOLDINGS CONTINUED

As at 31 July 2024

CURRENCY ALLOCATION



FUND BENCHMARK



PORTFOLIO MANAGER COMMENT

PORTFOLIO REVIEW

The US second quarter earnings season began this past month. As of the end of last week 75% of S&P 500 companies had reported with 78% of these companies reporting a positive earnings surprise. According to Factset data, the market has been rewarding positive earnings surprises less than average and punishing negative surprises by more than historical averages. Tech stocks especially suffered from this attitude toward the end of July and their share prices took a hit as investors contemplated whether massive AI spending will eat away at profits. This also coincided with a shift away from big Tech into small-cap stocks in anticipation of Fed rate cuts in the second half of this year. The Russel 2000 Index was up just over 10% for the month, while the S&P 500 was up just 1,2%.

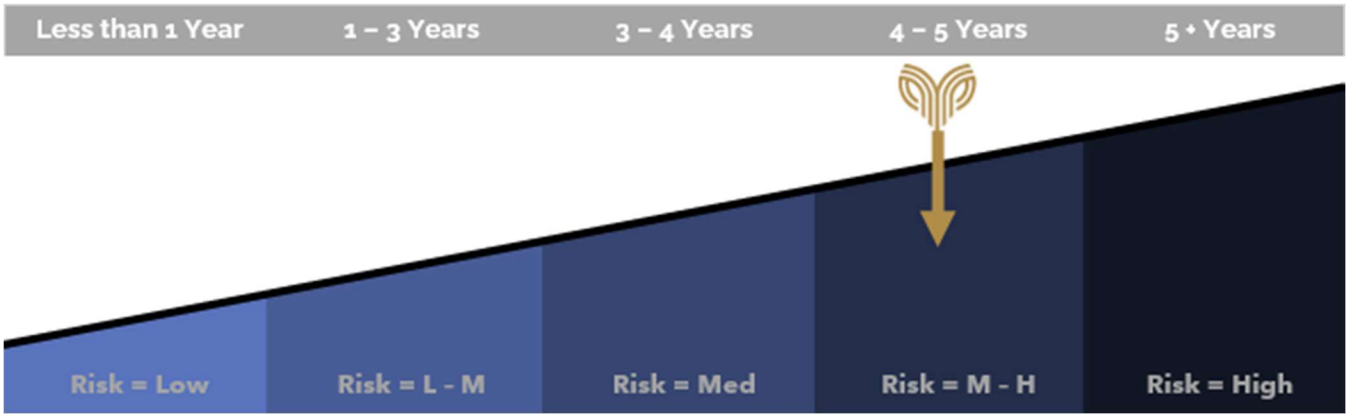
Feeding this rate cut narrative was a whole host of data. US CPI June readings came in lower than expected at 3% versus economist estimates of 3,1% and Jerome Powell went on record earlier this month saying the Fed wouldn't wait for 2% inflation to cut rates. Meanwhile the June employment report showed a steady labour market that is ever so slightly loosening. 206 000 jobs added were added in June, in line with expectations. The June JOLTS report also pointed toward the slowdown in the labour market being driven by reduced hiring rather than layoffs with the hiring rate falling to 3,4%, the lowest level since April 2020. At the FOMC meeting at the end of July, the Fed elected to leave rates unchanged but said that a rate cut in September is "on the table" provided inflation data continues to be encouraging.

And US politics also remained in the spotlight this month. After a disastrous general election debate at the end of June, Biden dropped out of the race this month and endorsed his current VP, Kamala Harris. Trump trades became a popular topic of discussion following a failed assassination attempt on the former president, which led to a surge in his support. Later, 'Harris trades' also gained attention, with the VP polling strongly against Trump after Biden stepped down.

Politics was also a dominant theme for Europe in July. After fourteen years at the helm, the UK's Conservative Party lost to the centre-left Labour Party who secured the largest majority government in 25 years. France's elections meanwhile resulted in a new, highly polarized political reality with no clear majority. Macron has promised not to step down and will presumably be in what is called a cohabitation with his left-wing allies to govern. This was quite a surprise, as political experts and polls had pointed toward a victory for the far-right National Rally. Turning to monetary policy, while the ECB kept rates unchanged this month, like the Fed, the central bank also pointed towards a September cut. And the BOE, who met on the 1st of August, in a widely expected move cut interest rates for the first time in more than four years as mounting evidence points toward inflation being tamed.

In an unexpected move, China made several major interest rate cuts after Chinese second quarter GDP growth fell to 4.7% which was below both economist forecasts and the government's 5% target. Adding insult to injury, the country's property woes continued with new home prices falling for the twelfth consecutive month. The Hang Seng Index was down 1.04% for the month. Asian markets overall fared poorly as both the Nikkei and Taiwan Indices also ended June in the red, down 1.2% and 3.6% respectively. Taiwan suffered from comments made by both Trump and Biden regarding foreign policies with Trump asserting that "Taiwan should pay for its own defence". Japanese shares, meanwhile, suffered their worst declines since 2020 when the BOJ unexpectedly lifted rates by 15 basis points. The yen strengthened as investors considered the possibility of more rate hikes.

RISK/REWARD PROFILE



MEDIUM – HIGH RISK

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long-term investment returns could therefore be higher than a medium risk portfolio.
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium to long term investment horizons.

PROJECTED TOTAL EXPENSE RATIO (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, the investment decisions of the investment manager and the TER. The TER and TIC calculations are based upon the portfolio's direct costs for the year ended 31 December 2023.

INVESTMENT MANAGER

Ter'aVerte Fund Management is an authorised CIS Manager – Licence C119024095.

- Additional information, including application forms, annual or quarterly reports can be obtained from Sanlam Trustees International, Mauritius.
- Valuation takes place weekly, and prices can be viewed on Bloomberg (Code: IWMWFAU)
- Actual annual performance figures are available to existing investors on request.
- Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

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