KESTREL SECTORFLEX FUND (A)

Minimum Disclosure Document

31 December 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:	20 January 2025
Portfolio Value	$ 16,229,534
NAV Price (at month end):	$ 99.91623
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

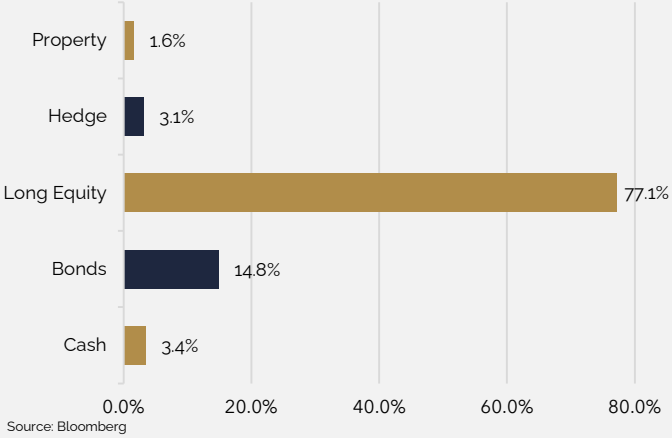
Annual Service Fee:		1.00%
Initial Advisory Fee (max):		0.00%
Annual Advice Fee (if applicable):		0.00% - 1.00%
Total Expense Ratio (TER):	Mar 23:	1.22%
Portfolio Transaction Cost:	Mar 23:	0.19%
Total Investment Charge (TIC):	Mar 23:	1.41%

PLEASE NOTE THAT PERFORMANCE WILL BE MADE AVAILABLE AFTER ONE YEAR

PORTFOLIO HOLDINGS

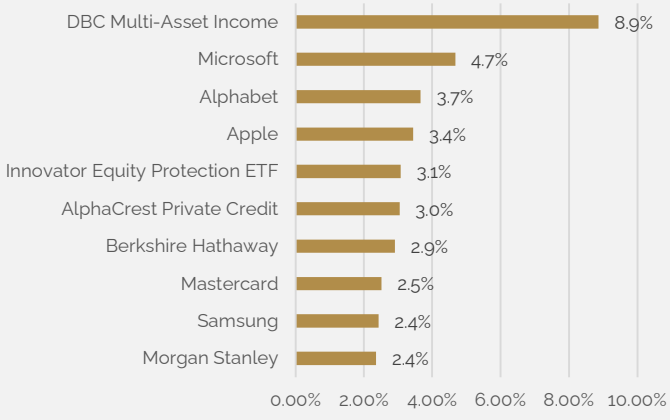
As at 31 December 2024

ASSET ALLOCATION



Source: Bloomberg

TOP EQUITY HOLDINGS

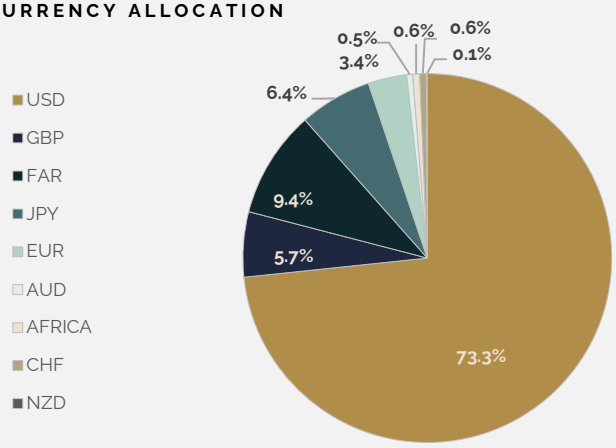


Net equity exposure in the Fund is 81.7% and Cash is at 3.4%.

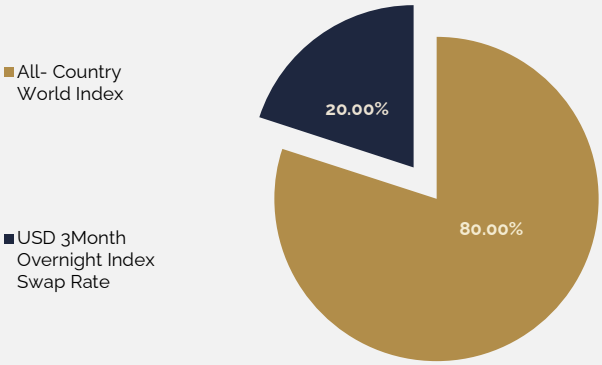
PORTFOLIO HOLDINGS CONTINUED

As at 31 December 2024

CURRENCY ALLOCATION



FUND BENCHMARK



PORTFOLIO MANAGER COMMENT

PORTFOLIO REVIEW

United States

There was no Santa rally waiting for investors under the Christmas tree this December. US markets ended 2024 on a four-day pullback that erased over $1 trillion in mega cap valuations after the Fed's December meeting. While delivering on a much-anticipated third consecutive rate cut, the quarterly forecasts from Fed members painted a more hawkish picture than investors were anticipating. The average Fed member now only anticipates 50 basis points worth of rate cuts in 2025, with markets not expecting the first cut until Q2/2025.

The NASDAQ eked out a small gain of 0.56%, aided by big tech, while the S&P 500 retreated by 2.39% for the month.

Despite the lack of Christmas cheer, the year was overall a stellar one for US equities. The S&P 500 hit 57 all-time highs in 2024 and notched gains of 25% for the year making 2024 the second-consecutive year of 20%+ gains for the index. The Magnificent Seven ended 2024 collectively 48.5% higher, including a 171.25% gain by Nvidia.

On the bond side, the hawkish tone struck at the December meeting saw a spike in bond yields, with the US ten-year ending the month (and thus the year) at 4.6%, the highest year-end mark for that rate since 2006. The spike in borrowing rates supported the US dollar, which was stronger against most major currencies for a second consecutive month.

Finally, turning to US economic data, November CPI rose 2.7% year-over-year in line with expectations. US GDP growth for the third quarter on the other hand surprised to the upside and was revised higher to 3.1% annualised (previously 2.8%), where economists had expected the forecast GDP would remain unrevised.

Europe

European markets also missed out on a Santa rally this year, recording a late-year sell-off, as investors worried about high valuations and the potential implications of a second Trump presidency. The Euro Stoxx 600 was down 0.43% for the month but ended the year with total gains of 9.62%.

December was a busy month for central banks in Europe with Switzerland cutting by 50 basis points, while Sweden's Riksbank trimmed its benchmark rate by 25 basis points. Norway and Britain's central banks meanwhile left their rates unchanged during their December meetings. The ECB announced a 25-basis point cut, its fourth cut for the year, taking the benchmark rate to 3%.

On the inflation front, the eurozone headline inflation reading for November came in at 2.2% compared to October's 2.0%. The UK also saw inflation rise in November to 2.6%, its highest level in eight months.

Asia-pacific

Emerging market shares fared better than the developed markets in December (MSCI EM -0.12% vs MSCI World -2.57%) but significantly underperformed for the full year (MSCI EM +7.97% vs MSCI World +19.22%). Chinese equities were the key to the emerging markets' December outperformance with the Hang Seng Index up 3.29% for the month, as the Chinese government continued to announce stimulus measures aimed at boosting lacklustre economic growth. The Hang Seng Index, despite its initial woes at the beginning of the year, notched impressive returns of 22.90% for 2024.

December was also kind to Japan's benchmark Nikkei Index with returns of 4.52% for the month. The index recorded total returns of 21.27% for the year.

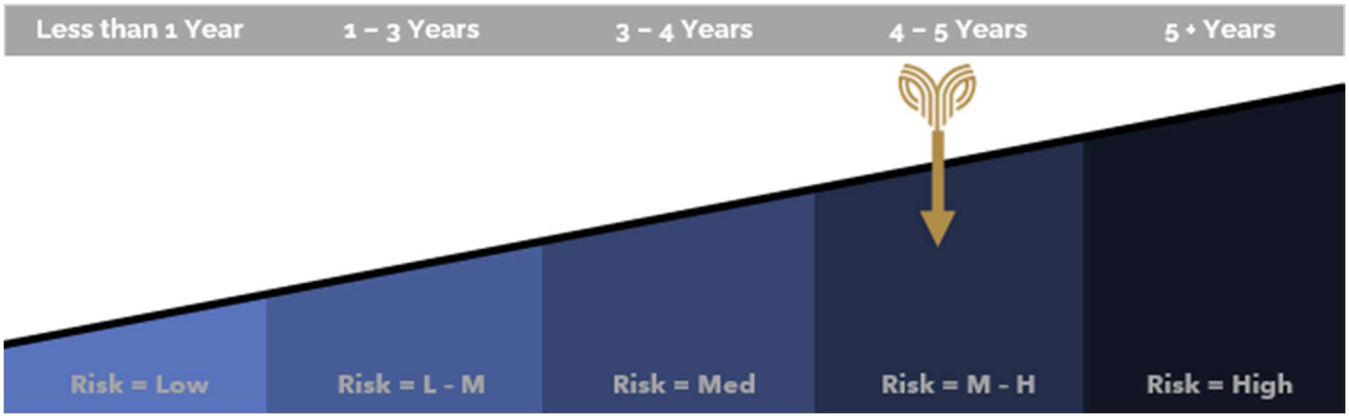
Japan's inflation also rose, slightly more than expected, in November, indicating a sustained uptick that could push the BoJ into raising rates early in 2025. November's CPI grew 2.9% year-over-year. At its last meeting of 2024, the BOJ kept rates unchanged as policymakers remained cautious over the country's economic outlook.

The month ahead

Americans have plenty of economic data and survey releases this month, including December CPI, University of Michigan Sentiment as well as jobs data like the change in nonfarm payrolls and the unemployment rate which will be closely watched this Friday, 10/01. Capping off the month is the FOMC meeting and the Fed rate decision. In terms of non-economic events this month, the biggest is undoubtedly President-elect Trump's inauguration on the 20th.

Chinese 4th quarter GDP growth will be released on the 17th when we will learn whether the sharp ramp up in policy stimulus since late September provided the push needed for economic growth to reach the government's target of around 5% for 2024.

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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