KESTREL SECTORFLEX FUND (A)

Minimum Disclosure Document

31 January 2025

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:	12 February 2025
Portfolio Value	$ 16,632,934
NAV Price (at month end):	$ 102.81751
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

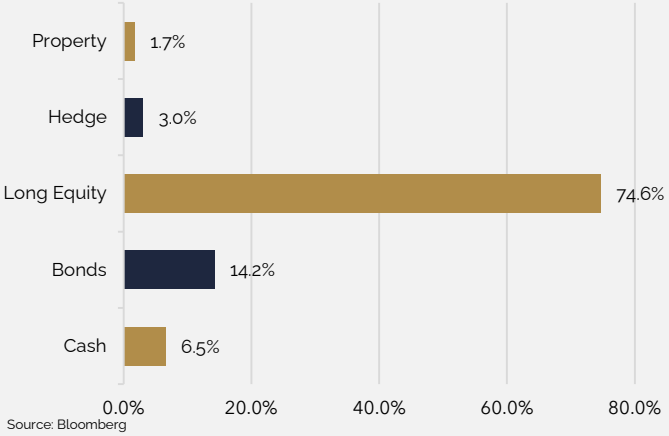
Annual Service Fee:		1.00%
Initial Advisory Fee (max):		0.00%
Annual Advice Fee (if applicable):		0.00% - 1.00%
Total Expense Ratio (TER):	Mar 23:	1.22%
Portfolio Transaction Cost:	Mar 23:	0.19%
Total Investment Charge (TIC):	Mar 23:	1.41%

PLEASE NOTE THAT PERFORMANCE WILL BE MADE AVAILABLE AFTER ONE YEAR

PORTFOLIO HOLDINGS

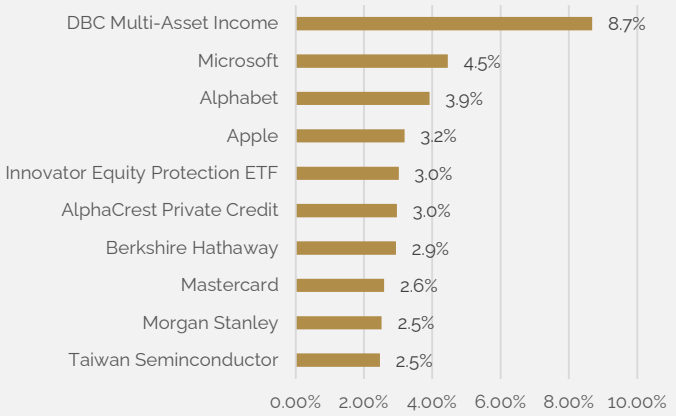
As at 31 January 2025

ASSET ALLOCATION



Source: Bloomberg

TOP EQUITY HOLDINGS

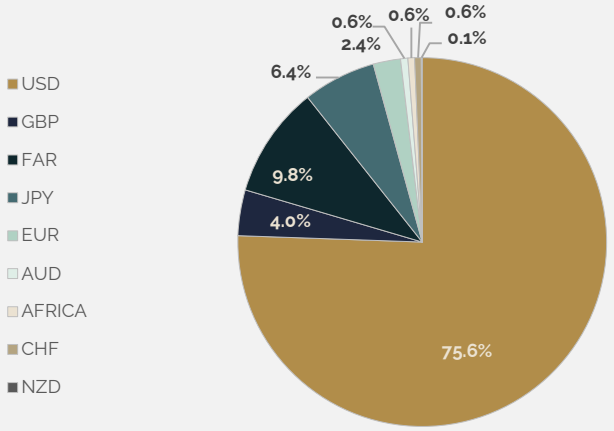


Net equity exposure in the Fund is 79.3% and Cash is at 6.5%.

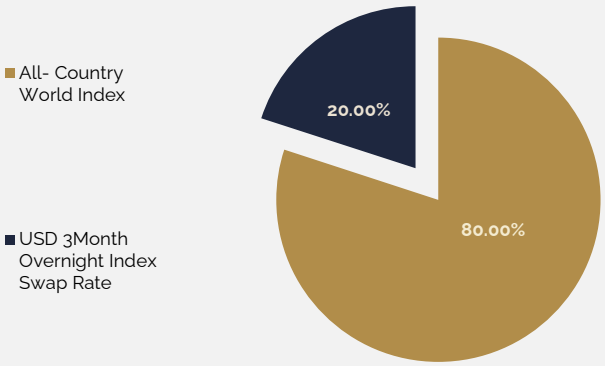
PORTFOLIO HOLDINGS CONTINUED

As at 31 January 2025

CURRENCY ALLOCATION



FUND BENCHMARK



PORTFOLIO MANAGER COMMENT

PORTFOLIO REVIEW

January 2025 has been a dynamic month across global markets, driven by significant political events in the United States, a disruptive technological development in the artificial intelligence (AI) space, and mixed economic data internationally.

United States

Political and Regulatory Developments

Presidential Transition:

On January 20, President Trump assumed office as the 47th president of the United States. His early days in office have been marked by a flurry of executive activity.

Executive Orders:

In less than two weeks, 38 executive orders were issued. These ranged from controversial measures — such as pardons related to the January 6th events and withdrawing from key international agreements (WHO and the Paris Climate Accord) to actions declaring a national emergency at the southern border.

Reversals and Challenges:

The administration also rescinded 78 executive actions from the previous administration. Several of these new orders have faced legal challenges, including a lawsuit by attorneys general from 22 states over an order affecting birthright citizenship, and disputes concerning executive actions related to federal employment.

Market Reactions and Economic Data

Tariff Speculation:

Market sentiment has fluctuated with speculation over potential tariff increases. The threat of harsher tariffs initially boosted US companies and the dollar; *however*, once expectations moderated, the impact reversed.

Earnings Season Highlights:

The final week of January saw 41% of the S&P 500 reporting earnings, including tech giants like Microsoft, Apple, and Meta.

Apple reported a boost in services revenue & Meta and Microsoft maintained aggressive investment plans in AI infrastructure (cumulatively nearing $150 billion for their respective fiscal years), though Microsoft continued to face downward pressure due to disappointing cloud sales.

Macroeconomic Indicators

Inflation and Employment:

December's Consumer Price Index (CPI) was 2.9% year-over-year, matching expectations. Unemployment for December registered at 4.1%, slightly below market expectations, which, along with rising bond yields, led to short-term market declines.

GDP and Consumer Spending:

US GDP in Q4 grew at 2.3% year-over-year, falling short of the 2.6% consensus. Despite softer GDP growth, consumer spending remained robust with Personal Consumption Expenditures (PCE) rising at 4.2% annually.

Market Shock from DeepSeek:

A relatively small Chinese AI startup, DeepSeek, made a significant impact by launching a cost-efficient AI assistant. DeepSeek's model reportedly uses Nvidia's H800 chips at a training cost of less than $6 million (according to the developers) and operates 20 to 50 times cheaper than leading models like OpenAI's. The announcement resulted in a dramatic market reaction, wiping over $500 billion from Nvidia's market cap. Although major tech shares (including Microsoft and Meta) initially suffered, opinions among executives suggest that DeepSeek's efficiency could ultimately drive increased demand for AI infrastructure.

Europe & United Kingdom

Market Performance:

European markets have quietly outperformed US counterparts for the second consecutive month. The Euro Stoxx 600 recorded total returns of 6.38% for January compared to the US indices: Dow Jones: 4.78%; S&P 500: 2.78%; Nasdaq: 1.66%.

Key Drivers:

Valuation and Earnings: Positive earnings reports and more attractive valuations have supported market gains. European markets benefited from reduced concerns over US tariff aggressiveness. President Trump's pledge to ensure liquefied natural gas supplies to Europe helped stabilize energy markets.

Economic Data:

Inflation in the eurozone is moderating, with France and Spain meeting forecasts. However, growth concerns persist, as seen with contractions in Germany (–0.4% YOY) and France (–0.7% YOY), and muted growth in Italy (0.5% YOY). Spain, by contrast, reported a robust 3.5% growth rate in Q4 2024. In response to mixed economic signals, the European Central Bank (ECB) cut rates by 25 basis points, noting improved inflation control, though this decision led to a slight depreciation of the euro. The Bank of England is expected to follow a similar easing path, with indications of potential rate cuts in February amid prolonged economic stagnation and persistent inflation pressures.

Asia-Pacific

China

Inflation and Policy Response:

Full-year 2024 CPI growth was a meagre 0.2%, reflecting sustained disinflationary pressures. In response, Chinese policymakers have introduced multiple stimulus measures, including significant investments by state-owned insurers aimed at stabilizing the stock market and broader economy.

Japan

Market and Policy Developments:

Japan's stock market saw a monthly decline of 0.74%. The Bank of Japan (BOJ) implemented a long-anticipated interest rate increase in January and revised upward its inflation forecasts. Future expectations include at least one more quarter-point rate hike later in the year, contingent on economic and inflation trends.

Hong Kong and the Broader Asia-Pacific

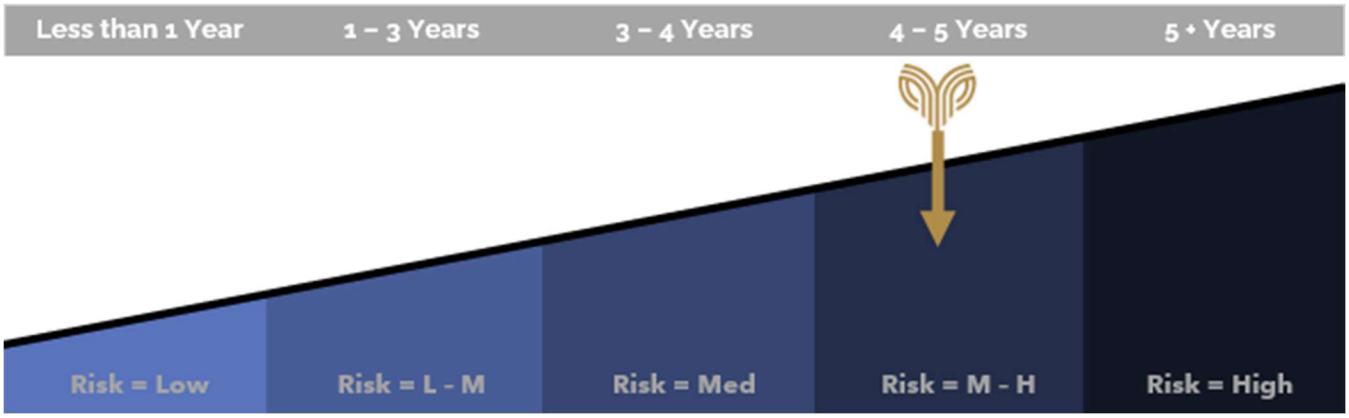
The Hang Seng index returned 1.20% for the month. While most countries in the region continue grappling with inflation, divergent monetary policies and stimulus measures suggest a varied outlook for investors.

Conclusion and Outlook

January 2025 has underscored the complexity of global markets, where political developments, policy shifts, and technological disruptions are interwoven with economic data and corporate performance.

US Markets remain highly sensitive to executive actions and tariff speculations, though robust consumer spending offers a cushion. Some of the economic releases to look forward to in February includes the US Trade balance, minutes from the FOMC meeting which may provide investors with more insight into the Fed's path forward. European markets are benefiting from attractive valuations and easing inflationary pressures, even as economic growth remains uneven. Asia-Pacific regions are witnessing divergent trends: China's stimulus efforts contrast with Japan's tightening monetary policy.

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.

MANAGEMENT COMPANY & TRUSTEE INFORMATION

Sanlam Trustees International, Mauritius
Labourdonnais Village, Mapou, Riviere du Rempart,
31803, Mauritius
Tel: +23 (0) 266 5000
Fax: +23 (0) 266 5001
Email: info@teraverte.mu

CUSTODIAN INFORMATION

Swissquote Bank
Löwenstrasse 62, Zürich,
8001, Switzerland
Tel: +41 (0) 44 825 8991
Fax: +41 (0) 44 825 8846
Email: marcel.weber@swissquote.ch
stefan.kinlimann@swissquote.ch

REPRESENTATIVE OFFICE

Sanlam Collective Investments
55 Willie van Schoor Drive, Bellville
7532, South Africa

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