KESTREL SECTORFLEX FUND (A)

Minimum Disclosure Document

28 February 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:	17 March 2025
Portfolio Value	$ 16,421,051
NAV Price (at month end):	$ 101.51420
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

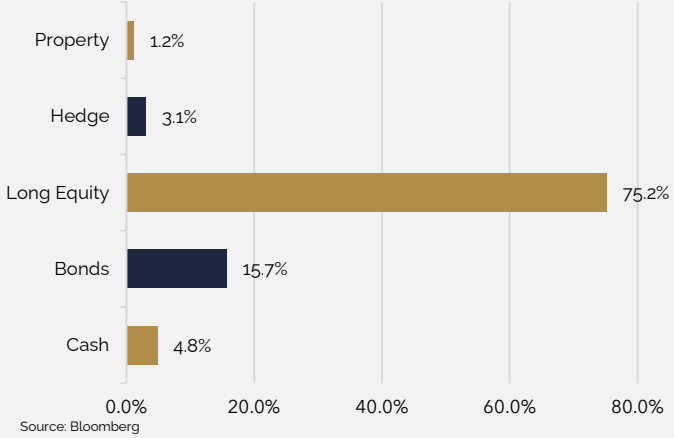
Annual Service Fee:		1.00%
Initial Advisory Fee (max):		0.00%
Annual Advice Fee (if applicable):		0.00% - 1.00%
Total Expense Ratio (TER):	Mar 23:	1.22%
Portfolio Transaction Cost:	Mar 23:	0.19%
Total Investment Charge (TIC):	Mar 23:	1.41%

PLEASE NOTE THAT PERFORMANCE WILL BE MADE AVAILABLE AFTER ONE YEAR

PORTFOLIO HOLDINGS

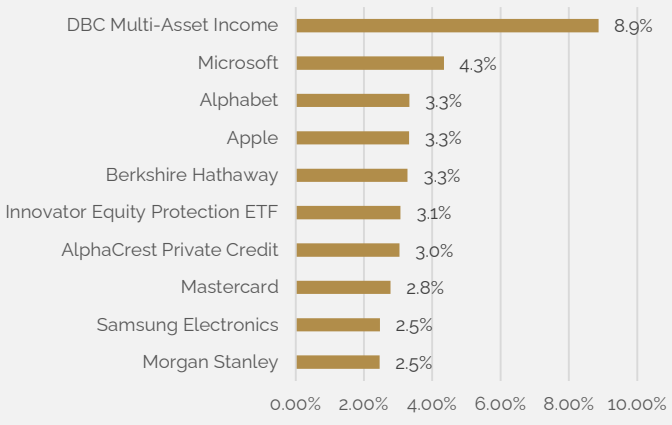
As at 28 February 2025

ASSET ALLOCATION



Source: Bloomberg

TOP EQUITY HOLDINGS

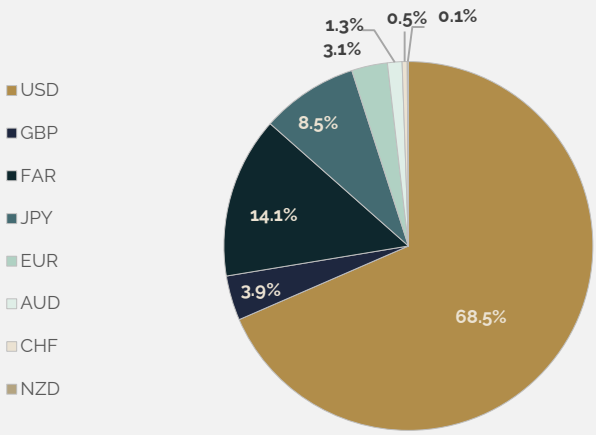


Net equity exposure in the Fund is 79.5% and Cash is at 4.8%.

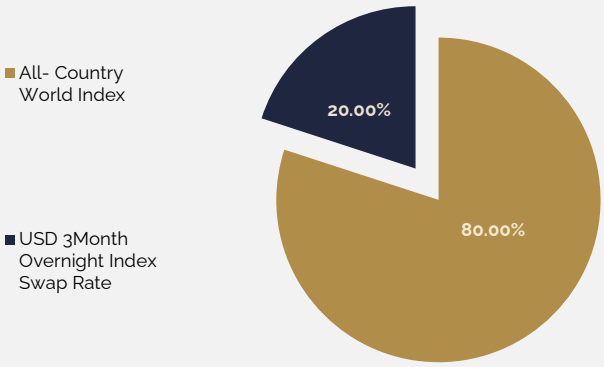
PORTFOLIO HOLDINGS CONTINUED

As at 28 February 2025

CURRENCY ALLOCATION



FUND BENCHMARK



PORTFOLIO MANAGER COMMENT

PORTFOLIO REVIEW

February was a rollercoaster month for global markets, driven largely by trade tensions sparked by new US tariff announcements.

United States

A. Tariff Chaos & Market Reactions

The month kicked off with President Trump announcing a 25% tariff on imports from Mexico and Canada, except for Canadian energy, which will face a 10% tariff. An additional 10% tariff was also imposed on Chinese goods.

In response:

- Canada retaliated with 25% tariffs on selected US goods.
- Mexico signaled that it would announce its own counter-tariffs soon.
- The US tariffs included a clause allowing for further increases if foreign countries retaliated, raising fears of an escalating trade war.

The impact was immediate. The Canadian dollar fell to a 10-year low, and the Mexican peso weakened. US stocks initially fell in pre-market trading but recovered by late morning after the US and Mexico reached a deal to delay the tariffs for a month. Canada secured a similar delay later that day after a phone call between Trump and Canadian Prime Minister Trudeau, following agreements from both countries to strengthen border security.

China, however, did not get a delay. Instead, it retaliated with 10%-15% tariffs on key US exports, including coal, crude oil, and farm equipment, and launched an anti-trust investigation into Google. China also restricted exports of rare earth materials like tungsten and tellurium, vital components in tech and manufacturing.

Midway through the month, Trump ordered his economic team to explore 'reciprocal tariffs' on all countries taxing US imports. While this raised concerns, the directive only called for an investigation, meaning no new tariffs were imposed immediately. This temporary relief helped lift global markets slightly.

As the month wrapped up, Trump confirmed that tariffs on Canada and Mexico were 'on time and on schedule', despite both countries meeting his demands on border security and drug control. He also reiterated his plan to hit Chinese goods with another 10% tariff, and hinted at a 25% tariff on EU imports, especially cars. This came with sharp remarks that "The European Union was formed to screw the United States", further rattling markets.

B. Earnings Season: Strong Growth Amid Trade Worries

Despite all the tariff uncertainty, earnings season delivered impressive results:

- 90% of S&P 500 companies reported Q4 results, with earnings growing 17.8%, the best pace since 2021.
- Annual revenue growth reached nearly 5%, exceeding expectations.
- However, tariffs remained a key topic, with half of all companies mentioning them in earnings calls.

C. Market Performance: Mixed Results

Even with strong earnings, the S&P 500 struggled due to:

- The ongoing Big Tech correction
- Tariff fears
- Concerns over a US economic slowdown

By the second-to-last day of February, the S&P 500 was flat year-to-date (-0.16%). However, stocks rallied last Friday, pushing the index up 1.60% in a single day, bringing **the year-to-date return to 1.44** — still significantly lower than the **EURO STOXX's 10.03% gain**.

D. Consumer Confidence Drops

Signs of economic strain are starting to emerge. US consumer confidence fell sharply this month, marking its biggest drop since August 2021. While markets initially surged after Trump's election victory in November, expecting pro-business policies, concerns over tariffs and trade wars have since dampened optimism and weighed on stock market performance.

Europe & United Kingdom

A. A Mixed Bag of Strong Stocks & Economic Challenges

European stocks had a solid run for most of February, driven by strong corporate earnings and rising defence spending. However, not all sectors thrived.

- The European aerospace and defense sector surged 8% last week, thanks to German arms manufacturers rallying after Germany's conservative party won the national election. Investors are optimistic about higher military spending, giving defense stocks a strong boost.
- The European auto sector took a hit after Trump threatened tariffs on EU car imports. This came on top of earlier bad news—a 2.6% drop in passenger car sales year-over-year, further dampening sentiment in the industry.

Economic data, however, painted a less optimistic picture:

- Germany managed to return to growth after two years of stagnation.
- France, in contrast, saw a sharp and accelerated decline in economic activity.
- The rest of the Eurozone maintained a "solid" expansion, but manufacturing struggled — production dropped for the 23rd consecutive month.
- Rising business input costs are also complicating the European Central Bank's (ECB) rate cut plans, as they try to balance stimulating growth without worsening inflation.

Across the Channel, the UK faced a similar dilemma — weak economic growth but inflation still above target. In response, the Bank of England (BoE) cut interest rates by 25 basis points at the start of February.

Despite these economic hurdles, European stocks are outperforming their US counterparts. The EURO STOXX 600 is up significantly year-to-date, outpaced only by the explosive rally in Hong Kong stocks.

Asia-Pacific

A. China

DeepSeek's AI model has reignited excitement in Chinese tech stocks, sending Alibaba and others soaring.

Global investors have poured $1.3 trillion into Chinese equities. The Shanghai Shenzhen Index was up 2.5% for the month.

B. Japan

Japan Struggles as inflation pressures mount, with the Nikkei Index is down 5.41% this year, weighed down by a stronger yen and concerns over rising inflation.

Japan's core inflation hit 3.2% in January, the highest in 19 months, fuelling speculation that the Bank of Japan (BOJ) may hike interest rates again this year. For nearly three years now, inflation has remained above the BOJ's 2% target, leading to growing confidence that Japan is finally moving away from its decades-long battle with deflation.

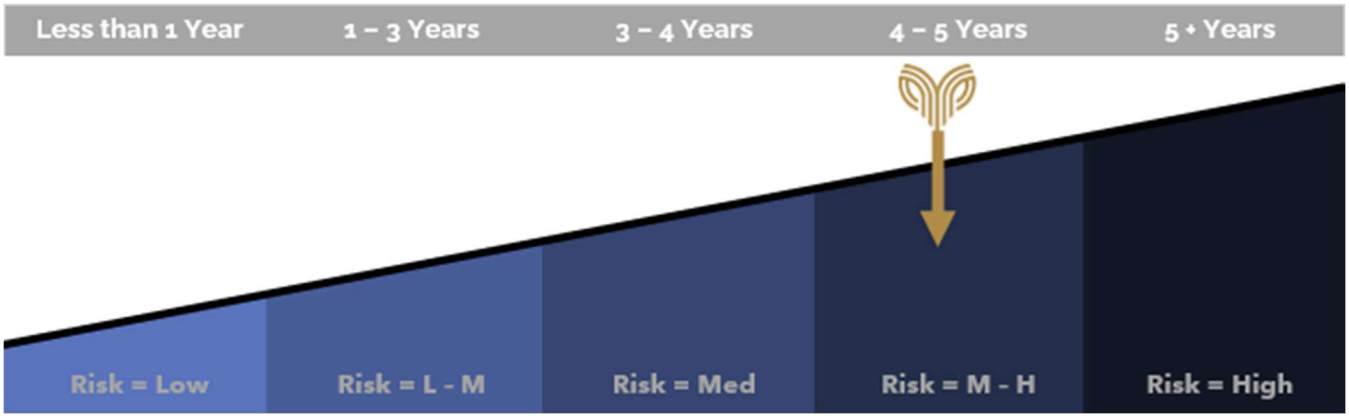
C. Hong Kong and the Broader Asia-Pacific

The Hang Seng Index posted its longest streak of weekly gains in nearly a year, defying concerns over geopolitical tensions and trade wars. The index delivered an impressive **13.4% gain** in February.

Conclusion and Outlook

With trade tensions, interest rate decisions, and tech breakthroughs all in play, March promises to be another eventful month for global markets.

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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