# KESTREL SECTORFLEX FUND (A)

Minimum Disclosure Document

**31 December 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. The portfolio has adhered to its investment policy objective.

## 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: | 30 January 2026 |
| Portfolio Value: | $ 14,796,826 |
| Number of Units: | 126,257 |
| NAV Price (at month end): | $ 117.19589 |
| Category: | Worldwide Multi Asset Flexible |
| Bloomberg Ticker: | IWMWFAU |
| ISIN: | MU0645S00004 |
| Fund Benchmark: | 80% of All-Country World Index<br>20% of USD 3Month Overnight Index Swap rate |
| Minimum Investment Amount: | $ 10,000 |
| Valuation: | Daily |
| Valuation Time: | 16:00 Eastern time |
| Distributions: | Roll-Up Fund; see explanation* |

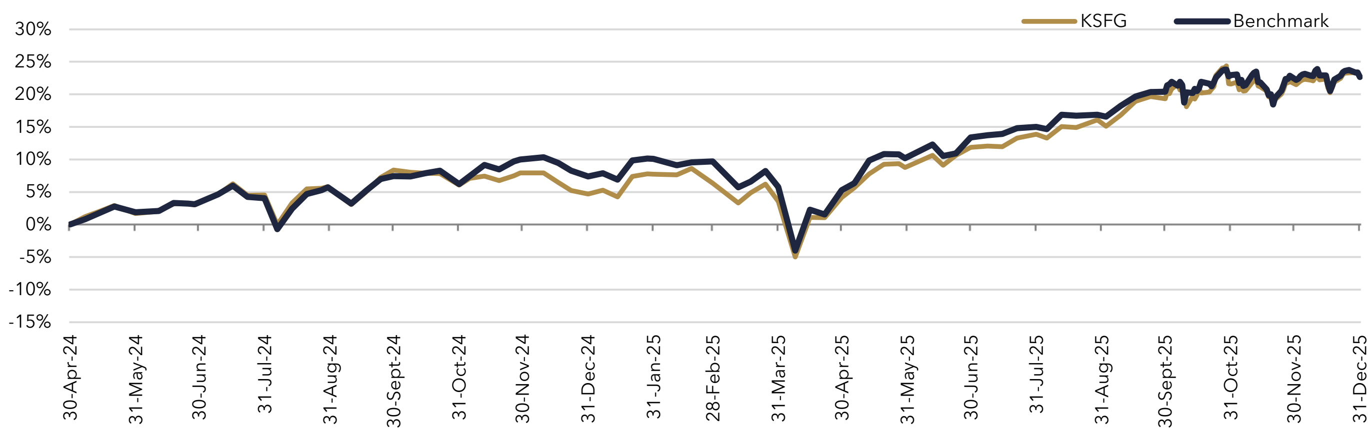
## FEE STRUCTURE

| | | |
|---|---|---|
| Annual Service Fee: | | 1.00% |
| Initial Advisory Fee (max): | | 0.00% |
| Annual Advice Fee (if applicable): | | 0.00% - 1.00% |
| Total Expense Ratio (TER): | Sep 25: | 1.22% |
| Portfolio Transaction Cost: | Sep 25: | 0.20% |
| Total Investment Charge (TIC): | Sep 25: | 1.42% |

## MONTHLY RETURNS

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2025 | 2.90% | -1.27% | -2.62% | 0.55% | 4.46% | 2.86% | 1.76% | 1.96% | 2.78% | 1.91% | 0.32% | 0.67% | 17.29% |
| 2024 | - | - | - | - | 1.69% | 1.29% | 1.50% | 1.23% | 2.42% | -2.14% | 1.77% | -3.03% | 4.69% |

## CUMULATIVE PERFORMANCE




Source: Bloomberg

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## ANNUALISED PERFORMANCE

| | 1 Year | Since Inception |
|---|---|---|
| Kestrel SectorFlex Fund A | 17.29% | 22.79% |
| Benchmark * | 14.25% | 22.68% |

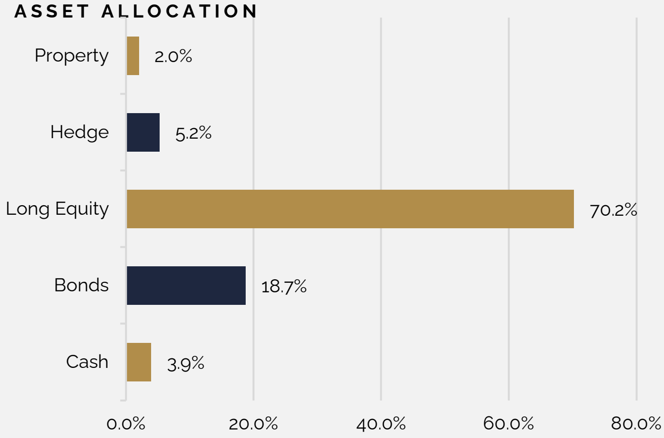
## HIGHEST & LOWEST

| | Fund | | Benchmark | |
|---|---|---|---|---|
| Best Month | May 25 | 4.5% | May 25 | 4.7% |
| Worst Month | Dec 24 | -3.0% | Mar 25 | -3.6% |

## PORTFOLIO HOLDINGS

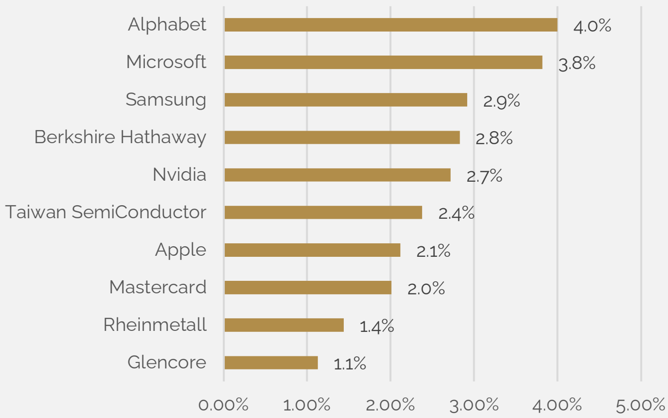
As at 31 December 2025

### ASSET ALLOCATION



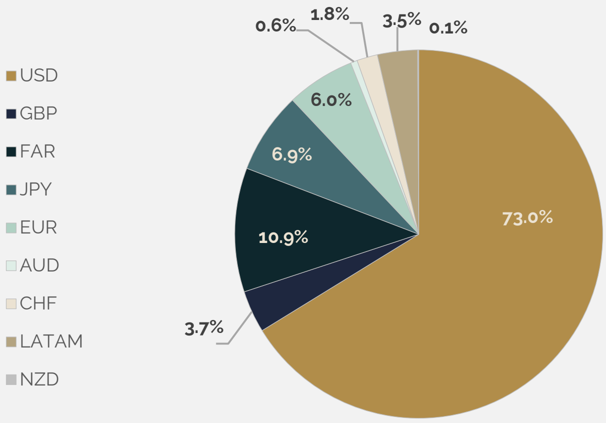

Source: Bloomberg

### TOP EQUITY HOLDINGS

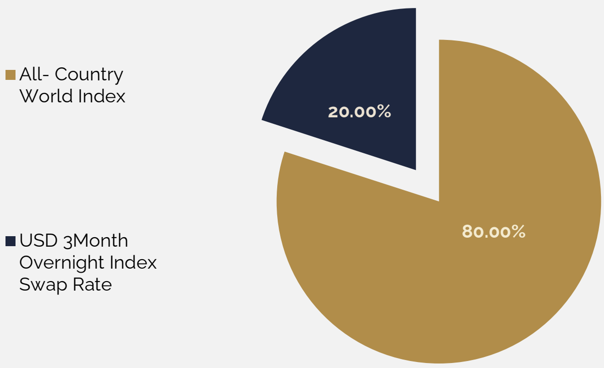



**Net equity exposure in the Fund is 77.4% and Cash is at 3.9%.**

### CURRENCY ALLOCATION




### FUND BENCHMARK




## ANNUALISED RISK VS. RETURN ANALYSIS


Source: Bloomberg

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## PORTFOLIO MANAGER COMMENT & PORTFOLIO REVIEW

***Happy New Year!***

**United States**

As the year ended, data releases by the US government clarified some trends while raising new questions, as the US economy continues to give mixed signals.
Private payroll data from ADP showed that the US shed 32,000 private-sector jobs in November, the largest decline since early 2023. The losses were concentrated among small businesses, while larger firms continued to add workers, albeit at a slower pace. Official labour data was distorted by the recent government shutdown, making interpretation more difficult. The economy added 64,000 jobs in November, following a revised loss of 105,000 jobs in October. Statistical agencies were largely dark from October 1 to November 12 and were unable to collect, process and analyse data. As such, the BLS did not release a separate jobs report for October. Values for October relied on a statistical weighting process. Unemployment rose to 4.6% in November, a four-year high. Initial unemployment claims also jumped by the largest amount since 2020.
Despite labour market weakness, inflation data provided relief. Headline inflation for November fell to 2.7%, compared to the last published reading for September which stood at 3.0%, whilst consensus had been for a rise to 3.1%.
And the third quarter GDP report, which had also been delayed, was better than expected too. The US economy grew 4.3% annually between July and September, outpacing forecasts of 3.2% and well above the second quarter's 3.8% expansion.
The Fed during its last meeting of the year chose to lower interest rates again, delivering a 25-basis point cut, in a continued effort to keep the labour market intact, despite dissents from some members who felt that the central bank should prioritise the higher cost of living instead. US equities rallied after the Fed delivered its third consecutive rate cut.
Overall, the US equity markets closed out the year in the green, despite the lack of a Santa Claus rally. The **S&P 500** was **up 17.86%** for the year, while the **Nasdaq** Composite generated total returns of **21.17%**. This belies the extreme volatility that infused markets this year. The S&P 500 plunged into a correction shortly after President Trump unveiled his swathe of tariffs this spring, before clawing its way back into the green, and wrapping the year with an above-average return.

**Europe & UK**

The ECB ended the year with no change to interest rates, leaving the deposit rate at 2.00%. This marked the fourth consecutive meeting without a rate move, and the decision was unanimous. The central bank reiterated that policy is in a "good place" and revised its medium-term growth forecasts higher, projecting GDP growth of 1.2% in 2026 and 1.3% in 2027. These upgrades reflect stronger-than-expected domestic demand, resilience to potential US tariffs, and upside surprises in private investment, particularly in artificial intelligence–related sectors.
European equities also closed out the year in a "good place", with the **EURO Stoxx 600 up 20.65%** and just shy of all-time highs set the day before. This was the biggest annual percentage gains for European shares in four years thanks to lower interest rates, German fiscal support and a rotation away from over-priced areas of the market.

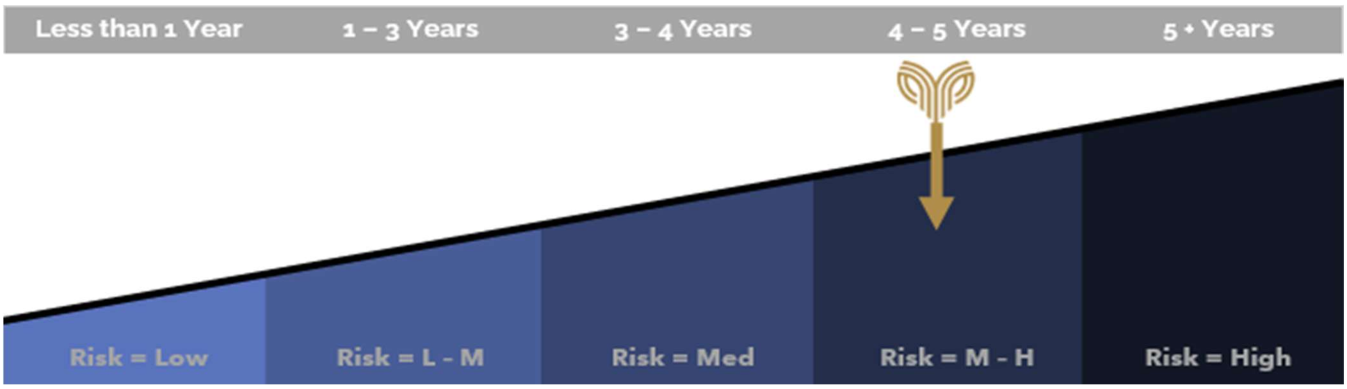
**Asia-Pacific**

Economic data for October revealed that China's manufacturing activity declined more than expected, contracting to its lowest level in six months. Despite this, China recorded an annual trade surplus exceeding $1 trillion for the first time in November. Exports in November rose 5.9% year-on-year; although shipments to the United States plummeted by 29% — marking the eighth consecutive month of double-digit declines — strength in other regions more than offset this weakness. Specifically, exports to the European Union rose by 15%, while shipments to Africa and Southeast Asia increased by 28% and 8.4%, respectively, driven by robust global demand for Chinese semiconductors and vehicles.
However, this export boom is a double-edged sword. While a weak currency has enhanced China's competitiveness abroad, it has restricted domestic purchasing power, reinforcing the country's dependence on foreign demand. Trade tensions remain elevated, with France reportedly considering tariffs if imbalances persist, and Mexico's congress approving tariffs on several Asian nations, including China, in early December to bolster domestic production.
Despite Chinese equity markets dipping 1.6% in December, market sentiment improved significantly over the course of 2025. The narrative shifted from a perception of deflation and economic slowdown toward one of innovation and "hard-core" technological breakthroughs. For the full year, the Hang Seng Index delivered impressive total returns of 32.50%.

**The month ahead**

Entering January 2026, global markets are navigating a landscape defined by policy implementation and technological transition. The primary focus remains the formal execution of U.S. trade mandates, which has introduced a layer of defensive positioning across global supply chains. However, this is balanced by renewed optimism in the semiconductor and AI infrastructure sectors, particularly in North Asia, as corporate earnings guidance for the new year remains robust.
In the West, the Federal Reserve's trajectory appears increasingly data dependent as officials weigh persistent growth against inflationary pressures from new fiscal regimes. Investors are currently prioritizing high-quality growth assets and markets with strong domestic policy buffers — such as Japan and South Korea — anticipating that innovation-led sectors will continue to decouple from broader macroeconomic volatility throughout the first quarter.
As we move into 2026, the **commodities** market is expected to be a primary site of volatility, reflecting the tension between shifting trade regimes, high-intensity technology demand, and major geopolitical upheavals.

## 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.

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## RISK STATISTICS

| Annualised Volatility | Fund | Benchmark |
|---|---|---|
| Year-on-Year | 7.12% | 6.65% |
| Since Inception | 4.77% | 4.80% |

| Maximum Drawdown | Fund | Benchmark |
|---|---|---|
| Year-on-Year | 12.51% | 12.95% |
| Since Inception | 12.51% | 12.95% |

## 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 30 June 2025.

## 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 Graphite Financial Solutions, Mauritius.
- Valuation takes place daily, 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

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## REPRESENTATIVE OFFICE

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