



KESTREL SECTORFLEX GLOBAL FUND (A)

Minimum Disclosure Document

31 July 2026

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.

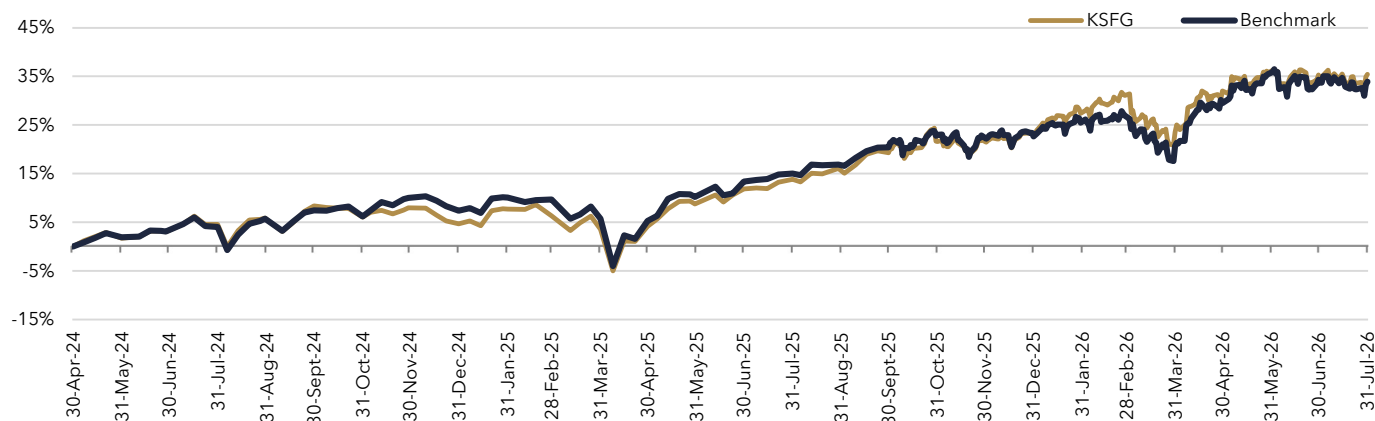
DISTRIBUTIONS*

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.

MONTHLY RETURNS

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2026	3.73%	2.90%	-5.79%	6.89%	2.87%	-0.37%	0.10%						10.27%
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

FUND INFORMATION

Portfolio Manager:	Ter'a Verte Fund Management
Launch Date:	1 May 2024
Issue Date:	25 August 2026
Portfolio Value:	\$ 14,410,968
Number of Units:	111,509
NAV Price (at month end):	\$ 129.23643
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:	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):	Jun 26: 1.20%
Portfolio Transaction Cost:	Jun 26: 0.20%
Total Investment Charge (TIC):	Jun 26: 1.40%



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ANNUALISED PERFORMANCE

	1 Year	Since Inception
Kestrel SectorFlex Fund A	18.93%	35.40%
Benchmark *	16.46%	33.91%

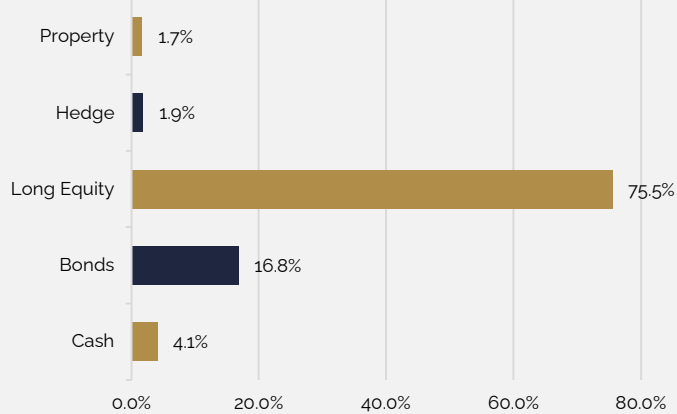
HIGHEST & LOWEST

	Fund		Benchmark	
Best Month	Apr 26	6.9%	Apr 26	7.3%
Worst Month	Mar 26	-5.8%	Mar 26	-4.9%

PORTFOLIO HOLDINGS

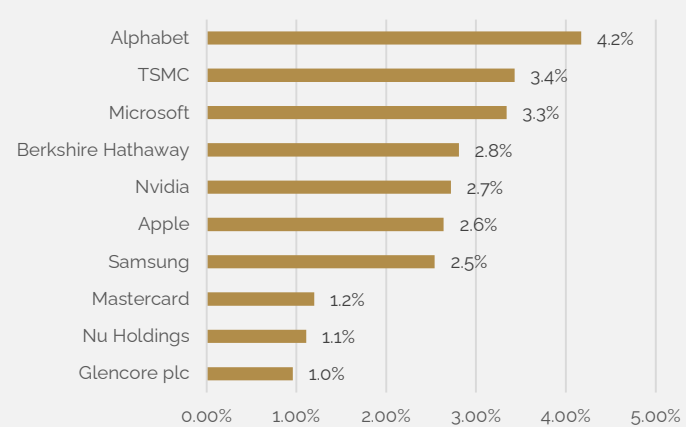
As at 31 July 2026

ASSET ALLOCATION



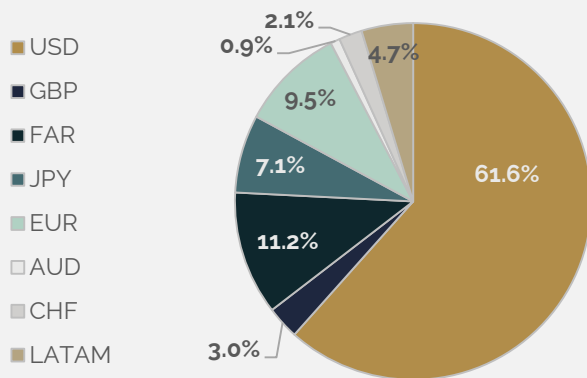
Source: Bloomberg

TOP EQUITY HOLDINGS

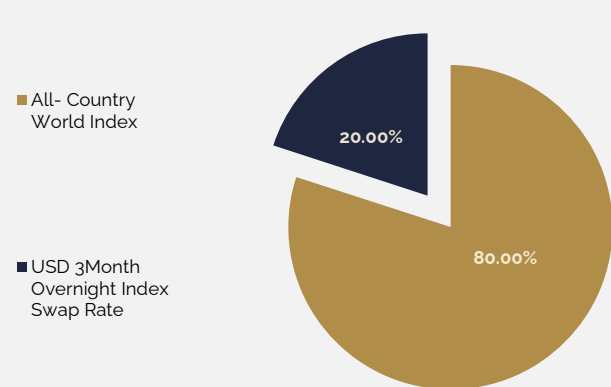


Net equity exposure in the Fund is 77.4% and Cash is at 4.1%.

CURRENCY ALLOCATION



FUND BENCHMARK



ANNUALISED RISK VS. RETURN ANALYSIS



Source: Bloomberg



PORTFOLIO MANAGER COMMENT & PORTFOLIO REVIEW

July's fracture — the AI trade comes apart while value, energy and financials take the lead

July 2026 was not a risk-off month; it was one of the most violent internal re-compositions of the post-pandemic era, and the headline indices barely recorded it. The MSCI All Country World Index finished the month unchanged, the S&P 500 fell 0.1% and the Euro STOXX 50 rose 0.5%, figures that describe nothing of what actually happened beneath them. The Philadelphia Semiconductor Index fell 20.6% after rising 88% in the second quarter; South Korea's KOSPI lost 22.2% in its worst month since the 2008 financial crisis; the Nikkei 225 fell 8.1% and Taiwan's TAIEX 6.5%. Against that, Hong Kong's Hang Seng gained 13.1%, the FTSE 100 rose 3.5% to successive record highs, energy gained 12.6% and financials 6.2%. Value outperformed growth by roughly 8.5 percentage points, among the widest monthly spreads recorded since 1979. Three developments drove the reordering: a cluster of mid-July earnings reports shifted the market's question from AI demand to AI monetisation; a disorderly unwind of retail leverage in Seoul turned that re-rating into a rout across North Asia; and renewed US-Iran escalation pushed Brent back above USD 100 on 23 July, hardening the Federal Reserve's stance at a visibly divided FOMC on 29 July. June's pause has become July's fracture, but the capital did not leave the market. It changed sides.

United States

S&P 500 -0.1% | Nasdaq -3.2% | Dow +0.3%

The July headline is almost meaningless without its internals: the S&P 500's -0.1% and the Dow's +0.3% conceal a rotation of historic proportions, with the Nasdaq Composite down 3.2%, the Nasdaq 100 6.6% and the Philadelphia Semiconductor Index 20.6%, this after the same semiconductor index had risen 88% in the second quarter, while the equal-weighted S&P 500 rose 1.0%, energy gained 12.6% on Middle East supply risk, financials 6.2% on rising yields and insurance stocks broke out to all-time highs. The trigger was the 16–17 July earnings cluster, in which TSMC fell 7.3% and Netflix 9.2% and the market began re-examining whether the hyperscale's capital spending plans could be converted into revenue on the timetable embedded in prices; the critical point for interpretation is that earnings did not disappoint, with 61% of the S&P 500 reported, 86% had beaten EPS estimates and blended growth reached 47.4% year-over-year, on track for the largest aggregate surprise since tracking began in 2008, so July was a compression of multiples rather than a downgrade of earnings, and that distinction will determine whether it extends. Policy hardened around it: the Federal Reserve held at 3.50%–3.75% on 29 July for a fifth consecutive meeting, but the 9–3 vote, with Beth Hammack, Neel Kashkari and Lorie Logan all dissenting in favour of a 25 basis point increase, made it the most divided decision of Chair Warsh's tenure, and Warsh, insisting the Committee has "no tolerance" for elevated inflation and explicitly disavowing forward guidance on the grounds that markets should price risk without being "coddled", left every subsequent data release carrying more weight, with futures moving to roughly a 57% probability of a September hike and the 30-year Treasury yield rising above 5.27%, its highest since June 2007 and a substantial headwind for long-duration growth assets. Trade policy, meanwhile, resolved into continuity rather than relief: the 10% Section 122 surcharge expired on 24 July as scheduled, but new Section 301 duties took effect the same day across 60 trading partners representing 99.4% of US imports, so that for most importers the statutory architecture changed more than the arithmetic did, and tariffs have stopped being a binary event risk and become a permanent operating cost, a more manageable problem for corporate planning, if not a cheaper one.

Europe & UK

Euro STOXX 50 +0.5% | FTSE 100 +3.5%

European equities were flat at the index level and unusually well-behaved beneath it: the Euro STOXX 50's +0.5% reflects a sector composition sitting between the UK's and the United States', enough technology exposure to feel the de-rating, enough banks and energy to offset it, while the STOXX 600 nonetheless closed the month at a record high on 31 July, helped by an earnings season that improved as it progressed and by European equity vehicles recording their first month of net inflows since the Iran conflict began; banks and energy led, the semiconductor equipment names that had driven so much of the first-half advance gave back a substantial portion of it, and Switzerland's SMI rose as its defensive pharmaceutical and staples weighting worked exactly as intended in a month that punished cyclical in technology and rewarded earnings visibility. The FTSE 100 was the best developed-market performance of the month and its strongest since February: the structural characteristic that has held the UK back for most of this cycle, a very low technology weighting alongside heavy energy, mining and financial exposure, was July's decisive advantage, with the energy sector gaining more than 15% as US-Iran tensions threatened supply and industrial metal miners rising on firmer copper.

Asia-Pacific

Nikkei -8.1% | KOSPI -22.2% | Hang Seng +13.1% | MSCI EM -3.3%

South Korea produced the defining event of the month: the KOSPI had its worst month since the 2008 financial crisis and, on most measures, the largest monthly decline in its history, with circuit breakers halting trading four times, a record. The cause was a disorderly unwind of leverage rather than a change in the industrial thesis, retail investors having put approximately KRW 78 trillion (USD 54.2 billion) into Korean equities during May and June, encouraged by government incentives and by newly introduced single-stock leveraged ETFs that amplified the decline mechanically, with Samsung Electronics falling 21% and SK Hynix 35%, together more than half the index, prompting the Finance Ministry to concede that the products "had not been considered carefully enough", halt new listings mid-month and announce caps limiting them to 20% of an investor's holdings alongside higher transaction costs and preparatory legal groundwork for stabilisation measures; for context easily lost in the drama, the KOSPI remained up 41.5% year-to-date in dollar terms, making this the deflation of a parabolic move rather than the destruction of a franchise. Japan and Taiwan absorbed the shock through the supply chain instead: the Nikkei 225's -8.1% against a broadly flat TOPIX is almost entirely an index-composition story, its semiconductor and equipment weighting carrying the full force of the de-rating. Taiwan's TAIEX fell 6.5% and delivered the month's most instructive data point: on 16 July TSMC reported second-quarter net profit up 77% year-on-year, raised full-year revenue guidance above 40% growth and committed a further USD 100 billion to Arizona, and the shares fell anyway, the clearest evidence available that July compressed multiples rather than downgraded earnings. Hong Kong was the mirror image, the Hang Seng's +13.1% to make it the strongest major market in the world, with offshore Chinese equities posting their best session in fourteen months as Alibaba rose 12% and southbound Stock Connect flows turned decisively supportive; the buying rotated unambiguously out of AI hardware and into internet platforms and financials, the latter heading for their best month in two years, on the coherent logic that if the market is de-rating the companies building AI infrastructure, those monetising it become the relative beneficiary. Mainland China went the other way entirely, the Shanghai Composite falling 6.4% as the A-share market became the domestic expression of the AI-hardware trade, leaving onshore and offshore China no longer two access routes to one economy but two different sector bets. The MSCI Emerging Markets index fell 3.3%, almost entirely attributable to Korea and Taiwan, amid the widest dispersion of the year: India's BSE 500 rose 2.0% with information technology gaining 16.8% in its strongest month in six years as capital leaving North Asian hardware found a home in enterprise AI services; Indonesia surged 10.5%, Singapore rose 8.9% to successive record closes, Malaysia gained 3.7%, the Philippines 3.3%, Australia 2.3% and Thailand 2.0%, while Vietnam fell 6.7% on profit-taking and Saudi Arabia's Tadawul 2.0% in a third consecutive month of underperformance. The MSCI ACWI's unchanged finish is the single most revealing number of the month: an index containing a 22% collapse in Korea, a 13% surge in Hong Kong and a 21% fall in global semiconductors, landing flat, is describing a rotation rather than a drawdown.

Looking ahead to August

August will answer the question July posed but did not answer; whether the AI de-rating is a compression of multiples or the leading edge of an earnings downgrade cycle. The evidence currently favours the former: 86% of reporting S&P 500 companies beating estimates, blended growth of 47.4%, but evidence is not proof, and the burden now sits with the second wave of reporting. The Chinese internet platforms must demonstrate genuine AI monetisation rather than merely the absence of hardware exposure; the Korean memory complex must show that demand assumptions survive the unwind of the leverage that expressed them; and Nvidia's late-August result is the single most consequential print of the quarter. A second consideration is energy: Brent traded above \$100 on 23 July following the Red Sea escalation and a sustained energy shock would compound rather than offset the policy tightening now being priced. The third is the new tariff regime's pass-through, with the Section 338 action on Canadian goods taking effect on 19 August and the Section 301 schedule now covering essentially all US imports.

On monetary policy, the Fed does not meet again until 15–16 September, leaving Chair Warsh's Jackson Hole appearance on 27–29 August as the month's decisive communication event. With three dissents already on the record in favour of a hike, roughly 57% priced for September and forward guidance explicitly disavowed, the distribution of outcomes around each inflation and payrolls release is materially wider than it was a quarter ago. The Bank of Japan, having held at 1.00% while flagging above-target core inflation, retains a live case for a further increase; the ECB continues to sit on the easing side of the developed-market spectrum; and the Bank of England's three dissents suggest its own consensus is thinner than the headline hold implies. A hawkish Fed on its own is manageable. A hawkish Fed alongside a sustained energy shock is the one combination capable of converting July's constructive rotation into a broad de-rating, and it is the scenario we watch most closely.

July's dispersion — Korea down 22%, Hong Kong up 13%, the world index unchanged — makes explicit what June only hinted at: this market no longer pays for beta, and concentration is indistinguishable from conviction until the moment it isn't. We continue to favour selective, patient and valuation-aware positioning through what is proving a demanding second half of 2026.

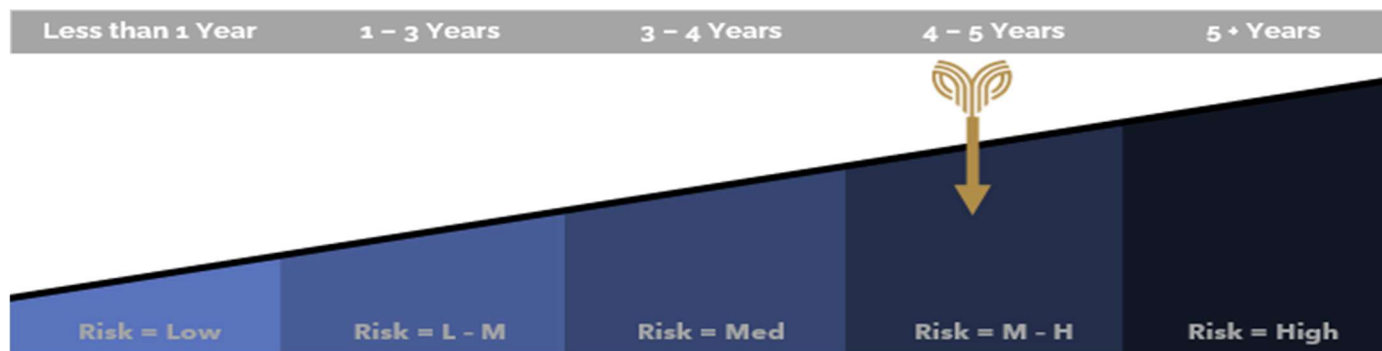


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RISK/REWARD PROFILE



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.

RISK STATISTICS

Annualised Volatility	Fund	Benchmark
Year-on-Year	11.20%	11.59%
Since Inception	12.96%	13.52%

Maximum Drawdown	Fund	Benchmark
Year-on-Year	8.24%	8.03%
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 2026.

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 INFORMATION

Graphite Financial Solutions Limited
First floor, Iconebene, Rue de L'Institut, Ebène, Mauritius
Tel: +230 408 4098
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 OR stefan.kinlimann@swissquote.ch

REPRESENTATIVE OFFICE

Prescient Management Company (RF) (Pty) Ltd
Registration number: 2002/022560/07. Registered under the Collective Investment Schemes Control Act 45 of 2002
Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, South Africa
Postal address: PO Box 31142, Tokai, 7966.
Telephone number: +27 (0) 800 111 899
E-mail address: info@prescient.co.za
Website: www.prescient.co.za

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