Kestrel Wealth Management

Monthly report
August 31, 2026

Strategy: **Balanced USD**

Aggregate performance, net of fees (%)

Historic performances, net of fees

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
-0.01%	-3.06%	-6.21%	5.03%	2.01%	1.65%	3.45%	1.90%	-1.50%	-0.65%	3.96%	2.64%	9.00%	**2020**
-0.21%	0.20%	0.00%	2.42%	0.84%	0.56%	0.57%	1.10%	-2.69%	2.01%	-0.74%	1.59%	5.70%	**2021**
-4.74%	-2.26%	-0.49%	-4.66%	-0.14%	-5.13%	4.02%	-2.57%	-5.96%	2.18%	4.69%	-1.77%	-16.20%	**2022**
4.18%	-1.49%	1.65%	0.01%	-0.33%	2.63%	1.54%	-1.48%	-2.67%	-2.31%	6.33%	3.80%	12.04%	**2023**
0.42%	2.09%	1.73%	-2.39%	2.51%	1.18%	0.51%	1.71%	1.06%	-1.67%	1.85%	-1.50%	7.62%	**2024**
2.71%	-0.68%	-2.82%	0.85%	3.88%	2.23%	0.30%	0.92%	0.82%	0.49%	0.31%	0.81%	10.11%	**2025**
2.01%	1.68%	-4.91%	4.64%	2.79%	0.57%	-0.82%	1.21%					7.10%	**2026**

Source: Kestrel Wealth Management

Comments from the portfolio manager

August started on a very good footing before giving up some of the gains in the second half of the month. This late weakness was again due to increasing oil price as a result of intermittent openings and closures of the Strait of Hormuz, which led to some hawkish comments from central banks, including the US Federal Reserve, in their fight against inflation. Furthermore, rising yields also added pressure on financial asset prices, such as equities and bonds, as the end of the month was approaching. Aside from possible rate hikes from central banks in the coming weeks, high government indebtedness and significant corporate borrowings to finance spending in Artificial Intelligence (AI) also contributed to a spike in yields. That said, equity prices still ended the month up by about 3%, led by the US and Emerging Markets, thanks to a relatively good economic environment. European shares remained virtually flat, as did bonds.

As the situation with the Strait of Hormuz remains very complicated, to say the least and as concerns over the monetisation of the investments in AI will not disappear, it is very likely that prices of financial assets will continue to be on a rollercoaster ride. As long as the economic environment remains relatively solid though, it should offer a safety net against a sharp fall of the financial markets.

Performance contributors (YTD)

Best Contributors

Security	Price Performance	Currency Performance	Performance	Weighting	Performance Contribution
Invesco Funds - Invesco Euro Eq. Fund A USD H Acc.	20.60%	0.00%	20.60%	7.19%	1.31%
Schroder ISF EURO Equity C USD Hedged Acc	12.74%	0.00%	12.74%	7.55%	0.91%
Polar Capital North American Fund R USD	16.66%	0.00%	16.66%	4.59%	0.70%
UBS (Lux) Key Selection SICAV - Asian Equities USD	30.15%	0.00%	30.15%	2.76%	0.68%
UBS (Lux) Equity SICAV - US Income (USD) P-acc	13.17%	0.00%	13.17%	4.87%	0.61%

Worst Contributors

Security	Price Performance	Currency Performance	Performance	Weighting	Performance Contribution
Pictet - Water HP CHF	-5.05%	-1.82%	-6.78%	1.84%	-0.14%
Alphabet Inc. 4.375% 15.11.2032	-3.54%	0.00%	-3.54%	2.02%	-0.08%
Merck & Co. Inc. 4.5% 17.05.2033	-2.93%	0.00%	-2.93%	2.04%	-0.07%
PIMCO Funds GIS Global Inv Grade Crdt E Inc USD	-1.97%	0.00%	-1.97%	2.79%	-0.06%
Inter-Am Dev Bk 3.5% 14.09.2029	-1.58%	0.00%	-1.58%	2.05%	-0.04%

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