Kestrel Wealth Management

**Monthly report**
October 31, 2026

Strategy: **Aggressive USD**

## Aggregate performance, net of fees (%)




## Historic performances, net of fees

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| -0.50% | -5.76% | -9.58% | 7.46% | 2.49% | 2.48% | 4.92% | 3.36% | -2.27% | -0.88% | 6.54% | 4.19% | 11.60% | **2020** |
| 0.25% | 1.31% | 0.51% | 3.52% | 0.99% | 0.52% | 0.70% | 1.78% | -4.37% | 3.93% | -1.13% | 2.95% | 11.23% | **2021** |
| -7.20% | -2.65% | 0.62% | -6.48% | -1.05% | -7.61% | 6.08% | -3.56% | -8.87% | 3.75% | 7.22% | -2.63% | -21.51% | **2022** |
| 6.19% | -2.09% | 1.77% | -0.31% | -0.50% | 4.90% | 2.51% | -2.50% | -4.04% | -3.59% | 9.07% | 5.36% | 17.00% | **2023** |
| 0.40% | 3.88% | 2.43% | -3.18% | 3.28% | 1.91% | -0.09% | 2.06% | 1.37% | -2.19% | 2.65% | -2.63% | 10.00% | **2024** |
| 3.53% | -1.70% | -4.25% | 1.11% | 5.79% | 3.94% | 0.59% | 1.11% | 1.71% | 1.07% | -0.36% | 1.14% | 14.15% | **2025** |
| 3.39% | 1.99% | -7.67% | 8.81% | 5.70% | 0.81% | -2.10% | 2.04% | -1.87% | -1.99% | | | 8.46% | **2026** |

Source: Kestrel Wealth Management

## Comments from the portfolio manager

Weakness in the equity markets continued in October. Share prices generally ended the month in the red due to fears of overinvestment in artificial intelligence (AI) and rising oil prices. Regarding the latter, the price of Brent crude climbed to USD 118.- per barrel following Houthi attacks in Saudi Arabia and tensions in the Strait of Hormuz region. Separately, bond prices however, rose, as the Federal Reserve (Fed) kept its benchmark interest rate unchanged at 4% for the upper bound. Globally, equities fell by 1.6%, whilst bonds rose by 1.4%, demonstrating the benefits of diversification.

Bond yields fell over the month (by 36 basis points for the US 10-year, for example) thereby supporting bond prices. That said, with inflation remaining high at 3.7%, current restrictive monetary policies are expected to prevail in the short term, particularly if the economic environment remains strong enough to withstand higher interest rates. On the equities front, renewed concerns on future returns on the colossal investments in AI made by companies have prompted investors to take some profits. According to our readings however, “demand for AI” remains well above supply. Nevertheless, disappointing results from key players, such as Alphabet Inc., triggered a wave of sales on the markets where these companies are listed, such as the NASDAQ (-5.3%) and South Korea (-16.2%). With little exposure to AI, Europe bucked the trend, rising by 2%.

## Performance contributors (YTD)

Best Contributors

| Security | Price Performance | Currency Performance | Performance | Weighting | Performance Contribution |
|---|---|---|---|---|---|
| UBS (Lux) Equity SICAV - US Total Yield (USD) P | 19.76% | 0.00% | 19.76% | 7.08% | 1.27% |
| Janus Henderson Hrzn Global Tech. Leaders Fund A2 | 16.05% | 0.00% | 16.05% | 7.12% | 1.07% |
| Invesco Funds - Invesco Euro Eq. Fund A USD H Acc. | 14.65% | 0.00% | 14.65% | 6.11% | 0.85% |
| Polar Capital North American Fund R USD | 16.53% | 0.00% | 16.53% | 5.36% | 0.83% |
| UBS (Lux) Equity SICAV - US Income (USD) P-acc | 13.38% | 0.00% | 13.38% | 5.91% | 0.76% |

Worst Contributors

| Security | Price Performance | Currency Performance | Performance | Weighting | Performance Contribution |
|---|---|---|---|---|---|
| Pictet - Water HP CHF | -2.89% | -3.74% | -6.51% | 3.77% | -0.29% |
| PIMCO Funds GIS Global Inv Grade Crdt E Inc USD | -3.86% | 0.00% | -3.86% | 1.96% | -0.09% |
| MFS Meridian Funds U.S. Corporate Bond Fund W1 | -0.97% | 0.00% | -0.97% | 2.54% | -0.03% |
| UBS (Lux) Equity Fund - US Sustainable (USD) | -0.03% | 0.00% | -0.03% | 0.00% | -0.01% |

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