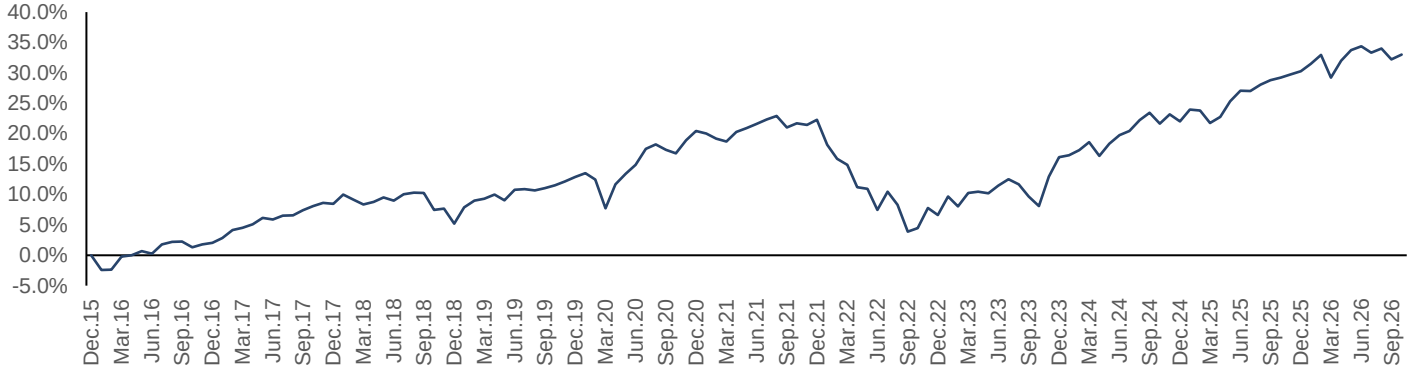
Kestrel Wealth Management

Monthly report
October 31, 2026

Strategy: **Conservative USD**

Aggregate performance, net of fees (%)



Historic performances, net of fees

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
0.59%	-0.95%	-4.17%	3.62%	1.58%	1.27%	2.32%	0.63%	-0.77%	-0.50%	1.83%	1.28%	6.71%	**2020**
-0.32%	-0.70%	-0.41%	1.31%	0.55%	0.58%	0.59%	0.48%	-1.57%	0.59%	-0.22%	0.67%	1.53%	**2021**
-3.35%	-1.92%	-0.87%	-3.23%	-0.21%	-3.14%	2.81%	-1.99%	-4.07%	0.55%	3.19%	-1.07%	-12.79%	**2022**
2.86%	-1.48%	2.05%	0.18%	-0.23%	1.15%	0.91%	-0.71%	-1.81%	-1.46%	4.52%	2.82%	8.91%	**2023**
0.28%	0.69%	1.15%	-1.91%	1.71%	1.22%	0.55%	1.48%	0.99%	-1.43%	1.24%	-0.95%	5.05%	**2024**
1.62%	-0.15%	-1.63%	0.82%	2.08%	1.38%	-0.04%	0.83%	0.56%	0.34%	0.42%	0.38%	6.77%	**2025**
0.94%	1.11%	-2.78%	2.15%	1.31%	0.47%	-0.79%	0.52%	-1.34%	0.61%			2.13%	**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
Invesco Funds - Invesco Euro Eq. Fund A USD H Acc.	14.65%	0.00%	14.65%	3.88%	0.50%
UBS (Lux) Key Selection SICAV - Asian Equities USD	17.77%	0.00%	17.77%	2.83%	0.43%
Schroder ISF EURO Equity C USD Hedged Acc	12.21%	0.00%	12.21%	3.40%	0.37%
UBS (Lux) Equity SICAV - US Income (USD) P-acc	13.38%	0.00%	13.38%	3.11%	0.37%
Schroder GAIA Sirios US Equity A	4.86%	0.00%	4.86%	7.32%	0.34%

Worst Contributors

Security	Price Performance	Currency Performance	Performance	Weighting	Performance Contribution
PIMCO Funds GIS Global Inv Grade Crdt E Inc USD	-3.86%	0.00%	-3.86%	6.08%	-0.25%
Alphabet Inc. 4.375% 15.11.2032	-4.06%	0.00%	-4.06%	3.24%	-0.14%
Merck & Co. Inc. 4.5% 17.05.2033	-3.53%	0.00%	-3.53%	3.27%	-0.12%
Pictet - Water HP CHF	-2.89%	-3.74%	-6.51%	1.59%	-0.11%
Inter-Am Dev Bk 3.5% 14.09.2029	-3.26%	0.00%	-3.26%	3.25%	-0.11%

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