

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%								2.68% 2026

Source: Kestrel Wealth Management

Comments from the portfolio manager

May followed on from April in similar fashion. Equity markets reacted very positively to economic data and corporate earnings that were slightly better than expected. The “ceasefire” in Iran and hopes that the Strait of Hormuz would reopen also played a major part in keeping share prices buoyant.

In this context, the MSCI AC World Index rose 5.2% over the month, despite rising inflation, for example to 3.8% in the US. It is therefore increasingly likely that central banks will have to raise their key interest rates in the near future to counter rising inflation caused by high oil prices, amongst other factors. Consequently, like other central bank governors, Kevin Warsh, the new Chairman of the US Federal Reserve, will have to find a balance between fighting inflation on the one hand and supporting the economy on the other. Bond markets have anticipated these rate increases. For example, the yield on the 10-year US Treasury note rose by 30 basis points over the month, before falling back slightly, to end May at 4.44%. Overall, these movements in interest rates limited the rebound in global bond prices (0.3%).

The situation in the Middle East remains highly uncertain and a swift resolution of the tensions and, in effect, a full reopening of the strait, is looking increasingly unlikely in the short-term. We therefore believe that a degree of caution remains warranted, even though the financial markets have shown to be highly resilient in the face of the increasing risks of stagflation, or even recession, with oil prices remaining persistently high.

Performance contributors (YTD)
Best Contributors

Security	Price Performance	Currency Performance	Performance	Weighting	Performance Contribution
UBS (Lux) Key Selection SICAV - Asian Equities USD	34.94%	0.00%	34.94%	3.21%	0.85%
Invesco Funds - Invesco Euro Eq. Fund A USD H Acc.	13.39%	0.00%	13.39%	3.80%	0.46%
Nordea 1 - Global Climate and Environment Fund HB	16.61%	1.55%	18.42%	2.10%	0.33%
Pictet - Security HP CHF	19.13%	1.55%	20.98%	1.67%	0.30%
Schroder ISF EURO Equity C USD Hedged Acc	8.98%	0.00%	8.98%	3.27%	0.27%

Worst Contributors

Security	Price Performance	Currency Performance	Performance	Weighting	Performance Contribution
Pictet - Water HP CHF	-6.45%	1.55%	-5.00%	1.60%	-0.09%
Alphabet Inc. 4.375% 15.11.2032	-2.13%	0.00%	-2.13%	3.27%	-0.07%
Merck & Co. Inc. 4.5% 17.05.2033	-1.95%	0.00%	-1.95%	3.29%	-0.07%
Inter-Am Dev Bk 3.5% 14.09.2029	-1.65%	0.00%	-1.65%	3.27%	-0.06%
Amazon.com Inc. 3.45% 13.04.2029	-1.30%	0.00%	-1.30%	3.25%	-0.04%

Risks Warning and Disclaimer

This publication is intended for information purposes only and should not be construed as an offer or recommendation or solicitation for sale, purchase or engagement in any other transaction. Tax treatment depends on individual circumstances and may be subject to change in the future. Kestrel Wealth Management SA does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in general or with reference to specific client circumstances and needs. Clients should obtain independent legal and tax advice on the implications of the products/services in their respective jurisdiction and on the suitability of products and services before investing. Kestrel Wealth Management SA does not provide any warranties or representations for the content of this presentation, in particular with respect to its accuracy, completeness or fair balance, and no liability is accepted. The products mentioned in this presentation are not suitable for all recipients. The investor acknowledges that a risk of loss exists in the case of all investment mandate types, including a cautious and conservative investment. A movement of exchange rates may affect, favourably and unfavourably, any gain or loss on an investment. Kestrel Wealth Management SA does not assume any liability for the attainment of a given return or any liability for the preservation of the assets under management. Therefore, the investor may not get back the amount invested. Investments in any financial product should only be made after a thorough reading of the most recent relevant legal documentation taking into consideration any sales restrictions and risk factors mentioned. Subject to copyright with all rights reserved.