

Kestrel Opportunities

("KOF" or the "Fund")

KOF NAV rose 9.2% to £5.96 in February, compared to increases of 7.0% in the FTSE Small Cap (ex-Inv Trusts) index and 1.9% in the FTSE AIM All-Share index.

Whilst February was another relatively quiet month for newsflow, the announcements that were made were significant and had a strong impact on monthly performance.

The biggest gain was **Idox**, which rose 35% after announcing that it had received a takeover approach from Dye & Durham at an indicative cash price of 75p per share. Whilst no formal offer has been made, the strategic fit between the two companies looks to be strong with competition authority concerns unlikely to be a barrier. The indicated offer price puts the company on current year ratings of 16.6x EV/EBITDA and 3.8% FCF/EV yield. A further announcement is expected in due course.

K3 Business Technologies announced the disposal of its IT services and hosting business for a total consideration of £14.7m, enabling the company to significantly strengthen its balance sheet and also simplify its business. The share reacted very positively, ending the month 54% higher.

Access Intelligence rose 17%, continuing its growth path of the last few months, albeit not on the back of any newsflow. **Amino Technologies** released full year results with all key metrics showing growth despite the inevitable challenges posed by the global lockdown. Whilst the shares reacted positively, rising 16% on the month, they currently trade on a current year EV/EBITDA multiple of 7.0x and an FCF to EV yield of 7.6%.

Fonix Mobile released maiden interim results with revenues, gross profit and EBITDA all increasing by 22% to 28% on the comparable period last year. The company also announced an interim dividend putting it on a 3.5% yield. The shares reacted positively, rising c.14% on the month. Having invested at IPO, we've been pleased with progress made and remain optimistic about the company's prospects.

Fund objective

KOF aims to provide investors with long term capital growth.

It is a sterling denominated long only, open-ended offshore fund.

KOF's primary strategy is to acquire significant equity and quasi-equity stakes in smaller quoted companies on the Official List or AIM and proactively work with management to improve their value. The Fund is able to

invest in smaller quoted company debt and related instruments that have an equity component.

It also occasionally takes opportunistic trading positions to capitalise on market inefficiencies.

The Fund will not borrow to make investments and does not hedge or take short positions.

Share price*

Up 9.2% to
£5.96

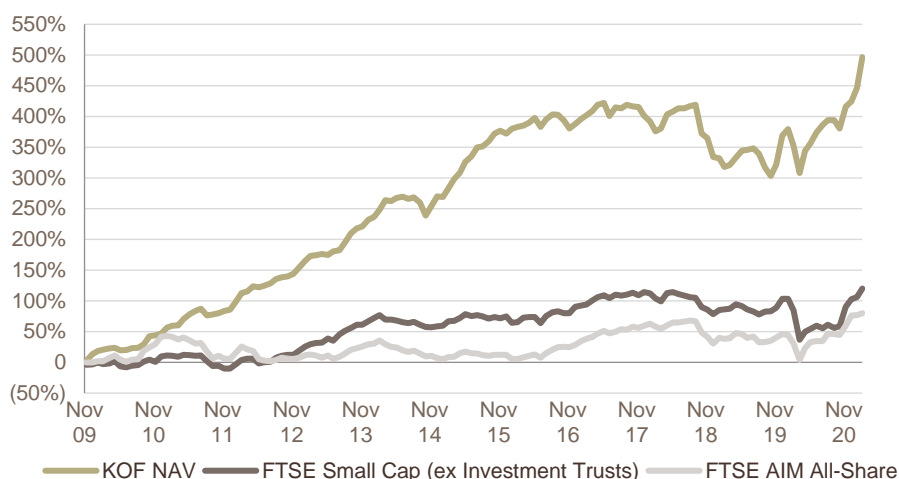
(at 26 February 2021)

Strategy AUM †

£293.3m

(at 26 February 2021)

KOF performance since launch at 100p (20 Nov 2009)



Since Launch

KOF IRR	19.0%
FTSE Small Cap (ex. Inv Trusts Index) IRR	8.0%
FTSE AIM All-Share index IRR	5.9%

Source: Bloomberg

Past performance is not indicative of future returns.

* Basis for calculating share price and NAV.

The share price and NAV is calculated after taking into account all charges paid by the Fund including fees paid to Kestrel. However, no account is taken of any performance fee which is only payable on redemption and to the extent that the performance hurdle has been achieved. For further details on the KOF performance fee, please refer to the Fees & Expenses section of the KOF Supplement (dated September 2020). No account has been taken of any other fees or charges that may be payable by the investor such as tax or advisers' fees.

† Strategy AUM

The Strategy AUM includes the NAV of the Fund and the NAV of specific small cap mandates managed by Kestrel.

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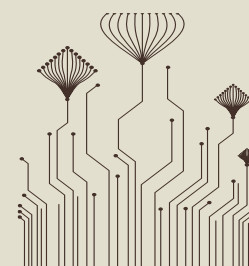
KOF is classified as a UCIS and is not suitable for Retail Investors.

Kestrel Partners LLP, is a limited liability partnership registered in England and Wales and is authorised and regulated by the Financial Conduct Authority and the SEC.

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In Switzerland, the Fund has appointed a Swiss Representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, T: +41 21311 1777
E: info@oligofunds.ch

The Fund's paying agent is Swissquote Bank SA.



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Performance – last 12 months

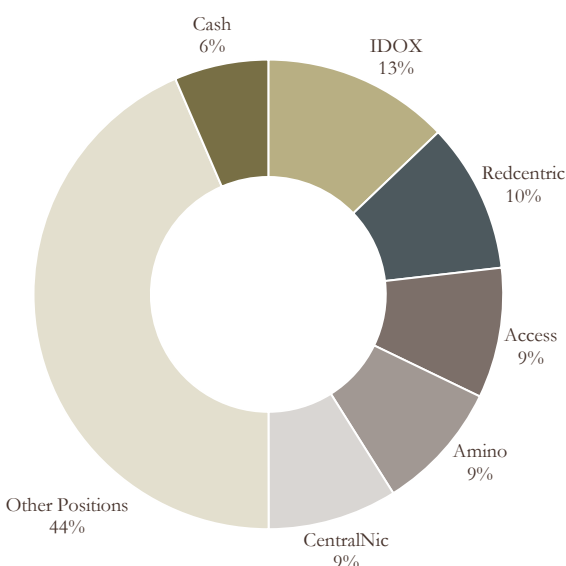
	KOF NAV (£)	Monthly change	FTSE Small Cap (ex Inv Trusts)	FTSE AIM All-Share
Feb '21	5.9648	9.2%	7.0%	1.9%
Jan '21	5.4604	4.0%	1.5%	0.3%
Dec '20	5.2480	1.8%	6.5%	10.1%
Nov '20	5.1568	7.3%	20.0%	10.7%
Oct '20	4.8041	-2.7%	1.8%	-1.2%
Sep '20	4.9378	0.0%	-3.4%	-0.4%
Aug '20	4.9376	1.6%	3.9%	8.9%
Jul '20	4.8592	2.5%	-2.5%	0.1%
Jun '20	4.7402	3.8%	3.3%	1.0%
May '20	4.5665	2.9%	3.2%	8.0%
Apr '20	4.4368	8.8%	9.4%	18.8%
Mar '20	4.0782	-9.9%	-25.9%	-20.4%
Feb '20	4.5248	-5.6%	-9.2%	-9.9%

Fund facts

Monthly performance by year since launch (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	4.0%	9.2%	-	-	-	-	-	-	-	-	-	-	13.7%
2020	2.2%	-5.6%	-9.9%	8.8%	2.9%	3.8%	2.5%	1.6%	0.0%	-2.7%	7.3%	1.8%	11.9%
2019	-0.5%	-3.3%	0.7%	2.9%	2.7%	0.2%	0.6%	-2.0%	-5.1%	-3.3%	4.5%	11.3%	8.0%
2018	-1.8%	-3.3%	1.0%	4.8%	1.0%	0.9%	0.1%	0.6%	0.4%	-9.0%	-1.6%	-6.5%	-13.3%
2017	1.7%	1.2%	1.4%	2.0%	0.6%	-4.1%	2.8%	-0.3%	1.1%	-0.5%	-0.2%	-2.8%	2.7%
2016	1.7%	0.6%	0.4%	1.0%	1.5%	-2.9%	2.6%	1.6%	-0.1%	-1.9%	-2.7%	1.6%	3.4%
2015	-0.3%	3.8%	4.0%	2.6%	4.3%	2.1%	3.4%	0.4%	1.8%	2.7%	1.0%	-1.0%	27.6%
2014	1.4%	3.4%	4.6%	-0.5%	1.4%	0.6%	-1.0%	0.7%	-2.3%	-5.9%	4.4%	4.7%	11.5%
2013	4.3%	2.9%	0.5%	0.6%	-0.4%	2.1%	0.7%	4.3%	5.2%	2.5%	1.1%	3.3%	30.4%
2012	7.2%	7.1%	1.2%	3.9%	-0.8%	1.3%	1.6%	3.2%	1.2%	0.6%	1.6%	4.4%	37.2%
2011	6.7%	2.1%	0.4%	6.3%	4.7%	3.1%	1.9%	-6.0%	1.0%	1.2%	1.9%	1.1%	26.6%
2010	4.9%	1.7%	1.4%	1.1%	-3.4%	0.5%	2.6%	0.4%	4.7%	10.1%	1.0%	1.8%	29.6%
2009	-	-	-	-	-	-	-	-	-	-	2.4%	10.4%	13.1%

Asset allocation – Top 5 holdings



Administration

Investment Manager
Kestrel Partners LLP

Manager
Saltus (Channel Islands) Limited

Administrator
Zedra Fund Managers (Guernsey) Limited

Custodian
Butterfield Bank (Guernsey) Limited

Launch date
20 Nov 2009

Launch price
£1.00

Base currency
GBP£

Quotation information

Status
Listed on the TISE
(tisegroup.com)

Mnemonic
KEOP

Sedol
B3YQL90

ISIN
GG00B3YQL906

Dealing & valuation

Status
Open

Dealing day
The first business day of each month

Subscription notice
One business day

Standard redemption notice
12 months

Valuation day
Last business day of each month

Valuation basis
The bid price for each asset at the valuation date

Minimum investment
Initial £100,000 (subject to the Manager's discretion). Subsequent £10,000

Charges

Initial subscription
None

Investment management fee
2% of NAV per annum

Performance fee

15% of the difference between subscription price and redemption price. Only payable on redemption and subject to achieving an annual hurdle rate of BoE base rate +300bp

General

Fund description
A Guernsey based Open Ended Investment Company, being a protected cell of Guernsey Portfolios PCC Ltd

Authorisation
By the Guernsey Financial Services Commission under the Class B collective investment scheme

Tax domicile
Guernsey

Tax status
UK RFS granted with effect from 1 April 2012

Annual Dividend
Nil

Risk warning

KOF, a cell of Guernsey Portfolios PCC Limited ("GPPCC"), is an unregulated collective investment scheme in the UK. This document has not been issued for circulation to the general public. It is intended only for persons who are eligible to receive it under

Chapter 4.12 of the FCA's Conduct of Business Sourcebook. If you are not eligible to receive this newsletter you must not seek to rely upon it. No investment in KOF should be considered without reading the GPPCC Scheme Particulars and the KOF supplement in relation thereto

and in particular, the risk warnings contained therein. Investors should always be aware that the price of shares in KOF can go down as well as up and you may not get back the amount invested.

Kestrel makes no recommendation or gives any advice in relation to buying, selling or holding any security. Views and opinions expressed by Kestrel are for information only and may be subject to change and should not be construed as investment advice.

