

# Kestrel Opportunities

("KOF" or the "Fund")

KOF NAV rose 2.5% to £6.22 in August, compared to increases of 3.9% in the FTSE Small Cap (ex-Inv Trusts) index and 3.3% in the FTSE AIM All-Share index.

August was a quiet month for newsflow and with a few notable exceptions portfolio performance was also quiet.

The biggest move in the month was **Access Intelligence** which increased c.11% having announced the completion of its transformative acquisition of iSentia. Whilst full details of this transaction were already in the market, the progress towards completion seems to have driven demand for the shares. We remain enthusiastic about the company's prospects and its ability to transform its earnings over the next two years. The company trades on 16.5x EV/EBITDA FY 11/22 dropping to 8.1x FY 11/23. More significantly for this type of pure SaaS business are the EV to revenue multiples of 2.1x FY 11/22 dropping to 1.8x FY 11/23. These multiples suggest considerable upside when compared to the ratings of other quoted SaaS businesses.

**CentralNIC** rose c.5% upon announcing half year results which provided more colour on the recent interim trading update. Headline revenue growth was strong, showing a 57% year on year increase driven both by M&A as well as strong organic growth.

**Idox** continued its run, rising another c.9%. As referred to last month we are hopeful that its continued re-rating is a function of the company reaching a size where it is attracting wider market interest.

**Aferian** (previously known as Amino Technologies) released interim results showing steady progress in software ARR. The company also announced the appointment of Investec as its new broker, which is quite a coup given the Company's market cap. **ULS Technology** issued an AGM statement highlighting continued recovery in instructions and completions, as well as good progress in the strategic development of DigitalMove.

## Fund objective

KOF aims to provide investors with long term capital growth. It is a sterling denominated long only, open-ended offshore fund with no financial leverage.

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.

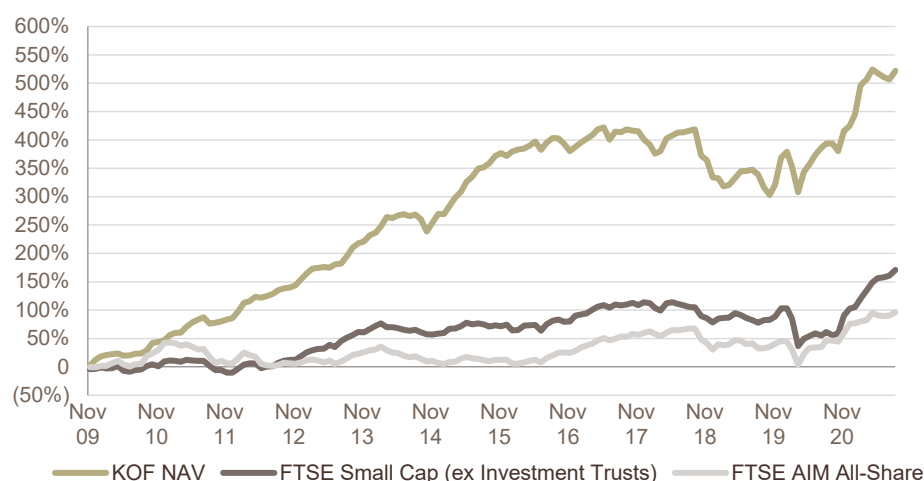
## Share price\*

Up 2.5% to  
**£6.22**  
 (at 31 August 2021)

## Strategy AUM †

**£325m**  
 (at 31 August 2021)

## KOF performance since launch at £1.00 (20 Nov 2009)



## Since Launch

KOF IRR	18.5%
FTSE Small Cap (ex. Inv Trusts Index) IRR	9.7%
FTSE AIM All-Share index IRR	6.5%

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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 London WC2N 6LE

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 KOF, contact Frances Jackson:

T: +44 20 3371 6100  
 E: [kofenquiry@kestrelpartners.com](mailto:kofenquiry@kestrelpartners.com)

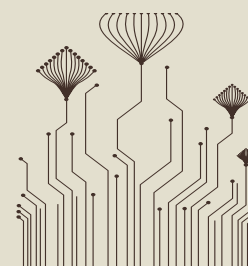
KOF is classified as a UCIS and is not suitable for Retail Investors.

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 Waystone Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, T: +41 21311 1777  
 E: [clientsolutions@waystone.com](mailto:clientsolutions@waystone.com)

The Fund's paying agent is Swissquote Bank SA.



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## Performance – last 12 months

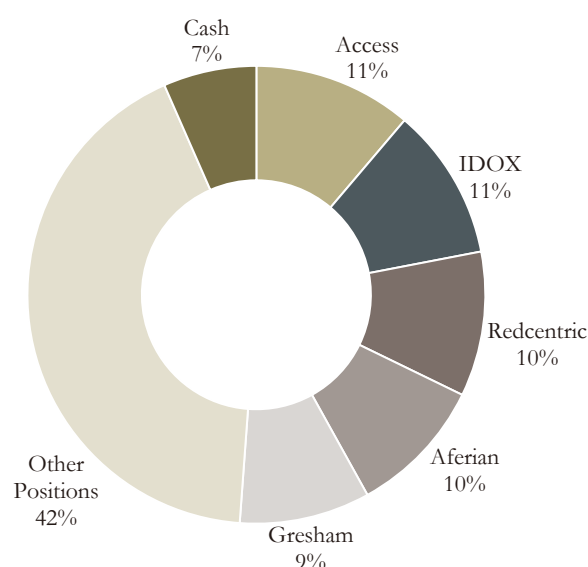
	KOF NAV (£)	Monthly change	FTSE Small Cap (ex Inv Trusts)	FTSE AIM All-Share
Aug '21	6.2213	2.5%	3.9%	3.3%
Jul '21	6.0701	-0.6%	1.1%	0.2%
Jun '21	6.1047	-1.2%	0.8%	-0.6%
May '21	6.1801	-1.0%	2.9%	-2.2%
Apr '21	6.2398	2.8%	6.0%	7.3%
Mar '21	6.0680	1.7%	6.7%	1.2%
Feb '21	5.9648	9.2%	7.0%	1.9%
Jan '21	5.4604	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%

## 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%	1.7%	2.8%	-1.0%	-1.2%	-0.6%	2.5%	-	-	-	-	18.5%
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.

