

# Kestrel Opportunities

("KOF" or the "Fund")

KOF NAV fell 0.3% to £6.40 in November, compared to a 5.1% fall in the FTSE Small Cap (ex-Inv Trusts) index and a 2.9% fall in the FTSE AIM All-Share index. The reduction in NAV, whilst small, was disappointing as we were in positive territory until the last few hours of the final day of the month.

Following a difficult six months, it was good to see **Eckoh** bouncing back with the shares rising just over 15%. The company issued a half year trading update confirming that it was trading in line with expectations and also announced a new significant contract, its largest ever for a multi-territory cloud solution. We look forward to further similar wins.

Once again, **CentralNIC** performed strongly, with Q3 results confirming the statements made in last month's trading update. The company also pointed to the strong Q3 organic growth being sustained for the rest of the year. Full year trading is expected to be "comfortably at the upper end of expectations", which translates to EBITDA of c.\$43m.

**Gresham Technologies** announced a trading update and a 3 year contract extension with a Tier 1 bank. The company disclosed an ARR run rate of £23.3m with the potential for further additions by year end as well as a strong pipeline for next year. It was therefore disappointing that the shares were almost unchanged on the month. A prospective revenue multiple of 2.9x and an EV/EBITDA of 12.0x suggests the company is not being valued as a Fintech SAAS business with embedded 20 year contracts. Improving the market's understanding of the company is a key challenge for management.

**KRM22**, one of our smaller holdings announced that it had raised £4.7m via a placing of new shares with a Trade investor at an astonishing 58% premium to the prevailing share price. In addition it announced that the two companies will be entering into a distribution agreement which should drive significant volumes for KRM22.

We were pleased to see a new Chair appointed to **Redcentric** which we hope will be the herald of a new era.

Share Price *	Monthly Change	YTD Change	Strategy AUM†
£6.40	Down 0.3%	Up 22.0%	£341.8m
(at 30 November 2021)			

## 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.

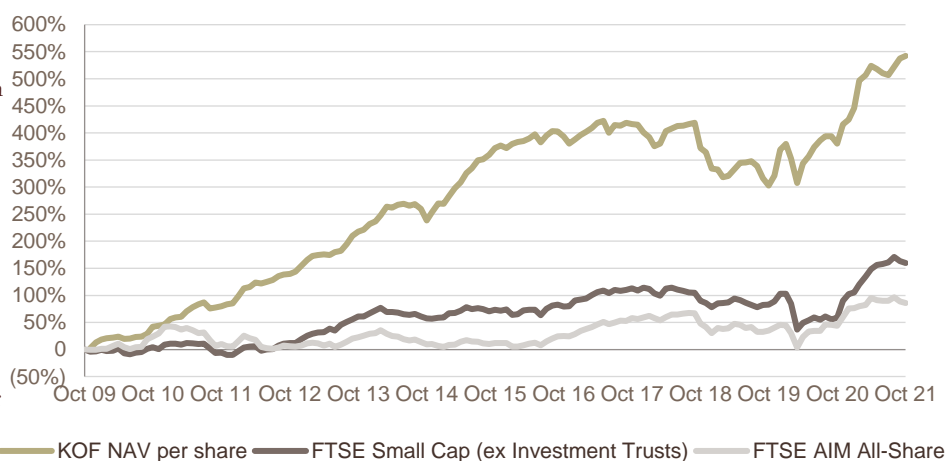
KOF's primary strategy is to acquire significant equity and quasi-equity stakes in smaller quoted companies on the Official List or AIM and proactively work with management to improve their value. The Fund is able to invest in smaller quoted company

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.

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



### \* 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.

Kestrel Partners LLP ("Kestrel")  
1 Adam Street  
London WC2N 6LE

For further information on  
KOF, contact Frances Jackson:  
T: +44 20 3371 6100  
E: [kofenquiry@kestrelpartners.com](mailto:kofenquiry@kestrelpartners.com)

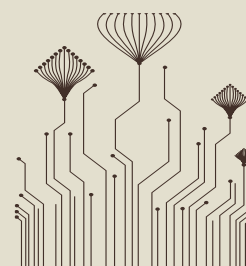
KOF is classified as a UCIS and is not suitable for Retail Investors.

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.

This Fact Sheet is issued by Kestrel. It contains sources of information believed to be reliable but, without seeking to limit any liability under the UK regulatory system, no guarantee, warranty, or representations, express or implied, is given as to their accuracy or completeness.

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.



# Kestrel Opportunities

("KOF" or the "Fund")

## Performance – last 12 months

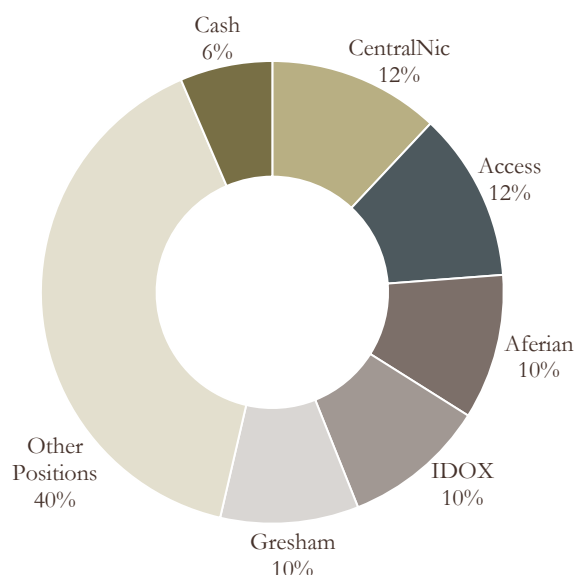
	KOF NAV (£)	Monthly change	FTSE Small Cap (ex Inv Trusts)	FTSE AIM All-Share
Nov '21	6.4018	-0.3%	-5.1%	-2.9%
Oct '21	6.4236	0.7%	-1.3%	-1.7%
Sep '21	6.3776	2.5%	-2.9%	-3.8%
Aug '21	6.2213	2.5%	3.9%	3.3%
Jul '21	6.0701	-0.6%	1.1%	0.2%
Jun '21	6.1047	-1.2%	0.8%	-0.6%
May '21	6.1801	-1.0%	2.9%	-2.2%
Apr '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%

## 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%	2.5%	0.7%	-0.3%	-	22.0%
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  
(tiscgroup.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.

