

SOLID FUTURE DYNAMIC FUND

SHARE CLASS P

Factsheet as at 28th February 2023

Month end NAV as at 28th February 2023



Investment Objective and Policy

The Fund aims to deliver a return over and above that of the MSCI All Country World Index in Euro. To achieve the fund's investment objective, the Investment Manager shall invest in a flexibly managed and diversified portfolio of equities and ETFs, across a wide spectrum of industries and sectors. The Investment Manager may invest in these asset classes either directly or indirectly through UCITS Funds and/ or eligible non UCITS Funds. The Fund is actively managed and does not seek to replicate the MSCI All Country World Index. Therefore the Fund is not managed by reference to any benchmark index.

Sustainability

The Fund is classified under Article 6 of the SFDR meaning that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Key Facts

Asset Class	Balanced
Fund Launch Date	25-Oct-2011
Share Class Launch Date	11-Mar-2014
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	32.9 EUR
Benchmark	MSCI ACWI FP Equity
Fund Type	UCITS
ISIN	MT7000004925
Bloomberg Ticker	SFUDYNP MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	207.98 EUR

Charges

Total Ongoing Charges	3.27%
Entry Charge	Nil
Exit Charge	Y ₁ Nil
	Y ₂ Nil
	Y ₃ Nil
	After Nil

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction with the KIID



Asset Allocation *

	%
ETF	46.6
Equities	40.6
Cash	8.4
Fund	4.4

Currency Allocation *

	%
EUR	33.8
USD	63.1
GBP	3.1

* Without adopting a look-through approach

Top 10 Holdings

	%
iShares Core S&P 500	7.6
iShares MSCI World	7.5
iShares MSCI EM Asia Acc	7.0
iShares S&P Healthcare	5.0
BSF - European Opp Fund	4.4
iShares S&P 500 Financials	4.4
MSCI World Energy	3.9
iShares Dow Jones Ind Avg	3.5
Visa Inc	2.5
Bank of America Corp	2.5

% of Top 10 Holdings 48.3

Country Allocation **

	%	Benchmark Deviation
North America	66.4	3.3
Europe ex UK	17.6	4.3
Emerging/Frontier Markets ex China	6.3	-1.1
UK	3.0	-0.9
Japan	3.0	-2.5
China	2.9	-1.5
Asia Pacific ex Japan	0.8	-1.6

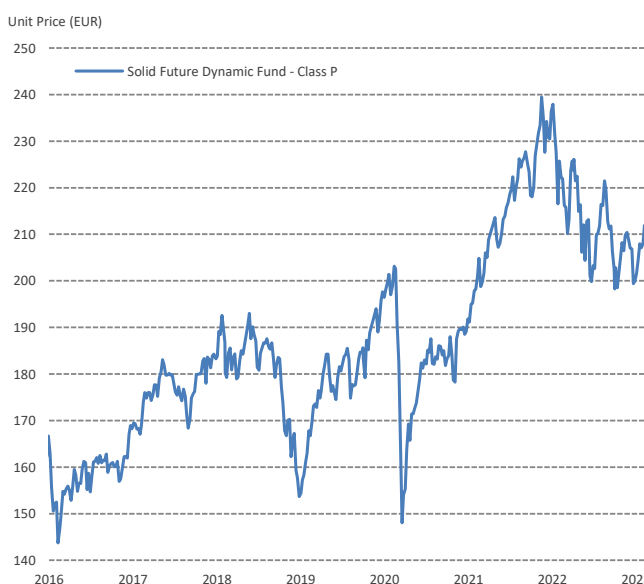
Sector Allocation **

	%	Benchmark Deviation
Technology	19.3	-2.4
Financials	17.1	2.1
Health Care	12.3	0.0
Industrials	11.7	2.2
Consumer Discretionary	9.1	-0.9
Communications	6.5	-1.1
Energy	5.3	-0.1
Consumer Staples	4.9	-3.0
Basic Materials	3.3	-2.1
Utilities	1.1	-1.8
Real Estate	0.5	-2.0
Other	8.9	8.9

** Including exposure to CIS, adopting a look-through approach. 'Benchmark Deviation' refers to overweight/underweight exposure vs Benchmark

Historical Performance to Date

Past performance does not predict future returns



Performance History ^{1,2}

	Cum.	Ann.
YTD	4.04	
1-month	0.01	
3-month	-0.50	
6-month	-2.22	
9-month	-2.25	
1-year	-3.78	-3.78
3-year	8.98	2.90
5-year	12.07	2.30
2022		-15.45
2021		23.26
2020		-2.37
2019		27.85
2018		-16.15
2017		8.93
2016		0.94

¹ Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

² The Annualised rate is an indication of the average growth of the Fund over one year. The value of the investment and the income yield derived from the investment, if any, may go down as well as up and past performance is not necessarily indicative of future performance, nor a reliable guide to future performance. Currency fluctuations may affect the value of investments and any derived income.

Introduction

From a market sentiment perspective, the month of February acted like a glass of cool water after the heat recorded last month. Generally higher than expected inflation numbers and a continuously tight labour market rekindled fears of higher interest rates going forward. Although talks of an economic recession this year have not resurfaced, it looks like markets are finally grasping the idea that this year there probably won't be any pivoting on behalf of central banks either. In spite of a somewhat decent corporate earnings season, management guidelines have been rather on the cautious side with some market pockets where consumers' disposable income already seem pressured. As well, the Chinese economy recovery story for this year has seen a significant setback when the GDP growth target set by the Communist authorities for this year at 5% is the lowest in recent history, showing that betting on a global economic salvation coming from this geography might be a more complicated reasoning than initially thought. Also a muted evolution of oil prices worldwide, in spite of an announcement of upcoming production cuts in Russia, keeps everybody unclear about the ongoing strength of the global economy. Leading macroeconomic readings still point to a negative sentiment in the economy, which continues coming at odds with a very tight jobs market. Such complex mosaic of contrasting signals keeps market participants guessing where the economy is heading next, making it very difficult to anticipate the optimal portfolio positioning in terms of asset class or geography.

From the monetary front, comments from various central bankers converged in resuming a hawkish tone more in line with the negative surprise to the upside of the latest inflation numbers, particularly in the US. Previous conviction of the current tightening cycle reaching its peak has left the floor open to speculations that the recent downturn in FED's rate hikes to just 25bps might have been too hasty. The acknowledgement of a protracted tightening policy against inflation has also been confirmed lately by a steep rise in yields on the short end of the curve. Such a move brings markets closer to FED's previous messaging as regards interest rates path to the end of the year.

Initially February seemed to continue the year-to-date enthusiasm in equities as markets were still convincing themselves that the worst of the ongoing monetary tightening cycle is truly behind us. That was until US inflation numbers made market participants rethinking such scenario. This however did not change the reality of US equity markets trading in a range over the last quarter, whereas European markets continued trending higher. The continuation of European equities outperforming their US counterparts since the market through last September has been quite surprising considering that from a monetary policy perspective the Eurozone has been lagging for quite some time. On both sides of the Atlantic however equities continue looking expensive relative to fixed income, even more so should additional monetary tightening lie ahead. We continue moving through a very challenging market environment.

Market Environment and Performance

Forward looking indicators expanded for a second consecutive month in Europe, aided by an accelerating services sector and improved manufacturing supply chains. Euro-area manufacturing PMI reading (48.5 v a previous month of 48.8) remained in contractionary territory, albeit at a modest gain in production. Services (reading 53.0 v previous reading of 50.8) advanced in the strongest expansion since last June. In February the annual inflation rate dropped to 8.5% from 8.6% in the previous month, as core inflation which excludes transitory or temporary price volatility rose to 5.6% from 5.3% level in the previous month.

In the U.S. aggregate business activity rose to 50.2, sharply up from the 46.8 in the previous month, following a marginal increase in the service sector output and a slower decline in manufacturing. Manufacturing PMI (reading of 47.8) pointed to a fourth successive contraction in factory activity, albeit the smallest one. Services PMI reading increased to 50.5 from 46.0, the first expansion in seen in seven months. Annual inflation rate expectations, despite consecutive months of declines, uncertainty remains of whether the downward trend will be retained.

Equity markets posted a mixed picture performance in February as fears of ongoing inflationary pressures ultimately pushing interest rates higher in the near term have led market participants to a reassessment of current market valuation multiples. The S&P 500 index lost 0.23% as value sectors regained the investors' attention as yield curves started shifting higher again. In Europe, the EuroStoxx50 and the DAX gained 1.80% and 1.57% respectively, concentrating a decent performance particularly in the consumer staples, financials and industrials sectors as earnings releases were above market expectations.

Fund Performance

In the month of February, the Solid Future Dynamic Fund registered a 0.01 per cent gain. On a year-to-date basis the fund's performance closed with a 4.03 per cent gain, underperforming its hedged comparable benchmark by 6bps. The Fund's allocation has not been adjusted during the month, as the Manager considered it was well positioned to the expected retracement in the recent rally seen by global equity markets. Consequently, the Manager has not considered that sector allocation or cash levels should be changed for the time being.

Market and Investment Outlook

Going forward, the Manager is of the view that should the monetary stance make a U-turn towards hawkishness and more tightening follow as a consequence, the recent positive expectations on this year's macroeconomic environment will ultimately see a reversal. This is yet another confirmation that markets are really oblivious to how long and difficult the road to taming inflation will be. The longer such process takes, the higher the odds of a recession eventually happening. This makes current equities markets valuations still less encouraging as regards return expectations. Another angle leading to the same conclusion is the fact that markets seem to be much undecided as regards defining a clear direction which might be conducive of a protracted period of range trading. In such a market environment the Manager remains cautious regarding equities and favours strategies focused on income-generation and less so on growth stories. Sector allocation and stock selection remain paramount, leaving the active portfolio allocation as the natural strategy for the time being.

Important Information

This is a marketing communication prepared for information purposes and should not be interpreted as investment advice nor to constitute an offer or an invitation by CCIM to any person to buy or sell units in the UCITS fund. Before making any final investment decisions, please refer to the Prospectus of the UCITS and any Offering Supplement thereto and to the Key Investor Information Document, which are available from the registered office of the Company, and from CCIM at the address appearing below. Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS. Solid Future UCITS Funds SICAV p.l.c. is licensed as a Collective Investment Scheme by the Malta Financial Services Authority under the Investment Services Act and qualifies as a 'Maltese' UCITS. Calamatta Cuschieri Investment Management Limited ("CCIM") is licensed to conduct Investment Services in Malta by the Malta Financial Services Authority under the Investment Services Act. This marketing communication is approved for issue by Calamatta Cuschieri Investment Management Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034.

Source: Net Asset Value per Share as published by CC Fund Services Ltd, the Fund's Administrator, recognised by the MFSA.