SOLID FUTURE DYNAMIC FUND

SHARE CLASS A

Factsheet as at 31st August 2023

Month end NAV as at 29th August 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	25-Oct-2011
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	35.3 EUR
Benchmark	MSCI ACWI FP Equity
Fund Type	UCITS
ISIN	MT7000003679
Bloomberg Ticker	SFUDYNA MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	216.01 EUR

Charges

Total Ongoing Charges		3.27%
Entry Charge		0.75%
Exit Charge	Y_1	5.00%
	Y_2	4.00%
	Y_3	3.00%
	After	Nil

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjuction with the KIID

Lower Risk — Higher Risk

1	2	3	4	5	**6**	7

Potentially lower reward — Potentially higher reward

Asset Allocation *

Asset Allocation *	%
Equities	52.4
ETF	39.5
Fund	4.3
Cash	3.8

Currency Allocation *

Currency Allocation *	%
EUR	29.9
USD	67.3
GBP	2.7

* Without adopting a look-through approach

Country Allocation **

Country Allocation **	%	Benchmark Deviation
North America	67.1	1.6
Europe ex UK	15.9	3.7
Emerging/Frontier Markets ex China	6.4	-0.9
Japan	3.6	-1.9
Asia Pacific ex Japan	2.5	0.3
UK	2.4	-1.1
China	2.1	-1.7

Top 10 Holdings

Top 10 Holdings	%
iShares MSCI World	6.7
iShares Core S&P 500	6.3
iShares MSCI EM Asia Acc	5.8
iShares S&P Healthcare	4.9
BSF - European Opp Fund	4.3
Apple Inc	3.6
iShares Dow Jones Ind Avg	3.5
Microsoft Corp	2.8
Alphabet Inc	2.7
iShares S&P 500 Financials	2.5
% of Top 10 Holdings	**43.1**

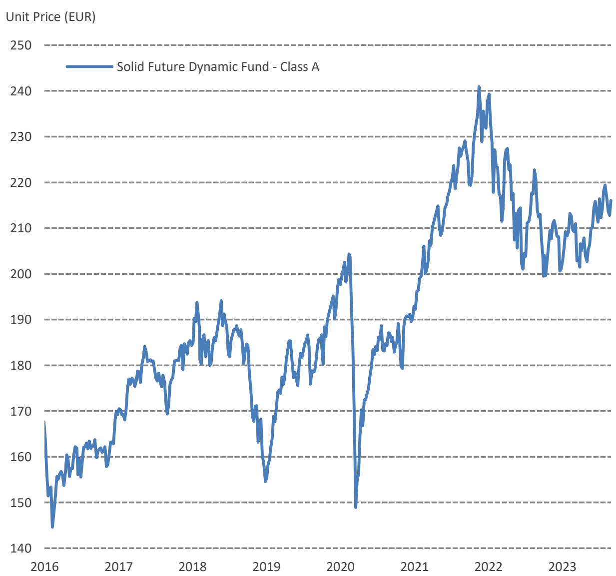
Sector Allocation **

Sector Allocation **	%	Benchmark Deviation
Technology	22.6	-2.2
Financials	20.3	6.9
Health Care	11.5	-0.2
Industrials	11.0	1.8
Consumer Discretionary	10.5	0.0
Communications	6.6	-1.6
Basic Materials	5.0	0.0
Consumer Staples	4.2	-3.1
Energy	2.7	-2.4
Utilities	0.9	-1.7
Real Estate	0.4	-1.8
Other	4.3	4.3

** 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	7.41	
1-month	-0.96	
3-month	2.78	
6-month	3.25	
9-month	2.73	
1-year	0.96	0.96
3-year	15.43	4.88
5-year	15.02	2.84

	%
2022	-15.44
2021	23.26
2020	-2.37
2019	27.85
2018	-16.15
2017	8.93
2016	0.95

[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

The August holiday season turned out to be wobbly as markets feared renewed inflationary pressures namely driven by energy prices. Market participants paused their optimism under which a benevolent scenario for the economy was being depicted. In reality historically, August is familiar for thin trading activity, which do not help in terms of market moves. Nonetheless, the general macroeconomic backdrop of a more resilient economy warranted such moves. In the US, a slight cooling in the labour market, did raise expectations that the FED is already at the peak of its monetary tightening, however the underlying health of the consumer is now being questioned. In Europe indicators continue painting a bleak picture for the overall economic state as the German malaise seems to have put a tight grip on the whole Eurozone. The Chinese economy is surely the most worrying spot on the global picture as the rolling economic data continues to disappoint and give constant headaches to corporates and asset managers having material exposures to the local economy. Geopolitical events provided no shining light on the current situation as the striking tensions between emerging economies and developed ones turned another chapter at this year's BRICS summit with six new nations being invited to join the organization in a Chinese effort to get more on par with the US on a diplomatic level. This could be seen as a response to the recent China "de-risking" economic strategy implemented by the West which effectively started the unravelling of the economic globalization seen in the last three decades.

From the monetary front, the annual Jackson Hole Symposium was the compass for monetary policy analysts as it is customary for this time of year. During the event FED Chair Powell acknowledged that further interest rate raises might be needed to cool down the still-to-high inflation. Although not very explicit, this was a rather more hawkish tone than market expected, which might be a good explanation for the steep yields rise in Treasuries seen during the month. Meanwhile expectations in Europe are for the ECB to pause the interest rate hikes in September having its hands somewhat tied by a slowing business activity, particularly in Germany.

Equity markets experienced a rather expected back clash during the period after a three-month rally led by subdued volumes and fears about recent oil prices rally reigniting inflationary pressures worldwide. This naturally made the energy sector the undisputed performer of the month, although, thanks to a late minute rally, the year-to-date bright sectors, namely technology and communications, did not suffer material losses. This has not alleviate by any means the paramount trouble with equity markets, namely valuations. However, analysts continue pointing out that the underlying market overvaluation by historical averages rests first and foremost with the technology space, which in a very adverse scenario simulation brings us closer to the dot.com bubble rather than the GFC crisis. On the other hand, even if the economic soft landing scenario has been accepted by almost all market participants, an economic recession cannot be completely ruled out for next year. All in all, from a risk management perspective, the largest margin of safety in the equities space now lays apparently with those stocks providing income potential above everything else.

Market Environment and Performance

Following a brief growth revival in the spring, forward looking indicators continued to show signs of weakness in Europe amid a first contraction in services (reading of 47.9 versus the previous month reading of 50.9) and a continuing downturn in the manufacturing sector (reading of 43.5 versus a previous month reading of 42.7). Overall this results in the softest 12-month outlook in 2023 so far. Input prices surprisingly picked up, putting the perspective of rapidly decreasing inflation into question. The annual inflation rate in the Euro area remained steady at 5.3% above the ECB's goal. Core inflation eased, dropping to 5.3% from 5.5% in the previous month.

In the U.S. aggregate business activity – while still evolving in expansionary territory – nearly stalled due to a weaker expansion in the services sector (reading of 50.2 vs 52.3 in July), and a renewed decline in manufacturing (reading of 47.9 vs 49 last month). Total new business marked the first decline since February, while the rate of job creation reached its lowest point since October 2022. Annual inflation rate in the US accelerated to 3.7% in August, higher than the 3.2% July figure. Core consumer prices eased further to 4.3%.

Equity markets were rattled by expectations of new interest rate hikes on the back of a revival in energy prices. Notwithstanding this, a retracement of the last three months rally was anyway expected and even welcomed during the holiday season when liquidity usually sinks. The month could have posted even worse returns should it not have been a last minute build up rally in technology names in particular on strong expectations regarding the earnings of this year's markets' darling, namely Nvidia. US markets significantly outperformed peers based on a larger market weighting in technology names. Meanwhile European markets sunk due to renewed worries as regards the direction of the Chinese economy given the average material exposure European exporters have on this market. Emerging markets were naturally hurt the most by the above-mentioned Chinese economy malaise. The S&P 500 index lost 0.25% based on a late rally in cyclical sectors. In Europe, the EuroStoxx50 and the DAX lost 3.90% and 3.04% respectively, driven particularly by communications and technology stocks.

Fund Performance

In the month of August, the Solid Future Dynamic Fund registered a 0.96 per cent loss. On a year-to-date basis the fund's performance closed with a 7.41 per cent gain, underperforming its hedged comparable benchmark. The Fund's allocation has been marginally rebalanced during the month, as the Manager reviewed some holdings and sectorial exposures. As such, new conviction names STMicroelectronics, CRH Plc and Rio Tinto Plc have been added based on strong fundamental valuation upside, as well as momentum trading particularly in the materials space. On the other hand, holdings in Volkswagen AG, Schneider Electric SE and GSK Plc have been liquidated based on recent underwhelming earnings reports and stocks been deemed as overvalued. Cash level has largely remained constant.

Market and Investment Outlook

Going forward, the Manager believes a continuation of softening in economic leading indicators shall ultimately put to rest discussions about a new round of monetary tightening. The tightness relief in the US labour market, the European manufacturing staying in contractionary territory, and the overall reduction in consumer savings rate, all point out to an exhaustion in global economic growth. Under such an economic reality, the Manager remains faithful to the conviction of equity markets trading in a range for the remainder of the year while expecting more visibility as regards the interest rates path in 2024 and beyond. In conclusion, the same increased focus on sectors and names with strong cash flows and below average valuation metrics is expected as the base line going forward. Thus the Manager is of the believe that the current underlying strategy reflects a long-term positive view. Present cash levels remain adequate for the current market outlook, while value stocks remain in focus at this stage.