SOLID FUTURE DYNAMIC FUND

SHARE CLASS P

Factsheet as at 30th September 2023

Month end NAV as at 26th September 2023

Calamatta Cuschieri

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)	34.4 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	208.77 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 conjuction with the KIID

Lower Risk — Higher Risk

1 2 3 **4** 5 6 7

Potentially lower reward — Potentially higher reward

Asset Allocation *	%
Equities	53.0
ETF	38.9
Fund	4.2
Cash	3.9

Currency Allocation *	%
EUR	29.4
USD	66.8
GBP	3.9

* Without adopting a look-through approach

Country Allocation **	%	Benchmark Deviation
North America	71.2	5.8
Europe ex UK	11.0	-1.1
Emerging/Frontier Markets ex China	7.1	-0.3
Japan	3.7	-1.9
Asia Pacific ex Japan	3.5	1.3
UK	2.4	-1.3
China	1.2	-2.5

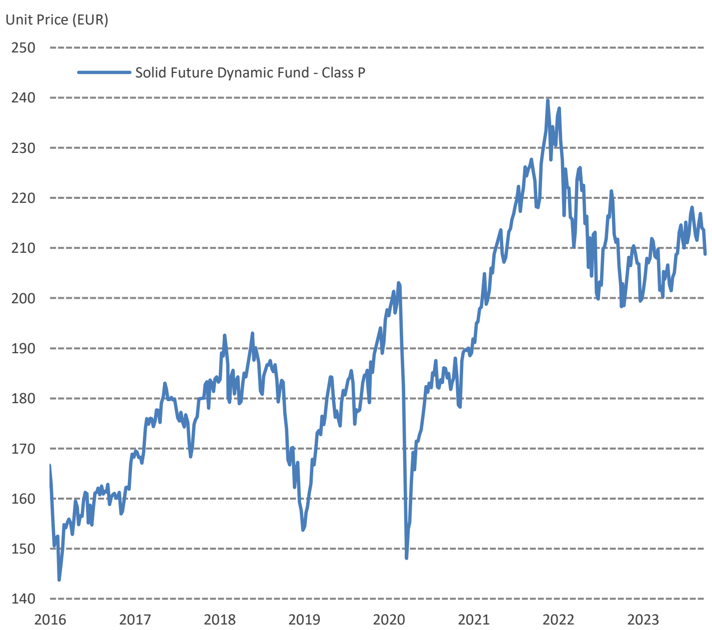
Top 10 Holdings	%
iShares MSCI World	6.6
iShares Core S&P 500	6.3
iShares S&P Healthcare	5.0
BSF - European Opp Fund	4.2
Apple Inc	3.6
iShares Dow Jones Ind Avg	3.5
iShares MSCI EM Asia Acc	3.2
Microsoft Corp	2.8
Alphabet Inc	2.7
iShares S&P 500 Financials	2.6
% of Top 10 Holdings	**40.5**

Sector Allocation **	%	Benchmark Deviation
Technology	22.6	-2.1
Financials	19.5	5.9
Industrials	10.8	1.8
Consumer Discretionary	10.7	0.3
Health Care	10.4	-1.5
Communications	7.9	-0.5
Basic Materials	5.1	0.2
Energy	4.9	-0.2
Consumer Staples	4.1	-3.3
Utilities	0.4	-2.1
Real Estate	0.4	-1.7
Other	3.2	3.2

** 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	4.43	
1-month	-2.78	
3-month	-0.61	
6-month	1.68	
9-month	4.43	
1-year	3.10	3.10
3-year	13.97	4.47
5-year	13.72	2.60
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.

Market Commentary

Introduction

In September the conviction of financial markets regarding new interest rate hikes have driven a new leg up in fixed income yields and a new leg down in equity markets. The fundamental economic reality disappeared as a main concern as markets momentum clearly turned risk off. Although the softening of leading macro indicators continued, it can be argued that the global economy still finds itself in a pretty good shape compared to where analysts expected it to be at the beginning of this year. This paints another instance whereby financial markets act in complete dissonance with the economy. The upward move in yield curves could however derail the current delicate balance in the real economy, as the propensity to lend and leveraging capacity are expected to be impacted in the future, setting up another undesired headwind for economic growth next year. This is just another dark cloud gathering over the consumer, in addition to the material uptick in energy prices and clear signs of diminishing disposable income. Equity markets seem not to be impressed however, as the recent summer pullback do not point to any significant stress among investors which probably still count on the soft-landing scenario. The next earnings season which comes, for the first time this year, with expectations of corporate earnings growth compared to last year will be the first reality check of such assumption.

From the monetary front, the FED paused its rate hikes while signalling fewer rate cuts next year in a move widely expected after it recently said it will have to wait for more data to understand how the US economy has been impacted. So far inflation has slowed steadily from its peak in the middle of last year and could ease to the FED's target rate without a sharp uptick in employment. Meanwhile in Europe the ECB raised interest rates to the highest level since the launch of the euro, while Christine Lagarde hinted that rates may have peaked but suggested borrowing costs would remain high for as long as necessary to bring inflation down to the 2% target.

Equity markets continued the slump from last month with technology and consumer discretionary sectors failing in limiting their losses. This does not mean that year to date performances have been compromised as main equity indexes still have something to show for, compared to bonds which are in a completely different position. Even if this picture paints a textbook negative correlation between the two asset classes, it is still difficult to provide a rational fundamental explanation in order to reconcile the expectations of these assets' holders. The advent of a new financial parlance like the 'Magnificent Seven' (Apple, Microsoft, Amazon, Alphabet, Meta Platforms, Nvidia and Tesla) encompassing the outperformance of mega caps compared to the rest of the equity universe really consolidate the image of these particular stocks to be seen as safe harbours, an idea which was close to unconceivable just two years ago. Only time will tell whether we should change financial textbooks or this is just another in the waiting bubble to pop.

Market Environment and Performance

Purchasing Managers' Index (PMI) indicators continued to show signs of weakness amid a second successive contraction in services (reading of 48.7 versus the previous month reading of 47.9) and a continuing downturn in the manufacturing sector (reading of 43.4 versus a previous month reading of 43.5). Despite a notable increase in oil prices, the annual inflation rate in the Euro area declined to 4.3% reaching its lowest level since October 2021. Core inflation eased, dropping to 4.5% from 5.3% 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 50.3 in August), and a sustained contraction in manufacturing (reading of 49.8 vs 47.9 in August). Annual inflation rate in the US remained at 3.7% in September, while core consumer prices eased further to to 4.1% from the previous 4.3%.

Equity markets continued their summer funk as historically September is a bad month for stocks. Probably the biggest factor influencing the equities slump was in Treasuries' yields reaching new highs in over two decades which raised the bar for technology stocks valuation again. This turns the focus to the upcoming earnings season which is expected to give markets a clear direction for the remainder of the year. The S&P 500 index lost 2.52% supported by value sectors like energy and financials. In Europe, the EuroStoxx50 and the DAX lost 2.85% and 3.51% respectively, with indiscriminate value destruction among sectors.

Fund Performance

In the month of September, the Solid Future Dynamic Fund registered a 2.78 per cent loss. The Manager continues to be very active, with the Fund's allocation being readjusted during the month. The Manager decided to take opportunity of the recent retracement by increasing exposures to mega caps and specific commodities names. New conviction names Conoco Phillips, Caterpillar and Broadcom have been added and exposure to Amazon, Alphabet and Rio Tinto Plc have been raised based on strong fundamental valuations and momentum trading particularly in the mega caps space. Exposure to the iShares MSCI EM Asia UCITS ETF has been partially swapped with a new holding in Lyxor MSCI EM ex China UCITS ETF targeting the decrease of Chinese equities exposure. On the other hand, holdings in LVMH, Kering, iShares Global Clean Energy UCITS ETF and Lyxor STOXX Europe600 Industrials ETF have been liquidated with a view to trim potential headwinds from a continuation of the Chinese economy malaise. Finally, holdings in iShares S&P Health care Sector ETF, iShares S&P Financials Sector ETF and iShares MSCI World UCITS ETF have been decreased in order to reach the desired allocation. Cash level has been slightly reduced on a more positive stance regarding momentum in equities markets.

Market and Investment Outlook

Going forward, the Manager maintains his belief in a softening macroeconomic environment which will finally end the monetary tightening cycle we have witnessed in the last 18 months. Notwithstanding an unexpected spike in inflationary pressures driven by commodity prices on the back of more geopolitical stress, the worst probable scenario remains a soft landing whereby global economic growth will subside, but not turn negative. As well, new rounds of economic stimuli in the Chinese economy should be bound to prop up the local consumer, however will not be able to bring back past rates of economic growth. Given the above, the Manager sees the latest moves in fixed income markets as an overshoot considering the current economic environment and consequently more promising equity markets performance into the end of the year. In addition to the standard focus on sectors and names with strong cash flows and attractive valuation metrics, increased attention shall be given to mega caps and technology names which could benefit from a drop-in bond yields. The abnormal volatility in markets over the past three years, can be attributed by the post-era pandemic negative repercussions. Thus, the word 'patience' should resonate well amongst investors on the back of historical trends which ultimately clearly show a positive outcome.