SOLID FUTURE DYNAMIC FUND

SHARE CLASS A

Factsheet as at 29th February 2024

Month end NAV as at 27th February 2024

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	25-Oct-2011
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	39.7 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	236.83 EUR

Charges

Total Ongoing Charges		3.23%
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 *

	%
Equities	81.2
ETF	8.7
Cash	5.8
Fund	4.3

Currency Allocation *

	%
EUR	25.5
USD	72.0
GBP	2.5

* Without adopting a look-through approach

Country Allocation **

	%	Benchmark Deviation
North America	68.7	2.1
Europe ex UK	12.1	-0.1
Emerging/Frontier Markets ex China	11.4	4.1
Asia Pacific ex Japan	3.1	1.0
Japan	3.0	-2.6
UK	1.8	-1.4
China	0.0	-3.1

Top 10 Holdings

	%
Walt Disney Co/The	5.3
Lowe's Cos Inc	5.3
Amazon Inc	4.7
Alphabet Inc	4.6
Bank of America Corp	4.5
Samsung Electronics Co Ltd	4.4
Pfizer Inc	4.3
BSF - European Opp	4.3
Taiwan Semiconductor	3.9
Apple Inc	3.7
% of Top 10 Holdings	**45.0**

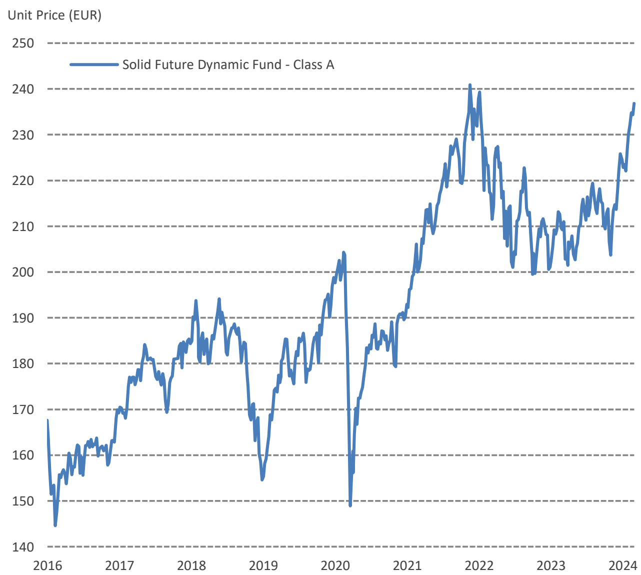
Sector Allocation **

	%	Benchmark Deviation
Technology	25.1	-1.5
Financials	16.2	2.4
Consumer Discretionary	14.6	4.1
Communications	11.5	3.2
Health Care	9.3	-1.9
Industrials	5.1	-4.2
Consumer Staples	3.6	-3.2
Basic Materials	3.6	-1.0
Energy	3.3	-1.1
Real Estate	2.0	-0.1
Utilities	0.1	-2.3
Other	5.6	5.6

** 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	5.46	
1-month	2.93	
3-month	10.83	
6-month	9.64	
9-month	12.69	
1-year	13.20	13.20
3-year	18.43	5.78
5-year	35.99	6.33
2023		11.67
2022		-15.44
2021		23.26
2020		-2.37
2019		27.85
2018		-16.15
2017		8.93

[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

February presented a picture of rather exacerbated optimism in global financial markets when compared to the fragile interplay between the global economic growth, the tightening financial conditions and the simmering political tensions. As the early signs of a possible acceleration in global output were marked by leading economic indicators, the performers continued being the US, Japan, and the emerging markets, particularly India and Brazil. Additionally, China's continued economic expansion, although not above expectations, offered some stability to the overall landscape. However, the outlook remains somewhat subdued given the projected slowdown for global output growth in 2024 compared to last year. It could be argued that the "soft landing" scenario has already become the base scenario with risks regarding the economic growth coming only from the upside. As inflationary pressures have continued their downward path across regions, it is rather the geopolitical tensions which might currently cast a long shadow over the macroeconomic environment. Beyond immediate conflicts such as Ukraine and Gaza, such uncertainties also stem from rising tensions between the US and its allies on one hand and China on the other, as trade disputes and commercial disagreements continue raising concerns about potential disruptions to global supply chains and de-globalisation. In addition, the rebalancing of power on the geopolitical stage as some emerging markets push for a recognition of their newly-discovered economic prowess into political might constitute an additional layer of uncertainty to the current situation. The coming quarters alongside the outcome of the US elections will be crucial in determining the trajectory of global financial markets. Beyond the apparent positive market momentum, navigating through these challenges going forward will not be easy.

From the monetary front, the FED minutes from its January policy meeting revealed its worries about the possibility of inflation remaining stubbornly high which could keep interest rated at a 23-year high longer than markets previously expected. While an interest rate cut in the March meeting is now out of discussion, market participants now view the second half of the year as bringing several rate cuts, in line with the FED's expectations at the beginning of the year. In Europe, the ECB does look more positive on the perspectives of reigning in price rises, as it is likely to cut its own inflation projections during the March meeting, particularly due to lower energy prices. But this alone will not be sufficient to reverse the historic policy tightening process, especially since wage growth remained strong and the unit labour cost was sharply higher due in part to a slump in productivity.

Despite an expected breather after a three-month rally, equity markets posted another stellar performance in February pushed particularly in the last week by another Nvidia excellent earnings report. There were two clear trends emerging in the markets – on one hand, the AI hype pushing forward and leading to some valuation metrics which are clearly out of bounds compared to historical averages, on the other the beginning of a disconnect within the famed Magnificent 7. While Nvidia, Meta and Amazon continued outperforming the market, Tesla and more recently Apple and Alphabet are beginning to show signs of weakness for various reasons, be it that the EVs market does not shine anymore as per market participants previous opinion, or that the latter companies are not on top of the surging AI game. This only initiates providing some potential answers to investors which at some point became oblivious to the mortality or the maturity cycle of any business. It also dissipates a bit the pressure which was levied on the active managers last year when they had an almost impossible task as both market concentration and outperformance was coming from a few names. Considering the various complications markets are due to sidestep in the near future, there seems to be some hope left for active portfolio management after all.

Market Environment and Performance

February's Purchasing Managers' Index (PMI) indicators showed that the Euro area economy moved closer to stabilization, amid an expansion in services (reading of 50.2 versus the previous month reading of 48.4) which largely offset the weakening in the manufacturing segment (reading of 46.5 versus a previous month reading of 46.6). Inflows of new orders fell the least since June 2023, while the rate of employment growth was at a seven-month high. Meanwhile price pressures showed signs of peaking with inflation easing to 2.6% from 2.8% in January, but remained slightly above preliminary estimates pushing back expectations of interest rate cuts by the ECB.

The US economy continued to defy some earlier slowdown displaying signs of continued strength. Consumer spending, business activity and employment all indicated a healthy expansion to start the year. The labour market remained particularly robust as the latest jobs reports showed a significant increase nonfarm payroll and a near half-century low employment rate. Annual inflation rate in the US increased to 3.2% in February from a five-month low of 3.1% recorded the previous month, as energy prices cooled at a slower pace. Core consumer prices eased to a two-and-a-half-year low of 3.8%.

February witnessed a continuation of the positive trend that began in late 2023, as global equity markets surged with major benchmarks reaching new highs. This upswing was driven by a resilient US economy which instilled investor confidence, compounded by a continuation of the ongoing excitement surrounding advancements in AI which fuelled interest in technology-related stocks. As well, after a sluggish January, emerging markets, particularly China experienced significant gains, bolstered by positive expectations regarding authorities' actions to prop up the local stock market. The S&P 500 index gained 5.66% supported by the industrials, consumer discretionary and materials sectors. European markets also reached all time high levels as the EuroStoxx50 and the DAX gained 4.58% and 4.58% respectively, with consumer discretionary, financial and industrial names leading the way.

Fund Performance

In the month of February , the Solid Future Dynamic Fund registered a 2.93 per cent gain, underperforming its hedged comparable benchmark by 11bp. The Fund' allocation has been adjusted, as the Manager reposition it to better respond to the recent market developments. New conviction names Eli Lilly and Palo Alto Networks have been added based on compelling fundamental factors and very strong secular trends in the weight loss medication demand in the first case and a very interesting risk-adjusted entry levels in the latter. As well, a position in the iShares US Property Yield UCITS has been initiated, and the exposure to the Xtrackers MSCI Japan UCITS ETF has been increased as they reflect some of the Manager's most compelling investment themes for the time being. Positions in Applied Materials and TSMC have been slightly downsized following an impressive market rally as sizeable profits have already been achieved. Exposures to United Continental Holdings, Wells Fargo & Co and Caterpillar have been liquidated based on sizeable profits already achieved and assessed overvaluation priced in by markets. Finally, the Fund's passive allocation has continued being trimmed by eliminating holdings in Xtrackers MSCI World Materials UCITS ETF and Lyxor STOXX Europe 600 Banks. Cash levels have been slightly increased.

Market and Investment Outlook

Going forward, the Manager believes the global economic landscape remains complex, as inflationary pressures might persist while central bankers remain hesitant on a decisive action regarding interest rates due to economic growth concerns. Geopolitical tensions and supply chain disruptions add further complexity to the macroeconomic landscape. The overall picture remains broadly positive as the US economy clearly outperforms other developed markets and the Chinese economy is hopeful about a much necessary boost provided by public subsidies programs. On such a backdrop, the Manager has tempered expectations about equity markets returns in the coming quarters, compounded by the impressive market rally recorded in the last three months, anticipating heightened volatility along the way. The Fund will continue its diversified allocation with focus on quality companies, particularly those which have seen recent underperformance. Nevertheless, specific allocations to growth companies should be expected going forward through tactical plays in market pockets experiencing corrections. Corporate actions, geopolitics and technical indicators will continue being considered for particular allocations, while cash levels will be used as a tool for proactive action in case of markets deterioration.

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