SOLID FUTURE DEFENSIVE FUND

SHARE CLASS P

Factsheet as at 30th June 2025

Month end NAV as at 24th June 2025

Calamatta Cuschieri | moneybase

Investment Objective and Policy

The Fund aims to deliver a positive total return in any three year period from a flexibly managed portfolio of global assets whilst maintaining a monthly VaR with a 99% confidence interval at or below 5% at all times. The Investment Manager shall invest primarily in a diversified portfolio across a wide spectrum of industries and sectors primarily via bonds, equities and eligible ETFs. Investment in these asset classes either directly or indirectly through UCITS Funds and/ or eligible non UCITS Funds. The Fund is actively managed, not managed by reference to any 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	29-Apr-2014
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	15.7 EUR
Fund Type	UCITS
ISIN	MT7000004917
Bloomberg Ticker	SFUDEFP MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	143.42 EUR
VAR	5.29%

Charges

Total Ongoing Charges		3.60%
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 *	%
Conventional Bonds	69.2
Equity	26.8
Cash	4.0

Currency Allocation *	%
EUR	68.0
USD	31.4
GBP	0.6

Top 10 Holdings	%
Amundi Euro Gov Bond 10-15Y	11.8
Amundi Euro Gov Bond 7-10Y	5.7
iShares Euro Corp Large Cap	4.4
iShares Euro HY Corp	3.8
iShares Fallen Angels HY Corp	3.3
3% Govt of France 2033	2.7
Uber Technologies Inc	2.2
iShares USD HY Corp	1.9
4.00% Eden Finance 2027	1.5
Amazon.com Inc	1.4
% of Top 10 Holdings	**38.7**

* Without adopting a look-through approach

Geographical Focus **	%
Europe ex UK	50.7
North America	35.9
UK	6.1
Emerging/Frontier Markets ex China	4.1
China	1.3
Japan	1.2
Asia Pacific ex Japan	0.6

** Including exposure to CIS, adopting a look-through approach

Sector Allocation ***	%
Government	22.6
Communications	17.1
Financials	14.3
Consumer Staples	12.6
Consumer Discretionary	10.5
Technology	6.3
Industrial	6.1
Energy	2.6
Basic Materials	2.4
Utilities	2.1
Other	3.4

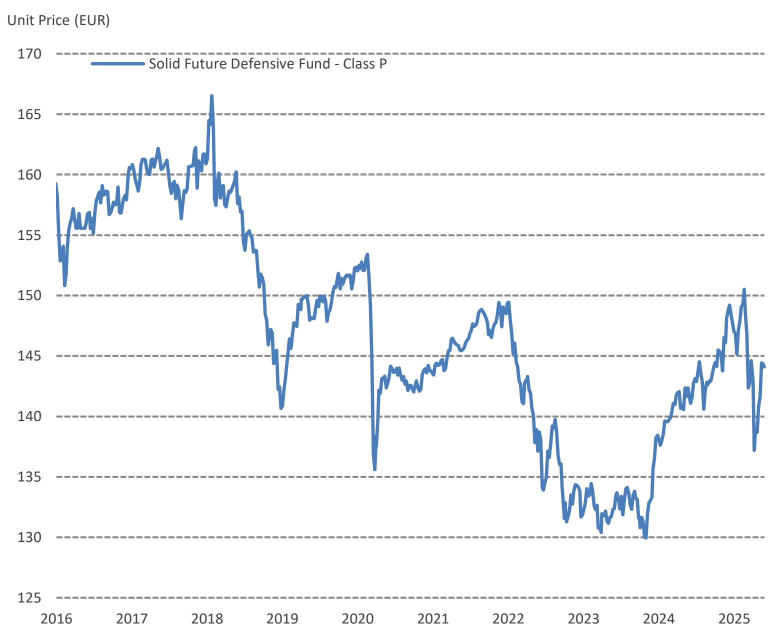
*** Adopting a look-through approach

Bond Credit Rating *		%
Investment Grade	AA	4.9
	A	25.1
	BBB	7.0
High Yield	BB	23.7
	B	4.5
Non-Rated		4.1

Bond Portfolio Duration	
Modified Duration	5.2

Historical Performance to Date

Past performance does not predict future returns



Performance History [1,2]	Cum.	Ann.
YTD	-2.45	
1-month	-0.46	
3-month	-0.82	
6-month	-2.45	
9-month	-0.47	
1-year	0.21	0.21
3-year	6.63	2.17
5-year	-0.15	-0.03
2024		6.21
2023		5.01
2022		-11.74
2021		4.06
2020		-5.60
2019		8.08
2018		-12.57
2017		0.25

[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

June saw global markets retesting new highs, driven by a risk-on sentiment, particularly in technology and AI-related stocks, as well as dipping US treasury yields amid growing rate-cut expectations. Another fundamental boon for the generally positive market consensus was the effective easing of trade tensions between the US and China as formal steps were taken with a view to reaching a framework for the long-sought commercial agreement between them. Not even the 12-day conflict between Israel and Iran managed bothering markets for too long as the threat of closing the Strait of Hormuz traffic sent oil prices soaring by double digits for less than a week, after it was clear such risk would not eventually materialize. Finally, the main legislative objective on the Trump administration agenda has been achieved, as not only the tax breaks introduced by the first Trump administration in 2017 have been extended, but also some other tax cuts promised on the campaign trail last year have been enacted. Adding to this the extensive additional spending on defence, it looks like the budget balancing once so dear to the Republican establishment has become just a bad joke. Forecasts for the additional public debt the US will likely accrue within the next decade because of such spending bonanza are measured in trillions of US dollars. Who will be willing to finance such profligacy in the future is uncertain, but for many political actors the boost in economic growth to be derived from this bill is not only certain, but also votes worthy. Should market participants really buy into such stories might make them look quite complacent if history is anything to go by. As usual, for any particular investor out there still faithful to the old economic textbook, it is hard going against the grain even when common sense tells you to do so.

From the monetary front, the FOMC decided to keep the federal funds rate steady during its June meeting noting that economic growth remain moderate, inflation was somewhat elevated and trade tensions (new tariffs) remain uncertain. While the rate outlook median projected two 25 bp cuts by the end of the year, the FED's independence was again in the spotlight given the public dissatisfaction of President Trump with the current monetary stance. Trump's intention of bringing forward the nomination for a new Chair that should replace Jerome Powell in May 2026 would effectively render the latter's influence on financial markets obsolete toward the end of its term. In Europe, the ECB cut its key interest rate by 25bp, the eight such move within a year. Following this, the ECB signals a likely pause in further reductions, citing improved inflation stability and rising global trade uncertainties, including concerns over US tariff escalation.

June has stabilized equity markets after their post Liberation Day rally, and thus normalized again market participants' expectations to recording a new market all-time high level on a regular basis. This might give the sense that we are back again in the American exceptionalism era, particularly as US markets managed again outperforming European peers. However, after adjusting market performance for the striking US dollar weakening year-to-date, US markets post exactly the worse performance within the main geographies. This is actually a prime example of the "money illusion" investors might experience when the real domestic market performance is materially impacted by the FX impact, a reality that was usually experienced by investors in emerging markets like Latin America or South Asia. This might be just a one-off event for US markets. However, the 'One Big Beautiful Bill Act' recently passed through the US Congress might make such reality recurring. Beyond its claimed economic growth benefits, there is one certainty – an estimated $3.3 trillion additional US public debt accruing in the next decade. One can hardly imagine how such an impact will not fundamentally alter over the long-term the value of the US dollar, and consequently asset returns denominated in this currency. In the last decades, the US dollar volatility had a very little negative impact for overseas investors in realising outstanding returns when investing in US assets. But there is no guarantee that this will continue, and one day the US dollar debasement, intended or not, might just turn investments in US equities unattractive.

Market Environment and Performance

In the Euro area economic performance surprised to the upside, as the GDP marked in Q1 2025 the strongest quarterly expansion since Q3 2022. Forward-looking indicators, however, pointed to more muted momentum, as the monthly Composite PMI held steady at 50.2, unchanged from the prior month. This marked the sixth consecutive month above the 50.0 expansion threshold. The services sector activity stagnated, while manufacturing – albeit consistently improving – signalled a slight downturn in manufacturing conditions. Inflation across the bloc also moderated, easing to 1.9%, an eight-month low and below the ECB's 2.0% medium-term target.

In the US, leading indicators offered mixed signals. While the May data showed early signs of improvement, figures that are more recent pointed to a moderating momentum. Notably, the June Composite PMI showed continued expansion in business activity dipping slightly to 52.9 from 53.0 in May. Falling exports weighted on growth, partially offset by inventory building as firms responded to tariff concerns. Rising backlogs, the fastest in over three years, spurred the strongest hiring activity in a year

In June, global equity markets managed to stay afloat on positive territory taking a breather from the May rally and assessing the long-term impact of the new tax bill pushed by Republicans in the US Congress. While the tariffs saga took a respite, market participants reminded themselves again there is an AI revolution going on in the world, using it as an excuse to pump up again your usual technology names. The continuing US dollar depreciation and the bond market yields stabilization were tailwinds for the US markets, but in particular for emerging markets which benefit the most when taking into account their US-denominated public debt. The US market outperformed again Europe reversing the trend seen from the beginning of the year, while Japan also outperformed its developed peers. The S&P 500 index gained 1.28% as technology, communications and financials pulled the entire market on the back of renewed optimism regarding domestic economic growth. European markets gave back some of their gains from recent months. The EuroStoxx50 lost 1.18% while the DAX lost only 0.37% as prior sectorial performers like banks and defence have seen some profit taking action.

The backdrop for credit markets proved supportive following gains seen within the U.S. Treasury, with both investment-grade and high-yield segments benefiting. High-yield, in particular, continued to gain from improving corporate fundamentals and a more optimistic risk environment. U.S. corporate credit outperformed, with investment-grade and lower-rated bonds returning 1.82% and 1.86%, respectively. European high yield also delivered positive returns, albeit more modestly, with a gain of 0.45%, trailing its U.S. counterparts.

Fund Performance

In the month of June, the Solid Future Defensive Fund registered a 0.46 per cent gain. On the equity allocation, the Fund's allocation has not been changed, as the Manager deemed it aligned to the overriding market conditions. From the fixed income front, the allocation has been retained, while the Manager will continue to take opportunity of primary issues which might pose premium yield returns.

Market and Investment Outlook

Going forward, the Manager believes that the economic landscape remains largely benevolent as low unemployment and inflation, slightly above target, underpin markets and to date markets has wiped-off concerns in regard tariffs. There is, in fact, an implicit acknowledgement of such reality provided by monetary policies whereby, in spite of calls for interest rate cuts coming from the political spectrum, there is no apparent need for such approach in the eyes of central bankers. From a different perspective, the pressures building up in the global economy are already released through different channels that are in plain sight – currency devaluation, energy prices decrease, etc. Not all the economic truth lies in leading indicators, while no big beautiful bill is guaranteed to boost economic growth and productivity. Moreover, the Manager is of the view that the upcoming earnings season should reveal the way tariffs eroded corporate margins, if any, not to mention that the third quarter is statistically the most challenging period of the year for equities. Thus, the Manager reiterates his view that the strategic allocation remains based on long-term convictions to quality companies benefitting from secular growth trends agnostic to specific macroeconomic developments, in which case fundamentals will ultimately prevail. The Manager shall deploy capital opportunistically in specific sectors, and using cash levels as dry powder during episodes of market overshooting.