SOLID FUTURE DEFENSIVE FUND

SHARE CLASS P

Factsheet as at 31st January 2026

Month end NAV as at 27th January 2026

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)	15.6 EUR
Fund Type	UCITS
ISIN	MT7000004917
Bloomberg Ticker	SFUDEFP MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	143.63 EUR
VAR	4.41%

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	65.6
Equity	27.9
Cash	6.5

Currency Allocation *	%
EUR	68.1
USD	30.2
GBP	1.7

* Without adopting a look-through approach

Top 10 Holdings	%
Amundi Euro Gov Bond 10-15Y	11.7
Amundi Euro Gov Bond 7-10Y	5.6
iShares Euro Corp Large Cap	4.3
iShares Euro HY Corp	3.7
iShares Fallen Angels HY Corp	3.3
3% Govt of France 2033	2.6
iShares USD HY Corp	1.8
4% Eden Finance 2027	1.5
Xtrackers MSCI Japan	1.4
6.375% Intesa Sanpaolo Spa perp	1.3
% of Top 10 Holdings	**37.2**

Geographical Focus **	%
Europe ex UK	47.8
North America	35.4
UK	6.5
Emerging/Frontier Markets ex China	4.7
China	3.0
Japan	1.7
Asia Pacific ex Japan	1.0

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

Sector Allocation ***	%
Government	22.8
Financials	16.2
Communications	15.9
Consumer Staples	10.1
Consumer Discretionary	10.0
Industrial	7.8
Technology	6.3
Basic Materials	2.9
Energy	2.6
Utilities	1.6
Other	3.8

*** Adopting a look-through approach

Bond Credit Rating *		%
Investment Grade	AA	4.8
	A	24.1
	BBB	6.5
High Yield	BB	23.9
	B	2.6
Non-Rated		3.5

Bond Portfolio Duration	
Modified Duration	4.59

Historical Performance to Date

Past performance does not predict future returns

Performance History [1,2]	Cum.	Ann.
YTD	-0.39	
1-month	-0.39	
3-month	-2.42	
6-month	-0.35	
9-month	1.97	
1-year	-2.89	-2.89
3-year	7.59	2.47
5-year	-0.40	-0.08
2025		-1.92
2024		6.21
2023		5.01
2022		-11.74
2021		4.06
2020		-5.60
2019		8.08
2018		-12.57

[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 January, financial markets tested investor resilience, with volatility rising meaningfully relative to the more constructive tone observed at the end of 2025. As expectations for near-term monetary easing continued to recede and renewed volatility in crypto markets weighed on retail sentiment, the overall return environment became increasingly complex. Geopolitical developments played a material role in market repricing, generating intermittent risk aversion across asset classes. Precious metals rallied on safe-haven demand, while commodities advanced more broadly amid supply-side concerns. The U.S. dollar experienced notable fluctuations as investors reassessed growth and policy expectations. Concurrently, the long-anticipated sector rotation gained further traction, with cyclical and value-oriented exposures outperforming segments of long-duration growth equities. Market leadership broadened meaningfully compared to the concentrated dynamics of the previous three years, favouring sectors with tangible links to fiscal expansion, defence spending, and industrial resilience. While the artificial intelligence investment theme continued to dominate capital allocation discussions, scrutiny increased regarding the timing and magnitude of returns on large-scale AI infrastructure investments. Overall, markets now exhibit a more tempered confidence, as they operate within a regime of persistently elevated abnormal volatility probably never seen in the history of financial markets.

On the monetary-policy front, the Federal Reserve kept its benchmark interest rate unchanged at its January meeting, following a sequence of rate cuts. The FOMC modestly upgraded its assessment of economic growth and expressed greater confidence in labour market resilience. Although limited forward guidance was provided regarding the future policy path, market expectations currently suggest that the next adjustment to the policy rate is unlikely before June at the earliest. In Europe, the accounts of the European Central Bank's December meeting indicated no urgency to recalibrate policy. With inflation fluctuating close to the ECB's target and medium-term projections pointing to continued convergence around that level, policymakers appear comfortable maintaining the current rate structure. Market consensus similarly anticipates broadly stable policy rates throughout 2026.

Global equity markets delivered an early demonstration of the elevated volatility that many investors had anticipated for 2026. The dynamic, however, unfolded differently than expected. Markets witnessed a sharp and rapid rotation out of software names into value-oriented sectors, while semiconductor stocks largely sustained their upward momentum. Although a tilt towards value had arguably been overdue, the speed and intensity of the shift was striking. The market narrative appeared to transition abruptly from identifying potential AI adoption beneficiaries to speculating on AI adoption casualties. While forecasting the ultimate winners and losers of technological disruption is inherently uncertain, the recent sell-off was both forceful and indiscriminate. The prospect of lower-cost AI-enabled alternatives to traditional SaaS platforms is relatively straightforward to conceptualize. However, it would be premature to dismiss the capacity of established software companies to integrate AI effectively and enhance their value proposition. Moreover, the breadth of the sell-off raised questions, particularly in segments where security, regulatory oversight, auditing requirements, and compliance considerations remain critical barriers to disruption. A broader societal dimension also warrants consideration: the extent to which institutions and individuals are prepared to delegate decision-making authority to AI systems remains uncertain. Whether this episode reflects prescient anticipation of structural disruption or an instance of short-term inefficiency driven by sentiment and positioning will become clearer only with time.

Market Environment and Performance

In the Euro area, the January flash Eurozone Composite PMI stood at 51.5, unchanged from December and slightly below market expectations, indicating a temporary stabilization in private-sector growth. The overall expansion was supported by the services sector (51.9 vs. 52.4 in December), which moderated but remained in growth territory, while manufacturing returned to growth (50.2 vs. 48.9), signalling a rebound in production. Consumer price inflation eased to 1.9% in December 2025, down from 2.1% in November and below estimates of 2.0%. The reading marked the first time since May that inflation has come below the European Central Bank's 2% target.

In the U.S., forward-looking indicators eased from recent highs, though remaining consistent with expansion. The Composite PMI edged up to 52.8 in January from the 52.7 in December, indicating a modest pickup in business activity, albeit at a slower pace than the stronger expansion recorded in the second half of 2025. Manufacturing activity accelerated further (54.8 vs. 53.6) outpacing services growth (52.5 vs. 52.6). Underlying momentum showed signs of softening across both sectors. Headline U.S. inflation remained at 2.7% in December, the same as in November and in line with market expectations. Core inflation, which excludes food and energy, stood at 2.6%, the lowest level since March 2021.

In January, global equity markets began the year on a constructive footing but grew more cautious as the month progressed, reflecting a gradual rotation out of technology and into value-oriented sectors. While equity markets remained broadly orderly, heightened volatility in crypto-assets and precious metals unsettled highly leveraged retail investors. A generally supportive macroeconomic backdrop steered investor interest toward industrial companies. As expectations for a highly dovish Federal Reserve extending into 2026 continued to recede, financial names underperformed. At the same time, a resurgence of geopolitical risks drove a rare period of outperformance in the energy sector. From a regional perspective, emerging markets and Japan emerged as the strongest-performing areas. By contrast, U.S. equities ended the month modestly lower. The S&P 500 declined by 0.36% over the month, weighed down by its relatively high exposure to technology stocks. European markets were helped by their higher exposure to value sectors like energy and utilities, with the Euro Stoxx 50 advancing 2.62% and the DAX gaining 0.20%.

Credit proved mixed in January, with U.S. Treasuries coming under pressure. Treasury yields rose across much of the curve, reflecting a combination of lingering fiscal concerns, a reassessment of the pace and extent of future Federal Reserve rate cuts, and spill over effect from the widening in Japanese yields. In Europe, sovereign bonds outperformed their U.S. counterparts as economic conditions remained broadly resilient despite elevated geopolitical risks. French government bonds led the outperformance, with spreads versus Germany tightening to levels last seen in mid-2024, as investors welcomed signs of improved political stability. Corporate credit markets delivered positive returns, with Europe outperforming across both risk segments. Investment-grade and high-yield credit returned 0.79% and 0.68%, respectively.

Fund Performance

In January, the Solid Future Defensive Fund registered a 0.39 per cent loss. On the equity allocation, the Fund's portfolio has been rebalanced with a view to limiting idiosyncratic risk and portfolio market beta. New positions in Nasdaq, Intercontinental Exchange, CRH, Intesa Sanpaolo, Zscaler, Rolls-Royce Holdings and Safran have been initiated. Additionally, holdings in Procter & Gamble, and Xtrackers MSCI Japan UCITS ETF have been topped up. Consequently, the Fortinet, Airbnb, Deutsche Telekom, Adyen and Oracle holdings have been liquidated, while exposures to Microsoft, Amazon, VanEck Semisonductor UCITS ETF, Uber Technologies and Meta Platforms have been trimmed for risk management purposes.

On the fixed income side, the Manager sought to continue locking in attractive yields. During the month, four new issues were added, selectively increasing exposure to high-yield issuers with sound credit fundamentals, while maintaining a disciplined approach to risk management. Consequently, the fund's exposure to Grupo Antolin was reduced amid increasing refinancing risks, with proceeds reallocated to ZF Europe, whose credit profile has strengthened following a recent asset disposal. New positions were also initiated in Betclic and Enel. Toward month-end, we executed a rotation within CPI Property bonds, extending duration while increasing the coupon from 4.75% to 6.0%, thereby enhancing the portfolio's income profile.

Market and Investment Outlook

Looking ahead, the Manager observes a modest improvement in the U.S. macroeconomic backdrop, with leading indicators pointing to a renewed pickup in business and investor optimism. There remains broad consensus that fiscal and monetary support measures are likely to underpin economic activity in the near term. Developments in other developed markets, most notably Japan, also carry the potential to introduce additional policy support, further reinforcing an already resilient global growth environment. Despite heightened market volatility, commodity prices continue to trend higher, which may signal a gradual build-up in longer-term inflation expectations.

Looking ahead, fixed income markets are likely to remain highly sensitive to developments in trade policy, geopolitical tensions, and their broader economic implications, as well as to incoming macroeconomic data that will continue to shape monetary policy expectations. We expect returns to be increasingly driven by income rather than price appreciation, reinforcing the importance of locking in attractive coupons from companies with strong credit fundamentals. From the equity front, the Manager maintains a moderately cautious stance on equity return expectations for the year, largely in light of the ongoing sector rotation within growth segments. Consistent with our investment philosophy, emphasis remains on high-quality business models, with increased scrutiny on potential AI-related disruption risks. Preserving flexibility within the strategic asset allocation framework remains paramount to effectively navigate evolving market conditions.

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