

SOLID FUTURE DYNAMIC FUND

SHARE CLASS A

Factsheet as at 31st January 2026

Month end NAV as at 27th January 2026

Calamatta Cuschieri



Investment Objective and Policy

The Fund aims to deliver a return over and above major global indices 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.

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	Growth
Fund Launch Date	25-Oct-2011
Share Class Launch Date	25-Oct-2011
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	42.7 EUR
Fund Type	UCITS
ISIN	MT7000003679
Bloomberg Ticker	SFUDYNA MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	256.95 EUR

Charges

Total Ongoing Charges	3.49%
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 conjunction with the KIID



Potentially lower reward Potentially higher reward

Asset Allocation *

ETF	49.4
Equities	47.5
Cash	3.1

Currency Allocation *

EUR	24.1
USD	75.0
GBP	0.9

* Without adopting a look-through approach

Top 10 Holdings

Xtrackers MSCI USA Info Tech	3.6
Mercadolibre Inc	3.3
Microsoft Corp	3.1
CRH plc	3.0
Amazon.com Inc	3.0
Booking Holdings Inc	3.0
Intercontinental Exchange Inc	2.9
Nasdaq Inc	2.9
Palo Alto Networks Inc	2.9
Robinhood Markets Inc	2.9
% of Top 10 Holdings	30.6

Country Allocation **

	%	Benchmark Deviation
North America	65.6	-0.4
Europe ex UK	13.2	1.4
Emerging/Frontier Markets ex China	7.9	-0.5
China	4.7	1.2
Japan	2.6	-2.4
UK	2.0	-1.3
Asia Pacific ex Japan	1.0	-0.9

Country allocation excludes cash

Sector Allocation **

	%	Benchmark Deviation
Technology	22.9	-4.0
Financials	22.0	4.1
Consumer Discretionary	18.2	8.9
Communications	9.7	-0.1
Industrials	8.6	-1.4
Basic Materials	5.0	0.9
Health Care	4.4	-4.5
Consumer Staples	2.7	-2.7
Energy	1.8	-1.7
Utilities	1.3	-1.3
Real Estate	0.3	-1.4
Other	3.1	3.1

** 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	-0.62	
1-month	-0.62	
3-month	-3.91	
6-month	3.28	
9-month	11.12	
1-year	-3.60	-3.60
3-year	22.83	7.12
5-year	29.10	5.23
2025		-0.07
2024		15.23
2023		11.67
2022		-15.44
2021		23.26
2020		-2.37
2019		27.85
2018		-16.15

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

In January, financial markets tested investor resilience, with volatility rising meaningfully relative to the more constructive tone observed at the end of 2025. Following December's rebound (not in tech), equity markets displayed a bifurcated pattern: sustained risk appetite in selected sectors coexisted with episodic sell-offs triggered by geopolitical headlines. 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. Persistent unrest in the Middle East and renewed tariff threats linked to the strategic Greenland dispute and evolving U.S.–Europe trade frictions generated intermittent risk aversion across asset classes. At a broader level, the fragility of multilateral cooperation, highlighted during the annual Davos meeting, reinforced investor awareness of shifting strategic priorities and contributed to a more nuanced approach to asset allocation. These dynamics were clearly reflected in cross-asset performance. 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, arguably better positioned and structurally more resilient, yet operating 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 implemented to mitigate potential weakness in the labour market. The FOMC modestly upgraded its assessment of economic growth and expressed greater confidence in labour market resilience, while remaining attentive to inflation dynamics. 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.

In January, 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. Rather than a broad-based correction in the technology sector, 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, particularly within the AI investment theme, 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, preceding a more nuanced fundamental assessment of competitive positioning. 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, especially amid increasing scrutiny of technology platforms and digital access. For the time being, markets are reacting decisively. 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, January continued to reflect steady business activity building on the expansion seen in the second half of 2025. The 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 preliminary estimates of 2.0%. The reading marked the first time since May at 2.1% in November, below market estimates. 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). However, underlying momentum showed signs of softening across both sectors, with order book growth easing, led by weaker export demand. Headline U.S. inflation remained at 2.7% year-on-year 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, matching the November reading.

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, which benefited from a favourable mix of resilient underlying conditions and solid growth prospects. 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. Materials also performed strongly, supported by a sharp rally in global gold and copper prices. From a regional perspective, emerging markets and Japan emerged as the strongest-performing areas, aided by a continued depreciation of the U.S. dollar. 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%.

Fund Performance

In the month of January, the Solid Future Dynamic Fund registered a 0.62 per cent loss. The Fund's allocation has been reviewed and rebalanced, as the Manager aligned it to the overriding market sentiment with a view to limiting idiosyncratic risk and portfolio market beta. New positions in the stock exchange and data analytics spaces (Nasdaq and Intercontinental Exchange), building materials sector (CRH), European banking space (Intesa Sanpaolo) and the civil and defence engineering sector (Rolls-Royce Holdings) have been initiated. Consequently, the Fortinet, Airbnb and Oracle holdings have been liquidated, while exposures to Microsoft, Amazon, LVMH, MercadoLibre, Booking Holdings, Uber Technologies, Palo Alto Networks, Meta Platforms and Robinhood Markets have been trimmed for risk management purposes. Cash levels have slightly increased.

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 remain broad consensus that fiscal and monetary support measures are likely to underpin economic activity in the near term. Moreover, the U.S. administration is expected to adopt a pragmatic approach to geopolitical tensions should signs of macroeconomic deterioration emerge, particularly in the context of the approaching midterm elections. 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—a typical late-cycle dynamic. Overall, sentiment continues to reflect confidence in the economic growth outlook, providing a supportive backdrop for financial markets. Nevertheless, 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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