

# SOLID FUTURE DEFENSIVE FUND

SHARE CLASS P

Factsheet as at 28<sup>th</sup> February 2026

Month end NAV as at 24<sup>th</sup> February 2026

Calamatta Cuschieri



## 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)	15.3 EUR
Fund Type	UCITS
ISIN	MT7000004917
Bloomberg Ticker	SFUDEFP MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	142.42 EUR
VAR	4.77%

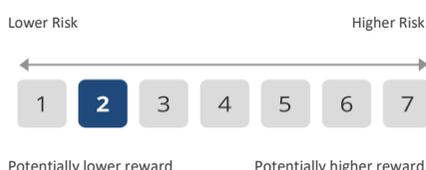
## Charges

Total Ongoing Charges	3.28%
Entry Charge	Nil
Exit Charge	Y <sub>1</sub> Nil
	Y <sub>2</sub> Nil
	Y <sub>3</sub> Nil
	After Nil

Currency fluctuations may increase/decrease costs.

## Risk and Reward Profile

This section should be read in conjunction with the KIID



Asset Allocation *	%
Conventional Bonds	68.0
Equity	30.1
Cash	1.8

Currency Allocation *	%
EUR	69.1
USD	29.0
GBP	1.8

Top 10 Holdings	%
Amundi Euro Gov Bond 10-15Y	11.6
Amundi Euro Gov Bond 7-10Y	5.9
iShares Euro Corp Large Cap	4.4
iShares Euro HY Corp	3.8
iShares Fallen Angels HY Corp	3.4
3% Govt of France 2033	2.8
iShares USD HY Corp	1.9
Xtrackers MSCI Japan	1.6
4% Eden Finance 2027	1.5
6.375% Intesa Sanpaolo Spa perp	1.4
<b>% of Top 10 Holdings</b>	<b>38.3</b>

\* Without adopting a look-through approach

Geographical Focus **	%
Europe ex UK	49.8
North America	34.1
UK	6.6
Emerging/Frontier Markets ex China	5.5
China	2.0
Japan	1.9
Asia Pacific ex Japan	0.1

Sector Allocation ***	%
Government	22.8
Financials	16.5
Communications	13.1
Industrial	12.9
Consumer Discretionary	10.9
Consumer Staples	10.7
Technology	5.5
Energy	2.7
Basic Materials	2.2
Utilities	1.6
Other	1.1

Bond Credit Rating *	%
Investment Grade	AA 5.1
	A 24.6
	BBB 6.6
High Yield	BB 25.4
	B 2.7
Non-Rated	3.7

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

\*\*\* Adopting a look-through approach

## Historical Performance to Date

Past performance does not predict future returns



<sup>1</sup> Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

<sup>2</sup> 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.

## Bond Portfolio Duration

Modified Duration	4.83
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## Performance History <sup>1,2</sup>

	Cum.	Ann.
YTD	-1.23	
1-month	-0.84	
3-month	-1.27	
6-month	-1.22	
9-month	-1.15	
1-year	-4.07	-4.07
3-year	7.66	2.50
5-year	-0.96	-0.19
2025	-1.92	
2024	6.21	
2023	5.01	
2022	-11.74	
2021	4.06	
2020	-5.60	
2019	8.08	
2018	-12.57	

## Introduction

In February, financial markets continued to face a challenging environment as geopolitical developments and shifting market narratives contributed to elevated volatility. Investor sentiment was primarily driven by ongoing sector rotations within U.S. equities. These moves were amplified by growing concerns that the rapid advancement of artificial intelligence could ultimately disrupt a number of incumbent technology business models. Although this remains largely a forward-looking narrative yet to be validated by evidence, it has nevertheless prompted significant repositioning across segments perceived to be exposed to such disruption, including areas such as private credit that have meaningful indirect exposure to technology-sector business models. The U.S. Supreme Court ruling against tariffs introduced by the administration last year created additional ambiguity regarding the future implementation of trade measures. This raises questions about how such tariffs may be applied going forward and their potential implications for the U.S. consumer in terms of timing and duration. As the earnings season progressed, corporate profitability generally remained resilient. However, a broad moderation in forward guidance across multiple sectors suggests that companies are approaching the coming year with increasing caution. Toward the end of the month, the escalation of the conflict involving Iran redirected market attention back to geopolitical risk. It is notable that despite the eventful start to the year and the accumulation of multiple shocks, global equity markets have so far managed to remain broadly flat year-to-date. Nevertheless, the question remains as to how many such shocks markets can absorb before sentiment and valuations begin to adjust more meaningfully.

On the monetary-policy front, the publication of the minutes from the Fed January meeting highlighted a cautious and measured policy stance. It appears to be adopting a wait-and-see approach as it seeks to engineer a soft landing from the current elevated interest-rate environment, particularly against the backdrop of deglobalization and evolving global trade dynamics. The emphasis placed on the potential effects of tariffs suggests that policymakers are increasingly looking beyond conventional inflation indicators, in order to better assess the structural changes shaping the U.S. economy. In Europe, the European Central Bank kept policy rates unchanged at its first meeting of 2026. Post-meeting commentary indicated that both the inflation trajectory and the broader macroeconomic environment did not yet justify a policy adjustment, while acknowledging that the outlook remains highly uncertain. The recent appreciation of the euro against the U.S. dollar has emerged as a point of concern. However, it remains unclear whether the stronger currency will exert sufficient disinflationary pressure to create room for potential monetary easing in the period ahead.

In February, global equity markets exhibited heightened volatility, continuing the erratic behaviour observed in recent months. Investors rapidly reduced exposure to business models perceived as vulnerable to disruption from the accelerating adoption of artificial intelligence—particularly within segments of the software industry. Meanwhile capital rotated aggressively into perceived defensive sectors such as consumer staples, in some cases pushing valuations toward levels more commonly associated with high-growth technology companies. The result has been an unsettled market environment that presents a range of unexpected risks for portfolio managers. While episodes of market anxiety are not unusual, their intensity and speed appear amplified by the growing influence of algorithmic trading and retail-driven sentiment. A notable illustration occurred following the publication of the widely circulated “Citri” Substack memo—an openly speculative piece that nonetheless triggered a sharp market reaction at the start of the following trading week. Although financial markets naturally attempt to anticipate future structural developments, at times narratives outweigh rigorous analysis. For long-term, fundamentally oriented investors, such episodes may ultimately present attractive entry opportunities. At the same time, the rapid evolution of artificial intelligence technologies continues to raise legitimate questions about the durability of certain business models. Regardless of which interpretation proves correct, the current environment underscores the difficulty of maintaining discipline and staying committed to long-term investment strategies amid elevated uncertainty and heightened market volatility.

## Market Environment and Performance

In the Euro area, economic momentum remained resilient through the first two months of 2026, extending the expansion seen in the second half of 2025. The flash Eurozone Composite PMI rose to 51.9 in February, marking the strongest pace of private sector expansion in three months and signalling firmer growth across the single currency area. The improvement was supported by stronger manufacturing and services activity, with Germany leading the recovery. Consumer price inflation rose to 1.9% in February, up from January’s 16-month low of 1.7% according to a preliminary estimate. The reading, though comparably higher, remained below the ECB’s 2.0% target.

In the U.S., forward-looking indicators eased from recent highs, though remaining consistent with expansion. The Composite PMI edged lower to 52.3 in February from the 53.0 in January, signalling the slowest pace of private-sector expansion since April 2025. Growth moderated across both sectors, with manufacturing and services activity easing to seven- and ten- month low, respectively. New orders also softened, while export demand declined.

Corporate credit markets posted positive returns overall. European investment-grade credit underperformed its U.S. counterpart, while the opposite was observed in the high-yield segment, where European high yield returned 0.32% compared with 0.16% for U.S. corporates. Despite outperforming European credit, U.S. investment-grade bonds generally lagged sovereign bonds over the period.

## Fund Performance

In the month of February, the Solid Future Defensive Fund registered a 0.84 per cent loss. On the equity allocation, The Fund’s allocation has been reviewed and rebalanced, as the Manager responded to the overriding market volatility. New positions in the defence space (General Dynamics), healthcare (Boston Scientific Corp) and engineering (General Electric, GE Vernova, Eaton Corp, Siemens Energy) have been initiated and the Procter & Gamble position increased with a view to tilting the portfolio allocation towards more value-type of exposure. We also diversified the non-U.S. exposure by initiating a position in the Amundi MSCI Emerging Markets ex China ETF. Consequently, the Robinhood Markets, Mastercard, Rio Tinto, Tencent Holdings, Bistol-Myers Squibb and VanEck Semiconductor UCITS ETF holdings have been liquidated, in order to either take profits or to discharge technically-compromised positions. We also further trimmed exposures to Booking Holdings and MercadoLibre for risk management purposes. From the fixed income front, the Manager took the opportunity to lock attractive returns by opening a position in the focused lotteries business Allwyn Entertainment, a new issued bond in the month.

## Market and Investment Outlook

Looking ahead, the Manager notes that recent market-leading indicators point to a deterioration in the U.S. macroeconomic backdrop, with growth momentum moderating, labour market data softening, and inflationary dynamics showing renewed volatility. The recent escalation of geopolitical tensions and the associated disruption to energy markets introduce a meaningful downside risk to the global economic outlook. The effective closure of the Strait of Hormuz has the potential to trigger a broader economic shock, with the magnitude of such an event closely tied to the duration of the current disruption. Although authorities in developed markets are currently deploying measures to stabilize global energy markets, the risk of a global economic slowdown would be difficult to avoid in the absence of a timely resolution to the situation. As geopolitics kicked-in inflation expectations have increased. However, from a fixed income point of view the fund is very well positioned given its high exposure to the high yield market which historically acted as a cushion in an inflationary environment.

From the equity front, the Manager maintains a cautious stance on equity market return expectations for the year ahead. The ongoing sector rotation is at this point compounded by heightened uncertainty surrounding the sustainability of corporate margins. Consistent with our investment philosophy, we continue to prioritize high-quality business models, while applying increased scrutiny to potential disruption risks associated with rapid advances in artificial intelligence. Preserving flexibility within the strategic asset allocation framework remains essential, while selective tactical adjustments may be implemented to navigate the heightened market volatility.

## Disclaimer

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