SOLID FUTURE DEFENSIVE FUND

SHARE CLASS A

Factsheet as at 31st October 2026

Month end NAV as at 27th October 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 7% 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 does not promote environmental or social characteristics and does not have sustainable investment as its objective within the meaning of Articles 8 and 9 of Regulation (EU) 2019/2088 ('SFDR').

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)	14.0M EUR
Fund Type	UCITS
ISIN	MT7000003687
Bloomberg Ticker	SFUDEFA MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	151.45 EUR
VAR	6.26%

Charges

Total Ongoing Charges		3.28%
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 *

	%
Conventional Bonds	65.6
Equity	33.3
Cash	1.1

* Without adopting a look-through approach

Currency Allocation *

	%
EUR	67.7
USD	31.3
GBP	1.0

Top 10 Holdings

	%
Amundi Euro Gov Bond 10-15Y	11.5
Amundi Euro Gov Bond 7-10Y	6.1
iShares Euro Corp Large Cap	4.7
iShares Euro HY Corp	3.9
iShares Fallen Angels HY Corp	3.5
3% Govt of France 2033	1.4
6.375% Intesa SanPaolo Spa perp	1.4
6.625% NBM US Holdings Inc 2029	1.3
3% Kingdom of Belgium 2033	1.2
4.856% HSBC Holdings plc 2033	1.1
% of Top 10 Holdings	**36.1**

Country Allocation **

	%
Europe ex UK	49.2
North America	36.7
UK	5.3
Emerging/Frontier Markets ex China	5.0
Japan	3.0
China	0.7
Asia Pacific ex Japan	0.1

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

Sector Allocation ***

	%
Government	21.2
Financials	14.7
Industrial	13.3
Communications	12.2
Consumer Discretionary	10.4
Technology	10.1
Consumer Staples	9.0
Basic Materials	2.0
Energy	1.9
Utilities	1.6
Other	3.6

*** Adopting a look-through approach

Bond Credit Rating *

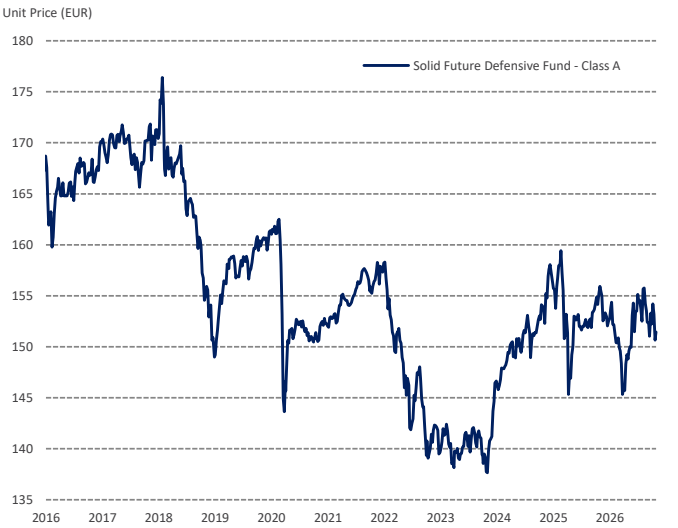
		%
Investment Grade	AA	3.3
	A	24.4
	BBB	8.4
High Yield	BB	25.5
	B	1.6
Non-Rated		2.4

Bond Portfolio Duration

Modified Duration	5.02

Historical Performance to Date

Past performance does not predict future returns



Source: Calamatta Cuschieri Investment Management Ltd.

Performance History [1,2]

	Cum.	Ann.
YTD	-0.85	
1-month	-0.51	
3-month	-0.70	
6-month	1.78	
9-month	-0.46	
1-year	-2.87	-2.87
3-year	10.03	3.24
5-year	-3.15	-0.64
2025		-1.92
2024		6.21
2023		5.01
2022		-11.74
2021		4.06
2020		-5.59
2019		8.08
2018		-12.57

[1] Returns quoted net of Total Expense Ratio (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

October marked a return of volatility to global financial markets, against a backdrop of resilient economic activity, persistent inflationary pressures and heightened political uncertainty ahead of the U.S. midterm elections. The U.S. economy maintained its relative strength, although weakening labour-market indicators and deteriorating consumer confidence pointed to emerging vulnerabilities. In Europe, economic activity proved more resilient than anticipated, but subdued industrial momentum and mounting fiscal pressures continued to constrain the outlook. The most significant market development was the reassessment of the artificial intelligence infrastructure investment cycle. Despite robust corporate earnings and sustained hyperscaler capital expenditure commitments, concerns over financing availability, investment returns and elevated valuations triggered a correction across technology-related equities. Meanwhile, rising sovereign bond yields exposed two interconnected vulnerabilities: increasing public debt financing pressures, particularly in France, and the growing cost of funding capital-intensive AI infrastructure projects. While the former weighed predominantly on European equities, the latter contributed to a broader global technology-sector derating. Against this backdrop, investor positioning became increasingly challenging. Although corporate fundamentals remained broadly supportive, renewed volatility reinforced the importance of patience, valuation discipline and selective portfolio risk allocation.

On the monetary policy front, the Federal Reserve maintained its benchmark interest rate unchanged, with Chair Warsh refraining from providing explicit forward guidance. Policymakers acknowledged resilient U.S. economic activity, supported by robust domestic spending, productivity gains and sustained capital investment. However, persistently elevated inflation reinforced the Committee's cautious stance, with further policy decisions dependent on incoming economic data and the cumulative impact of tighter financial conditions. Market expectations increasingly favour another rate increase in December. In Europe, the ECB ("European Central Bank") also maintained its key policy rates unchanged, acknowledging the Eurozone economy's greater-than-anticipated resilience despite persistent geopolitical uncertainty and inflationary risks. The meeting was further marked by President Christine Lagarde's announcement of her intention to step down in February, approximately nine months before the scheduled conclusion of her mandate. This development introduces additional uncertainty surrounding the ECB's leadership transition and medium-term monetary policy direction.

October brought several underlying vulnerabilities of the artificial intelligence investment cycle into sharper focus. Growing concerns over the availability and cost of financing, particularly among highly leveraged infrastructure providers such as neocloud operators, have raised legitimate questions regarding the sustainability of current investment commitments. Meanwhile, mounting political opposition to the rapid expansion of U.S. data centres, increasingly prominent following the midterm elections, introduces additional regulatory and execution risks. Given AI ("Artificial Intelligence") investment's central role in driving equity market performance and supporting U.S. economic growth over recent years, a material slowdown could have significant implications for both corporate earnings and the broader macroeconomic outlook. Nevertheless, our base case envisages a negotiated accommodation between policymakers and industry participants, resulting in a more measured and regulated infrastructure expansion rather than a structural reversal of the investment cycle. While such an adjustment could necessitate downward revisions to prevailing earnings expectations, the underlying secular growth opportunity should remain intact. Importantly, this evolving environment is likely to produce greater differentiation between AI beneficiaries, reinforcing the importance of financial resilience, sustainable competitive advantages and disciplined scrutiny of long-term earnings assumptions.

Market Environment and Performance

In the Euro area, GDP ("Gross Domestic Product") grew by 0.4% in Q3, slowing from 0.6% in Q2 but exceeding market expectations of 0.2%, according to preliminary estimates. Ireland led the region with growth of 5.5%, driven by strong AI-related investment, while Spain and the Netherlands both expanded by 0.6%, supported by consumer spending. Germany recorded modest growth of 0.2%, while France unexpectedly contracted by 0.1%, weighed down by weaker exports and investment. Italy, meanwhile, stagnated amid declining industrial output.

In the U.S., forward-looking indicators remained encouraging. The S&P ("Standard & Poor's") Global U.S. Composite Purchasing Managers' Index eased to 57.6 in October from 58.4 in the previous month, but remained firmly in expansion territory and signalled the second-strongest increase in business activity since March 2022. Growth in new orders strengthened markedly, while export sales recorded their largest gain since May 2022.

Within corporate credit, declining government bond yields provided a supportive backdrop, particularly for longer-dated, higher quality securities. U.S. and European investment grade credit returned 2.16% and 0.96%, respectively. Meanwhile, high yield performance was more subdued. U.S. high yield outperformed, posting a modest gain of 0.3%. Euro high yield declined by 1.06%, largely reflecting concerns surrounding France.

Fund Performance

In the month of October, the Solid Future Defensive Fund registered a 0.51 per cent loss. On the equity allocation, the Fund's allocation has not been adjusted during the period as the Manager deemed it to be aligned to the overriding market sentiment. From the fixed income front, the Manager took of the relatively higher yields and locked coupons within the high yield space. Namely, a new allocation in an Italian pharmaceutical company was opened, while an allocation was also initiated in a French water management company. The rational is based on a comfortable credit risk profile and further income generation for the fund.

Market and Investment Outlook

Looking ahead, the Manager expects the global economic outlook to remain increasingly uncertain, as persistently elevated oil prices sustain inflationary pressures and reinforce the prospect of restrictive monetary conditions for longer. This policy dilemma has become particularly pronounced, with deteriorating consumer confidence contrasting with a still relatively resilient labour market. Meanwhile, the political repercussions of the U.S. midterm elections could increase incentives for a negotiated resolution to the Iran conflict, potentially paving the way for a sustained moderation in energy prices. Such an outcome would represent an important, albeit uncertain, macroeconomic tailwind over the medium term. Against this backdrop, renewed concerns surrounding the sustainability and financing of the artificial intelligence infrastructure investment cycle have once again weighed heavily on market sentiment, despite robust corporate earnings and continued evidence of substantial underlying demand for computing capacity. Financing conditions are envisaged to remain elevated with volatility being more seen within the investment grade space. To this end the allocation of the fund in the high yield space will cushion to mitigate yield volatility.

From the equity front, the Manager has adopted a more constructive outlook for equities. Portfolio positioning remains selective and valuation-disciplined, favouring high-quality, cash-generative companies with durable competitive advantages and sustainable earnings growth prospects.

Disclaimer

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Please refer to the Prospectus, any Offering Supplement, and to the Key Information Document (KID) of the fund before making any final decision. Information documents are free of charge, in English, at www.ccfunds.com.mt or from the address below. The KID contains important information about the fund's objectives, costs, and Summary Risk Indicator. Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS.

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