

SOLID FUTURE DYNAMIC FUND
SHARE CLASS P

Factsheet as at 31st March 2025
Month end NAV as at 25th March 2025

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	11-Mar-2014
Fund Base Currency	EUR
Share Class Currency	EUR
Fund Size (AUM)	42.2 EUR
Fund Type	UCITS
ISIN	MT7000004925
Bloomberg Ticker	SFUDYNP MV
Distribution Type	Accumulating
Minimum Initial Investment	2,500 EUR
Month end NAV	249.72 EUR

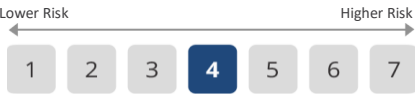
Charges

Total Ongoing Charges	3.49%
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 conjunction with the KIID



Potentially lower reward Potentially higher reward

Asset Allocation * %

Equities	86.7
Cash	6.9
ETF	6.4

Currency Allocation * %

EUR	16.2
USD	82.6
GBP	1.1

* Without adopting a look-through approach

Top 10 Holdings %

Uber Technologies Inc	5.6
iShares S&P 500 Industrials	3.3
Xtrackers MSCI Japan	3.1
Alphabet Inc	3.0
Adyen NV	3.0
Airbnb Inc	3.0
Amazon.com Inc	2.9
Mercadolibre Inc	2.8
LVMH	2.6
Apple Inc	2.6

% of Top 10 Holdings	31.9
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Country Allocation ** %

		Benchmark Deviation
North America	67.5	0.1
Europe ex UK	13.9	2.1
China	3.9	0.2
Emerging/Frontier Markets ex China	3.4	-3.6
Japan	3.1	-1.8
UK	1.5	-1.9

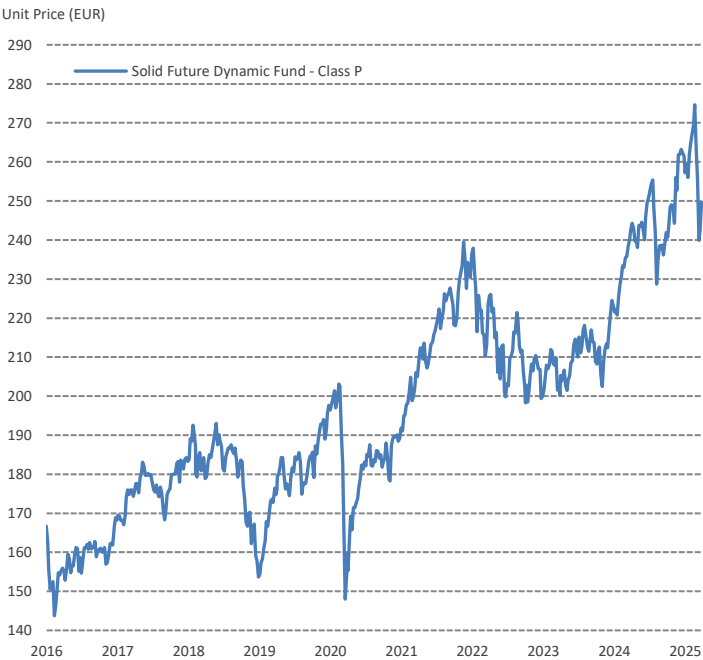
Sector Allocation ** %

		Benchmark Deviation
Technology	24.3	0.9
Consumer Discretionary	16.6	6.7
Industrials	13.4	3.7
Financials	12.7	-5.6
Communications	7.8	-1.3
Health Care	7.3	-2.8
Consumer Staples	7.1	0.5
Energy	2.8	-1.4
Basic Materials	0.9	-3.1
Real Estate	0.1	-2.0
Utilities	0.0	-2.7
Other	7.0	7.0

** 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	-2.91	
1-month	-5.41	
3-month	-2.91	
6-month	3.25	
9-month	-0.42	
1-year	2.96	2.96
3-year	11.59	3.74
5-year	56.15	9.35
2024		15.22
2023		11.67
2022		-15.45
2021		23.26
2020		-2.37
2019		27.86
2018		-16.15
2017		8.93

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

March has most likely revealed what the world will probably have to face up over the remaining 3 years and 10 months of the second Trump’s term – namely uncertainty. As financial markets got a respite from the diplomacy blitzkrieg meant to reshape the global geopolitical alliances, they had to re-shift their focus on global trade. Levying taxes on imports from the US largest trading partners does have a much more palpable negative effect on the real economy, therefore having a direct impact on financial markets. As expected, it is the lack of visibility that rattled financial markets, completely erasing any sense of predictability on their direction. Beyond the logic behind such measures, the surprise factor on such measures and their depth have the potential of changing some of the well-known paradigms on which financial markets have been running since the Great Financial Crisis. Indeed, American equities outperformance, US dollar as a safe heaven, and the current setup of global supply chains have all been put into question overnight. Compounding this with the said geopolitical shakeup attempt does amount to the potential of an accelerated de-globalization process that can reshape the global financial system as it works today. We know that financial markets thrive on predictability and that the lack thereof creates uneasiness and difficult to navigate. However, it looks like market participants do not fully buy into this scenario. Political and economic pressures are piling up against such momentous swift change in economic and financial flows that will most likely push other financial or political establishment making critical interventions eventually. For the time being the pro-business pro-growth economic agenda on which US elections have been won last year seem very far from being achieved.

From the monetary front, the FED maintained its federal funds target rate steady reflecting a cautious stance amid growing economic uncertainty. It also slowed its balance sheet reduction, cutting monthly Treasury paper runoff starting in April, while keeping agency mortgage-backed securities redemptions constant. While headline inflation eased, new tariffs introduced by the US executive are expected to reignite inflationary pressures. As such, FED officials acknowledged the heightened uncertainty and revised 2025 growth forecasts downward. In Europe, the ECB reduced its key interest rate by 25basis points marking the sixth cut in the latest decreasing cycle. Its projections regarding GDP growth forecasts were revised downwards based on uncertainties from US tariffs and increased defence spending. Concerns were expressed as regards potential retaliatory trade measures that could exert upward pressure on prices in the near term.

In equity markets, March has been the worst month in terms of performance in recent memory. Not for the first time in our memory, the American exceptionalism in equity markets was put into question. However, for the first time this stems not from an exogenous event, not from an economic depression, but by a man-made erroneous economic policy which if carried out, at face value will challenge the business models of many blue chips at fundamental level. This is not about valuation metrics, this is not about transitory economic effects which will be eventually managed through creativity and optimal capital deployment, but about dismantling decades of long supply chain setups implemented with a view to generate optimal operating margins. No wonder that some institutional investors have separated from the cream of US corporate exceptionalism, namely Mag 7, and deployed capital in other geographies seen to ultimately benefit from the US economy loss of competitiveness. The more alarming prospect is seeing investors taking a full-blown de risking approach vis-à-vis US assets, including the US dollar and US Treasuries. While still a far-fetched prospect at this point, should the intended economic and political global reshuffling sought by the current US administration succeed, US might not end up as the financial markets hegemon it is today.

Market Environment and Performance

In March, the European economic outlook improved further after the stagnation in Q4 2024. The monthly Composite PMI edged up to 50.9 from 50.2 in February, pointing to a modest expansion across the Euro area. Spain led the expansion with a strong, accelerated rise in business activity, while in Germany data signalled the strongest private sector expansion in ten months, as the manufacturing slump eased, and production rose for the first time in nearly two years. Headline inflation fell to 2.2% as price growth slowed for services and energy, while core inflation fell to 2.6%, the lowest level since January 2022.

The US economy exhibited signs of emerging growth concerns, driven by potential tariff impacts and persistent inflationary pressures. Leading indicators rebounded after a sharp decline last month, with March’s Composite PMI noting a solid growth to 53.5 from February level of 51.6, driven by a pickup in service activities as manufacturing output declines. Concerns over the impact of federal government policies, especially in relation to tariffs, caused sentiment to fall to its second-lowest level since the end of 2022. The headline inflation posted a 2.4% reading in March, slightly below market expectations. Core inflation also eased to 2.8%, declining by 0.3% month-over-month.

In March, global equity markets have started negative pressures under the weight of the vicious protectionist trade policies earmarked by the Trump administration on the main US trading partners, thus mirroring the fear of a global recession in the making. Indeed U.S. markets continued unravelling their 15-year long performance dominance taking disproportionately the brunt of a global commercial war in the making, while all other geographies were also in red. The S&P 500 index lost 8.30% as elevated valuation metrics and sudden worries about domestic economic growth have caught equities by surprise. European markets continued outperforming on a relative basis benefitting from historical inflows from investors who perceive the potential of long-term outperformance. The EuroStoxx50 lost 2.44% while the DAX lost 0.4% helped in particular by defence contractors and banks.

Fund Performance

In the month of March , the Solid Future Dynamic Fund registered a 5.4 per cent loss. The Fund’s allocation has been reviewed and rebalanced, as the Manage aligned it to the overriding market sentiment. New conviction names Rheinmetall AG, Thales SA, GE Aerospace, Philip Morris International, Shell PLC, Verizon and Goldman Sachs have been added, while exposures to UnitedHealth Group Inc, Merck & Co, ASML Holding, Alibaba Holdings and LVMH have been increased given expectations of improved return potential over the short to medium term. Consequently, the Blackrock Inc and Vinci SA holdings have been liquidated based on decreased upside expectations and negative momentum. Moreover, the Manager trimmed also from other exposures for risk management purposes. Cash levels have marginally increased.

Market and Investment Outlook

Going forward, the Manager believes that the fear regarding the potential damage to be induced by the Trump administration envisaged economic measures has been validated as financial markets are mirroring the clear and present danger induced by those on the outlook for global economic growth and inflationary pressures. Notwithstanding the level of uncertainty already in place by the conflicting actions taken on a daily basis in respect to such measures (announcements, reprieves, suspensions, exceptions), what is under analysis is not the certain negative impact, but mostly its extent and timeframe.

In the face of it, the Manager has raised its conservative view on the market return expectations over the short term, however sticking with its long-term conviction as regards a diversified allocation with heightened exposure to quality companies benefitting from secular growth trends agnostic to specific macroeconomic developments. The Manager remains opportunistic for the time being in deploying capital tactically in specific sectors where the promise of fast returns becomes predominant over the shorter timeframe, and using cash levels as dry powder to be used during episodes of market overshooting.

Disclaimer

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