SOLUTIONS CAPITAL MANAGEMENT SICAV Plc

STABLE RETURN FUND

September-18

FUND DESCRIPTION

Portfolio Manager	SCM Sim Spa
Investment Manager	AQA Capital Ltd
Structure	UCITS
Administrator	Calamatta & Cuschieri
Custodian	Bank of Valletta
Global Custordian	Royal Bank of Canada
Fund Inception	15-Jan-18
Base Currency	EUR

FUND CLASSES

Institutional	
Bloomberg Ticker	SCMSRFB MV
ISIN Code	MT7000020988
Retail	
Bloomberg Ticker	SCMSRFA MV
ISIN Code	MT7000020970

ASSET ALLOCATION

Asset Classes	Inv Amt EUR
Securities	97.88%
Derivatives	-20.64%
Cash	2.12%
Net Position	21,921,311
AUM Eur	28,378,661
Last Nav Class A	**100.24**
Last Nav Class B	**96.64**
Net Exposure	**77.25%**
Shares issued Class A	3,174
Shares issued Class B	289,832

FUND STATISTICS

Annualized Volatility	**2.77%**
Maximum Drawdown	-5.16%
Expected TER (Class A)	1.85%
Expected TER (Class B)	1.15%

EXPECTED RETURN

Avg Maturity	**6-Jul-21**
Avg Asw Spread EUR	**314**
Exp YtM Gross EUR	**3.13%**
Exp YTM to WorkOut	**4.47%**
Avg Cpn Long EUR	**3.87%**
Avg Rating Long	**BB+**

MARKET REFERENCES

	Market Price	YTD
Estoxx50	3394.96	**-3.11%**
BTP 10y	121.77	**-9.24%**
EurUsd	1.1497	**-4.20%**
iTraxx Xover	277.6956	**44.28**

CONTACTS

Solutions Capital Management Sicav PLC, 171 Old Bakery Street,Valletta VLT1455, Malta.
info@scmsicav.com
www.scmsicav.com

Solutions Capital Management Sicav Plc
04-Oct-18

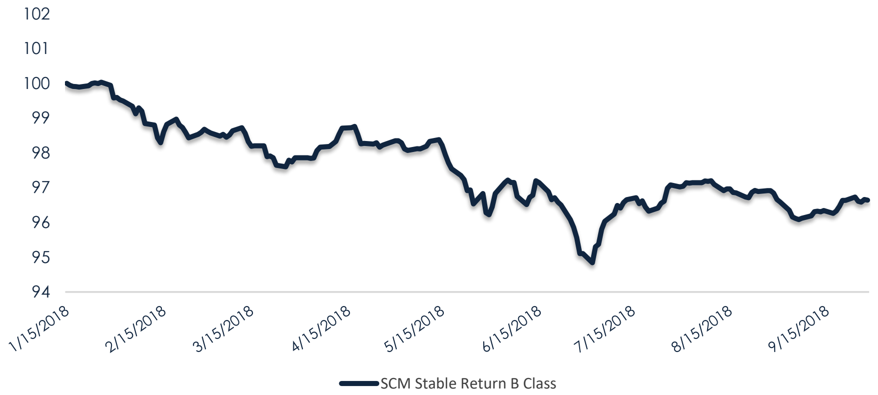
INVESTMENT OBJECTIVE

The investestment objective of the fund is to produce stable and consistent returns in the medium to the long term

INVESTMENT POLICY

The Sub-Fund shall invest predominantly in debt securities which may be listed on an Approved Regulated Market and/ or traded over-the-counter. The Sub-Fund shall hold a diversified portfolio of government, corporate and supranational bonds over a broad base of issuers and industries, or in bonds determined to be of comparable quality. The Sub-Fund may also limitedly invest in contingent convertible bonds and unrated bonds. The bond portfolio is not expected to have any particular duration. The Sub-Fund may hedge interest rate, currency and credit risk with a view to stabilize the expected returns of its portfolio and to reduce overall risks through the use of (i) listed and OTC FDIs including bond futures, currency forwards as well as interest rate and credit default swaps, and (ii) ETFs. The Sub-Fund will bear the associated costs and fees in connection with the use of such instruments. These fees will generally be payable to counterparties in OTC FDIs. Such counterparties are not expected to be related to the Company and/ or the Investment Manager. The Company may also enter into foreign exchange linked OTC FDIs with the Custodian.

FUND PERFORMANCE



MANAGEMENT COMMENT

On September 2018 the NAV of the fund registered a positive performance of 0.05.
The market value of the portfolio remained stable, even if the speculation of Italian government bonds market returned due to concerns regarding the respect of budget deficit target.

In the first part of the month, the future of BTP contract, with 10 years maturity, went up of almost 5 percentage points after the Vice-President of the Council of Ministers Mr Salvini declared that the government would have respected the commitments taken with European commission. The rally of BTP pushed up all Italian and European banking sectors and it continued till the government announced that the budget deficit will have been around 2.4%, strongly more than the market expectations.

Therefore, we dynamically adjusted our exposure of Italian credit risk, increasing the short positions on BTP futures that we reduced only when the contract came back to around 121.50 (it means an yield of the cheapest to delivery around 3.30%) and the government said that it will seek to contain the shortfall at 2 percent in 2021, down from 2.4 percent, and the target for 2020 will be trimmed to 2.2 percent.

Anyway we remain skeptical of the capacity of the populist government coalition to respect the commitments, taken with other European countries, and for the next 3 months we will keep very low the net exposure of Italian credit risk. We expect to increase our exposure to European Banks sector trough derivative contracts because it suffered a lot for the concern regarding the future of Italy inside eurozone, that we believe is not seriously at risk.

SOLUTIONS CAPITAL MANAGEMENT SICAV Plc
STABLE RETURN FUND

RISK EXPOSURE

Sensitivities	Eur
Modified Duration	**3.02**
DV01 (1bp shift up)	-0.045%
Credit01 (1bp shift up)	-0.046%
FX Risk (1% up)	-0.034%
Inflation Risk (1bp shift	0.000%
Equity Delta (1% up)	0.000%
Equity Gamma	0.000%
Equity Vega	0.000%
Equity Theta	0.000%

SRRI (Synthetic risk and reward indic.)

1 2 **3** 4 5 6 7

RISK FACTORS

The above risk and reward indicator rates this Sub-Fund as category 3 meaning that it offers a moderate risk of making a loss but also a moderate chance of making substantial gains. Even the lowest category on the indicator does not mean risk free. The Sub-Fund's rating reflects the nature of its investments and the corresponding risks to which it is exposed that is based on simulated data and therefore not a reliable indication of the future risk profile of the Sub-Fund. The risk and reward profile of the Sub-Fund is not guaranteed to remain unchanged and may shift over time. These risk factors, which include below, may affect the value of the SubFund's investments / expose the Sub-Fund to losses

Exchange Rate Risk – The Sub-Fund may invest in assets denominated in currencies other than EUR, thereby exposing the Sub-Fund to fluctuations in exchange rates.

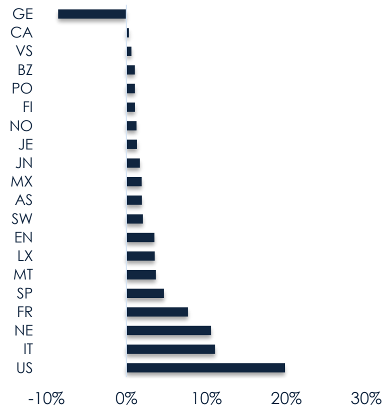
Use of FDIs – It is anticipated that the Sub-Fund will hold FDIs for the purpose of hedging interest rate, currency and credit risk. FDIs also involve risks which are different from, and in certain cases, greater than, the risk presented by more traditional investments.

Credit Risk – money market instruments, bonds or other debt instruments held for a fund involve credit risk represented by the possibility of default by the issuer. Debt instruments which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated and/or unsubordinated securities.

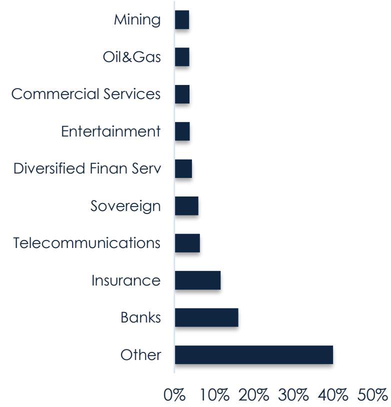
Operational Risk – If a custodian or sub-custodian appointed by or on behalf of the Sub-Fund were to become insolvent, or act negligently or fraudulently this could lead to the substantial loss of securities held in custody for the Sub-Fund.

Solutions Capital Management Sicav Plc
04-Oct-18

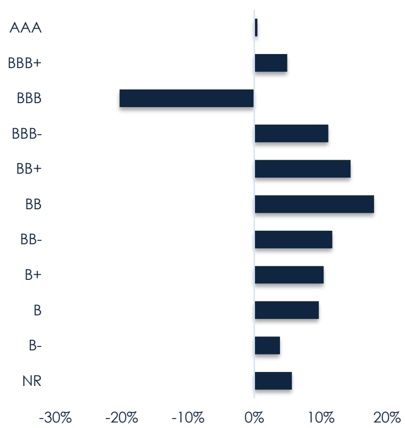
COUNTRY RISKS



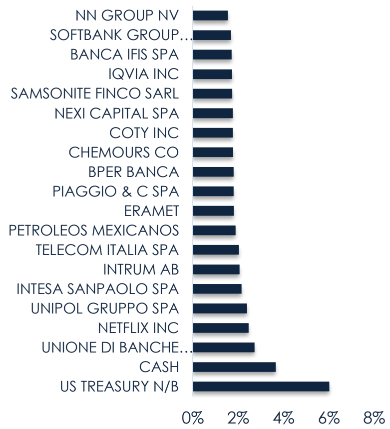
SECTORS



RATINGS

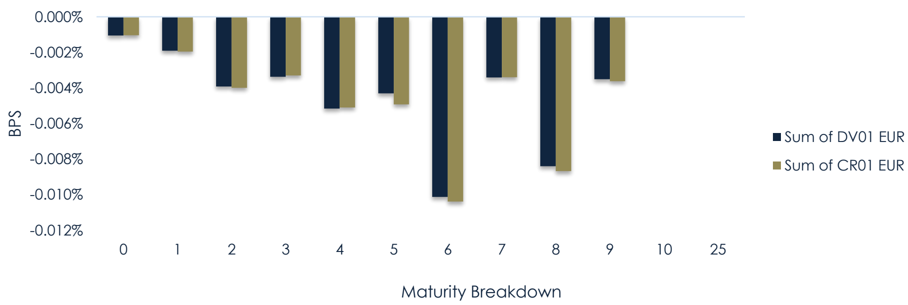


MAIN HOLDINGS



Number of Issuers **76**

RATE AND CREDIT RISK EXPOSURE



IMPORTANT INFORMATION FOR INVESTOR

Under no circumstances should this document be used or considered as an offer to sell or a solicitation of an offer to buy any interest in any investment fund . Any such offer or solicitation can and will be made only by means of the confidential offering memorandum of each such investment fund, only in jurisdictions in which such an offer would be lawful and only to individuals who meet the investor suitability and sophistication requirements of each such investment fund, including qualifying as "accredited investors", Access to information about the investment funds is similarly limited to individuals who meet the applicable investor suitability and sophistication requirements. PAST PERFORMANCE IS NOT INDICATIVE OF, OR A GUARANTEE OF, FUTURE PERFORMANCE. AN INVESTMENT IN THE FUND INVOLVES SUBSTANTIAL RISKS AND WILL BE VOLATILE. BEFORE DECIDING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW FUND'S OFFERING SUPPLEMENT, INCLUDING THE DESCRIPTION OF THE RISKS, FEES, EXPENSES, LIQUIDITY RESTRICTIONS AND OTHER TERMS OF INVESTING IN THE FUND.