# EMERGING MARKET BOND FUND

SHARE CLASS F EUR (DISTRIBUTOR) INSTITUTIONAL - FACT SHEET

**Factsheet at 30th April 2022**

**Month end NAV as at 29th April 2022**

## Investment Objective and Policies

The Fund aims to maximise the total level of return through investment, in a diversified portfolio of Emerging Market ("EM") Corporate and Government fixed income securities as well as up to 15% of the Net Assets of the Sub-Fund in EM equities. In pursuing this objective, the Investment Manager shall invest primarily in a diversified portfolio of EM bonds rated at the time of investment "BBB+" to "CCC+" by S&P, or in bonds determined to be of comparable quality. The Fund can also invest up to 10% of its assets in Non-Rated bond issues and up to 30% of its assets in Non-EM issuers.

The Fund is actively managed, not managed by reference to any index.

| | |
|---|---|
| Fund Type | UCITS |
| Minimum Initial Investment | €100,000 |

## Fund Details

| | |
|---|---|
| ISIN | MT7000026456 |
| Bloomberg Ticker | CCEMBFF MV |

## Charges

| | |
|---|---|
| Entry Charge | Up to 2.5% |
| Exit Charge | None |
| Total Expense Ratio | 1.33% |

Currency fluctuations may increase/decrease costs.

## Risk and Reward Profile

**This section should be read in conjuction with the KIID**

| | |
|---|---|
| Lower Risk | Higher Risk |
| Potentially lower reward | Potentially higher reward |

1 2 3 **4** 5 6 7

## Portfolio Statistics

| | |
|---|---|
| Total Net Assets (in $mns) | 10.9 |
| Month end NAV in EUR | 65.07 |
| Number of Holdings | 45 |
| % of Top 10 Holdings | 33.6 |

## Current Yields

| | |
|---|---|
| Distribution Yield (%) | 3.850 |
| Underlying Yield (%) | 5.19 |

## Country Allocation[1]

| Country Allocation[1] | % |
|---|---|
| Malta (incl. cash) | 19.6 |
| Brazil | 12.6 |
| Mexico | 9.9 |
| United States | 8.7 |
| India | 8.3 |
| China | 7.7 |
| Oman | 5.6 |
| Turkey | 5.1 |
| Russia | 3.5 |
| Indonesia | 3.4 |

[1] including exposures to CIS

## Credit Rating

| Credit Rating | % |
|---|---|
| From AAA to BBB- | 21.2 |
| From BB+ to BB- | 36.3 |
| From B+ to B- | 13.6 |
| CCC+ | 0.7 |
| Less than CCC+ | 8.5 |
| **Average Credit Rating** | **BB-** |

## Top 10 Exposures

| Top 10 Exposures | % |
|---|---|
| 6.625% NBM US Holdings Inc 2029 | 4.8 |
| 5.8% Oryx Funding Ltd 2031 | 3.7 |
| 5.45% Cemex SAB DE CV 2029 | 3.6 |
| 4.375% Freeport-McMoran Inc 2028 | 3.6 |
| 4% HSBC Holdings plc perp | 3.3 |
| 5.8% Turkcell 2028 | 3.3 |
| 4.75% Banco Santander SA perp | 3.3 |
| 5.299% Petrobras Global Fin 2025 | 2.9 |
| iShares JPM USD EM Bond | 2.7 |
| 3.25% Export-Import 2030 | 2.5 |

## Currency Allocation

| Currency Allocation | % |
|---|---|
| USD | 97.0 |
| EUR | 3.0 |

## Asset Allocation

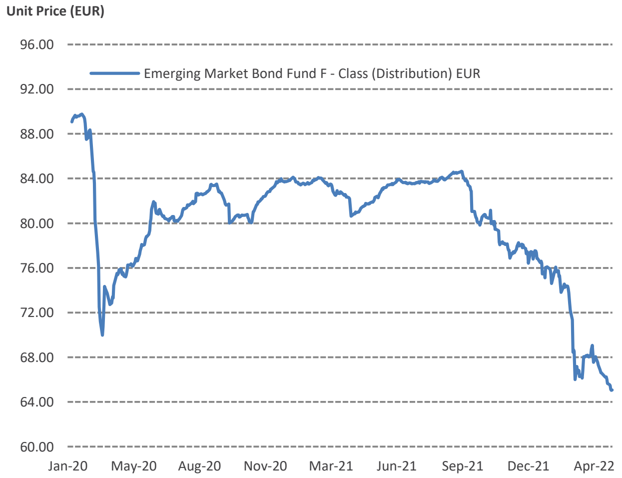
| Asset Allocation | % |
|---|---|
| Cash | 13.7 |
| Bonds (incl. ETFs) | 86.3 |

## Maturity Buckets[2]

| Maturity Buckets[2] | % |
|---|---|
| 0 - 5 years | 35.9 |
| 5 - 10 years | 34.4 |
| 10 years + | 10.0 |

[2] based on the Next Call Date

## Historical Performance to Date




**Source: Calamatta Cuschieri Investment Management Ltd.**

## Sector Breakdown[3]

| Sector Breakdown[3] | % |
|---|---|
| Telecommunications | 9.9 |
| Mining | 8.8 |
| Commercial Services | 7.1 |
| Oil&Gas | 5.9 |
| Real Estate | 5.5 |
| Food | 4.8 |
| Airlines | 1.8 |
| Chemicals | 1.7 |
| Healthcare-Services | 1.4 |
| Oil&Gas Services | 0.7 |

[3] excluding exposures to CIS

## Performance History**

Past performance does not predict future returns

| Calendar Year Performance | YTD | 2021 | 2020* | 2019 | 2018 | Annualised Since Inception **** |
|---|---|---|---|---|---|---|
| **Share Class F - Total Return*** ** | -15.26 | -4.54 | -3.11 | - | - | -10.36 |

| Total Retun | 1-month | 3-month | 6-month | 9-month | 12-month |
|---|---|---|---|---|---|
| **Share Class F - Total Return*** ** | -5.78 | -13.63 | -18.61 | -20.55 | -18.80 |

* The EUR Distributor Share Class (Class F) was launched on 06 February 2020.

** Performance figures are calculated using the Value Added Monthly Index "VAMI" principle. The VAMI calculates the total return gained by an investor from reinvestment of any dividends and additional interest gained through compounding.

*** Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

**** 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. Hence returns may not be achieved and you may lose all or part of your investment in the Fund. Currency fluctuations may affect the value of investments and any derived income.

## Market Commentary

### Introduction

April, along the same route of the preceding three months and first quarter of the year proved negative for financial markets. Russia's invasion in Ukraine, stringent Covid-19 policies in China once more prompting demand concerns and supply-chain disruptions, and expectations of a swift tightening in US monetary policy all weighed on sentiment. Credit markets came under pressure with investment grade and high-yield corporate credit delivering negative returns as treasury yields – pricing in the Fed's hawkish stance - maintained the upward trajectory.

### Market Environment and Performance

From the data front in the emerging market world, China's manufacturing sector, for a second successive month and third since the start of the year, revolved in contractionary territory as coronavirus outbreaks and zero-tolerance policies took a toll on the economy. In figures, manufacturing PMI declined to 46.0 from 48.1 in March, missing market expectations of 47. Both output and new orders fell at the second steepest pace since the survey began in early 2004, while export orders shrank at the sharpest rate in nearly two years. Services, following six successive months of expansion, fell into contractionary territory. China's services PMI plunged to 36.3 from 42.0 in March, reflecting coronavirus outbreaks and tight containment measures. The reading pointed to the sharpest fall in the sector since the onset of the pandemic in February 2020, with new orders and export sales shrinking.

In Brazil, private sector business activity has in April continued to witness a recovery amid a remarkable improvement in services, offsetting a slowdown in manufacturing. Services PMI, underpinned by solid increases in output and new business amid robust domestic demand, jumped to a record 60.6 in April, pointing to the fastest expansion on record. Meanwhile, manufacturing PMI fell to 51.8, from 52.3 in the previous month following a slower growth in production and new orders amid persistent supply bottlenecks. Growing uncertainty led to a faster drop in international sales.

Price pressures in EM markets persisted. In India, annual inflation rate increased to 7.79 per cent in April of 2022, the highest since October of 2020, and above market forecasts of 7.50 per cent. Meanwhile, Brazil's annual inflation rate jumped to 12.13 per cent in April from 11.30 in the previous month, and slightly above market expectations of 12.07 per cent, marking the eighth consecutive month of double-digit inflation rates and the highest since October 2003.

In March EM high yield corporate credit extended on the downward trajectory witnessed in the previous months. During the period under review, the EM high yield names recorded a loss of 2.47 per cent.

### Fund Performance

In the month of April, the CC Emerging Market Bond Fund registered a loss of 3.27 per cent, in line with the spread widening witnessed in high yield corporate credit. Throughout the month the Manager continued to seek pockets of value by looking into attractive credit stories while maintaining adequate cash levels as yields continued to widen and keeping a low portfolio duration, this to reduce the funds sensitivity to changes in interest rates. During the month, the Manager closed two positions; ETFs, reducing the funds exposure to sovereigns.

### Market and Investment Outlook

Consequent to political uncertainty in important regions, Russia-Ukraine tensions seemingly far from abating, and uncertainty in China surrounding the coronavirus pandemic and stringent curbs imposed, mitigating demand and giving rise to supply issues, EMs may in 2022 possibly continue to witness some volatility. That said, the Manager will continue to assess the emerging market space scenario even on the basis of further monetary policy actions taken by Central Banks, which seem to follow the Fed's stance.

In terms of bond picking, the Manager will continue to monitor the current unprecedented environment and take opportunities in attractive credit stories which should continue to add value to the portfolio. The recent widening in corporate credit spreads may indeed pose an opportunity, presenting attractive entry points.