# GLOBAL OPPORTUNITIES FUND

SHARE CLASS B INSTITUTIONAL - FACT SHEET

**Factsheet at 31st March 2022**

**Month end NAV as at 30th March 2022**

## Investment Objective and Policies

The investment objective of the Fund is to endeavour to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of equity securities. In seeking to achieve the Fund's investment objective, the Investment Manager will invest at least 80% of its assets in equity securities.

Investments in equity securities may include, but are not limited to, dividend-paying securities, equities, Collective Investment Schemes (CISs) including exchange traded funds and preferred shares of global issuers.

The Fund will invest a substantial proportion of its assets in other UCITSs, including ETFs, and other eligible CISs.

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

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

## Fund Details

| | |
|---|---|
| ISIN | MT7000026506 |
| Bloomberg Ticker | CCFEEBE MV |

## Charges

| | |
|---|---|
| Entry Charge | Up to 2.5% |
| Exit Charge | None |
| Total Expense Ratio | 2.08% |

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) | 8.3 |
| Month end NAV in EUR | 144.09 |
| Number of Holdings | 35 |
| % of Top 10 Holdings | 44.80 |

## Country Allocation[1]

| Country | % |
|---|---|
| United States | 52.7 |
| China | 18.7 |
| France | 9.6 |
| Europe | 5.5 |
| Netherlands | 1.7 |
| Germany | 1.5 |
| United Kingdom | 1.2 |

[1] including exposures to ETFs. Does not adopt a look-through approach.

## Top Equities

| Top Equities | % |
|---|---|
| L'Oreal | 5.4 |
| Mastercard Inc | 5.3 |
| Amazon Inc | 3.7 |
| Microsoft Corp | 3.2 |
| Alphabet Inc | 3.0 |
| Verizon Communications Inc | 2.2 |
| Total Energies SE | 1.8 |
| Johnson & Johnson | 1.7 |
| ASML Holding | 1.7 |
| LVMH | 1.5 |

## Top Funds

| Top Funds | % |
|---|---|
| iShares S&P 500 Financials | 7.3 |
| JP Morgan US Value | 7.2 |
| T. Rowe Price US Blue CH-Q EUR | 5.9 |
| BGF Sustain Energy USD | 5.3 |
| JP Morgan US Growth | 5.2 |
| Schroder International Climate Change | 3.6 |
| Schroder International Great China | 3.1 |
| iShares S&P 500 Industrials | 2.9 |
| Lyxor Euro Stoxx 600 Banks | 2.2 |
| iShares MSCI EM Asia Acc | 2.2 |

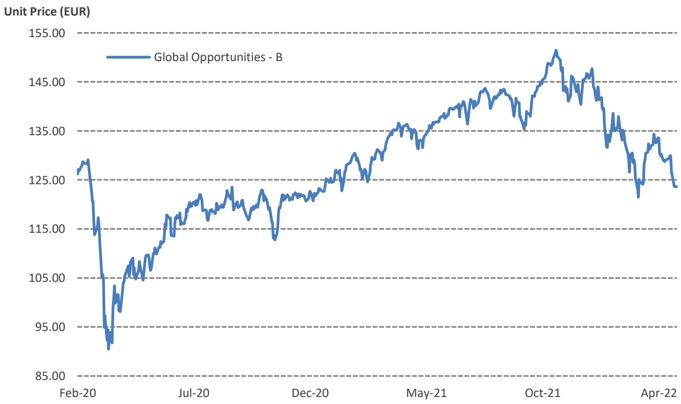
## Currency Allocation

| Currency Allocation | % |
|---|---|
| EUR | 31.3 |
| USD | 65.3 |
| GBP | 3.4 |

## Asset Allocation

| Asset Allocation | % |
|---|---|
| Cash | 9.0 |
| Equities | 39.1 |
| ETF | 21.5 |
| Fund | 30.4 |

## Historical Performance to Date




Source: Calamatta Cuschieri Investment Management Ltd.

## Sector Breakdown

| Sector Breakdown | % |
|---|---|
| US Diversified | 18.3 |
| Information Technology | 13.2 |
| Financials | 12.3 |
| Energy | 11.8 |
| Consumer Discretionary | 7.8 |
| Industrials | 6.6 |
| Communication Services | 6.4 |
| Consumer Staples | 5.4 |
| EM Diversified | 5.2 |
| Health Care | 3.8 |

## Performance History

Past performance does not predict future returns

| Calendar Year Performance | YTD | 2021 | 2020* | 2019 | 2018 | 2017 | Annualised Since Inception ** |
|---|---|---|---|---|---|---|---|
| **Total Return*** ** | -15.17 | 18.50 | -2.58 | - | - | - | -0.93 |

| Calendar Year Performance | 1-month | 3-month | 6-month | 9-month | 12-month |
|---|---|---|---|---|---|
| **Total Return*** ** | -7.58 | -8.91 | -15.20 | -11.80 | -9.05 |

* The Euro Equity Fund Institutional Share Class B was launched on 5 February 2020 and eventually changed its name to the Global Oppportunities Fund Institutional Share Class B on 14 May 2020.

** 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.

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

## Market Commentary

### Introduction

April was a month of reckoning for markets. Expectations as regards FED's commitment about tackling inflation have been more than validated as inflation crept up to levels probably unimaginable a year ago. What was debatable in February, as a possible course of action in terms of interest rate hikes by year end, has been now actioned by the FED effectively shifting upwards market expectations regarding future FOMC meetings. This sent bond yields sharply up and stocks firmly down ending the debate as to whether we are in market correction or an outright bear market. Financial markets aside, the economic growth concerns are compounding the unsettling effects of inflation. In Europe, economic growth is endangered by the effects of the prolonging war in Ukraine. In China, economic growth is questioned by zero-covid policy lockdowns in Shanghai and Beijing areas and feeble leading macro indicators. In other emerging markets, economic growth is trampled by rocketing energy prices and a surging US dollar. And in the US, although the employment numbers are still positive, there are growing concerns that more interest rate hikes might eventually push the economy into recession. The stagflation scenario feared not a long time ago now paints to a very bleak forecast for this year.

From the monetary front, the FED is seen more and more as having done a very serious mistakes last year when framing inflation as "transitory" and now feeling the need of playing catch up with this phenomenon at any cost. And even in Europe the initial perplexity from an ECB conditioned by a weak economic recovery to doing nothing has begun to make way for expectations of raising interest rates this year to fight inflation. In contrast, in China weak economic numbers have commanded fresh stimuli from monetary authorities as the economic growth target set by Communist authorities for this year is in serious doubt.

In the month of April equity markets have lost all the gains from last month. Only the very defensive sectors like consumer staples and utilities have withstand the market rout, as clearly investors are abandoning the growth stories built on high market multiples and valuing more real cash flows and proven earnings power. Although all in all the earnings season was positive, there is a real concern that consumer spending will look weaker in the quarters ahead and current earnings expectations are overstated. Caution is still the name of the game in equity markets.

### Market Environment and Performance

The Eurozone economy advanced by 0.2 per cent in the first quarter of 2022, the least since the bloc exited recession last year. Business activity in the Euro economic area painted a mixed picture as services benefitted from loosened coronavirus restrictions, while manufacturing contracted. As such, the Eurozone Composite Purchasing Managers Index (PMI) increased to 55.8 in April from the previous month reading of 54.9.

In April, energy and food prices continued to contribute to a rise in annual inflation, leading to a fresh record high in Eurozone inflation of 7.5 per cent, in line with expectations. Core inflation, which excludes transitory or temporary price volatility, rose to 3.5 per cent – the highest reading since available record began in January 1997. The rate inflation remains well above the European Central bank (ECB) target of 2.0 per cent. Month-on-month, inflation increased by 0.6 per cent.

The US economy unexpectedly contracted by an annualized 1.4 per cent in the first quarter of 2022, against expectations of 1.1 per cent expansion. Aggregate business activity in the US continued to signal an expansion in April across the private sector. US Services PMI revised slightly higher to 55.6 from a preliminary of 54.7, came in lower than the previous month's reading of 58. Meanwhile, manufacturing PMI headed higher to 59.2 from 58.8 in March, pointing to the strongest growth in factory activity in seven months.

Annual inflation rate in the U.S. slowed to 8.3 per cent in April, from 8.5 per cent in the previous month, yet exceeding market expectations of 8.1 per cent. The reading marked the 14th consecutive month that inflation is above the FED's 2 per cent target as energy costs weigh. Similarly, core inflation, which excludes transitory or temporary price volatility, slowed to 6.2 per cent from 6.5 per cent a month earlier.

Equity markets had an awful performance in April as inflationary worries and consequent monetary tightening expectations have come to the fore. While such theme has been common across developed markets, US markets have underperformed compared to their European peers as the latter have already seen significant erosion year-to-date on growing concerns regarding their economic backdrop going forward into the year. Meanwhile emerging markets have seen further travails form the economic slowdown in China. The S&P 500 index fell by 4.19% as the FED's hawkish stance on inflation has hammered cyclical sectors still trading at high multiples. In Europe, the EuroStoxx50 and the DAX lost 2.50% and 2. 02% respectively, mainly on a deteriorating macroeconomic perspective in the Eurozone.

### Fund Performance

In the month of April the Global Opportunities Fund registered a 6.22 per cent loss. On a year-to-date basis the fund's performance closed with a 14.02 per cent loss, underperforming its hedged comparable benchmark by 411bp. The Fund's allocation realignment to the Manager's fundamental change in geographies and sectors convictions has continued. Consequently, the Manager has liquidated its exposures to European funds Comgest and Morgan Stanley, to the Chinese fund Schroders, to the thematic fund Blackrock Sustainable Energy, and to the Automation & Robotics theme. As well, it trimmed exposures to cyclical ETFs and direct names like L'Oreal and European banks. In addition, it used the attractive entry points to add-on to its positions in Verizon, Johnson & Johnson and Apple, and opened a new position in BNP Paribas. The cash levels has been increased.

### Market and Investment Outlook

Going forward, the Manager sees the macroeconomic backdrop deteriorating particularly in Europe as inflationary pressures start pinching disposable income. In the US the peak inflation debate might actually prove to be irrelevant in the coming months as the FED could be already committed to a certain course of action. In addition, a protracted period with oil prices at current levels might be sufficient to cause a global recession, if the already heightened level in government yields globally will not do the job instead. Yield levels make bonds more and more appealing as an asset class when compared to stocks for the first time in the last decade. These are arguments for keeping the defensive positioning taken since the beginning of the year. The very challenging environment in terms of equity returns commands higher than usual cash levels and a more momentum-based tactical positioning than fundamental conviction over the long term. In the current market environment there are more emotions than reason which market participants seem to be interpreting.