GLOBAL OPPORTUNITIES FUND

SHARE CLASS A - FACT SHEET

Factsheet at 31st May 2022

Month end NAV as at 31st May 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	€2,500

Fund Details

ISIN	MT7000009031
Bloomberg Ticker	CCFEEAE MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.68%

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	142.78
Number of Holdings	39
% of Top 10 Holdings	39.00

Country Allocation[1]

Country Allocation	%
United States	48.8
China	13.5
France	9.9
Europe	6.4
Germany	2.7
Netherlands	1.7
United Kingdom	1.3

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

Top Equities

Top Equities	%
Mastercard Inc	5.3
L'Oreal	3.2
Johnson & Johnson	2.7
Verizon Communications Inc	2.5
Microsoft Corp	2.3
Total Energies SE	2.2
Sanofi	2.0
Comcast Corp	2.0
United Airlines Holdings Inc	1.9
ASML Holding NV	1.7

Top Funds

Top Funds	%
JP Morgan US Value	7.3
T. Rowe Price US Blue CH-Q EUR	5.5
iShares S&P 500 Financials	5.2
X MSCI World Energy	3.8
Schroder International Climate Change	3.6
iShares S&P Health Care	3.2
JP Morgan US Growth	3.0
iShares S&P 500 Industrials	2.8
Lyxor Euro Stoxx 600 Banks	2.4
iShares MSCI EM Asia Acc	2.2

Currency Allocation

Currency Allocation	%
EUR	31.5
USD	65.1
GBP	3.5

Asset Allocation

Asset Allocation	%
Cash	15.6
Equities	41.3
ETF	23.7
Fund	19.4

Historical Performance to Date

Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

Sector Breakdown	%
US Diversified	15.8
Information Technology	12.7
Financials	11.7
Energy	9.7
Consumer Staples	6.9
Industrials	6.9
Health Care	6.8
Communication Services	5.9
Consumer Discretionary	5.8
EM Diversified	2.2

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2021	2020	2019	2018	2017	Annualised Since Inception*
Total Return**	-16.04	17.80	-0.52	27.49	-18.36	10.39	2.25

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return**	-2.35	-6.15	-14.41	-14.24	-10.43

* The fund was originally launched on 31 October 2013 as the Euro Equity Fund and changed its name to the Global Opportunities Fund 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

The change in regime brought about by interest rates rising seems to have been digested by markets. Now the focus has shifted on the implications of the said higher interest and the quantum of their impact on the economy. Yield curves have shifted higher and valuation multiples have deflated, leaving no place to hide for investors this year. The key question is whether the illusory soft-landing from the ultra-accommodative pandemic-related money printing will support current earnings projections or whether an economic recession is in the making, which gives scope for another leg down in this market turmoil. The resumption of upward trends in oil prices, combined with the elevated food inflation which could cause a global political crisis, have already given scope for lowering expectations as regards the macroeconomic backdrop. Hopes for another Chinese rescue for the global economy similar to past instances have taken a serious blow as the long-awaited lifting of zero-covid policy lockdowns are yet to prove sustainable. The fragile European economy might be now more conditioned by the ECB's change of course towards interest rate hikes. This has brought back worries echoing the PIIGS sovereign crisis of 2010s. Thus, the situation is gloomy and thus being cautious remains the best course of action at this juncture.

Monetary authorities look poised to tackle head on inflationary pressures leaving markets no hope for a break. The FED has been very clear on expected 50bps hikes in the next two FOMC meetings and has started downsizing its balance sheet. The ECB has also signalled its first interest rate hike for July and aims at ending this fall its uninterrupted 8-year period of negative interest rates. In spite of all this, inflation peak is yet to promote from a wishful thinking to a confirmed reality. As time goes by, the supply-led inflation caused by logistic bottlenecks and energy and food price shocks risks turning into an entrenched demand-led inflation as politicians around the world are facing calls for action to support consumers which can easily turn into populist policies.

In May equity markets have taken a breather from the April rout as investors took their breath and tried to read into economic data tea leaves. There is a feeling of market hitting a potential cross road. So far, the market damage has been caused by the need to realign valuations to yield curves expectations. Now the market is concerned whether earnings expectations will commence to soften, as a result of a less benevolent macroeconomic environment. The latest erosion of once performant mega caps darlings which seemed almost untouchable by market swings based on secular growth trends is quite unsettling for the general market sentiment. This really makes the rationale of portfolio management more difficult as calls based on fundamental numbers can easily be overridden by the lack of confidence on behalf of market participants. Indeed, a very tough market, particularly for those benchmarking against the short term with many active mangers underperforming heavily their respective benchmarks.

Market Environment and Performance

Purchasing Manager Index (PMI) data painted a somewhat mixed picture of the Euro economic area as manufacturing maintained its downward trend, while services were supported by a renewed increase in in new orders from overseas customers. Owing to a softer service sector expansion, the Eurozone Composite PMI fell to a 4-month low of 54.8 from the previous month reading of 55.8. In May, energy and food prices continued to contribute to a rise in annual inflation – a fresh record high at 8.1 per cent. Core inflation, which excludes transitory or temporary price volatility, rose to 3.8 per cent – a fresh record high. The rate inflation remains well above the European Central bank (ECB) target of 2.0 per cent. Month-on-month, inflation increased by 0.8 per cent.

In May, aggregate business activity in the US continued to signal an expansion across the private sector. Such expansion, reading at 53.6, however proved slightly lower than the upturn at the end of Q1, following softer data in manufacturing and service sectors. US Services PMI came in lower at 53.4 from the previous month's reading of 55.6. Similarly, manufacturing PMI headed lower to 57 from 59.2 in April, pointing to the slowest albeit robust growth in factory activity since January. Equity markets were at cross hairs in May as a clear divergence between US markets and the rest has been widening on the back of valuation multiples deflation triggered by a subdued macroeconomic forecast. European markets have really surprised on the upside in total contrast to expectations regarding the macro environment, while emerging markets continued the funk they have been experiencing in the last 18 months, as the Chinese economy still suffered from covid lockdowns. The S&P 500 index fell by 2.63%, as the mega caps which used to be seen as safe houses have finally joined the bear market, while financial releases from the consumer staples sector gave discouraging signs about the American consumer. In Europe, the EuroStoxx50 and the DAX gained 1.52% and 3.22% respectively, as energy and financial sectors have been favoured by institutional investors.

Fund Performance

In the month of May the Global Opportunities Fund registered a 2.35 per cent loss. On a year-to-date basis the fund's performance closed with a 16.04 per cent loss, underperforming its hedged comparable benchmark by 426bp. The Fund's allocation has been adjusted during the month in order to align it to the latest macroeconomic and market sentiment developments. Consequently, the Manager has liquidated the Fund's exposures to Lyxor Stoxx 600 Industrials ETF and iShares Electric Vehicles and Driving Technology UCITS ETF, as well as trimming exposures to iShares S&P500 Financials ETF, the JP Morgan US Growth fund and conviction names such as L'Oreal, Microsoft, Alphabet and Amazon for risk management reasons. He also built new positions in Deutsche Post, Siemens, Sanofi, Kraft Heinz Co, Citigroup, Wells Fargo, Visa and Xtrackers MSCI World Consumer Staples ETF, and topping up exposures to Xtrackers MSCI World Energy ETF, iShares S&P500 Health care ETF and fundamental convictions like Johnson & Johnson, United Airlines Holdings and Comcast based on attractive entry points. The cash levels have remained constant.

Market and Investment Outlook

Going forward, the Manager sees quite a challenging macroeconomic backdrop as the US economy struggles against the need to cool down inflation, while the Chinese economy is battling to regain momentum after covid lockdowns and the European economy is accommodating the idea of higher interest rates. In terms of markets, a new upward move in yield curves cannot be rule out on the back of renewed pressure on central banks to act aggressively against inflationary pressures. One additional issue might be the impact of liquidity taken out from the system brought about by central bankers willing to downsize their balance sheets. While this is expected to first hit bond markets, ultimately there will also be an impact on equity markets, on top of the fundamental issues these have on their own. The Manager continues keeping a conservative approach on the Fund's portfolio management favouring defensive positioning and the flexibility of higher cash levels, while at the same time monitoring potential pockets of value on offer in this challenging environment.