CCFunds™ Maximise your return

GLOBAL BALANCED INCOME FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet at 31st August 2023

Month end NAV as at 31st August 2023

Investment Objective and Policies

The Fund seeks to provide stable, long-term capital appreciation by investing in a diversified portfolio of local and international bonds, equities and other income-generating assets. The Investment Manager shall diversify the assets of the Fund among different assets classes. The manager may invest in both Investment Grade and High Yield bonds rated at the time of investment at least "B-" by S&P, or in bonds determined to be of comparable quality, provided that the Fund may invest up 10% in non-rated bonds, whilst maintain an exposure to direct rated bonds of at least 25% of the value of the Fund. Investments in equities may include but are not limited to dividend-paying securities, equities, exchange traded funds as well as through the use of Collective Investment Schemes. The Fund is actively managed, not managed by reference to any index.

Fund Type	UCITS
Minimum Initial Investment	€2,500

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.

Fund Details

ISIN	MT7000014445
Bloomberg Ticker	CCGBIFA MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.35%

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)	9.9
Month end NAV in EUR	11.63
Number of Holdings	72
% of Top 10 Holdings	21.4

Country Allocation[1]

Country	%
USA	40.4
Malta	8.7
Luxembourg	8.1
Germany	7.1
Great Britain	6.0
France	4.8
Brazil	3.5
Global	3.4
Spain	3.1
Ireland	2.0

[1] including exposures to ETFs

By Credit Rating[2]

Rating	%
AAA to BBB-	8.3
BB+ to BB-	23.3
B+ to B-	4.7
CCC+ to CCC	0.0
Not Rated	7.9

[2] excluding exposures to ETFs

Top 10 Exposures

Exposure	%
iShares Core S&P 500	3.5
iShares Euro HY Corp	2.6
iShares S&P Healthcare	2.4
Apple Inc	2.1
4% Chemours Co 2026	1.9
Taiwan Semiconductor	1.8
iShares MSCI EM Asia Acc	1.8
6.75% CSN Islands XI Corp 2028	1.8
4.75% Banco Santander SA perp	1.7
Lyxor EUR Government 3-5YR	1.7

Currency Allocation

Currency	%
EUR	55.5
USD	42.9
GBP	1.6

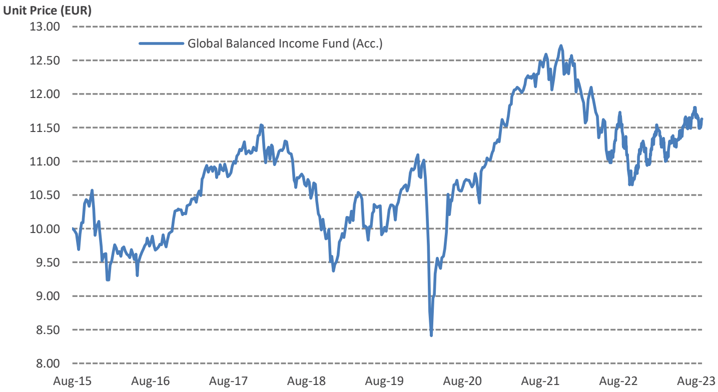
Asset Allocation[1]

Asset	%
Cash	2.1
Bonds	46.7
Equities	51.2

Maturity Buckets

Maturity	%
0 - 5 years	23.5
5 - 10 years	13.7
10 years +	7.0

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

Sector	%
Financial	23.7
Consumer, Cyclical	10.6
Communications	10.4
Diversified	9.9
Consumer, Non-cyclical	9.6
ETFs	9.3
Industrial	8.1
Basic Materials	7.9
Energy	3.8
Healthcare	2.9
Sovereign	1.7

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2022	2021	2020	2019	2018	Annualised Since Inception *
Total Return**	6.21	-12.47	12.30	2.48	14.78	-15.14	1.90

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return**	-1.44	1.93	3.47	3.10	3.38

* The Global Balanced Income Fund (Share Class A) was launched on 30 August 2015. 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

Augusts' holiday season proved uncertain as markets became apprehensive about the resurgence of inflationary pressures, particularly driven by higher energy prices. This pause in optimism comes after a period during which the economy was depicted favourably. Historically, August is characterized by thin trading activity, which can contribute to market fluctuations. Nonetheless, the general macroeconomic backdrop of a more resilient economy warranted such moves. In the US, labour markets cooled, raising expectations that the Federal Reserve (FED) may have reached the peak of its monetary tightening efforts. concerns have arisen regarding the underlying health of consumers. In Europe, economic indicators continue to paint a grim picture of the overall economic state, with German economic troubles affecting the entire Eurozone.

China's economy is a major concern on the global stage as its economic data continues to disappoint, causing headaches for corporations and asset managers with significant exposure to the local economy. Geopolitical tensions have not provided any relief to the current situation, with striking tensions between emerging and developed economies evident at this year's BRICS summit. Six new nations were invited to join the organization in an effort by China to enhance its diplomatic standing, possibly in response to the West's "de-risking" economic strategy, which has initiated a shift away from the economic globalization seen in the past three decades.

From a monetary perspective, the annual Jackson Hole Symposium played a crucial role in guiding monetary policy analysts. During the event, Federal Reserve Chair Powell hinted at the potential need for further interest rate hikes to combat persistently high inflation. This tone was somewhat more hawkish than the market had anticipated, contributing to the sharp rise in Treasury yields during the month. In Europe, expectations are for the European Central Bank (ECB) to pause interest rate hikes in September due to slowing business activity, particularly in Germany.

Equity markets faced a backlash during this period after a three-month rally. Equity markets faced a backlash during this period after a three-month rally. This reversal was accompanied by subdued trading volumes and concerns about rising oil prices, reigniting global inflationary pressures. This naturally made the energy sector the undisputed performer of the month, although, thanks to a late-minute rally, the year-to-date bright sectors, namely technology and communications, did not suffer material losses. This, has by no means alleviated troubles in equity markets, predominantly surrounding valuations. Analysts emphasize that the technology sector, in particular, appears overvalued when compared to historical averages, which in a very adverse scenario brings us closer to the dot.com bubble rather than the Global Financial Crisis (GFC). On the other hand, even if the economic soft-landing scenario has been accepted by almost all market participants, an economic recession cannot be completely ruled out for next year. From a risk management perspective, equities that provide income potential, seem to offer the largest margin of safety.

Market Environment and Performance

Following a brief growth revival in the spring, forward-looking indicators continued to show signs of weakness in Europe amid a first contraction in services (reading of 47.9 v the previous month's reading of 50.9) and a continuing downturn in the manufacturing sector (reading of 43.5 v a previous month reading of 42.7). Overall this results in the softest 12-month outlook in 2023 so far. Input prices surprisingly picked up, putting the perspective of rapidly decreasing inflation into question. The annual inflation rate in the Euro area remained steady at 5.3% above the ECB's goal. Core inflation eased, dropping to 5.3% from 5.5% in the previous month.

In the U.S. aggregate business activity – while still evolving in expansionary territory – nearly stalled due to a weaker expansion in the services sector (reading of 50.2 v 52.3 in July), and a renewed decline in manufacturing (reading of 47.9 v 49 last month). Total new business marked the first decline since February, while the rate of job creation reached its lowest point since October 2022. Annual inflation rate in the US accelerated to 3.7% in August, higher than the 3.2% July figure. Core consumer prices eased further to 4.3%.

Equity markets were rattled by expectations of new interest rate hikes on the back of a revival in energy prices. Notwithstanding this, a retracement of the last three months' rally was anyway expected and even welcomed during the holiday season when liquidity usually sinks. The month could have posted even worse returns should it not have been a last-minute build-up rally in technology names on strong expectations regarding the earnings of this year's markets' darling; Nvidia. US markets significantly outperformed on a larger market weighting in technology names while European markets sunk amid renewed worries on China's economic landscape. The S&P 500 index lost 0.25% based on a late rally in cyclical sectors. In Europe, the EuroStoxx50 and the DAX lost 3.90% and 3.04% respectively, driven particularly by communications and technology stocks.

Fund Performance

In the month of August, the CC Global Balanced Income Fund - largely driven by the somewhat negative sentiment across both equity markets and high yield credit - headed lower, registering a loss of 1.44%.

Within the fixed income space, the Manager continued to take opportunity of current market dynamics, increasing exposure to corporates while increasing the portfolio's duration. The manager has over the month took an exposure in Iliad SA and German multinational pharmaceutical and biotechnology company; Bayer AG.

Market and Investment Outlook

Looking ahead, the Manager anticipates that the continued softening of leading economic indicators will likely put an end to discussions about a new round of monetary tightening. Several factors contribute to this outlook, including a relief in the tightness of the U.S. labour market, European manufacturing remaining in contractionary territory, and an overall reduction in consumer savings rates. These indicators collectively suggest a slowdown in global economic growth. From a credit perspective, the strategy of gradually increasing duration paid off in the past month due to higher volatile yields, which had a negative impact on investment-grade bonds. Additionally, the fund's riskier segment continued to perform well. The Manager maintains the view that given the as-yet sticky inflation duration will be only increased gradually.

On the equity front, the Manager holds the belief that equity markets will trade within a range for the remainder of the year, with more clarity expected regarding the interest rate path in 2024 and beyond. In conclusion, there will be an increased focus on sectors and companies with strong cash flows and below-average valuation metrics moving forward. Current cash levels are considered adequate for the current market outlook, with a continued focus on value stocks at this stage.