MALTA HIGH INCOME FUND

SHARE CLASS B (DISTRIBUTOR) - FACT SHEET

Factsheet at 30th September 2023

Month end NAV as at 29th September 2023

Investment Objective and Policies

The Fund aims to maximise the total level of return through investment, primarily in debt securities and money market instruments issued by the Government of Malta, and equities and corporate bonds issued and listed on the MSE.

The Investment Manager may also invest directly or indirectly up to 15% of its assets in "Non-Maltese Assets". The Investment Manager will maintain an exposure to local debt securities of at least 55% of the value of the Net Assets of the Fund

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	MT7000022281
Bloomberg Ticker	CCMIFAB MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	1.68%

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction 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)	21.20
Month end NAV in EUR	87.28
Number of Holdings	78
% of Top 10 Holdings	39.0

Current Yields

Underlying Yield (%)	2.88
Distribution Yield (%)	3.05

Country Allocation[1]

Country Allocation[1]	%
Malta	88.6
Other	11.4

[1] including exposures to CIS and Cash

Top 10 Issuers[2]

Top 10 Issuers[2]	%
GO plc	4.9
Central Business Centres	3.9
PG plc	3.7
RS2 Software plc	2.6
SD Finance plc	2.6
Hili Properties plc	2.3
Stivala Group Finance plc	2.2
Eden Finance	2.2
IHI plc	2.1
Bank of Valletta plc	2.1

[2] including exposures to CIS, excluding Cash

Top 10 Exposures

Top 10 Exposures	%
PG plc	3.7
4% Central Business Centres 2033	3.3
Harvest Technology plc	3.2
3.50% GO plc 2031	2.8
3.90% Browns Pharma 2031	2.7
RS2 Software plc	2.6
4.35% SD Finance plc 2027	2.6
4.65% Smartcare Finance plc 2031	2.6
Lyxor EUR Govt. Bond 10-15YR	2.3
3.75% TUM Finance plc 2029	2.3

Currency Allocation

Currency Allocation	%
EUR	100.0

Asset Allocation[3]

Asset Allocation[3]	%
Cash	5.5
Bonds	70.4
Equities	24.1

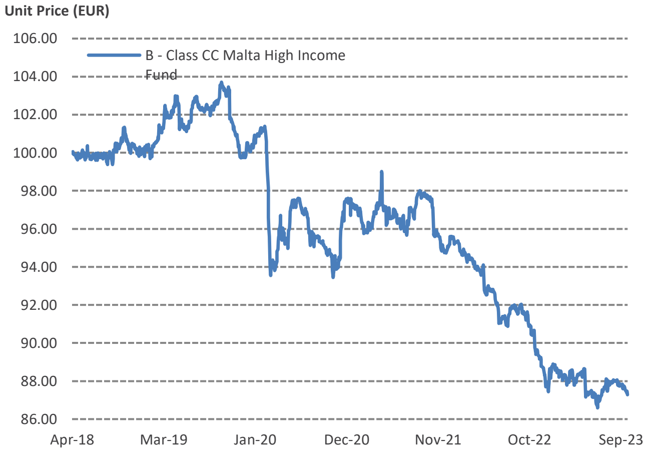
[3] including exposures to CIS

Maturity Buckets[4]

Maturity Buckets[4]	%
0 - 5 years	25.7
5 - 10 years	35.4
10 years +	4.9

[4] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation[3]

Sector Allocation[3]	%
Financial	49.6
Consumer, Non-Cyclical	11.6
Consumer, Cyclical	10.1
Communications	8.5
Funds	5.1
Technology	4.0
Industrial	3.2
Government	1.4
Energy	1.0

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2022	2021	2020	2019	Annualised Since Inception **
Total Return* **	0.06	-4.30	1.07	-1.05	3.37	-0.13

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return* **	-0.54	-0.30	0.78	0.06	-1.20

*The Distributor Share Class (Class B) was launched on 10 April 2018

** 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. 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

A widely acknowledged “higher rates for longer” view, drove yields notably higher in the third quarter. Albeit at times short-lived, as a contraction of private-sector activity in the euro area intensified, leading investors to bet that the ECB will pause its campaign of interest-rate hikes and thus a retraction, yields overall remained elevated. Maintaining an upward trajectory.

In September’s policy meeting, the European Central Bank (ECB) hiked interest rates for a tenth consecutive time, yet signaled that it is likely done tightening policy as inflation has started to decline but it is still expected to remain “too high for too long”. Consequently, setting the main refinancing operations rate at 4.5%, a 22-year high.

From a performance standpoint, government bond yields of European sovereigns rose (meaning prices fell), underperforming riskier assets.

Market Environment and Performance

Concerns of a potential recession, which had been somewhat dismissed earlier in the year due to the resilience of economic activity, have now reemerged. The downward revision of the Q2 GDP growth rate, mainly attributed to weak exports and stagnant domestic consumption, has contributed to these worries. The ongoing decline in private sector activity has further cast doubt on the likelihood of a positive Q3 growth rate figure.

Purchasing Managers' Index (PMI) indicators continued to show signs of weakness amid a second successive contraction in services (reading 48.7 v a previous month reading of 47.9) for 2023 and a continued downturn in manufacturing (reading 43.4 v a previous month reading of 43.5). Overall, new orders dropped while backlogs of work experienced the largest decline since June 2020. The rate of job creation was the joint second-slowest in the current 32-month sequence of growth. From an inflationary front, input prices accelerated to a four-month high, while selling prices rose the least in over a year consequent to a weak demand environment.

Despite a notable increase in oil prices, there were positive developments on the inflation front, as year-on-year core measures showed signs of easing in the majority of economies. Annual inflation rate in the Euro Area declined to 4.3%, reaching its lowest level since October 2021 and below market estimates of 4.5%. Prices increased at a slower pace for services, non-energy industrial goods, and food, alcohol & tobacco. Core inflation - a highly monitored figured by the ECB - eased, dropping to 4.5% from 5.3% in the previous month.

In the month, Germany’s benchmark 10-year yield widened notably as it approached the 3% mark, at 2.84%. Yields of sovereigns within the Euro area’s periphery too widened, with Italy’s and Greece’s heading substantially north, closing the quarter at 4.78% and 4.34%, 66bps and 57bps higher, respectively.

Fund Performance

In September, the Malta High Income Fund registered a loss of 0.53% for the month, outperforming its internally compared benchmark which only registered a marginal positive performance of 0.13% - as equities overall were in the red.

Market and Investment Outlook

Moving forward, the Managers believe in maintaining a somewhat cautious stance given the current economic climate, albeit showing signs of improvement. Sustained price pressures, which may have well filtered through services, may continue to leave a negative impact on the Maltese economy, possibly hindering consumption and the forecasted pace of recovery. Such pace remains highly dependent on inbounds of tourism. A record number of visitors have indeed proved optimistic from a demand perspective, yet possibly negatively from a pricing standpoint, abetting inflationary pressures to become more embedded.