CCFunds™
Maximise your return

HIGH INCOME BOND FUND

SHARE CLASS D EUR (DISTRIBUTOR) - FACT SHEET

Factsheet at 31st October 2023

Month end NAV as at 31st October 2023

Investment Objective and Policies

The Fund aims to maximise the total level of return for investors by investing, mainly in a diversified portfolio of bonds and other similar debt securities. In pursuing this objective, the Investment Manager shall invest primarily in a diversified portfolio of corporate & government bonds maturing in the medium term, with an average credit quality of "Ba3" by Moody's or "BB-" by S&P, although individual bond holdings may have higher or lower ratings. The Fund can also invest up to 10% of its assets in Non-Rated bond issues. 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	MT7000003059
Bloomberg Ticker	CALCHIE MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	1.75%

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)	48.34
Month end NAV in EUR	74.47
Number of Holdings	128
% of Top 10 Holdings	19.9

Current Yields

Last 12-m Distrib. Yield (%)	3.75
Underlying Yield (%)	5.42

Risk Statistics	3Y	5Y
Sharpe Ratio	-1.02	-0.58
Std. Deviation (%)	5.02%	7.70%

Country Allocation[1]	%
United States	24.1
Germany	11.8
France	8.5
Spain	5.2
Brazil	4.4
Italy	4.3
Luxembourg	3.6
Netherlands	3.2
United Kingdom	3.1
Malta	2.5

[1] including exposures to CIS

Credit Rating[2]	%
From AAA to BBB-	17.4
From BB+ to BB-	43.5
From B+ to B-	19.3
CCC+	2.1
Less than CCC+	2.9
Not Rated	2.5
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures	%
iShares USD High Yield Corp	2.9
iShares Fallen Angels HY Corp	2.6
4% JP Morgan Chase & Co perp	2.3
7.5% Nidda Healthcare Holding 2026	1.9
8.215% Encore Capital Group Inc 2028	1.9
iShares Euro High Yield Corp	1.8
3.875% Allwyn International 2027	1.7
2.5% Hapag-Lloyd 2028	1.6
4.625% Volkswagen perp	1.6
3.5% Eircom Finance DAC 2026	1.6

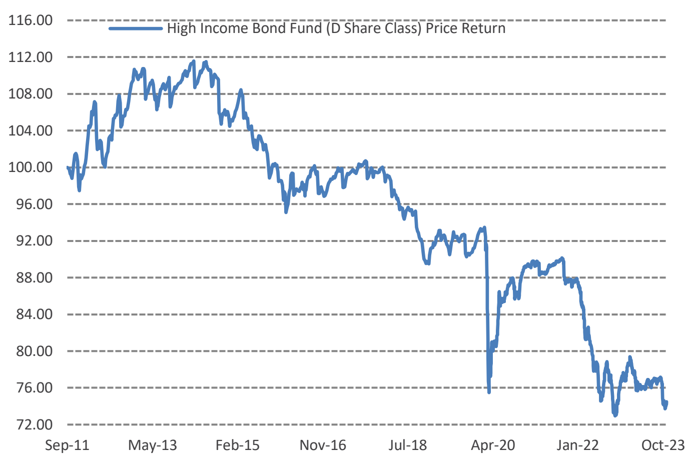
Currency Allocation	%
EUR	64.6
USD	35.4
Others	0.0

Asset Allocation	%
Cash	4.8
Bonds	87.8
CIS/ETFs	7.4

Maturity Buckets[3]	%
0 - 5 years	69.8
5 - 10 years	15.5
10 years +	2.5

[3] based on the Next Call Date

Historical Performance to Date*



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[2]	%
Banks	12.1
Telecommunications	8.1
Pharmaceuticals	8.1
Funds	7.4
Auto Parts&Equipment	6.7
Chemicals	4.4
Media	4.2
Auto Manufacturers	3.5
Transportation	3.0
Oil&Gas	2.9
Gaming	2.8
Mining	2.8

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2022	2021	2020	2019	Annualised Since Inception***
Share Class D - Total Return******	0.65	-10.13	1.48	-0.15	7.47	2.00
	2018	2017	2016	2015	2014	2013
Share Class D - Total Return******	-6.44	5.31	4.97	-0.86	1.88	6.43
Total Return	1-month	3-month	6-month	9-month	12-month	
Share Class D - Total Return******	-0.70	-1.47	-0.27	-1.67	3.76	

* Data in the chart does not include any dividends distributed since the Fund was launched on 1st September 2011.

** 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 Distributor Share Class (Class D) was launched on 01 September 2011. 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

Throughout October, the prevailing narrative driving bond markets was the expectation that interest rates would need to remain high for an extended period. A combination of buoyant economic data, notably a robust labour market, persistently high inflation, and growing concerns over US Treasury supply to cover the surging budget deficit kept the pressure on US yields. Notably, the US 10-year Treasury yield pushed above 5.0% for the first time since 2007. Additionally, renewed geopolitical tensions in the Middle East further dampened risk appetite.

From a performance viewpoint, the rout in the bond market sustained. Government bond returns were generally negative across developed markets as yields rose to multi-year highs, while widening spreads dented monthly returns for both investment grade and high yield corporate credit. To-date, the latter remains the top performing segment this year, with European and US benchmarks returning c. 5.80% and 4.70%, respectively. Indeed, in such rising yield environment, the shorter-dated profile of high yield bond benchmarks continued to be a source of resilience. Commodities have on the other hand, performed well on the month, with energy prices surging and investors seeking safety in gold.

Market Environment and Performance

Concerns about a potential recession in the Euro area, earlier in the year dismissed due to the resilience of economic activity, have not only resurfaced but intensified. A negative Q3 GDP growth rate (-0.1%), worse than market forecasts of a flat reading affirmed such worries. Additionally, the ongoing decline in private sector activity continues to cast doubt on the prospects of a recovery, at least in the very near term. In October, Purchasing Managers' Index (PMI) indicators continued to show signs of weakness amid a third successive contraction in services (reading 47.8 v a previous month reading of 48.7) and a continued downturn in manufacturing (reading 43.1 v a previous month reading of 43.4). Overall, fragile demand conditions were a notable aspect of the survey results, with new business intakes declining at the fastest rate since the sovereign debt crisis, when excluding the months impacted by the coronavirus pandemic. Furthermore, employment stagnated, ending a sustained period of job creation. On the pricing front, both goods and services saw prices rising at a slower pace. Meanwhile, the rate of input cost inflation cooled.

In October, annual inflation rate in the Euro Area declined to 2.9%, reaching its lowest level since July 2021, returning closer to the ECB's 2% target, a preliminary estimate showed. Prices for energy, food, alcohol, and tobacco, and non-energy industrial goods cooled. Meanwhile, services inflation remained relatively stable. Core prices, which exclude volatile food and energy prices, also eased to 4.2% compared to 4.5% in the previous month.

From a policy front, the ECB kept interest rates at multi-year highs during its October meeting, marking a significant shift from its streak of rate hikes and reflecting a more cautious "wait-and-see" stance among policymakers, influenced by the gradual easing of price pressures and concerns about an impending recession. This decision follows a series of ten successive rate increases since July 2022, which elevated the main refinancing operations rate to 4.5% and the deposit facility rate to an all-time high of 4%.

In the United States, robust job data, strong retail sales, and a blowout GDP print of 4.9% annualised for Q3 2023, exceeding market forecasts of 4.3% and accelerating from the 2.1% advance in Q2 affirmed the belief, of a strong and resilient US economy. Industrial activity as measured by the latest purchasing managers' index (PMI) also suggested expansion, with the composite PMI reading hitting 50.7 in October, up from 50.2 the previous month as manufacturers and service providers experienced a quicker rise in output, despite fragile demand conditions. Meanwhile, new orders and exports continued to decline, while employment levels grew, the latter largely driven by the services sector. Regarding prices, the rate of input and output cost inflation slowed to a three-year low.

Annual rate of inflation in the US remained slowed to 3.2% in October, below market expectations of a decline to 3.3%, as energy costs dropped. Core inflation which excludes volatile items such as food and energy too eased to 4.0%. From the employment front, hiring increased by 150k, half of a downwardly revised 297K in September, and below market forecasts of 180K, signalling a cooling labour market. Meanwhile, the unemployment rate rose to 3.9%, exceeding expectations. The nominal wage growth (4.1%) too showed signs of easing, increasing at the smallest pace since June 2021.

Fund Performance

In October, the CC High Income Bond Fund headed lower, recording a loss of 0.69% from the previous month's close, in line with performance observed across global high yield credit; a loss of c. 1.07%.

Throughout the month the Manager continued to take opportunity by re-tapping selective names which do offer value, notably, those which have only recently sought to refinance with coupons now more aligned to the current market environment. Also, allowing to increase the portfolio's duration in a balanced manner.

Market and Investment Outlook

Hopes of an early end to the era of policy tightening faded at the end of the third quarter and persisted through October as the prospect of prolonged higher interest rates sank in, supported by resilient economic data. While acknowledging progress in the Fed's fight against inflation and the downward pressure that tight policy is putting on both activity and prices, Jerome Powell affirmed the Fed's intention to proceed cautiously. Indeed, policymakers will base decisions about the extent of further policy firming and the duration of restrictive policy on the totality of incoming data, the evolving outlook, and the balance of risks.

Buoyant economic data and discourse drove yields significantly higher. Such rise and thus subsequent tightening of financial conditions towards month-end lowered expectations of an imminent rate hike by the Fed. The US 10-year yield increased from 4.57% to 4.93%, while the two-year yield climbed from 5.05% to 5.10%.

As previously conferred, fixed income remains a compelling investment, especially as central banks appear to have reached the peak of their tightening cycle. The manager will continue to evaluate the market landscape and capitalize on attractive credit opportunities. In line with recent actions, the manager will continue to adjust the portfolio to match prevailing yield conditions. From a duration perspective, the Manager maintains the view that given the as-yet sticky inflation, duration increases shall be implemented, however in a measured and gradual manner.