GLOBAL BALANCED INCOME FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet at 31st December 2023

Month end NAV as at 29th December 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)	10.3
Month end NAV in EUR	12.11
Number of Holdings	72
% of Top 10 Holdings	21.1

Country Allocation[1]

	%
USA	43.3
Malta	7.2
Great Britain	7.2
Luxembourg	7.2
Germany	6.2
France	4.7
Brazil	3.5
Spain	3.2
Global	2.8
Taiwan	1.9

[1] including exposures to ETFs

By Credit Rating[2]

	%
AAA to BBB-	10.0
BB+ to BB-	21.8
B+ to B-	4.8
CCC+ to CCC	0.0
Not Rated	8.5

[2] excluding exposures to ETFs

Top 10 Exposures

	%
iShares Euro HY Corp	2.6
iShares Core S&P 500	2.4
iShares S&P Healthcare	2.3
Amazon Inc	2.3
Apple Inc	2.1
Alphabet Inc	2.0
Taiwan Semiconductor	1.9
4% Chemours Co 2026	1.9
4.75% Banco Santander SA perp	1.8
Microsoft Corp	1.8

Currency Allocation

	%
EUR	52.8
USD	44.5
GBP	2.7

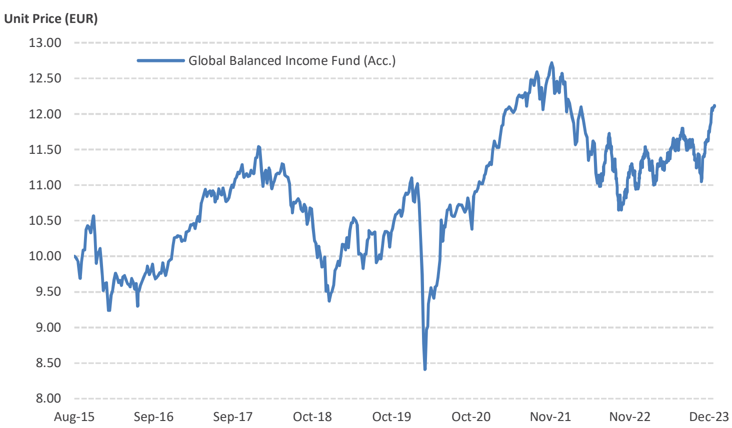
Asset Allocation[1]

	%
Cash	1.3
Bonds	47.6
Equities	51.2

Maturity Buckets

	%
0 - 5 years	23.0
5 - 10 years	14.7
10 years +	7.2

Historical Performance to Date



Source: **Calamatta Cuschieri Investment Management Ltd.**

Sector Breakdown

	%
Financial	23.5
Consumer, Cyclical	10.8
Technology	10.7
Communications	10.6
Industrial	9.5
ETFs	8.5
Diversified	8.3
Basic Materials	8.2
Energy	4.6
Healthcare	2.3
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**	10.59	-12.47	12.30	2.48	14.78	-15.14	2.32

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return**	3.59	6.51	4.13	8.22	10.59

* 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

December concluded a very favourable year for financial markets, delivering a substantial return for the average 60/40 allocation. However, it is worth noting that nearly 90% of this return was generated by equities. Overall, the year defied expectations, but not in the manner that economic theory would have predicted. While equities significantly outperformed the economic outlook, bonds have yet to recoup the significant losses they sustained in 2022. Despite mildly positive macroeconomic conditions, the US economy remains the most positive story going into 2024. The labour market continues to thrive despite a disinflationary environment, while the Eurozone economy presents a complex outlook and China's economic performance is hindered by elevated leverage levels in the corporate sector and a cautious consumer base.

Geopolitical risks in the Middle East region have the potential to reignite inflationary pressures by disrupting commercial sea routes in the Red Sea. Additionally, elections to be held this year in the majority of developed markets could lead to heightened market volatility in 2024. In summary, there is a clear lack of predictability as the global economy enters uncharted territory following a 2023 that defied economic textbooks. Only time will tell whether the world economy has successfully navigated the inflationary storm unscathed or if this was merely a postponement of an economic recession.

From a monetary policy standpoint, the Federal Reserve held its key interest rate steady for the third consecutive time and signalled the likelihood of multiple rate cuts in the coming years. FOMC members projected at least three rate cuts in 2024, which is fewer than what the markets are anticipating but more than officials had previously indicated. The "dot plot" projects another four rate cuts in 2025 and three more in 2026, bringing the federal funds rate closer to its long-term outlook. In Europe, the European Central Bank (ECB) kept its main interest rates unchanged in a unanimous decision that aligned with market expectations. This decision was supported by the ongoing downtrend in inflation and concerns about sustained economic weakness in the Eurozone. Additionally, the ECB revised down its inflation forecasts, clearly signalling that the tightening cycle has ended. It also decided to accelerate the normalization of its balance sheet by reducing its Pandemic Emergency Purchase Programme (PEPP) in the second half of 2024 and eventually phasing it out.

Equity markets closed out the year with a bang as the dust settled on the post-pandemic inflationary surge and the path forward for interest rates became clearer. Markets have now regained the high levels of two years ago in an environment of significantly higher yields, while the global economic growth landscape has gradually cooled. While valuation multiples have rebounded, particularly in the stratospheric mega-cap realm, the only real positive aspect is that corporate earnings are regaining their positive outlook. This resilience stems from the corporate sector's proven performance over the past couple of years. However, there are still some hurdles that have not been fully addressed and could pose future challenges. These include the lagging impact on the real economy of a prolonged high-interest rate environment, the election season in major democracies, and the convoluted revival of China's troubled real estate and construction sector. These "known unknowns" will present challenges for market participants in the coming 12 months. The "unknown unknowns" will only add to the complexity of 2024. Nevertheless, there is reason to remain optimistic, as 2023 also began with subdued expectations.

Market Environment and Performance

In December the Purchasing Managers' Index (PMI) indicators continued to show signs of weakness amid a sustained contraction in services (reading 48.8 versus the previous month reading of 48.7) and manufacturing (reading of 44.4 versus a previous month reading of 44.2), extending the contraction seen since June. Overall, demand for goods and services continued to weaken while employment levels fell again, however businesses' growth expectations improved. Annual inflation rate in the Euro area posted a first uptick since April to 2.9%, primarily propelled by energy-related base effects. Core inflation meanwhile eased, dropping to 3.4% from 3.6% in the previous month.

In the U.S., industrial activity as measured by the latest PMI signalled a marginal upturn in business activity marking the swiftest expansion since July. Service providers recorded a stronger uptick in new sales while goods producers registered a faster fall in new business. Employment levels saw a modest increase. Annual inflation rate in the US moved higher to 3.4%, namely due to the recent energy price pressures, while core consumer prices moved lower to 3.9% stood at a two-year low of 4.0%.

Equity markets continued their much-anticipated Christmas rally as market expectations for earlier-than-previously-anticipated interest rate cuts increased following the FOMC's recent change of view. As expected, year-end loss harvesting and other window-dressing activities by market participants played a role in pushing markets higher, despite a diminishing liquidity backdrop. This contributed to a strongly positive overall outcome for equities in 2023, masking the volatility that occurred throughout the year. The S&P 500 index gained 2.78%, supported by some of this year's laggard sectors like real estate and healthcare. European markets outperformed yet again, with the EuroStoxx50 and DAX gaining 3.17% and 3.31% respectively. Low valuations and a better-than-expected macroeconomic environment once again attracted market participants' interest. Credit markets cheered, particularly following the Fed's views on the interest rate trajectory. As expected, longer-duration bonds, the most sensitive to changes in interest rates, rose the most, while other bonds also followed suit, with a significant uptick. However, the losses incurred in 2022 have yet to be fully recovered.

Fund Performance

In December, the CC Global Balanced Income Fund - largely driven by the risk-on sentiment across both equity markets and high yield credit - headed notably, registering a gain of 3.59%. On the equity allocation, the Fund's portfolio remained intact, as the Manager considered it was well positioned to the meet the sectorial differential in market return expectations based on the current macroeconomic landscape. From the fixed income front, the Manager where permissible continued to increase the fund's duration with its macro view of peaks in rates.

Market and Investment Outlook

Looking ahead, the Manager shares the market consensus that interest rate cuts will be the main theme in the coming year. However, the Manager believes that current market projections could be significantly out of touch with reality. Given this backdrop, the view on the global economy remains unchanged, with softening leading indicators pointing to a decelerating pace of growth. Fixed income should benefit from rate cut expectations, prompting the Manager to continue increasing the fund's duration and carry. On the equity front, the Manager has moderated his expectations for returns in the coming quarters due to valuations that have become unsustainable compared to fixed-income yields. The Fund will focus on market segments that underperformed the recovery in 2023. Specific allocations will target pockets of value, incorporating additional factors alongside traditional fundamentals, such as technical indicators, corporate events, and geopolitics.