HIGH INCOME BOND FUND

SHARE CLASS D EUR (DISTRIBUTOR) - FACT SHEET

Factsheet at 31st January 2024

Month end NAV as at 31st January 2024

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	1.89%

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)	50.74
Month end NAV in EUR	79.73
Number of Holdings	131
% of Top 10 Holdings	20.1

Current Yields

Last 12-m Distrib. Yield (%)	3.75
Underlying Yield (%)	5.24

Risk Statistics	3Y	5Y
Sharpe Ratio	-0.75	-0.32
Std. Deviation (%)	4.84%	7.57%

Country Allocation[1]	%
United States	24.0
Germany	11.4
France	9.5
Spain	5.1
Italy	4.9
Brazil	4.3
Netherlands	3.4
United Kingdom	3.1
Luxembourg	2.6
Czech Republic	2.6

[1] including exposures to CIS

Credit Rating[2]	%
From AAA to BBB-	18.3
From BB+ to BB-	42.7
From B+ to B-	20.8
CCC+	1.9
Less than CCC+	2.2
Not Rated	2.4
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures	%
iShares Fallen Angels HY Corp	3.0
iShares USD High Yield Corp	2.8
4% JP Morgan Chase & Co perp	2.3
7.5% Nidda Healthcare Holding 2026	1.9
iShares Euro High Yield Corp	1.8
8.192% Encore Capital Group Inc 2028	1.8
3.875% Allwyn International 2027	1.7
2.5% Hapag-Lloyd 2028	1.7
4.625% Volkswagen perp	1.6
3.5% Eircom Finance DAC 2026	1.5

Currency Allocation	%
EUR	65.0
USD	35.0
Others	0.0

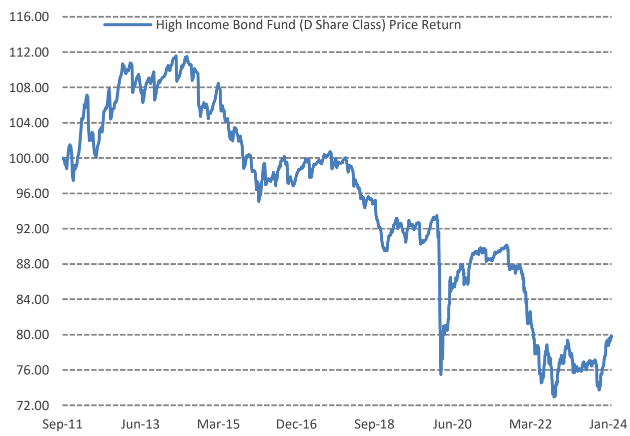
Asset Allocation	%
Cash	3.8
Bonds	88.4
CIS/ETFs	7.8

Maturity Buckets[3]	%
0 - 5 years	69.0
5 - 10 years	17.2
10 years +	2.1

[3] based on the Next Call Date

Historical Performance to Date*

Unit Price (EUR)



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[2]	%
Banks	12.0
Telecommunications	8.1
Funds	7.8
Auto Parts&Equipment	7.1
Media	4.4
Auto Manufacturers	3.9
Commercial Services	3.5
Chemicals	3.3
Transportation	3.1
Oil&Gas	3.0
Mining	3.0
Gaming	2.8

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	Annualised Since Inception***
Share Class D - Total Return******	0.47	7.26	-10.13	1.48	-0.15	2.52
	2019	2018	2017	2016	2015	2014
Share Class D - Total Return******	7.47	-6.44	5.31	4.97	-0.86	1.88
Total Return	1-month	3-month	6-month	9-month	12-month	
Share Class D - Total Return******	0.47	7.06	5.49	6.78	5.28	

* 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

Market participants, though wary of possible threats to inflation – notably; sticky services inflation, a resilient labour market, and tensions in the Red Sea - remained confident that central banks had finished hiking, sustaining expectations of pre-emptive interest rate cuts. However, the first monetary policy meeting for 2024 dashed such hopes, providing a clear view that cuts may not come as soon as expected. Prior projections suggesting three cuts over 2024 were maintained by policy makers.

The ECB, in its January meeting, maintained record-high interest rates and pledged to keep them restrictive until inflation reaches its 2% target, despite concerns about a looming recession and easing price pressures. President Lagarde noted that officials unanimously concurred that it was premature to engage in discussions regarding interest rate cuts. The Federal Reserve too kept rates unchanged, indicating they won't reduce rates until inflation moves sustainably towards a desirable level. Chair Powell stated that it will be appropriate to begin reducing rates sometime this year, emphasizing a meeting-by-meeting approach. A March cut is however unlikely.

In January, the 10-year US Treasury yield rose above 4.10%. German Bunds too saw yields rise above 2.30%, yet retreated back to 2.17% at month-end. In the Eurozone periphery, the risk premium on Italian bonds relative to German securities reached a low of 1.56%. Beyond sovereign bonds, the entire fixed income market saw a partial reversal in the positive performance experienced at the end of 2023, as enthusiasm for near-term rate cuts subsided. Investment grade corporate credit was largely unchanged, yet still outperformed government bonds with new issuance being absorbed well and spreads tightening further on hopes of a soft landing. Within high yield, the eurozone was the notable outperformer (+0.83%), experiencing tighter spreads and positive total returns that exceeded those of its investment-grade counterparts.

Market Environment and Performance

A mild deceleration in Q3 together with weaker private sector activity, pointed to a possible contraction in December, reinforcing the likelihood of the euro area entering a technical recession in the latter half of the 2023. Unexpectedly, Euro Area economy stalled amid a better-than-expected growth in Spain and Italy while the French economy stalled and Germany contracted 0.3%.

Tentative signs of improvement in the Euro area economy were seen at the start of the year, January's Purchasing Managers' Index (PMI) survey showed, amid an improvement in manufacturing (reading 46.6 v a previous month reading of 44.4) and slowdown in services (reading 48.4 v a previous month reading of 48.8). Indeed, the contraction in business activity and new orders softened, while growth expectations strengthened to a nine-month high. Employment, previously contracting, showed signs of stabilization, while export demand fell at its slowest pace since last April. Persistent inflationary pressures remained apparent, particularly for prices charged by firms for goods and services. Both output prices and input costs rose at their sharpest rates for eight months.

Inflationary pressures returned to a downward trajectory following an uptick in inflation in December. Core prices - which exclude volatile food and energy prices - too eased to 3.3%, above forecasts of 3.2% but still reaching its lowest level since March 2022.

In the United States, both lagging and leading economic indicators, continued to portray a relative level of robustness compared to its Western developed counterpart. In January, data showed that US GDP grew at an annualised rate of 3.3% in Q4 2023, and for the year as a whole, by 3.1%, compared to 1.9% in 2022 and Fed's estimates of 2.6%. In January, industrial activity as measured by the latest PMI indices signalled a modest uptick (reading 52.0 v a previous month reading of 50.9) in business activity, driven by a faster rise in services. The latter fuelled by a rise in new orders amid improved demand conditions in the domestic and foreign market. Optimism regarding the outlook for output over the next year too improved, with firms continuing to expand their staffing numbers.

Annual rate of inflation in the US fell back to 3.1% in January following a brief increase to 3.4%, but came higher than forecasts of 2.9%. Core inflation which excludes volatile items such as food and energy held steady at 3.9%, compared to expectations it would slow to 3.7%. From the employment front, hiring surged by 317k, the most in a year, exceeding the upwardly revised December figure of 278k and significantly surpassing forecasts of 155k. The unemployment rate remained steady at 3.7%, defying market expectations of 3.8%. Wage growth edged higher, with average hourly earnings rising by 0.6%, outpacing the 0.4% monthly gains observed in November and December. Undoubtedly, January's job numbers further challenge narratives of a decelerating labour market in the US.

Fund Performance

The CC High Income Bond Fund started the year on the right footing, recording a gain of 0.47% from the previous month's close, as global high yield corporate credit generally headed higher.

The manager, in line with its mandate, maintained an active approach to managing the portfolio. Throughout the month, the manager - aiming to increase the portfolio's duration in a gradual manner - continued to take advantage of selective opportunities, primarily by participating in initial offerings. Indeed, the month saw a number of market participants coming to market, with liquidity and appetite certainly increasing. Credit issuers which the CC High Income Bond Fund increased its exposure to include; Schaeffler AG, Mundy's, Banco Santander and United Group.

Market and Investment Outlook

Hopes for a rapid end to interest rate hikes faded in January as central bankers reiterated their commitment to data-driven policy decisions and emphasized the continued threat of inflation. Despite reaching peak levels and inflation sustaining a downward trend, Fed Chair Jerome Powell stated that rate cuts in March were unlikely. Similarly, while acknowledging progress in "disinflation," ECB President Christine Lagarde stressed that discussions of easing policy were premature. The key challenge for policy makers going forward is balancing continued high interest rates with supporting economic growth. The euro area, unlike its Western counterparts, faces an additional headwind whereby key economies, traditionally bolstering the single currency bloc, are now dragging down and offsetting the resilient growth observed in Southern European economies.

Fixed income, for years losing its appeal – given the relatively low-yielding environment – has become more attractive. Indeed, locking in coupons at such comparably favorable levels, ahead of any policy easing, is key.

That said, the manager will going forward continue to assess the market landscape and capitalize on appealing credit opportunities. Consistent with recent actions, the manager will continue to tailor the portfolio to match prevailing yield conditions while increasing the portfolio's overall duration. Optimism for the year ahead remains on the back of continued rate cut expectations.

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