CCFunds™ Maximise your return

HIGH INCOME BOND FUND

SHARE CLASS A EUR (ACCUMULATOR) - FACT SHEET

Factsheet at 29th February 2024

Month end NAV as at 29th February 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	MT7000007761
Bloomberg Ticker	CALCHAR 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)	50.61
Month end NAV in EUR	124.12
Number of Holdings	133
% of Top 10 Holdings	20.2

Current Yields

Underlying Yield (%)	5.30

Risk Statistics

Risk Statistics	3Y	5Y
Sharpe Ratio	-0.84	-0.39
Std. Deviation (%)	4.88%	7.63%

Country Allocation[1]

Country Allocation[1]	%
United States	24.1
Germany	11.9
France	9.5
Spain	5.5
Italy	5.0
Brazil	4.3
Netherlands	3.4
United Kingdom	3.1
Czech Republic	2.6
Turkey	2.5

[1] including exposures to CIS

Credit Rating[2]

Credit Rating[2]	%
From AAA to BBB-	18.0
From BB+ to BB-	43.2
From B+ to B-	21.4
CCC+	2.0
Less than CCC+	2.3
Not Rated	2.5
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures

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	1.6

Currency Allocation

Currency Allocation	%
EUR	64.8
USD	35.2
Others	0.0

Asset Allocation

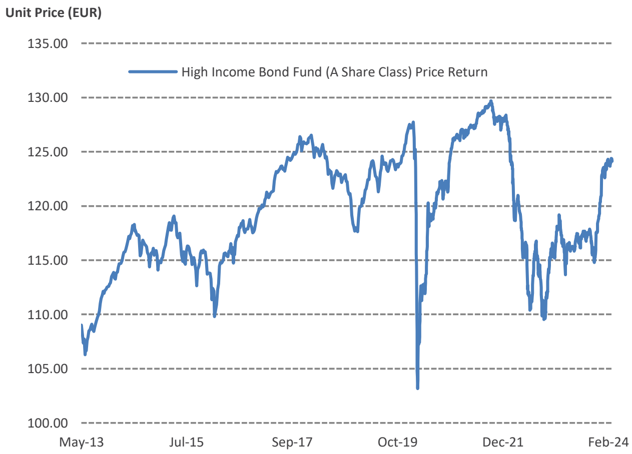
Asset Allocation	%
Cash	2.8
Bonds	89.4
CIS/ETFs	7.8

Maturity Buckets[3]

Maturity Buckets[3]	%
0 - 5 years	70.2
5 - 10 years	17.0
10 years +	2.1

[3] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[2]

Sector Breakdown[2]	%
Banks	12.2
Telecommunications	8.6
Funds	7.8
Auto Parts&Equipment	7.6
Media	4.4
Auto Manufacturers	3.9
Commercial Services	3.7
Transportation	3.1
Mining	3.0
Oil&Gas	3.0
Chemicals	2.8
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 A - Total Return**	0.46	7.25	-10.13	1.46	-0.14	1.21

	2019	2018	2017	2016	2015	2014
Share Class A - Total Return**	7.48	-6.45	5.32	4.96	-0.89	1.72

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	-0.01	3.52	5.58	6.77	6.50

* The Accumulator Share Class (Class A) was launched on 29 May 2013. 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

February '24 offered a stark illustration of the inherent duality within financial markets. While equity markets thrived, propelled by positive economic data and a shift in investor sentiment, credit markets were challenged, as such benevolent news, drove a shift in expectations for future interest rates. The contrasting performance highlighted the complex interplay of various factors that shape market movements.

Despite the seemingly benevolent news driving equity markets, the narrative in the credit markets turned sour as expectations for future interest rate cuts shifted. This anticipation of tighter monetary policy exerted downward pressure on bond prices, leading to their decline. Although high-yield bonds, particularly in Europe, offered some resistance to this trend, the broader fixed income market faced headwinds.

On the economic front, data released in February generally indicated sustained economic activity, bolstering investor confidence. Additionally, a continued decline in both headline and core inflation offered some welcome relief from inflationary concerns.

Market Environment and Performance

Europe's economic landscape, following a challenging end to the prior year, vastly expected to close in a recessionary environment, proves mix, with activity showing signs of improvement and yet, weak growth prospects persisting. Consumer confidence, possibly due to households feeling optimistic about future wage growth and spending power, strengthened. Such optimism however wasn't shared by businesses, with business sentiment across various sectors dipping in February, indicating a cautious outlook for the near future.

Indeed, the Euro area economy moved closer to stabilization in February, Purchasing Managers' Index (PMI) survey showed, amid an expansion in services (reading 50.2 v a previous month reading of 48.4) which largely offset the weakening manufacturing segment (reading 46.5 v a previous month reading of 46.6). Inflows of new orders fell the least since June 2023, while the rate of employment growth was at a seven-month high. On the price front, input cost inflation hit a ten-month high, and output charges increased at the fastest pace since last May. Finally, business confidence improved for a fifth successive month.

Meanwhile, price pressures (as measured by the consumer price index) showed signs of peaking with inflation easing to 2.6% from 2.8% in January, but remained slightly above preliminary estimates of 2.5%, pushing back expectations of interest rate cuts by the ECB.

The U.S. economy continued to defy some earlier forecasts of a slowdown, displaying signs of continued strength. Consumer spending, business activity, and employment all indicated a healthy expansion to start the year. The labour market remained particularly robust, with the January jobs report, albeit revised lower in February, showing a significant increase in nonfarm payroll jobs and a near half-century low unemployment rate. Positive signs emerged on the inflation front as well. While not yet at the Federal Reserve's target of 2%, inflation overall continued its downward trend compared to previous months. In February, Headline inflation edged up to 3.2%, higher than forecasts and previous month reading of 3.1%, despite energy prices softening. Core inflation, which excludes volatile items, rose 0.4% (more than expected and same as previous month) from January. Annually, it core prices eased to 3.8%. From the employment front, hiring surged by 275k, exceeding the downwardly revised January figure of 229k. The unemployment rate meanwhile increased to 3.9%; the highest level since January 2022 and surpassing market expectations of 3.7%. Wage growth edged higher, with average hourly earnings rising by 0.1%, below the 0.5% monthly gain observed in January and expectations of a 0.3% increase.

In February, Government bond yields rose, meaning prices fell as the market continued to anticipate interest rate cuts, although not immediately, as labour markets remained strong and inflation data surprised to the upside. Corporate credit, albeit mixed across rating buckets, outperformed. Investment grade ended the month lower, with European IG outperforming its US counterpart. High yield (+0.35%) - aided by the lower duration - was once again the standout performer, generating positive returns both relatively and on a total return basis. Additionally, the spread between high-yield and investment-grade yields narrowed slightly during the month, further supporting such outperformance.

Fund Performance

The CC High Income Bond Fund remained broadly unchanged (-0.01%) from the previous month's close, amid a mixed performance observed across credit markets.

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; United Group, Lorca Telecom, Avis Budget, and Zeppelin-Stiftung Ferdinand AG.

Market and Investment Outlook

Hopes for a rapid end to interest rate hikes continued to fade in February 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 as yet 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.