CCFunds™
Maximise your return

MALTA HIGH INCOME FUND

SHARE CLASS A (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 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	MT7000022273
Bloomberg Ticker	CCMIFAA MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	1.97%

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)	20.45
Month end NAV in EUR	100.07
Number of Holdings	79
% of Top 10 Holdings	30.8

Current Yields

Underlying Yield (%)	2.80

Country Allocation[1]

Country Allocation[1]	%
Malta	89.0
Other	11.0

[1] including exposures to CIS and Cash

Top 10 Issuers[2]

Top 10 Issuers[2]	%
GO plc	5.4
Central Business Centres	3.9
PG plc	3.9
SD Finance plc	2.8
Bank of Valletta plc	2.4
Eden Finance plc	2.3
Stivala Group Finance plc	2.2
RS2 Software plc	2.2
IHI plc	2.2
Hili Properties plc	1.9

[2] including exposures to CIS, excluding Cash

Top 10 Exposures

Top 10 Exposures	%
Amundi Euro Govt Bond 10-15Y	4.5
PG plc	3.9
4.00% Central Business Centres 2033	3.2
3.90% Browns Pharma 2031	2.9
Harvest Technology plc	2.9
3.50% GO plc 2031	2.8
4.35% SD Finance plc 2027	2.8
4.65% Smartcare Finance plc 2031	2.7
GO plc	2.6
3.75% Tum Finance plc 2029	2.5

Currency Allocation

Currency Allocation	%
EUR	99.9

Asset Allocation[3]

Asset Allocation[3]	%
Cash	0.1
Bonds	75.6
Equities	24.3

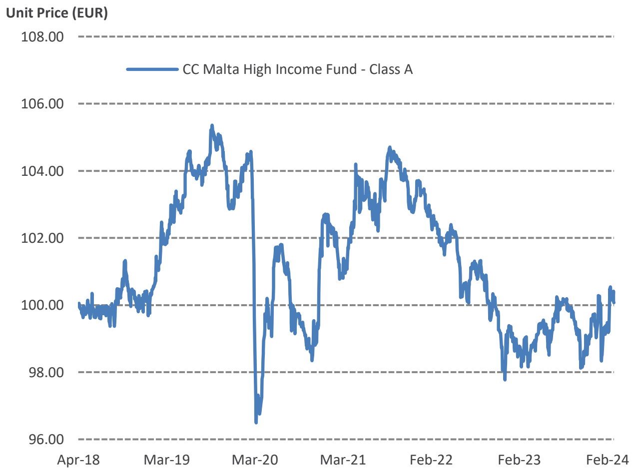
[3] including exposures to CIS

Maturity Buckets[4]

Maturity Buckets[4]	%
0 - 5 years	29.1
5 - 10 years	39.0
10 years +	0.8

[4] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation[3]

Sector Allocation[3]	%
Financial	50.4
Consumer, Cyclical	11.6
Consumer, Non-Cyclical	11.5
Communications	8.6
Funds	7.5
Technology	4.2
Industrial	3.2
Government	2.0
Energy	1.0

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	Annualised Since Inception **
Total Return* **	-0.21	1.05	-4.29	1.07	-1.06	0.01

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return* **	0.70	0.48	0.24	0.65	1.59

* The Accumulator Share Class (Class A) 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

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.

Fund Performance

In February, the Malta High Income Fund registered a gain 0.7% for the month, marginally outperforming its internally compared benchmark which saw 0.69% gain.

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.

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 counterpart, 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.

The anticipated rate cuts are expected to be favourable, leading to further tightening within the bond market. This positive outlook encourages continued investment in the space.

Going forward, the manager will continue to assess the market landscape and capitalize on appealing opportunities, particularly within the sovereign space. Consistent with recent actions, the manager will tailor the portfolio to match prevailing yield conditions while strategically increasing its duration. Additionally, the manager aims to further utilize the full 15% allocation allowed for bonds not domiciled in Malta, seeking a potentially higher carry.

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