MALTA HIGH INCOME FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet at 31st March 2024

Month end NAV as at 28th March 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)	20.31
Month end NAV in EUR	100.27
Number of Holdings	77
% of Top 10 Holdings	30.9

Current Yields

Underlying Yield (%)	2.80

Country Allocation[1]	%
Malta	89.1
Other	10.9

[1] including exposures to CIS and Cash

Top 10 Issuers[2]	%
GO plc	5.4
Central Business Centres	4.0
PG plc	3.8
SD Finance plc	2.8
Bank of Valletta plc	2.4
Eden Finance plc	2.3
Stivala Group Finance plc	2.3
RS2 Software plc	2.2
IHI plc	2.2
Hili Properties plc	1.9

[2] including exposures to CIS, excluding Cash

Top 10 Exposures	%
Amundi Euro Govt Bond 10-15Y	4.6
PG plc	3.8
4.00% Central Business Centres 2033	3.3
3.90% Browns Pharma 2031	3.0
Harvest Technology plc	2.9
3.50% GO plc 2031	2.9
4.65% Smartcare Finance plc 2031	2.8
4.35% SD Finance plc 2027	2.8
GO plc	2.5
3.75% Tum Finance plc 2029	2.5

Currency Allocation	%
EUR	99.9

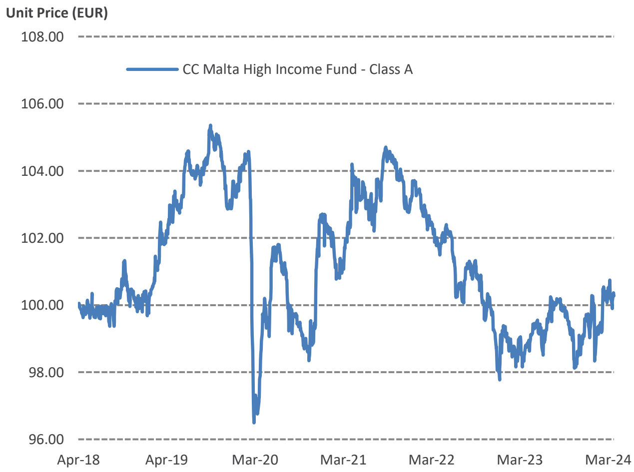
Asset Allocation[3]	%
Cash	1.4
Bonds	76.1
Equities	22.4

[3] including exposures to CIS

Maturity Buckets[4]	%
0 - 5 years	31.5
5 - 10 years	36.9
10 years +	0.8

[4] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation[3]	%
Financial	50.6
Consumer, Cyclical	11.5
Consumer, Non-Cyclical	11.4
Communications	7.7
Funds	6.9
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* **	-0.01	1.05	-4.29	1.07	-1.06	0.05

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return* **	0.20	-0.01	0.98	0.68	1.76

* 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

The first quarter of 2024 defied some pre-existing expectations of a pronounced economic slowdown. Equity markets displayed continued strength, with the S&P 500 closing at a record high early in the period. However, credit markets experienced intermittent bouts of volatility, highlighting the inherent disconnect in risk pricing between asset classes. Notwithstanding headwinds faced, credit markets delivered positive returns, overall.

From a macroeconomic perspective, data remained generally supportive, proving particularly kind for central banks as developed economies maintained a positive growth momentum, avoiding a steeper downturn. Inflation, though persistent, showed nascent signs of peaking. The labour market, previously characterized by tightness, exhibited signs of easing, with wage growth decelerating. Economic activity continued at a healthy pace, albeit with some regional variations. European economies witnessed a near-stabilization of activity, with the tentative signs of a recovery observed at the start of the year carrying over. The pace however remains uncertain as the bloc's largest economies struggled to turn the corner.

Market Environment and Performance

The Eurozone economy in March 2024 presented a picture of continued, albeit moderating, recovery. Eurostat's preliminary estimates indicate Q1 2024 growth of 0.3% QoQ, a slight deceleration from the previous quarter's 0.5% QoQ growth.

Indeed, the Euro area economy moved closer to stabilization in March, Purchasing Managers' Index (PMI) survey showed, amid a modest recovery in services (reading 51.1 v 50.2), largely offsetting the weakening manufacturing segment (reading 45.7 v 46.5). Overall, new orders declined at the slowest rate in ten months, and backlogs of work were depleted at the weakest rate in nine months, while employment saw modest growth. On the price front, input cost inflation slowed to a three-month low, and selling price inflation cooled for the first time in five months. Finally, business confidence improved to its strongest level in a year.

Inflation, a key concern for policy makers, eased. Headline HICP inflation declined to 2.4% year-on-year in March, below expectations and down marginally from February's 2.6%. The core rate, excluding volatile food and energy prices, also cooled to 2.9%, below forecasts and its lowest point since February 2022. Meanwhile, the Eurozone labor market displayed continued strength with unemployment rate (6.5%) holding steady near historical lows. However, the absence of wage growth data limits a full assessment of its inflationary impact.

The ECB Governing Council, in its March meeting, held the main refinancing operations rate steady at 4.5%, committing to a data-dependent approach to determine the appropriate level and duration of restriction. President Lagarde acknowledged a lack of clear conviction within the Council, indicating a need for "more evidence, more data". Additionally, Lagarde remarks that governing council "will know a little more in April, but we will know a lot more in June".

Fund Performance

In March, the Malta High Income Fund registered a gain 0.2% for the month, outperforming its internally compared benchmark which saw 0.03% gain.

Market and Investment Outlook

Hopes for a rapid end to interest rate hikes faded in Q1 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. A divergent tone was observed in the March's meeting, with policy makers hinting at possible easing in June as data converges towards targets. The key challenge for policy makers currently 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 a gathering upturn in the rest of the eurozone, pointing to an uneven economic picture.

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 in a gradual manner. Optimism for the year ahead remains on the back of continued rate cut expectations.

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