

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 to 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 TypeUCITS

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

ISINMT7000014445

Bloomberg TickerCCGBIFA MV

Charges

Entry ChargeUp to 2.5%

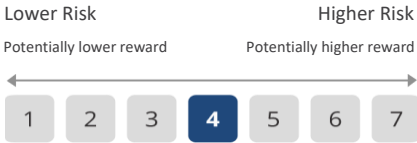
Exit ChargeNone

Total Expense Ratio2.36%

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction with the KID



Portfolio Statistics

Total Net Assets (in €mns)14.2

Month end NAV in EUR13.17

Number of Holdings82

% of Top 10 Holdings20.2

Country Allocation¹

%

USA	42.9
France	9.1
Germany	7.5
Malta	6.0
Luxembourg	5.1
Great Britain	4.8
Netherlands	4.1
Brazil	3.9
China	1.5
Denmark	1.5

¹ including exposures to ETFs

By Credit Rating²

%

AAA to BBB-	16.0
BB+ to BB-	19.5
B+ to B-	2.1
CCC+ to CCC-	0.9
Not Rated	6.3

² excluding exposures to ETFs

Top 10 Exposures

%

Uber Technologies Inc	2.5
Amazon.com Inc	2.2
Mercadolibre Inc	2.1
Salesforce Inc	2.1
Booking Holdings Inc	2.1
Meta Platforms Inc	2.0
Alphabet Inc	1.9
Netflix Inc	1.9
iShares Euro HY Corp	1.8
Microsoft Corp	1.8

Currency Allocation

%

EUR	54.2
USD	45.5
GBP	0.3

Asset Allocation¹

%

Cash	3.0
Bonds	47.9
Equities	49.2

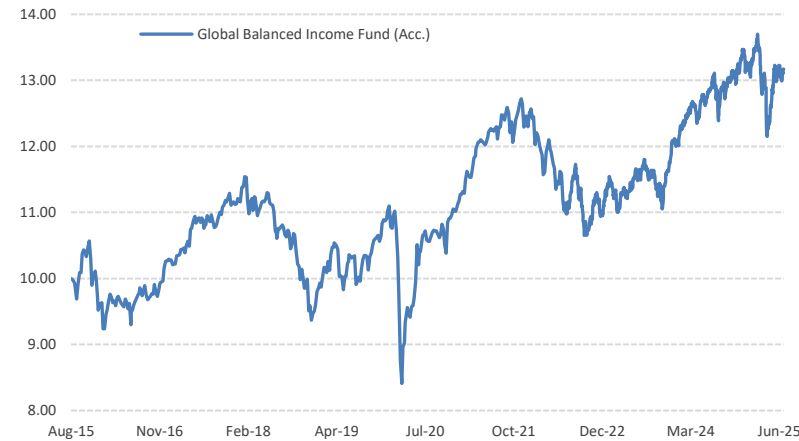
Maturity Buckets

%

0 - 5 years	18.3
5 - 10 years	19.0
10 years +	7.5

Historical Performance to Date

Unit Price (EUR)



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

%

Communications	24.8
Financial	13.7
Technology	11.9
Consumer, Non-cyclical	11.5
Consumer, Cyclical	9.8
ETFs	8.4
Sovereign	5.1
Diversified	4.1
Basic Materials	3.6
Energy	3.2
Healthcare	0.9

Performance History

Past performance does not predict future returns

Calendar Year Performance

YTD

2024

2023

2022

2021

2020

Annualised Since Inception *

Total Return**	0.15	8.59	10.59	-12.47	12.30	2.48	2.84
----------------	------	------	-------	--------	-------	------	------

Calendar Year Performance

1-month

3-month

6-month

9-month

12-month

Total Return**	0.38	2.33	0.15	1.23	2.17
----------------	------	------	------	------	------

* 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.

Introduction

June saw global markets retesting new highs, driven by a risk-on sentiment, particularly in technology and AI-related stocks, as well as dipping US treasury yields amid growing rate-cut expectations. Another fundamental boon for the generally positive market consensus was the effective easing of trade tensions between the US and China as formal steps were taken with a view to reaching a framework for the long-sought commercial agreement between them. Not even the 12-day conflict between Israel and Iran managed bothering markets for too long as the threat of closing the Strait of Hormuz traffic sent oil prices soaring by double digits for less than a week, after it was clear such risk would not eventually materialize. Finally, the main legislative objective on the Trump administration agenda has been achieved, as not only the tax breaks introduced by the first Trump administration in 2017 have been extended, but also some other tax cuts promised on the campaign trail last year have been enacted. Adding to this the extensive additional spending on defence, it looks like the budget balancing once so dear to the Republican establishment has become just a bad joke. Forecasts for the additional public debt the US will likely accrue within the next decade because of such spending bonanza are measured in trillions of US dollars. Who will be willing to finance such profligacy in the future is uncertain, but for many political actors the boost in economic growth to be derived from this bill is not only certain, but also votes worthy. Should market participants really buy into such stories might make them look quite complacent if history is anything to go by. As usual, for any particular investor out there still faithful to the old economic textbook, it is hard going against the grain even when common sense tells you to do so.

From the monetary front, the FOMC decided to keep the federal funds rate steady during its June meeting noting that economic growth remain moderate, inflation was somewhat elevated and trade tensions (new tariffs) remain uncertain. While the rate outlook median projected two 25 bp cuts by the end of the year, the FED’s independence was again in the spotlight given the public dissatisfaction of President Trump with the current monetary stance. Trump’s intention of bringing forward the nomination for a new Chair that should replace Jerome Powell in May 2026 would effectively render the latter’s influence on financial markets obsolete toward the end of its term. In Europe, the ECB cut its key interest rate by 25bp, the eight such move within a year. Following this, the ECB signals a likely pause in further reductions, citing improved inflation stability and rising global trade uncertainties, including concerns over US tariff escalation.

June has stabilized equity markets after their post Liberation Day rally, and thus normalized again market participants’ expectations to recording a new market all-time high level on a regular basis. This might give the sense that we are back again in the American exceptionalism era, particularly as US markets managed again outperforming European peers. However, after adjusting market performance for the striking US dollar weakening year-to-date, US markets post exactly the worse performance within the main geographies. This is actually a prime example of the “money illusion” investors might experience when the real domestic market performance is materially impacted by the FX impact, a reality that was usually experienced by investors in emerging markets like Latin America or South Asia. This might be just a one-off event for US markets. However, the ‘One Big Beautiful Bill Act’ recently passed through the US Congress might make such reality recurring. Beyond its claimed economic growth benefits, there is one certainty – an estimated \$3.3 trillion additional US public debt accruing in the next decade. One can hardly imagine how such an impact will not fundamentally alter over the long-term the value of the US dollar, and consequently asset returns denominated in this currency. In the last decades, the US dollar volatility had a very little negative impact for overseas investors in realising outstanding returns when investing in US assets. But there is no guarantee that this will continue, and one day the US dollar debasement, intended or not, might just turn investments in US equities unattractive.

Market Environment and Performance

In the Euro area economic performance surprised to the upside, as the GDP marked in Q1 2025 the strongest quarterly expansion since Q3 2022. Forward-looking indicators, however, pointed to more muted momentum, as the monthly Composite PMI held steady at 50.2, unchanged from the prior month. This marked the sixth consecutive month above the 50.0 expansion threshold. The services sector activity stagnated, while manufacturing – albeit consistently improving – signalled a slight downturn in manufacturing conditions. Inflation across the bloc also moderated, easing to 1.9%, an eight-month low and below the ECB’s 2.0% medium-term target.

In the US, leading indicators offered mixed signals. While the May data showed early signs of improvement, figures that are more recent pointed to a moderating momentum. Notably, the June Composite PMI showed continued expansion in business activity dipping slightly to 52.9 from 53.0 in May. Falling exports weighted on growth, partially offset by inventory building as firms responded to tariff concerns. Rising backlogs, the fastest in over three years, spurred the strongest hiring activity in a year

In June, global equity markets managed to stay afloat on positive territory taking a breather from the May rally and assessing the long-term impact of the new tax bill pushed by Republicans in the US Congress. While the tariffs saga took a respite, market participants reminded themselves again there is an AI revolution going on in the world, using it as an excuse to pump up again your usual technology names. The continuing US dollar depreciation and the bond market yields stabilization were tailwinds for the US markets, but in particular for emerging markets which benefit the most when considering their US-denominated public debt. The US market outperformed again Europe reversing the trend seen from the beginning of the year, while Japan also outperformed its developed peers. The S&P 500 index gained 1.28% as technology, communications and financials pulled the entire market on the back of renewed optimism regarding domestic economic growth. European markets gave back some of their gains from recent months. The EuroStoxx50 lost 1.18% while the DAX lost only 0.37% as prior sectorial performers like banks and defence have seen some profit taking.

The backdrop for credit markets proved supportive following gains seen within the U.S. Treasury, with both investment-grade and high-yield segments benefiting. High-yield, in particular, continued to gain from improving corporate fundamentals and a more optimistic risk environment. U.S. corporate credit outperformed, with investment-grade and lower-rated bonds returning 1.82% and 1.86%, respectively. European high yield also delivered positive returns, albeit more modestly, with a gain of 0.45%, trailing its U.S. counterparts.

Fund Performance

In the month of June, the Global Balanced Income Fund registered a 0.38 % gain. On the equity allocation, the Fund’s portfolio has been reviewed and rebalanced, as the Manager aligned it to the overriding market sentiment. New conviction names Deutsche Boerse AG, Thermo Fisher Scientific Inc and Samsung Electronics have been added given expectations of improved return potential over the short to medium term. Consequently, the PepsiCo, Thales, BlackRock Inc and iShares MSCI World UCITS ETF holdings have been liquidated and the Spotify Technologies exposure trimmed based on decreased upside expectations and negative stock momentum.

From a fixed-income perspective, the manager focused on gradually enhancing the portfolio’s income yield in anticipation of continued policy easing. This included capitalizing on emerging opportunities, particularly within the IPO space. To further boost income generation, the manager actively rotated positions within existing issuers, executing selective buy and sell trades in names such as Cheplapharm and CMA CGM. Additionally, a new position was initiated in T-Mobile, funded by proceeds from a reduction in local market bond exposure.

Market and Investment Outlook

Going forward, the Manager believes that the economic landscape remains largely benevolent as low unemployment and inflation, slightly above target, underpin markets and to date markets has wiped-off concerns in regard tariffs. There is, in fact, an implicit acknowledgement of such reality provided by monetary policies whereby, in spite of calls for interest rate cuts coming from the political spectrum, there is no apparent need for such approach in the eyes of central bankers. From a different perspective, the pressures building up in the global economy are already released through different channels that are in plain sight – currency devaluation, energy prices decrease, etc. Not all the economic truth lies in leading indicators, while no big beautiful bill is guaranteed to boost economic growth and productivity. Moreover, the Manager is of the view that the upcoming earnings season should reveal the way tariffs eroded corporate margins, if any, not to mention that the third quarter is statistically the most challenging period of the year for equities. Thus, the Manager reiterates his view that the strategic allocation remains based on long-term convictions to quality companies benefitting from secular growth trends agnostic to specific macroeconomic developments, in which case fundamentals will ultimately prevail. The Manager shall deploy capital opportunistically in specific sectors, and using cash levels as dry powder during episodes of market overshooting.

Disclaimer

This document has been prepared for information purposes and should not be interpreted as investment advice nor to constitute an offer or an invitation by Calamatta Cuschieri Investment Management Limited ("CCIM") to any person to buy or sell units in the UCITS fund. Please refer to the Prospectus of the UCITS and any Offering Supplement thereto and to the Key Investor Information Document before making any final investment decisions which may be obtained from www.ccfunds.com.mt or from the below address Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS. CC Funds SICAV p.l.c. is licensed as a Collective Investment Scheme by the Malta Financial Services Authority under the Investment Services Act and qualifies as a 'Maltese' UCITS. CCIM is licensed to conduct Investment Services in Malta by the Malta Financial Services Authority under the Investment Services Act.

This document may not be reproduced either in whole, or in part, without the written permission of CCIM. CCIM does not accept liability for any actions, proceedings, costs, demands, expenses, loss or damage arising from the use of all or part of this document.

Address: Calamatta Cuschieri Investment Management Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034.