Calamatta Cuschieri | moneybase

HIGH INCOME BOND FUND

SHARE CLASS C (DISTRIBUTOR) - FACT SHEET

Factsheet at 31st December 2025

Month end NAV as at 31st December 2025

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	MT7000030920
Bloomberg Ticker	CCHIBNC MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Ongoing Charges	1.91%

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjuction with the KID

Lower Risk	Higher Risk
Potentially lower reward	Potentially higher reward

1 | 2 | **3** | 4 | 5 | 6 | 7

Portfolio Statistics

Total Net Assets (in €mns)	47.83
Month end NAV in USD	80.43
Number of Holdings	165
% of Top 10 Holdings	16.0

Current Yields

Last 12-m Distrib. Yield (%)	4.25
Underlying Yield (%)	5.31

Country Allocation[1]	%
United States	21.5
France	12.6
Germany	6.2
Italy	5.9
Brazil	4.9
Spain	3.2
Netherlands	3.2
United Kingdom	2.9
Turkey	2.6
Mexico	2.5

[1] including exposures to CIS

Credit Rating[2]	%
From AAA to BBB-	21.6
From BB+ to BB-	56.3
From B+ to B-	7.0
CCC+	0.2
Less than CCC+	1.5
Not Rated	2.9
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures	%
5.625% Unicredit Spa perp	2.1
iShares Fallen Angels HY Corp	2.1
iShares EUR High Yield Corp	1.9
iShares USD High Yield Corp	1.7
6.276% Encore Capital Group Inc 2028	1.5
6.75% Societe Generale perp	1.5
4.75% Dufry One BV 2031	1.3
5.625% Iliad SA 2030	1.3
6.625% NBM US Holdings Inc 2029	1.3
5.875% Credit Agricole SA perp	1.3

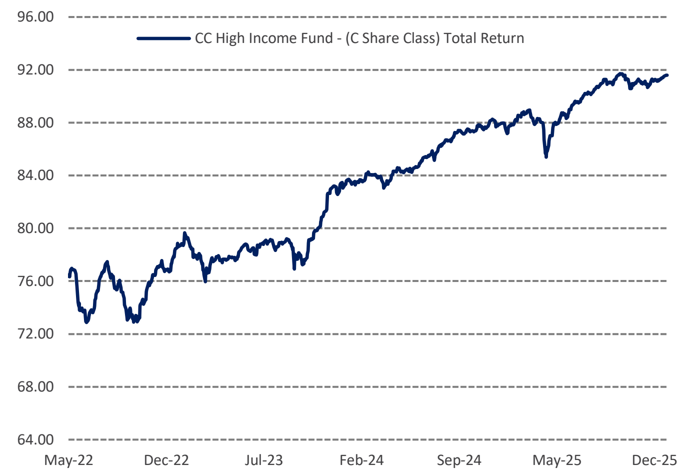
Currency Allocation	%
EUR	58.0
USD	42.3
Others	0.0

Asset Allocation	%
Cash	3.9
Bonds	89.6
CIS/ETFs	6.5

Maturity Buckets[3]	%
0 - 5 years	61.9
5 - 10 years	24.0
10 years +	3.8

[3] based on the Next Call Date

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[2]	%
Banks	12.3
Telecommunications	7.4
Funds	6.5
Auto Parts&Equipment	6.2
Pharmaceuticals	5.0
Sovereign	4.1
Oil&Gas	3.7
Media	3.6
Auto Manufacturers	3.4
Commercial Services	3.3
Transportation	3.1
Food	2.9

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	Annualised Since Inception***
Share Class D - Total Return****	0.16	1.38	4.71	N/A	N/A	1.44
Total Return	1-month	3-month	6-month	9-month	12-month	
Share Class D - Total Return****	0.34	0.37	-0.12	0.07	0.16	

* The share class C was launched on 21 May 2022.

** 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

Bond market performance was mixed in December, with U.S. Treasuries under pressure as yields moved higher over the month. Yields rose across much of the curve, reflecting persistent fiscal concerns and a reassessment of the timing and magnitude of future Federal Reserve rate cuts, despite the Fed delivering a widely expected 25 basis point reduction at its December meeting. In contrast, the European Central Bank left policy rates unchanged for a fourth consecutive meeting, in line with expectations, while reiterating its data-dependent, meeting-by-meeting approach.

On the macroeconomic front, U.S. data releases - which had been significantly disrupted by the federal government shutdown, leading to suspended or delayed reporting by key agencies - resumed in December, albeit with some gaps remaining. The available data pointed to robust Q3 growth, driven by stronger consumer spending, exports, and government expenditure, marking a two-year high. Inflation continued to ease, while signs of labour-market softening persisted. In Europe, economic growth was revised slightly higher, though Germany's economy remained stagnant during the third quarter.

Against this backdrop, corporate credit markets proved relatively resilient. Investment-grade bonds edged modestly lower but outperformed sovereign debt, which was more directly impacted by rising yields. High-yield credit continued to benefit from a risk-on environment, with U.S. high-yield bonds gaining 0.65% over the month and European high-yield credit posting a 0.35% advance.

Market Environment and Performance

In the U.S. GDP expanded at an annualised rate of 4.3% in Q3 2025, the strongest pace in two years, up from 3.8% in Q2 and well above forecasts of 3.3%, according to the delayed release. Growth was driven primarily by stronger consumer spending, exports, and government expenditure. Consumer spending rose 3.5%, the fastest increase this year (versus 2.5% in Q2), supported by solid gains across both goods and services.

Forward-looking indicators eased, though remained consistent with expansion. The S&P Global US Flash Composite PMI fell to 53.0 in December 2025, a six-month low, down from 54.2 in November. The data signalled a moderation in private-sector momentum, with services activity slipping (52.9 v 54.1) and manufacturing (51.8 v 52.2) easing to six-month and five-month lows, respectively. New business growth slowed to its weakest pace in 20 months, as services demand rose only modestly and goods orders declined for the first time in a year.

Headline U.S. inflation eased to 2.7% year-on-year in November 2025, the lowest level since July and below expectations of 3.1%, as well as the 3.0% reading recorded in September. Core inflation, which excludes food and energy, declined to 2.6%, its lowest since March 2021 and below forecasts of 3%. Figures for October remain missing. With regards to the labour market, earlier concerns about softening were reflected in more recent data. The U.S. unemployment rate rose to 4.6% in November 2025 from 4.4% in September, exceeding expectations and reaching its highest level since September 2021. At the same time, job growth surprised to the upside, with payrolls increasing by 64k in November, compared with a revised loss of 105k in October. Employment figures for August and September were also revised lower.

On the monetary front, the Federal Reserve lowered the federal funds rate by 25 basis points at its December 2025 meeting, bringing the target range to 3.5%-3.75%. This followed similar cuts in September and October and was widely anticipated by markets, taking borrowing costs to their lowest level since 2022. Policymakers remained divided over the balance of risks between inflation and unemployment. Some FOMC members expressed concern that persistent inflation could necessitate higher interest rates for longer, while others favoured deeper cuts to address emerging signs of labour-market softening. Minutes from the December meeting also indicated that most participants viewed further rate reductions as likely in 2026, provided inflation continues to moderate.

In the euro area, Eurozone economic growth in Q3 2025 was revised modestly higher to 0.3%, up from the preliminary estimate of 0.2% and improving on the 0.1% expansion recorded in the previous quarter. Among the largest economies, Spain and France led growth with quarterly increases of 0.6% and 0.5%, respectively. The Netherlands followed with growth of 0.4%, while Italy expanded marginally by 0.1%. In contrast, Germany's economy remained stagnant during the quarter.

Business activity strengthened over the course of the year, with composite PMI indicators signaling expansion through Q3 and Q4. Although the HCOB Eurozone Composite PMI edged lower to 51.9 in December - its lowest level in three months due to softer services momentum and further weakness in manufacturing - it remained firmly in expansionary territory. New order growth eased, reflecting a sharper contraction in foreign demand, yet firms continued to increase headcount for a third consecutive month. On the price front, both input cost inflation and output price pressures strengthened.

Consumer price inflation was unchanged at 2.1% in November 2025, revised slightly down from the initial 2.2% estimate and remaining close to the European Central Bank's 2% target.

Fund Performance

The CC High Income Bond Fund posted a modest gain of 0.13% in December. The portfolio manager maintained an active strategy, continuing to incrementally enhance the fund's income profile by selectively capitalizing on emerging opportunities, particularly within the primary and IPO markets. During the month, a new position in Canal Plus was initiated, whilst the fund increased its exposure to Ball Corporation and CMA CGM, the latter benefiting from price volatility that offered an attractive entry point.

In recent months, expectations for the Federal Reserve's policy trajectory have fluctuated significantly before converging toward further easing, as incoming labour market and inflation data strengthened the case for additional rate cuts. Against this backdrop - where labour market dynamics appear to be a key driver of Fed policy - locking in higher-yielding coupons ahead of potential further declines in U.S. interest rates remains a central focus of the portfolio strategy.

Market and Investment Outlook

Fixed income markets delivered solid performance in 2025 despite a challenging macroeconomic environment marked by elevated U.S. inflation, tariff-related uncertainties, and shifting expectations for monetary policy. December returns were broadly positive, although performance differed across regions and credit tiers. Over the course of the year, lower-rated segments outperformed, with high-yield credit exceeding the returns of investment-grade corporates. Investment-grade performance was nonetheless supported by significant compression in Treasury yields during 2025. In absolute terms, U.S. and European high-yield credit generated returns of approximately 8.5% and 5.15%, respectively.

Looking ahead, fixed income markets are likely to remain highly sensitive to developments surrounding trade tariffs and their wider economic impact, as well as to incoming macroeconomic data that will continue to shape Federal Reserve policy expectations. The U.S. government shutdown constrained data availability in the final quarter, contributing to uncertainty around the near-term economic outlook. For 2026, returns are expected to be increasingly income-driven rather than price-led. In Europe, the ECB has indicated that current inflation trends are broadly in line with its expectations, while in the U.S., inflation remains stubborn despite market pricing for additional rate cuts.

Regionally, we remain constructive on European high-yield credit, supported by strong demand for new issuance. At the same time, relative value in U.S. credit is becoming more compelling as the scope for further monetary accommodation in the euro area diminishes. Against an evolving macroeconomic and geopolitical backdrop, maintaining a proactive and flexible management approach will be critical to effectively managing risks and capturing emerging opportunities.

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