Calamatta Cuschieri | moneybase

HIGH INCOME BOND FUND

SHARE CLASS A EUR (ACCUMULATOR) - FACT SHEET

Factsheet at 28th February 2026

Month end NAV as at 27th February 2026

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
Ongoing Charges	1.88%

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

Portfolio Statistics

Total Net Assets (in €mns)	47.57
Month end NAV in EUR	134.88
Number of Holdings	165
% of Top 10 Holdings	15.3

Current Yields

Underlying Yield (%)	5.40

Country Allocation[1]

Country Allocation[1]	%
United States	21.2
France	14.0
Italy	6.8
Germany	6.3
Brazil	3.6
Netherlands	3.2
Spain	2.8
Turkey	2.6
Mexico	2.6
Luxembourg	2.5

[1] including exposures to CIS

Credit Rating[2]

Credit Rating[2]	%
From AAA to BBB-	21.5
From BB+ to BB-	55.5
From B+ to B-	8.5
CCC+	0.0
Less than CCC+	1.8
Not Rated	3.2
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures

Top 10 Exposures	%
5.625% Unicredit Spa perp	2.2
iShares Fallen Angels HY Corp	1.8
iShares USD High Yield Corp	1.7
6.266% Encore Capital Group Inc 2028	1.5
6.75% Societe Generale perp	1.5
4.75% Dufry One BV 2031	1.3
5.875% Credit Agricole SA perp	1.3
iShares EUR High Yield Corp	1.3
5.375% Lottomatica Group Spa 2030	1.3
6.375% Raiffeisen Bank Intl perp	1.3

Currency Allocation

Currency Allocation	%
EUR	57.8
USD	42.0
Others	0.0

Asset Allocation

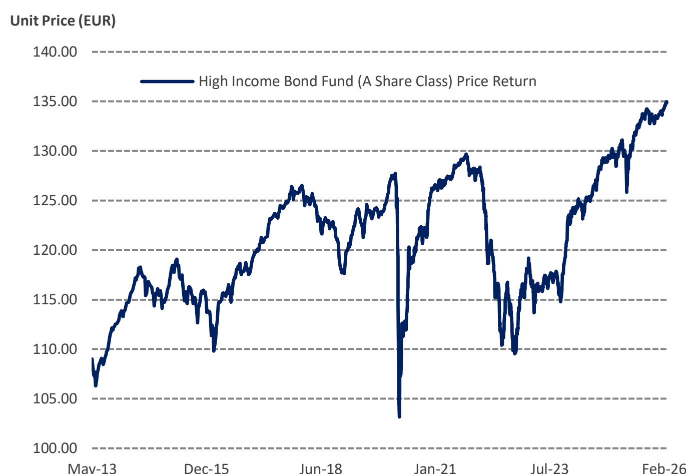
Asset Allocation	%
Cash	3.9
Bonds	90.4
CIS/ETFs	5.7

Maturity Buckets[3]

Maturity Buckets[3]	%
0 - 5 years	62.2
5 - 10 years	25.8
10 years +	2.4

[3] based on the Next Call Date

Historical Performance to Date



Source: **Calamatta Cuschieri Investment Management Ltd.**

Sector Breakdown[2]

Sector Breakdown[2]	%
Banks	12.0
Telecommunications	9.0
Auto Parts&Equipment	6.3
Funds	5.7
Pharmaceuticals	5.1
Entertainment	4.6
Sovereign	4.2
Media	3.9
Oil&Gas	3.8
Auto Manufacturers	3.4
Transportation	3.2
Commercial Services	2.8

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2025	2024	2023	2022	Annualised Since Inception*
Share Class A - Total Return**	0.85	3.15	4.94	7.25	-10.13	1.68

	2021	2020	2019	2018	2017	2016
Share Class A - Total Return**	1.46	-0.14	7.48	-6.45	5.32	4.96

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	0.55	0.99	1.04	2.91	2.91

* 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

Bond markets delivered positive performance over the month, with investment-grade credit outperforming higher-risk segments. This was supported by a decline in sovereign yields as policy uncertainty surrounding President Trump's trade agenda, escalating tensions in the Middle East, and growing concerns about the resilience of the U.S. economy weighed on overall market sentiment.

On the macroeconomic front, U.S. Inflation data suggested that the disinflation process had slowed, leading markets to scale back expectations for aggressive rate cuts and assign a higher probability to a "higher-for-longer" policy stance from the Federal Reserve. In Europe, inflation - while edging slightly higher - remained below the European Central Bank's 2% target. Meanwhile, private-sector activity stayed in expansionary territory, supported by a recovery in manufacturing output and steady growth in the services sector.

Geopolitical developments gained prominence toward month-end, as trade policy returned to the forefront. In the United States, the Supreme Court ruled that the administration's use of the International Emergency Economic Powers Act (IEEPA) to impose broad-based tariffs was unconstitutional. In response, the administration signalled that it would instead rely on temporary authority (under 'Section 122') to introduce global tariffs, while downplaying the likelihood of issuing refunds. The escalation of the Iran conflict occurred on 28 February, after markets had already closed for the reporting period.

Corporate credit markets posted positive returns overall. European investment-grade credit underperformed its U.S. counterpart, while the opposite was observed in the high-yield segment, where European high yield returned 0.32% compared with 0.16% for U.S. corporates. Despite outperforming European credit, U.S. investment-grade bonds generally lagged sovereign bonds over the period.

Market Environment and Performance

In the U.S., following earlier disruptions to official economic reporting, data releases across January and February provided progressively greater clarity on the economic backdrop. January's data offered renewed insight into the evolving economic landscape, while February's releases delivered a more complete picture of underlying conditions, enabling markets to reassess growth and inflation trends with greater confidence.

The U.S. economy expanded at an annualised rate of 1.4% in Q4 2025, marking the slowest pace since Q1 2025 and a sharp deceleration from the 4.4% growth recorded in Q3. Consumer spending moderated to 2.4% from 3.5% previously, reflecting a slight decline in goods consumption, while services spending remained more resilient. Trade also softened, with exports declining and imports contracting at a slower pace. Government spending and investment fell sharply, reflecting the impact of the government shutdown. For full-year 2025, the US economy expanded 2.2%, below 2.8% in 2024, reflecting increases in consumer spending and investment.

Forward-looking indicators eased from recent highs, though remained consistent with expansion. The S&P Global U.S. Flash Composite PMI edged lower to 52.3 in February from 53.0 in January, signalling the slowest pace of private-sector expansion since April 2025. Growth moderated across both sectors, with manufacturing and services activity easing to seven- and ten-month lows, respectively. New orders also softened, while export demand declined.

Headline U.S. inflation slowed to 2.4% year-on-year in January 2026, its lowest level since May, down from 2.7% in each of the previous two months and below forecasts of 2.5%. Price pressures eased notably in the energy sector. Core inflation, which excludes food and energy, declined to 2.5%, in-line with forecasts and at the lowest rate since March 2021. Meanwhile, the labour market demonstrated resilience; the unemployment rate edged down to 4.3%, while non-farm payrolls significantly exceeded expectations with an addition of 172k jobs. Concurrently, wage pressures continued to moderate, suggesting a balanced labour environment.

In the Eurozone, economic momentum remained resilient through the first two months of 2026, extending the expansionary trend established during the second half of 2025. The flash Eurozone Composite PMI rose to 51.9 in February, marking the strongest pace of private sector expansion in three months and signaling firmer growth across the single currency area. The improvement was supported by stronger manufacturing and services activity, with Germany leading the recovery.

Consumer price inflation rose to 1.9% in February 2026, up from January's 16-month low of 1.7% and above market expectations of 1.7%, according to a preliminary estimate. The reading, though comparably higher, remained below the ECB's 2.0% target. On the policy front, the European Central Bank (ECB) kept interest rates unchanged at 2%, as anticipated, with President Lagarde noting that inflation was now in a "good place."

Fund Performance

The CC High Income Bond Fund posted a modest gain of 0.55% in February. 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 Eutelsat was initiated, whilst the fund increased its exposure to Petrobras and Allwyn, a leading global lottery operator.

Market and Investment Outlook

Fixed income markets delivered positive returns in the first two months of the year, despite a volatile start driven by geopolitical tensions and yield-curve fluctuations. At the start of the year, the moves observed were partly influenced by lingering uncertainty over the Federal Reserve's policy path and yield widening in Japan, which pushed U.S. Treasury yields higher. In February, while attention remained on the Fed's course of action, markets also began to assess the potential implications of the U.S. Supreme Court's ruling on tariffs, as well as escalating geopolitical tensions that intensified toward month-end. A conflict in Iran erupted on the final day of the month, when markets were closed, meaning its immediate market impact has yet to be reflected in asset prices.

While the conflict raises serious humanitarian concerns for civilians in the affected areas, it has also prompted a sharp rise in oil prices, pushing bond yields higher. The broader economic implications (particularly from an inflationary standpoint) will depend largely on the duration and scale of the conflict. With the Strait of Hormuz effectively closed, a critical chokepoint for global energy supply, the potential disruption to oil flows could be significant, raising the risk of sustained upward pressure on energy prices. Such developments could complicate the inflation outlook and, in turn, influence the trajectory of monetary policy.

In this environment, a cautious yet proactive investment approach is warranted. While heightened uncertainty may limit the pace of new bond issuance, it could also create pockets of opportunity. At the time of writing, we maintain our view that fixed income returns are likely to be increasingly driven by income rather than capital appreciation, underscoring the importance of securing attractive coupons from issuers with strong credit fundamentals.

Disclaimer

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