INCOME STRATEGY FUND

SHARE CLASS A (DISTRIBUTOR) - FACT SHEET

Factsheet as at 31st May 2024

Month end NAV as at 29th May 2024

CCFunds™ Maximise your return

Investment Objective and Policies

The Fund aims to achieve a combination of income, with the possibility of capital growth by investing in a diversified portfolio of collective investment schemes. The Investment Manager ("We") will invest in collective investment schemes ("CIS") (including UCITS, exchange-traded funds and other collective investment undertakings) that invest in a broad range of assets, including debt and equity securities. In instances, this may involve investing in CISs that are managed by the Investment Manager. The Investment Manager ("We") aims to build a diversified portfolio spread across several industries and sectors. The Fund is actively managed, not managed by reference to any index.

Minimum Initial Investment	€5,000

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	MT7000030680
Bloomberg Ticker	CCPISAE MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.26%

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjuction 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)	6.51
Month end NAV in EUR	91.47
Number of Holdings	13
% of Top 10 Holdings	90.4

Current Yield

Last 12-m Distrib. Yield (%)	2.00

Currency Allocation	%
EUR	100.00
USD	0.00
GBP	0.00

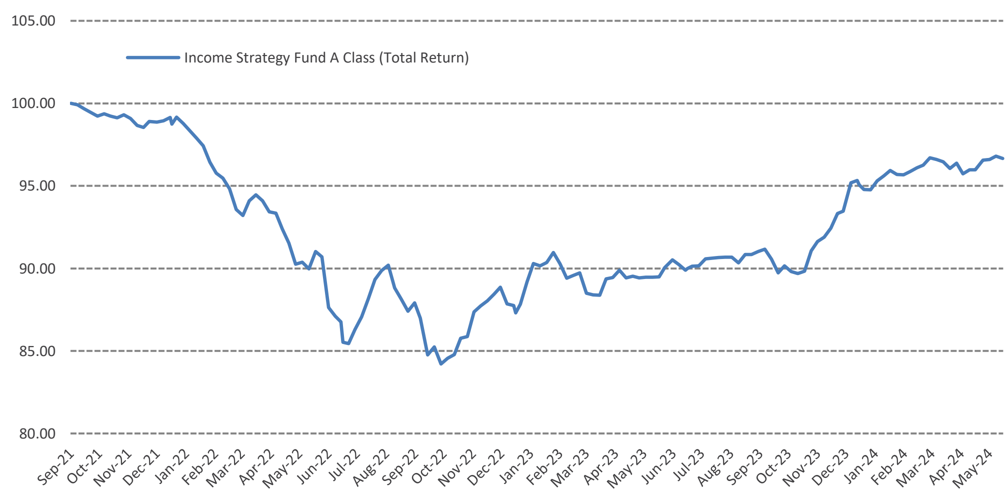
Asset Allocation	%
Fund	91.90
ETF	5.90
Cash	2.20

Asset Class	%
Fixed Income	97.80
Equity	0.00

Geographic Allocation	%
Europe	38.50
Global	36.80
International	22.40

Top Holdings	SRRI	%
UBS (Lux) Bond Fund - Euro High Yield	4	20.2
CC Funds SICAV plc - High Income Bond Fund	4	10.2
Nordea 1 - European High Yield Bond Fund	4	8.6
Robeco Capital Growth Funds - High Yield Bonds	4	8.4
DWS Invest Euro High Yield Corp	4	7.8
BlackRock Global High Yield Bond Fund	4	7.3
Janus Henderson Horizon Global High Yield Bond Fund	4	7.1
AXA World Funds - Global High Yield Bonds	4	7.0
Schroder International Selection Fund Global High Yield	5	6.9
Fidelity Funds - European High Yield Bond Fund	4	6.9

Historical Performance to Date **



Source: Calamatta Cuschieri Investment Management Ltd.

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD***	2023	2022	2021	2019
Share Class A - Total Return** **	1.67	8.90	-11.59	-1.26	N/A

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return** **	0.72	0.59	4.57	6.40	8.00

* The Distributor Share Class (Class A) was launched on 15 September 2021.

** 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 A) was launched on 15 September 2021.

**** Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

Market Commentary

Introduction

May brought a welcome turnaround after a rough start to the second quarter of 2024. Global bonds delivered a positive performance, gaining 1.3%, fuelled by renewed investor optimism about the global economic outlook and the belief that interest rates will be cut later this year, albeit with the timing potentially differing between the US and Europe.

The US economy showed signs of moderation, with capital spending and home sales trending sideways. However, manufacturing and services PMIs were a bright spot, indicating overall growth. Meanwhile, Europe saw confirmation of improving economic activity, particularly in services sector which continues to act as the key pillar of strength. Manufacturing also noted signs of a recovery.

Given the increasingly desynchronised nature of regional economies, central bank policy expectations have continued to diverge. The ECB feels confident about Europe's disinflationary path, with wage growth staying moderate despite economic recovery. In contrast, disinflation in the US seems to be stalling, especially in the services sector. May's inflation data showed only a slight slowdown, and FOMC meeting minutes raised concerns about the lack of further disinflation. Hopes for an immediate US rate cut faded, but Fed Chair Powell's resistance to further rate hikes helped US Treasuries rally.

From a performance viewpoint, solid corporate fundamentals kept credit spreads tight, making investment-grade credit a strong performer in May. Emerging market (EM) debt also delivered impressive returns of c. 1.98% as several EM central banks continued easing their monetary policies.

Market Environment and Performance

Economic disparity in the two central economies, previously more evident, has in May showed signs of convergence. Indeed, the Euro area economy moved even closer to stabilization in May, Purchasing Managers' Index (PMI) survey showed, amid a sustained performance in services (reading 53.2 v 53.3) and recovery in manufacturing (reading 47.3 v 45.7). Overall, activity marked the strongest increase in Eurozone economic activity since May 2023 as demand boosted output and hiring. Meanwhile, business confidence improved for the seventh time in eight months. Although inflation rates for input costs and output charges cooled, they remained above pre-pandemic averages.

Headline and core inflation accelerated to 2.6% and 2.9% YoY respectively. Despite this upside surprise, slowing inflation over the last few months has enabled the ECB's governing council to signal a high degree of confidence that rates will be cut in June, even if the path thereafter remains less clear.

The US economy, by far outpacing its western counterpart, started to show signs of moderation, albeit activity still signaling a modest improvement in the health of both the manufacturing (reading 51.3 v 50.0) and service (reading 54.8 v 51.3) sectors. Companies boosted output due to a renewed rise in new orders, following a slight decline in April, and new export business saw a marginal increase. Employment levels remained steady overall while input costs and selling price inflation both accelerated. Business confidence improved slightly, with companies optimistic about future output growth.

In the US, disinflationary trends are stalling, with price pressures in services sectors looking particularly sticky. The latest inflation release showed only a modest slowing, as headline inflation came in marginally lower at 3.3%, compared to April's 3.4% and lower than forecasts. Core inflation, which excludes volatile items, eased to a three-year low of 3.4%.

In May, the course government bond yields took varied across geographies. The Eurozone saw yields briefly rising, meaning prices fell, while the US saw the 2-year and 10-year yields falling, the latter by 17bps from the previous month close. Corporate credit, aided by the inherent characteristics of the asset class, outperformed. However, varying geographically with US corporate credit generating higher returns against its European counterparts. Indeed, US investment grade debt saw notable gains of c. 1.85%, outperforming its Euro equivalent. High yield bonds, the riskiest as classified by credit rating agencies, too generated positive returns, with the European and US names returning c. 0.96% and 1.13%, respectively.

Fund Performance

Performance for the month of May proved positive, noting a 0.72% gain for the CC Income Strategy Fund, in-line with the negative performance across global high yield credit during such period.

Market and Investment Outlook

The narrative for credit markets remained largely unchanged in May. While central banks in Europe, particularly the European Central Bank (ECB) in June and potentially the Bank of England, are poised for imminent rate cuts, the path forward hinges on a crucial factor: The Federal Reserve's monetary policy stance.

The Fed's influence on global financial conditions, namely on: borrowing costs, currency movements, and commodity prices, creates a complex dynamic, lessening Europe's ability to diverge significantly from the Fed's policy decisions. The key to unlocking the highly anticipated rate cuts lie on a sustained slowdown of US economic growth. While consumer spending has provided a buffer thus far, early signs of a cooling US economy and some positive inflation data are encouraging. A slowdown shall ultimately allow the Fed to finally pivot and begin lowering rates later this year, paving the way for similar action by European central banks. In essence, the success of European rate cuts hinges on the US achieving a "soft landing," a scenario where economic growth moderates and inflation eases without triggering a recession. Recent data points are increasing the likelihood of this outcome, but continued monitoring remains prudent.

The outlook for the global bond market, as the Federal Reserve signals a pause in rate hikes and the European Central Bank leans towards quantitative easing, is positive. However, 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, gradually increase duration and strategic tilt towards European credit. Our rationale for this shift lies in Europe's earlier stage in the credit cycle, potentially offering upside potential. Additionally, the dovish stance of the ECB, compared to its Western counterparts, raises the possibility of Europe being the first to cut interest rates, which could further benefit European credit markets.

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