MALTA HIGH INCOME FUND

SHARE CLASS B (DISTRIBUTOR) - FACT SHEET

Factsheet at 30th June 2024

Month end NAV as at 28th June 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	MT7000022281
Bloomberg Ticker	CCMIFAB 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)	19.10
Month end NAV in EUR	84.18
Number of Holdings	75
% of Top 10 Holdings	41.2

Current Yields

Underlying Yield (%)	2.86
Distribution Yield (%)	4.00

Country Allocation[1]	%
Malta	88.5
Other	11.5

[1] including exposures to CIS and Cash

Top 10 Issuers[2]	%
GO plc	5.4
Central Business Centres	4.3
SD Finance plc	2.8
Bank of Valletta plc	2.5
Stivala Group Finance plc	2.4
PG plc	2.3
IHI plc	2.3
Eden Finance	2.3
RS2 Software plc	1.9
Hili Properties plc	1.9

[2] including exposures to CIS, excluding Cash

Top 10 Exposures	%
Amundi Euro Govt Bond 10-15Y	4.3
4.00% Central Business Centres 2033	3.5
3.90% Browns Pharma 2031	3.1
Harvest Technology plc	3.0
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
4.50% Endo Finance plc 2029	2.4
5.9% Together Gaming Solution 2026	2.4

Currency Allocation	%
EUR	99.9

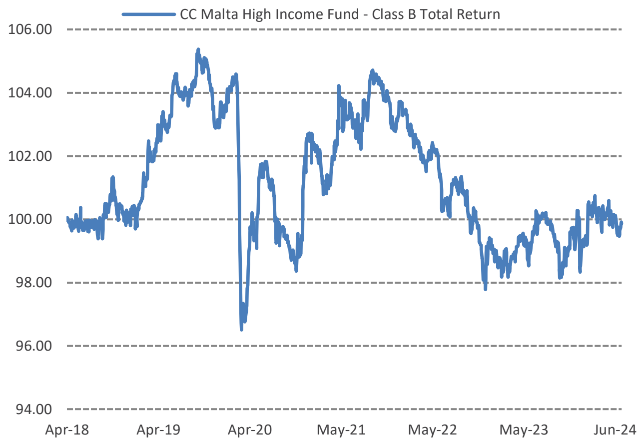
Asset Allocation[3]	%
Cash	3.1
Bonds	76.2
Equities	20.7

[3] including exposures to CIS

Maturity Buckets[4]	%
0 - 5 years	35.4
5 - 10 years	33.7
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	51.8
Consumer, Cyclical	11.0
Consumer, Non-Cyclical	9.7
Communications	7.4
Funds	6.3
Technology	4.2
Industrial	3.4
Government	2.1
Energy	1.1

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	Annualised Since Inception **
Total Return* **	-0.41	1.03	-4.30	1.07	-1.05	-0.02

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return* **	-0.23	-0.40	-0.41	0.56	0.26

*The Distributor Share Class (Class B) 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

Malta's economy is showing positive signs in the first half of 2024. Growth projections hover around a robust 4.6%, placing Malta well ahead of the Eurozone average. This momentum is driven by foreign trade as exports noted a strong performance (growing 7.4%) while imports only increased by 2.4%. Additionally, domestic demand resurged. The tourism sector is experiencing a significant rebound, while a steady inflow of workers is bolstering consumer spending. Inflation, though a concern, appears to be moderating.

Market Environment and Performance

Economic disparity in the two central economies, previously more evident, has over Q2 showed signs of convergence as the Euro area economy moved even closer to stabilization, Purchasing Managers' Index (PMI) survey showed, amid a sustained expansion in the private sector. However, growth somewhat cooled to a three-month low in June. Over the month, services (reading 52.8 v 53.2) slowed while manufacturing shrank at a faster pace (reading 45.8 v 47.3). Overall, curbing the rise in activity levels was a softening of demand, as new orders decreased for the first time since February. The rate of job creation was the softest in five months and there was also a cooling of price pressures, with rates of increase in input costs and output prices cooled to five- and eight-month lows, respectively.

Headline inflation eased to 2.5% from 2.6% in May, while core inflation remained steady at 2.9%. Despite May's upside surprise, slowing inflation over the last few months has enabled the ECB's governing council to lower the 3 key interest rates by 25bps in June, a shift from nine months of stable rates.

From a performance perspective, government bond markets across Europe proved jittery due to political uncertainty. This weakness was especially pronounced in certain countries. The recent rise of right-wing nationalist parties in European Parliament elections, particularly in France, contributed to this market nervousness. President Macron's surprise call for snap parliamentary elections further rattled investors, leading to a noticeable widening of the spread between French and German government bonds. This spread, typically below 50bps, jumped above 70bps, indicating a heightened perception of risk in the French market. The same trend of widening spreads affected bonds in other European nations on the periphery, but Malta's bonds held remarkably steady.

Fund Performance

In June, the Malta High Income Fund registered a marginal loss of 0.23% for the month, underperforming its internally compared benchmark which saw 0.55% gain, as locally listed equities continue to outperform the fixed income segment.

Market and Investment Outlook

The narrative for credit markets remained largely unchanged in June. The European Central Bank (ECB), in line with expectations, embarked on a policy easing cycle, a shift from nine months of stable rates. The path forward however remains unclear, largely hinging 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 European sovereign bond market, albeit witnessing some turbulence in the short-end amid nervousness surrounding Europe's political stature, is positive with the European Central Bank leaning towards furthering its easing stance, initiated in June.

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