GLOBAL BALANCED INCOME FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet at 31st August 2024

Month end NAV as at 30th August 2024

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 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 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	MT7000014445
Bloomberg Ticker	CCGBIFA MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.54%

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)	13.1
Month end NAV in EUR	12.97
Number of Holdings	73
% of Top 10 Holdings	20.4

Country Allocation[1]

Country	%
USA	45.9
France	8.7
Malta	7.7
Great Britain	5.4
Netherlands	5.0
Luxembourg	4.5
Germany	3.9
Brazil	2.7
Italy	1.6
Denmark	1.6

[1] including exposures to ETFs

By Credit Rating[2]

Rating	%
AAA to BBB-	16.4
BB+ to BB-	17.5
B+ to B-	3.1
CCC+ to CCC	1.1
Not Rated	7.4

[2] excluding exposures to ETFs

Top 10 Exposures

Holding	%
Crowdstrike Holdings Inc	2.7
Bank of America Corp	2.4
Uber Technologies Inc	2.2
Amazon Inc	2.1
iShares Euro High Yield Corp	2.0
3.5% France (Govt of) 2033	2.0
Pfizer Inc	1.9
Alphabet Inc	1.8
iShares Core S&P 500	1.8
Airbnb Inc	1.6

Currency Allocation

Currency	%
EUR	54.2
USD	44.7
GBP	1.0

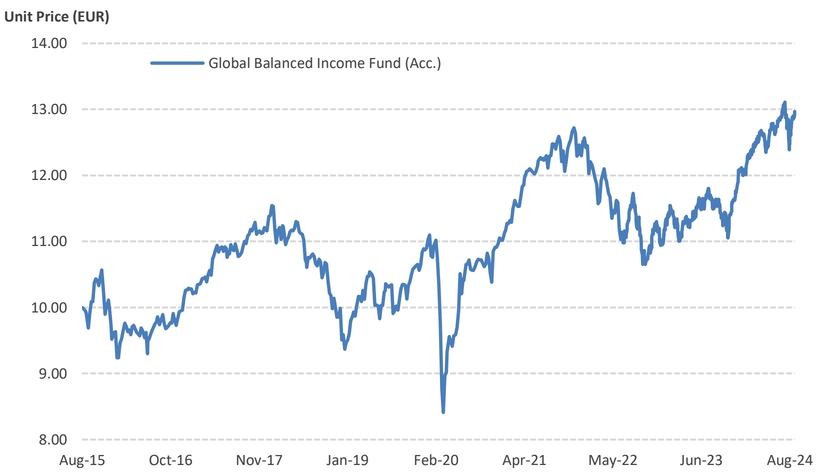
Asset Allocation[1]

Asset	%
Cash	4.1
Bonds	48.8
Equities	47.1

Maturity Buckets

Maturity	%
0 - 5 years	21.8
5 - 10 years	17.5
10 years +	6.1

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

Sector	%
Financial	17.0
Consumer, Non-cyclical	15.8
Communications	15.7
Technology	9.9
Consumer, Cyclical	8.1
ETFs	7.7
Diversified	6.8
Basic Materials	6.1
Sovereign	4.1
Energy	3.4
Healthcare	1.2

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	2019	Annualised Since Inception *
Total Return**	7.10	10.59	-12.47	12.30	2.48	14.78	2.93

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return**	0.93	2.61	4.01	10.95	11.52

* 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.

Market Commentary

Introduction

August emerged to be a month of volatility on the back of the uncertainty surrounding the sanity of the underlying economy. One should make no mistake looking at the result and seeing a flat performance, as markets have started to question the real impact on the economy of the prolonged high interest rates. The disappointment from a July US labour market report, the extreme volatility seen in equity markets, particularly in Asia as the Yen carry trade has been reversed, technology names which started being disinvested, and the sober mood delivered by the batch of economic data and earnings reports coming out of China, all have changed the zen mood that markets have been levitating on during the last 18 months. The complete change in the odds on the US elections outcome does nothing else but complete an uncertain outlook for the coming quarter. While market participants still want to believe central bankers have it all under control, and they are there to help in case of emergency, as they did in the last 15 years, one ought not to forget some basic facts. Central bankers were late in recognizing the size of the post-pandemic inflationary challenge sticking with the "transitory" label for too long, in spite of markets saying otherwise. Moreover, after so many public messaging and measures to reignite economic growth in China, the second largest economy continues to struggle impacting sectors and companies in other regions. Indeed, this is reflected in the latest numbers from European luxury names, Tesla and other automotive, or Apple, which specifically pointed out the weak demand from China. Considering also the uncertainty on the upcoming U.S. elections outcome and the probable volatility markets might experience, at least in the short-term caution is warranted.

From the monetary front, during its speech held at the annual Jackson Hole summit FED Chair Powell all but proclaimed victory in the fight against inflation and signalled that interest rate cuts are coming. Moreover, he sounded confident that the FED would achieve a so-called soft landing, containing inflation without causing a recession. In Europe, while the ECB held no monetary policy meeting in August, market participants' anticipations remained steady to a 25-basis points rate cut in September. This should be the second rate cut for the year, with an additional one expected for December. Even in Japan monetary hawkishness seems to have been tamed recently, as BOJ's Governor Ueda remarks during the August meeting suggest more time should be spend than initially expected in considering the next rate hike. This of course is due in no small part to the market volatility seen in August on domestic financial markets as the sudden Yen strengthening following the short-term policy rate increase in July has triggered the unwinding of the now famous carry-trade strategy. The Japanese experience is yet another testament of just how difficult central bankers find implementing regime changes without unsettling financial markets.

In equity markets, the dominating theme has been the so-called "rotation trade", namely moving exposures from previous large cap winners in the AI space or other technology and communication services, including the Magnificent 7, and into laggard sectors like real estate, consumer staples and health care, and most notably into the small caps environment. One understated factor at play these past months has been the financials strong performance, which are now flirting with overbought momentum positioning. As all relevant subsectors be it banks, insurers, trading brokers or capital markets delivered, each on its own merits, the positivity regarding expectations on these business models future earnings implies quite a rosy view on the US economy going forward. While in some cases this might make sense as lower interest rates might encourage heightened M&A activity and more stocks listings, in others it is difficult to see how record banking earnings might be sustainable as the consumer spending is subsiding and will eventually start increasing non-performing loans levels. After the semiconductors story that run the press in the last twelve months and eventually started losing its shine, this might be just the next whim in a market environment where momentum trumps fundamentals.

Market Environment and Performance

In August the Euro area economy maintained a relatively steady economic trajectory, however recent Purchasing Managers' Index (PMI) data suggest that a slowdown might be imminent. Despite this, the Eurozone Composite PMI came in well above expectations. Growth was driven by a four-month high expansion for the services sector (reading of 53.3 versus the previous month reading of 51.9), while manufacturing activity remained steady at contractionary levels, with leading economies such as Germany and France noting a continued deepening of the recession in the manufacturing sector. Headline inflation continued to decline to 2.2% from 2.6% in the previous month, although core inflation remained sticky at 2.8%.

The US economy portrayed nascent signs of cooling. Manufacturing (reading 47.9 v 49.6 in the previous month) pointed to a deterioration in business conditions, while services (reading 55.7 v 55.0 in the previous month) continued to note a modest growth. New orders growth in services outweighed a decline in manufacturing, whereas employment levels were down for the first time in three months. Regarding prices, headline inflation slowed to 2.5% in August, he lowest since February 2021, from 2.9% in July, and below forecasts of 2.6%. Core inflation, which excludes volatile items such as food and energy, stood at an over three-year low of 3.2%, matching July's figure and aligning with market expectations.

In August equity markets have puzzled most market participants exposing one the highest volatility episodes in history, while at the same time staging the fastest recovery of a correction on record, and essentially standing still from a performance perspective. The partial unwinding of the Yen carry trade compounded with the rotation trade from technology and cyclicals to more defensive and value sectors have left markets at a point somewhat more positive than the economic situation would probably call for. Concisely, it was an unexpected outcome considering the increasing economic and geopolitical uncertainty. The S&P 500 index gained 0.19% propped up by value sectors like real estate, utilities and financials. European markets unexpectedly outperformed other developed markets as the EuroStoxx50 and the DAX gained 1.8% and gained 2.1% respectively, as they were favoured not only by their traditional value tilt, but also recovered from larger previous losses.

Despite experiencing bouts of notable market volatility, fixed-income investors enjoyed a positive month. The flight to safety and anticipation of future rate cuts boosted the performance of government bonds. Among developed sovereign bonds, US Treasuries outperformed its European counterparts, as investors grew more confident in the Fed's potential for more aggressive rate cuts compared to the ECB. In tandem with the tightening observed in government bonds, investment-grade credit also displayed robust performance, with the US outpacing its European counterpart. Meanwhile, European and US high yield corporates delivered returns of c. 1.15% and 1.59%, respectively. The Bloomberg Global Aggregate Index posted a gain of 2.37%, driven by such tightening in yields.

Fund Performance

In August, the CC Global Balanced Income Fund - largely driven by optimism about potential Federal Reserve interest rate cuts which helped to revive investor sentiment, registered a gain of 0.93%.

On the equity allocation, the Fund's allocation has been readjusted, as the Manager made some tactical moves in response to recent market developments. New conviction name Bristol-Myers Squibb was added based on strong business models and balance sheet compounded by a very compelling technical setup regarding the stock price. Meanwhile, the Applied Materials position has been liquidated and exposures to TSMC and Samsung Electronics trimmed with a view to further reducing the Fund's positioning to the semiconductors sector, while also looking to monetize some of the accrued gains. As well, the Mercedes Benz Group was liquidated as we deem that a depreciating macroeconomic environment would provide few chances for a material upside in the stock price. Finally, we increased exposures to Airbnb, the iShares US Property Yield UCITS ETF and iShares Core S&P UCITS ETF assessing the upside potential interesting given the entry point and the interest rates cutting cycle, respectively.

From the fixed income front, the Manager maintained its allocation, following strategic adjustments made in the prior period.

Market and Investment Outlook

Going forward, the Manager believes that as recent leading macro data points are indicative of a global economic growth now being challenged in all main geographies. The continuation of weakness in the Chinese economy has most likely been a hidden driver in the global trend of gradual decreasing in inflationary pressures, which now is clearer when one considers also global commodities prices. On the background of a US labour market looking softer after each monthly report with its input data and revisions, the US consumer resilience becomes quite debatable particularly as we introduce in the mix a weakening US dollar. Fixed income markets should benefit from the expected rate cuts with yields moving lower, thus pushing bond prices higher.

From the equity front, the signs of uneasiness seen in equity markets since middle of July are most likely to further persist as we get into the US elections and therefore the Manager remains very prudent going forward. The Fund continues having a diversified allocation with a focus on quality companies and business models benefitting from secular growth trends agnostic to particular macroeconomic developments. While the Manager remains always ready to invest in specific market pockets where the upside potential is deemed the highest over the shorter timeframe, cash levels remain elevated in order to optimize the Fund's positioning for any negative shocks testing the markets.

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