CCFunds™
Maximise your return

GLOBAL BALANCED INCOME FUND

SHARE CLASS B (DISTRIBUTOR) - FACT SHEET

Factsheet at 30th September 2024

Month end NAV as at 30th September 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	MT7000023891
Bloomberg Ticker	CCGBIFB 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)	13.2
Month end NAV in EUR	11.77
Number of Holdings	79
% of Top 10 Holdings	20.9

Current Yield

Last 12-m Distrib. Yield (%)	2.25

Country Allocation[1]

Country Allocation[1]	%
USA	47.2
France	8.2
Malta	7.9
Great Britain	5.4
Netherlands	5.0
Luxembourg	4.4
Germany	3.9
Brazil	2.0
Denmark	1.6
Italy	1.6

[1] including exposures to ETFs

By Credit Rating[2]

By Credit Rating[2]	%
AAA to BBB-	16.1
BB+ to BB-	17.4
B+ to B-	3.1
CCC+ to CCC	1.1
Not Rated	7.3

[2] excluding exposures to ETFs

Top 10 Exposures

Top 10 Exposures	%
Crowdstrike Holdings Inc	2.7
Uber Technologies Inc	2.3
Bank of America Corp	2.3
Amazon Inc	2.1
Alphabet Inc	2.0
3.5% France (Govt of) 2033	2.0
iShares Euro HY Corp	2.0
Airbnb Inc	1.9
Pfizer Inc	1.9
Microsoft Corp	1.8

Currency Allocation

Currency Allocation	%
EUR	54.7
USD	44.2
GBP	1.0

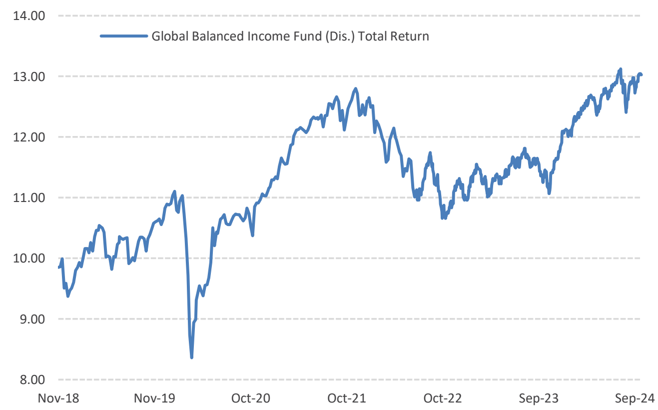
Asset Allocation[1]

Asset Allocation[1]	%
Cash	4.4
Bonds	48.3
Equities	47.4

Maturity Buckets

Maturity Buckets	%
0 - 5 years	21.7
5 - 10 years	17.1
10 years +	6.1

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

Sector Breakdown	%
Financial	16.8
Communications	16.7
Consumer, Non-cyclical	15.1
Technology	9.8
Consumer, Cyclical	9.5
ETFs	7.7
Basic Materials	6.1
Diversified	6.0
Sovereign	4.1
Energy	2.7
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******	7.49	10.58	-12.92	12.81	2.52	14.90	4.88

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return******	0.34	0.94	2.62	7.49	14.45

* Data in the chart does not include any dividends distributed since the Fund was launched on 19 November 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 Distributor Share Class (Class B) was launched on 19 November 2018. 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

September was a month of low and high in financial markets. It started with renewed fears on the health of the ongoing economic growth, but ended on a high propped up by the jumbo interest rate cut delivered by the FED, and also by hopes that Chinese central authorities are gathering credibility about reviving the second largest economy in the world from its post pandemic funk. This has been genuinely surprising as September is statistically a negative month for financial markets, while geopolitical tensions in the Middle East at their high in the last year of renewed conflict have almost disappeared from the radar of market participants. Other events such as the downward trend in oil prices (in spite of the above said geopolitical tensions) or the dis inversion of the US yield curve, both potentially negative signs according to text books, have not deterred markets' resilience. Not even the continuous deterioration of leading macro indicators failed to put a dent on market participants' optimism, making more questionable the fundamental reasons for such market behaviour. The momentous rally in Chinese stocks because of heightened domestic growth expectations from aggressive mostly monetary policies (yet), as well as the European stocks rally response as a second derivative to the above, might prove a point. Before any fundamental conviction is validated by actual proof on the effectiveness of measures taken, investors rush in a clear fear-of-missing-out action pattern. What this leaves us with in the end is different geographies experiencing clearly different economic fortunes, but posting rather similar market returns. While markets may be highly inefficient in the short term, they tend to erase inefficiencies over the longer periods. Investors should always remain mindful of this beyond the temporary sugar rush currently on offer.

From the monetary front, the FED lowered its key overnight borrowing rate by 50 basis points amid signs that inflation was moderating and the labour market was weakening. This took the markets by surprise, as the FED delivered more than markets were expecting. In addition to this, the FOMC indicated through its "dot plot" the equivalent of 50 more basis points of cuts by the end of the year. In the Euro zone, during its monthly meeting the ECB also delivered a 25basis point interest rate cut after a period of sluggish economic growth and cooling inflation. This was quite in line with market expectations, the big question now being what will the interest rate path be into the year-end. Finally, the Bank of Japan kept its benchmark interest rate steady during its monthly meeting, as it strives to normalize monetary policy without hurting economic growth. While this was along market expectations, economists do see another rate hike by the end of the year.

In equity markets, the "rotation trade" from previous large cap winners in the AI space into laggard value sectors like real estate, consumer staples and utilities has continued into the month. However, the highest volatility in equity markets has been recorded in Chinese markets that have achieved 25% returns in the span of a week. While at the surface the fundamental basis for such rally has been the announcement of the very much expected public measures to support the banking sector as well as equity markets, actual market moves have most likely been the result of short positioning squeeze of institutional investors. Notwithstanding the special nature of Chinese markets where the retail segment behaviour reminds more of casino gambling than sound investing, the fact that overseas money is pouring into Chinese stocks again is in total contrast with the "non-investable" label previously attached to these markets. This is just another example why it pays out having a flexible approach on own convictions vis-à-vis markets. In the words of John Maynard Keynes, "when information changes, one should alter his own conclusions".

Market Environment and Performance

In September, the Euro area economy has consistently shown signs of weakening, as the private sector activity decreased for the first time since February. Overall, services slowed (51.4 vs 52.9 in the previous month), whilst the manufacturing contraction deepened (45 vs 45.8 in the previous month) as demand for Euro area goods and services fell at the quickest pace in eight months. Headline inflation, consequent to the base effect, particularly on energy, fell to 1.8% from 2.2% in the previous month, while core inflation eased marginally to 2.7%.

The US economy portrayed nascent signs of cooling. Manufacturing (reading 47.3 v 47.9 in the previous month) pointed to a deterioration in business conditions, while services (reading 55.2 v 55.7 in the previous month) continued to note a modest growth. New business in services rose solidly outweighing a decline in manufacturing, whereas employment levels were down for the first time in three months. On the pricing front, disinflationary trends sustained. The latest inflation release showed a modest slowing, as headline inflation fell for a sixth straight month to 2.4% in September, yet above forecasts of 2.3%. Core inflation, which excludes volatile items such as food and energy, edged higher to 3.3% in September of 2024 from the three-year low of 3.2% recorded in the two previous months.

In September equity markets surprised once again on the upside upsetting every analyst' negative forecast based on seasonality factor or macroeconomic consideration. Running alike the previous month, markets have first shown signs of weakness to recover again on the back of the initial FED interest rate cut followed by the positive surprise of Chinese stimulus program. The same main theme of rotation from large-cap techs to value sectors have carried the markets, as the overall positive sentiment on the real economy has taken over. While developed markets have posted a normal growth month, emerging markets have clearly outperformed led by China which managed the strongest rally since the GFC. The S&P 500 index gained 1.12% as all sectors except energy contributed to growth. European markets unexpectedly outperformed at the finish line propelled by their constituents' exposure to the Chinese markets as the EuroStoxx50 and the DAX gained 0.9% and 2.2% respectively.

On the credit front, U.S. Treasury yields fell substantially over the quarter, with 2-year yields leading the way, falling 111 bps, as the yield curve steepened to reflect the outlook for lower interest rate policy. In Europe, the European Central Bank (ECB) also eased monetary policy by cutting interest rates by 25 bps. German and French 10-year government bond yields declined over the quarter (meaning prices rose) but underperformed relative to Italy and Spain, which were among the strongest performers in Europe.

In fixed income, sovereign yields fell with 2-year yields leading the way, as the yield curve steepened to reflect the outlook for lower interest rate policy. Meanwhile, on the corporate bond front, U.S. investment-grade bonds performed well, benefiting from the lower interest rate environment. However, global high yield bonds continued to outperform, as investors sought higher returns from riskier assets.

Fund Performance

In September, the CC Global Balanced Income Fund registered a gain of 0.31%.

On the equity side, the Fund's allocation has been readjusted, as the Manager made some tactical moves in response to recent market developments. New conviction name Salesforce has been added based on a strong business model and balance sheet compounded by a very compelling fair value generated by our in-house valuation. We also added on the Fund's Microsoft, Amazon, Meta Platforms, Airbnb Inc and Bristol Myers Squibb holdings, as we believe that the gradual constructive sentiment seen in the markets will ultimately constitute a tailwind for these convictions. As well, the exposure to the Amundi MSCI EM ex China UCITS ETF has been increased based on the fundamental conviction that a weakening US dollar will constitute a positive for emerging markets. Positions in KLA Corp and iShares Core S&P UCITS ETF have been liquidated for cash management purposes.

From the fixed income front, the manager - aiming to increase the portfolio's duration in a gradual manner, locking in coupons prior to continued easing, and exposure to European exposure - continued to take advantage of selective opportunities, primarily by participating in initial offerings. Credit issuers which the fund increased its exposure to include; Air France KLM, Azelis Finance, and IGT Lottery Holdings.

Market and Investment Outlook

Going forward, the Manager believes that the latest monthly job report in the US has been providing material soothing as regards worries of a rapidly declining global economic growth. Adding to these the public stimuli program just announced by the Chinese Central Bank, expected to be complemented by further such active measures from the fiscal side, there are some solid ground to bring about some positive expectations as regards the macro fundamentals, at least over the short term. While the inflation challenge has been generally dealt with at this point, the focus lies now on the health of the consumer and his willingness to spend. While there is no consensus as regards the phase in the economic cycle we are currently experiencing, the earnings season almost upon us and the US elections are the main factors expected to materially deviate the still strongly bullish market momentum.

From the equity front, the Manager has become more positive over the short term, while overall remaining prudent regarding equity markets. 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. Nevertheless, the Manager is more willing to invest in specific sectors where the overriding sentiment warrants a more attractive upside potential over the shorter timeframe. Cash levels have been materially decreased in order to fully benefit from markets momentum. Meanwhile, in fixed income, the anticipation of additional interest rate cuts fosters a positive outlook for the global bond market. We continue to believe that locking in current attractive coupon levels is prudent before any signs of continued policy easing.

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