CCFunds™
Maximise your return

HIGH INCOME BOND FUND

SHARE CLASS A EUR (ACCUMULATOR) - FACT SHEET

Factsheet at 31st October 2024

Month end NAV as at 31st October 2024

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
Total Expense Ratio	1.89%

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)	47.54
Month end NAV in EUR	128.90
Number of Holdings	138
% of Top 10 Holdings	19.1

Current Yields

Underlying Yield (%)	5.40

Risk Statistics

Risk Statistics	3Y	5Y
Sharpe Ratio	-0.43	-0.21
Std. Deviation (%)	4.96%	7.61%

Country Allocation[1]

Country Allocation[1]	%
United States	24.9
France	11.0
Germany	9.9
Italy	5.9
Netherlands	5.3
Spain	4.6
Luxembourg	3.6
Brazil	3.4
Turkey	2.7
Malta	2.4

[1] including exposures to CIS

Credit Rating[2]

Credit Rating[2]	%
From AAA to BBB-	18.4
From BB+ to BB-	49.9
From B+ to B-	13.7
CCC+	3.2
Less than CCC+	2.5
Not Rated	2.4
Average Credit Rating	**BB**

[2] excluding exposures to CIS

Top 10 Exposures

Top 10 Exposures	%
iShares Fallen Angels HY Corp	2.8
4% JP Morgan Chase & Co perp	2.5
7.429% Encore Capital Group Inc 2028	1.9
iShares USD High Yield Corp	1.9
iShares Euro High Yield Corp	1.9
4.625% Volkswagen perp	1.7
4.375% Cheplapharm 2028	1.7
4.875% Cooperative Rabobank perp	1.6
3.5% VZ Secured Financing 2032	1.6
5.8% Turkcell 2028	1.5

Currency Allocation

Currency Allocation	%
EUR	67.5
USD	32.5
Others	0.0

Asset Allocation

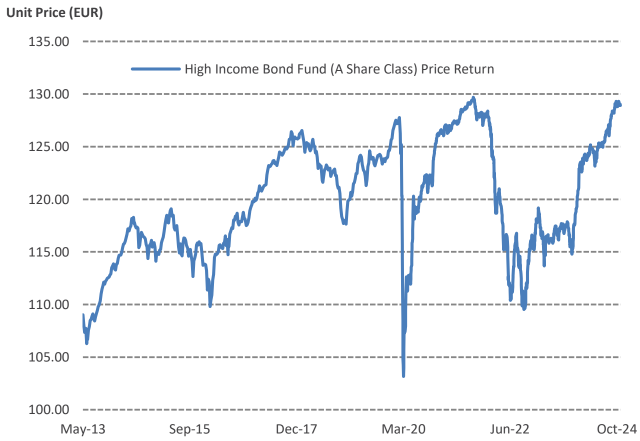
Asset Allocation	%
Cash	3.3
Bonds	90.1
CIS/ETFs	6.6

Maturity Buckets[3]

Maturity Buckets[3]	%
0 - 5 years	71.8
5 - 10 years	14.3
10 years +	4.0

[3] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[2]

Sector Breakdown[2]	%
Banks	11.3
Telecommunications	10.6
Pharmaceuticals	8.0
Funds	6.6
Auto Parts&Equipment	6.6
Commercial Services	4.1
Entertainment	3.5
Media	3.4
Mining	3.3
Chemicals	3.0
Auto Manufacturers	2.9
Oil&Gas	2.8

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	Annualised Since Inception*
Share Class A - Total Return**	4.33	7.25	-10.13	1.46	-0.14	1.48
	2019	2018	2017	2016	2015	2014
Share Class A - Total Return**	7.48	-6.45	5.32	4.96	-0.89	1.72

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	-0.29	1.47	4.05	3.84	11.17

* 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

October 2024 presented significant challenges for fixed income investors, as a confluence of factors - resilient US economic data, heightened uncertainty surrounding the US election, and persistent inflation - led to a sharp sell-off across major government bond markets.

Stronger-than-expected US labour market data, underscored by robust non-farm payrolls, tempered market expectations for aggressive Federal Reserve rate cuts. At the same time, ongoing core inflationary pressures complicated the Fed's efforts to balance its dual mandate of price stability and full employment. These factors, combined with concerns over potential post-election policy shifts, led to a recalibration of the Fed's rate-cut trajectory, resulting in a market reassessment that reduced the likelihood of a 50bps cut in November. The uncertainty surrounding the US presidential election further contributed to investor de-risking. Despite a late-month dip, former President Trump maintained a lead in the polls, which fuelled additional selling in US Treasuries. Market participants grew increasingly concerned that a potential Republican victory could lead to inflationary policies, exacerbating the bond market sell-off.

In Europe, the European Central Bank (ECB) reduced interest rates by 25bps in October, but an uptick in inflation and better-than-expected growth figures suggested that the pace of future rate cuts may slow. More recent leading indicators, however, showed a contraction in business activity during October, adding a layer of complexity to the outlook for ECB policy.

From a performance perspective, shifting rate-cut expectations and heightened election-related uncertainty drove the 10-year US Treasury yield above 4.0%, with 7-10 year US Treasuries posting a c. 3.3% loss for the month. European sovereigns followed suit, albeit the moves proving to be less explicit. Aligned with such widening, global investment-grade bonds declined, with US investment grade noting a c. 2.25% loss. The more speculative segment within the credit markets outperformed with Euro high yield credit giving the best total returns over the month.

Market Environment and Performance

The economic disparity between the US and the Eurozone remained. While Europe's economy has consistently shown signs of weakening, particularly as its largest economies continue to face a deterioration in economic metrics, the US has maintained a relatively steady economic trajectory. Recent Purchasing Managers' Index (PMI) data supports these trends, indicating an overall slowdown in the Eurozone, despite GDP growth somewhat surprising to the upside. Data from Eurostat showed eurozone economic growth was 0.4% QoQ in Q3, accelerating from 0.2% in the previous three months. Spain and Portugal registered the fastest growth rates.

October's Eurozone Composite PMI, albeit revised higher, pointed to a stagnation in private business, as manufacturing (46 v 45 in September) continued to contract although at a slower pace while services (51.6 v 51.4 in September) growth improved. Shrinking levels of business activity in Germany and France offset expansion in Spain, Ireland, and Italy. Meanwhile, there was a further weakening of demand conditions and the sharpest drop in employment since December 2020. Business confidence too weakened, slipping for a fifth successive month to its lowest level in 2024.

Inflation, previously noting a substantial decline due to base effects (particularly on energy), rose to 2.0% in October, compared to 1.7% in September and preliminary estimates of 1.9%. Core inflation and services inflation remained steady at 2.7% and 3.9%, respectively. The labour market remained healthy, with the unemployment rate revolving at notable lows (6.3% in September), and significantly below a 20-year average of 9.3%.

The US economy, although still demonstrating notable resilience, has started to portray nascent signs of cooling, with the economy expanding at an annualized 2.8% in Q3, below 3% in Q2 and forecasts of 3%, an advanced reading from the Bureau of Economic Analysis showed. Leading indicators, notably PMI figures, although overall robust, fell short of expectations as the strong gains in the services sector failed to offset a continued decline in manufacturing output.

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, the lowest since February 2021, from 2.5% in August, 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. On the employment front, the labour market, previously exhibiting signs of cooling, surprised to the upside. Revised data showed stronger-than-expected job growth in August, followed by a robust increase in September: 254k jobs added, well above forecasts of 140k. Additionally, the unemployment rate eased to 4.1%, the lowest in three months, and down from a previous month reading of 4.2%.

Fund Performance

The CC High Income Bond Fund declined 0.29% last month, reflecting mixed performance across credit markets. While the dollar-denominated portion of the portfolio weighed on returns, the euro-denominated credit holdings contributed positively.

The manager, in line with its mandate, maintained an active approach to managing the portfolio. Throughout the month, 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 CC High Income Bond Fund added or increased its exposure to include; SES SA, Holding D'Infra Metiers, and Accorinvest Group SA.

Market and Investment Outlook

The narrative for credit markets remained largely unchanged in October, with investor focus centered on economic data, central bank policy, and the US election.

Central banks have recently adopted a more accommodative stance, tailoring their policies to specific economic needs. Both the European Central Bank (ECB) and the Federal Reserve (Fed) have emphasized data-driven decision-making, with a particular focus on the employment market. However, the ECB remains vigilant about inflation, especially after the unexpected October surge. The Fed, with its dual mandate of price stability and maximum employment, sees the upside risk to inflation diminishing but the downside risk to employment increasing. This suggests a need for a policy adjustment, but it should not be interpreted as prioritizing employment over inflation. A shift in the balance of risks does not mean a change in the importance attached to each goal.

The anticipation of further interest rate cuts, particularly from the ECB, continues to fuel optimism in the global bond market. Locking in attractive current coupon levels is considered prudent before continued policy easing. However, risks remain, as political factor - particularly the upcoming US election - could influence the inflation outlook. Former President Trump's policies, with his strong position for re-election, are seen as potentially inflationary, which could complicate the Federal Reserve's policy decisions in the future.

Going forward, we will maintain our active approach, seeking out compelling credit opportunities. In line with recent portfolio adjustments, we will gradually increase the portfolio's duration and exposure to European credit. This strategic shift is motivated by Europe's earlier stage in the credit cycle and the ECB's potential to lead global rate cuts.