MALTA HIGH INCOME FUND

SHARE CLASS A (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 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	MT7000022273
Bloomberg Ticker	CCMIFAA 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)	17.98
Month end NAV in EUR	100.19
Number of Holdings	73
% of Top 10 Holdings	29.2

Current Yields

Underlying Yield (%)	3.06

Country Allocation[1]

	%
Malta	92.3
Other	7.7

[1] including exposures to CIS and Cash

Top 10 Issuers[2]

	%
GO plc	5.7
Central Business Centres	4.7
SD Finance plc	3.0
Bank of Valletta plc	2.8
PG plc	2.5
Eden Finance	2.4
Stivala Group Finance plc	2.4
Hili Properties plc	2.2
Malita Investments plc	1.8
IHI plc	1.8

[2] including exposures to CIS, excluding Cash

Top 10 Exposures

	%
4.00% Central Business Centres 2033	3.9
3.90% Browns Pharma 2031	3.3
3.50% GO plc 2031	3.2
4.35% SD Finance plc 2027	3.0
4.65% Smartcare Finance plc 2031	3.0
3.75% Tum Finance plc 2029	2.7
4.50% Endo Finance plc 2029	2.6
Harvest Technology plc	2.5
5.90% Together Gaming Solution 2026	2.5
GO plc	2.5

Currency Allocation

	%
EUR	100.0

Asset Allocation[3]

	%
Cash	2.7
Bonds	77.3
Equities	20.0

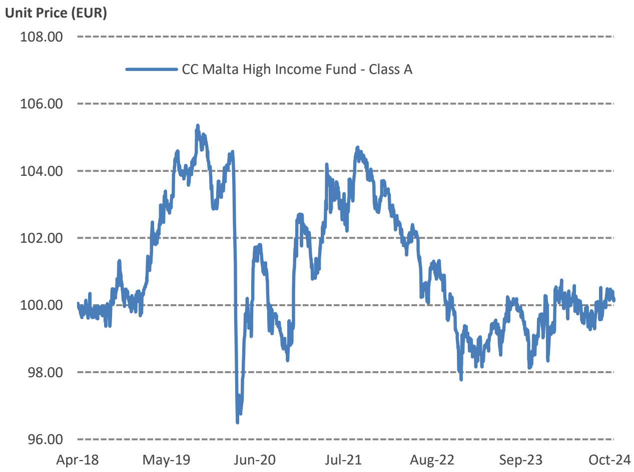
[3] including exposures to CIS

Maturity Buckets[4]

	%
0 - 5 years	39.6
5 - 10 years	34.5
10 years +	0.6

[4] based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation[3]

	%
Financial	54.3
Consumer, Cyclical	11.8
Consumer, Non-Cyclical	9.6
Communications	7.9
Technology	4.4
Industrial	3.7
Funds	2.7
Government	1.8
Energy	1.0

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	Annualised Since Inception **
Total Return* **	-0.09	1.05	-4.29	1.07	-1.06	0.03

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return* **	-0.21	0.83	0.08	0.83	1.59

* The Accumulator Share Class (Class A) 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 demonstrated continued resilience and growth, with business confidence climbing to 102.80 points in October from 86.50 points in September, surpassing the 22-year average of 100.1 points. Retail sales also grew, increasing by 2.5% year-over-year in September from 2.3% in the previous month.

Meanwhile, price pressures on consumers eased, with the annual inflation rate declining to 2.1% in September from 2.4% in August, marking the lowest level since October 2021. This decline was driven by lower costs for housing, utilities, transportation, and recreation.

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%.

Consequent to the worsening economic trends, the European Central Bank (ECB) eased monetary policy by cutting interest rates by 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.

Fund Performance

In October, the Malta High Income Fund registered a loss of 0.21% for the month, underperforming its internally compared benchmark which saw 0.46% gain, as locally listed equities saw a 1.50% gain, whilst fixed income remained largely unchanged.

Market and Investment Outlook

The narrative for credit markets remained largely unchanged in October, with investor focus centred 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 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.

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