GLOBAL BALANCED INCOME FUND

SHARE CLASS B (DISTRIBUTOR) - FACT SHEET

Factsheet at 31st December 2024

Month end NAV as at 31st December 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	11.66
Number of Holdings	79
% of Top 10 Holdings	21.5

Current Yield

Last 12-m Distrib. Yield (%)	2.00

Country Allocation[1]	%
USA	47.7
France	8.9
Malta	6.0
Great Britain	5.5
Luxembourg	4.8
Netherlands	4.3
Germany	3.9
Brazil	3.8
Denmark	1.6
Italy	1.6

[1] including exposures to ETFs

By Credit Rating[2]	%
AAA to BBB-	16.6
BB+ to BB-	16.3
B+ to B-	2.9
CCC+ to CCC	0.0
Not Rated	8.3

[2] excluding exposures to ETFs

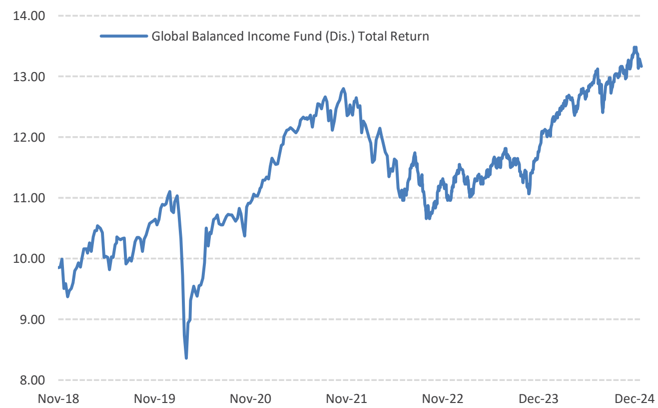
Top 10 Exposures	%
Amazon Inc	2.7
Alphabet Inc	2.5
Salesforce Inc	2.4
Bristol Myers Squibb Co	2.3
Airbnb Inc	2.1
iShares Euro HY Corp	2.0
Uber Technologies Inc	2.0
Microsoft Corp	1.9
3.5% France (Govt of) 2033	1.9
Fiserv Inc	1.7

Currency Allocation	%
EUR	51.2
USD	48.4
GBP	0.4

Asset Allocation[1]	%
Cash	2.4
Bonds	47.5
Equities	50.1

Maturity Buckets	%
0 - 5 years	19.6
5 - 10 years	17.6
10 years +	7.0

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown	%
Communications	19.3
Financial	17.1
Consumer, Non-cyclical	14.0
Technology	11.4
Industrial	8.9
ETFs	8.9
Diversified	5.1
Basic Materials	4.1
Sovereign	4.0
Energy	3.5
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****	8.66	10.58	-12.92	12.81	2.52	14.90	4.86

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return****	-1.34	1.09	2.05	3.74	8.66

* 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

December closed a rather positive year for financial markets in a more sombre note, as the world comes to grips to the new reality of a second Trump administration. Uncertainty is the name of the game as the spread between policies announced on the campaign trail and the measures that will become reality through the quagmire of Washington politics will make a very big difference for equity, bonds and currencies markets alike. As it stands, there are several points that should focus market participants' attention over the coming months. First, there is the US inflation that could be on the up again should tariffs be enforced between the largest trading powerhouses, namely US, China and the Eurozone. Should it happen, there will be no case anymore for the benevolent monetary policies scenario on which markets counted so far for support. Secondly, the Trump policy agenda, how much of it will be enforced and its timeline are of paramount importance particularly for US markets. Immigration policies can become a very large factor in US economic growth, while anything different from the extension of corporate tax cuts enforced during the first Trump term could break the current streak in equity markets. The relationship between the President and the Republican-controlled Congress will be critical in this regard. The resolution of the Ukraine conflict will determine how the Eurozone economy will ultimately behave in the next year. Finally, the option Chinese authorities will choose in terms of dealing with the current domestic economic malaise could shape up the global economic output for the year. Whether it will be through protecting their domestic market via tariffs or pumping domestic output through more public debt, markets will respond in kind. Overall, next year will not be short of eventful.

From the monetary front, the FED maintained a cautious stance reducing its benchmark interest rate by another 25 basis points during its December meeting, as inflation showed signs of cooling. However, the subsequent speech from FED Chair Powell was rather hawkish as it signalled that further rate cuts would be data-dependent and would consider future economic measures taken. In Europe, the ECB cut its deposit rate to 3% marking its fourth reduction of the year. The move was driven by persistent economic uncertainty and reflected the ECB focus on stimulating growth while inflation remains above target. As in Japan and England central bankers did not change their key policy rates during the month, the consensus is that worldwide monetary policies have been set into a waiting mode until the new US administration starts putting into practice its economic agenda.

In equity markets, while December has not played the seasonality factor as expected, it neither delivered a strongly negative performance, thus effectively preserving the impressive performance achieved by global equities in 2024. This was of course another outstanding proof of American exceptionalism in global markets in line with what we have been used to in the last 15 years since the Great Financial Crisis. However, what is really striking is that this is just the fourth time since 1928 that the S&P500 index manages two consecutive years with returns higher than 20%. While very few were expecting this as at the beginning of 2023 (when actually everybody was waiting for the next economic recession in the US), statistically wise, this is not a foregone conclusion for a negative performance in 2025. Notwithstanding the highly elevated valuation levels by historical standards, the underlying economic conditions put the US again in the driving seat as regards market returns expectations for the next calendar year. Analysts seem in agreement that on a more conflict-prone geopolitical landscape set up by protective economic agendas worldwide, on a comparative basis US remains the best geography to deploy capital. Expectations regarding political and economic changes unravelling on the back of a potential trading war triggered by the new US administration point out towards America as the winning economy on a comparative basis. This simulation game, could never really quite catch all potential consequences in all contemplated scenarios, so the above market consensus might eventually turn out to have been wrong. The reality is that right now active managers can hardly find attractive options outside the US.

Market Environment and Performance

In December, Eurozone Composite PMI, albeit revised higher, pointed to a contraction in private business activity as manufacturing (45.1 v 45.2 in November) deteriorated further while services (51.6 v 49.5 in November) pointed to a renewed upturn in output. Overall, new business continued to fall consequent to weak domestic and export demand. On the price front, inflation, accelerated to 2.4% in December 2024. Core inflation remained steady at 2.7% while services inflation edged higher to 4.0. The labour market, a beacon of hope for the Eurozone, remained healthy, with the unemployment rate, still revolving at notable lows.

The US economy continued to demonstrate notable resilience. Leading indicators, notably PMI figures, remained overall robust, indicating a strong monthly rise in overall output, primarily driven by the services sector (PMI at 56.8). Manufacturing extended the contractionary momentum. Meanwhile, inflation marked a third successive increase. On the employment front, the U.S. economy added just 256k jobs, the most in nine months, exceeding expectations. The unemployment rate held steady at 4.1%, confirming US' labour market resilience.

In December, global equity markets have somewhat disappointed, as the November upward movement in global equities ignited by the US election has fizzled out. As bond yields have also strongly moved upward during the month, the general feeling was a sort of wakening up contemplating the possible outcomes of a Trump administration and a more hawkish monetary stance on financial markets in 2025. As the US dollar continued strengthening, the comparative geographical performance was exactly in reverse of the previous month record, with the US strongly underperforming. The S&P 500 index lost 0.84% based on the usual end of the year "window dressing", but also on some profit taking on November's gains. European markets actually went up mostly pushed by German equities as the upcoming snap elections are expected to at least bring some improvements on the current local economic malaise. The EuroStoxx50 gained 1.35% while the DAX gained 1.44%.

Credit markets were highly conditioned by the higher yields. Indeed, the period was marked by notable sell-offs in major government bonds. Indeed, the 10-year Treasury yield surged, ending the year at 4.57%, reflecting market uncertainty regarding the Fed's future policy direction and expectations of heightened inflation expectations under a Trump administration. In Europe, political instability in France further exacerbated market concerns, culminating in French yields exceeding those of Greek bonds for the first time. The German 10-year Bund yield too closed the year higher, at 2.37%. The corporate bond market presented a mixed picture. Investment-grade bonds faced a general decline, while lower-rated segments proved more resilient. Despite negative returns for US high yield, Euro-denominated credit delivered a positive return; 0.63%. European and U.S. investment-grade high-yield credit recorded -0.44% and -1.78%, respectively.

Fund Performance

In December, the CC Global Balanced Income Fund returned 1.62%. Over the month, the asset allocation remained unchanged across equities and fixed income. The equity portion was deemed well-positioned, aligning with market momentum. Regarding fixed income, the manager was content to maintain the current position, after gradually increasing duration and enhancing income generation.

Market and Investment Outlook

Going forward, the Manager believes that recent developments regarding economic data compounded with monetary policy messaging (particularly in the US) and uncertainty regarding the actual policies to be put in place by the new US administration have all contributed to a change of tone in financial markets. While only the positives from expected economic policies seems to have been initially assessed by markets, and more interest rate cuts were deemed as a done deal, now markets believe interest rate hikes are actually in the cards as an answer to new trade wars bringing about renewed inflationary pressures. Therefore, the general approach becomes caution given expected impact on global economic growth and inflation outlook.

Within the fixed-income market, the current climate of uncertainty, particularly regarding the future path of the yield curve, demands a cautious investment strategy. The ongoing political instability further underscores the need for vigilance. As a result, locking in attractive coupon rates emerges as a prudent course of action. 2025 may witness a shift towards income-driven returns, with capital appreciation playing a less significant role in overall portfolio performance, given uncertainty surrounding the interest rate trajectory.

From the equity front, the Manager remains sensitive to markets volatility currently unfolding, which might set the tone for the entire 2025. The specific approach combining a diversified allocation with heightened exposure to quality companies and business models benefitting from secular growth trends agnostic to specific macroeconomic developments remains in place. The Manager acts more opportunistically in deploying capital in specific sectors where the overriding sentiment warrants a more attractive upside potential over the shorter timeframe, and using cash levels as dry powder to be used during market overshooting episodes.

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