GLOBAL BALANCED INCOME FUND
SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet at 31st January 2025

Month end NAV as at 31st January 2025

Calamatta Cuschieri | moneybase

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	2.36%

Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjuction with the KID

Lower Risk	Higher Risk
Potentially lower reward	Potentially higher reward

1 2 3 **4** 5 6 7

Portfolio Statistics

Total Net Assets (in €mns)	13.7
Month end NAV in EUR	13.48
Number of Holdings	79
% of Top 10 Holdings	21.7

Country Allocation[1]

Country Allocation[1]	%
USA	47.8
France	8.7
Malta	6.1
Great Britain	5.4
Luxembourg	4.7
Netherlands	4.4
Brazil	3.9
Germany	3.7
Denmark	1.6
Italy	1.5

[1] including exposures to ETFs

By Credit Rating[2]

By Credit Rating[2]	%
AAA to BBB-	16.2
BB+ to BB-	17.1
B+ to B-	2.1
CCC+ to CCC	0.0
Not Rated	8.1

[2] excluding exposures to ETFs

Top 10 Exposures

Top 10 Exposures	%
Amazon Inc	2.8
Alphabet Inc	2.6
Salesforce Inc	2.4
Bristol Myers Squibb Co	2.3
Uber Technologies Inc	2.1
Airbnb Inc	2.1
iShares EUR High Yield Corp	1.9
Mercadolibre Inc	1.8
3.5% France (Govt of) 2033	1.8
Microsoft Corp	1.8

Currency Allocation

Currency Allocation	%
EUR	50.8
USD	48.8
GBP	0.4

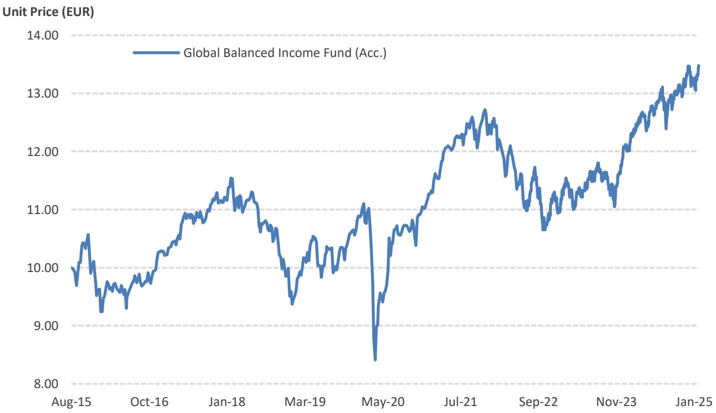
Asset Allocation[1]

Asset Allocation[1]	%
Cash	2.6
Bonds	46.7
Equities	50.7

Maturity Buckets

Maturity Buckets	%
0 - 5 years	19.9
5 - 10 years	16.7
10 years +	6.8

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown

Sector Breakdown	%
Communications	22.3
Financial	15.9
Consumer, Non-cyclical	13.7
Technology	11.2
Industrial	8.7
ETFs	8.6
Diversified	5.1
Sovereign	3.9
Energy	3.5
Basic Materials	3.2
Healthcare	1.2

Performance History
Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception *
Total Return**	2.51	8.59	10.59	-12.47	12.30	2.48	3.22

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return**	2.51	4.17	4.90	8.36	10.04

* 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

January, as expected, proved to be a month of anxiety in financial markets, focused on the incoming policies of the new U.S. administration. While the inauguration occurred on the 20th, the administration's declared policies had already cast a long shadow. Following the inauguration, policy implementation began swiftly, prompting widespread speculation about the potential impact on global inflation and economic growth. As anticipated, announced (though not fully enforced) immigration and trade policies created volatility. Furthermore, the DeepSeek announcement regarding its open-source LLM, reportedly created on a very low budget, challenged the market orthodoxy that high AI capital expenditure is essential for growth in the corporate sector. Finally, geopolitical factors, also brought into focus by the new administration, introduced long-term uncertainty, casting doubt on the assumptions underlying recent economic forecasts. While we may have witnessed an unusually rapid implementation of this administration's agenda, markets have gained a preview of the potential volatility of 2025. As we noted in our December commentary, the coming year promises to be eventful and, as such, likely to present numerous investment opportunities.

On the monetary front, the Federal Reserve maintained a cautious stance, holding interest rates steady but signaling vigilance regarding inflationary pressures. The Fed indicated a willingness to adjust policy if necessary, particularly if economic growth shows signs of overheating. Markets now suspect that any potential dovish inclination has been tempered by trade protectionist policies, a development that has triggered unease in the bond market. In Europe, the ECB announced a 25 basis point increase, as it attempts to balance the recent reacceleration of Euro Area inflation with sluggish economic growth in the region.

Equity markets in January were marked by the "DeepSeek scare," which, for the first time, seriously questioned the prevailing narrative of the AI boom driving the impressive rally of the past two years. The expectation of ever-increasing investments in AI infrastructure, benefiting AI infrastructure suppliers, has been a key driver of market confidence since the fall of 2022. While initial claims of the incredibly low budget on which the Chinese AI start-up achieved its technical feat are subject to scrutiny, and the process may face legal challenges, growing concern about the current level of capital expenditure by U.S. enterprises in the AI race has shaken markets. The issue remains a topic of debate, but a sense of uncertainty is emerging as it becomes clear that higher budgets for increasingly powerful semiconductors require immense data storage capacity in ever-larger data centres, leading to increased energy consumption. While new initiatives like the Stargate program may take a longer-term perspective, from a financial analysis standpoint, a declining rate of return on invested capital is always a significant concern. The potential impact on equity markets, especially the technology sector, could be substantial.

Market Environment and Performance

In January, the economic picture was brightening after stagnation on last quarter of 2024, while the Eurozone private sector activity expanded for the first time since August 2024 driven by a resurgence in the service sector that offset continued weakness in manufacturing. Despite such improvement, growth remain uneven, concentrated outside the Eurozone largest economies, which continues to struggle. Overall demand remains soft. Headline inflation rose for a fourth straight month to 2.5%, the highest level since July, while core inflation remained steady at 2.7%.

The US economy portrayed a continued overall expansion, with GDP posting a 2.3% annualized growth in Q4, falling short of the 2.6% forecast. The Composite PMI dipped in January, indicating the slowest private sector growth in nine months. While manufacturing saw a return to growth, the service sector's expansion continued at a slower, though sustained pace. Inflation and= its implications of monetary decisions will remain a trigger for market uncertainty with headline inflation and core expected to rise given strong consumer spending.

In January, global equity markets continued the positive trend investors had become accustomed to last year, recording another month of gains despite the DeepSeek-induced volatility felt by technology stocks. This performance was supported by a slight pullback in rising bond yields and a temporary postponement of aggressive trade tariffs by the new US administration. The recent divergence in regional performance continued, with the US underperforming, particularly compared to European markets. Europe still benefited from previously low valuations and is now likely playing catch-up after lagging significantly in 2024. The S&P 500 index gained 2.01%, driven by value sectors such as healthcare, materials, and financials, with consumer staples posting the only negative return for the month. European markets continued their surprisingly strong run, propelled by better-than-expected macroeconomic data and more optimistic expectations regarding economic growth in China, resulting in high single-digit returns.

Credit markets rebounded strongly in January after an initial dip caused by rising US Treasury yields following Trump's return to office (which fuelled expectations of fiscal expansion and persistent inflation). Weaker-than-expected inflation led to a decline in the US 10-year Treasury yield to 4.55%, while European government bond yields rose, with German Bunds reaching 2.46%. Corporate credit performed positively overall. Investment-grade bonds saw gains, though they lagged behind lower-rated bonds. US credit, especially high-yield, significantly outperformed, delivering a 1.38% return.

Fund Performance

In January, the CC Global Balanced Income Fund returned 2.51%. On the equity allocation, the Fund's allocation has been rebalanced, as the Manager aligned it to the market sentiment. New conviction name Booking Holdings has been added given expectations of improved return potential over the short to medium term. Consequently, the holding in Eli Lilly & Co has been liquidated based on decreased upside expectations and negative momentum. From a fixed-income perspective, the manager, seeking to increase the portfolio's income generation while maintaining a healthy credit profile, utilised cash proceeds from subscriptions to invest in Turkcell Iletisim - a leading mobile phone operator in Turkey.

Market and Investment Outlook

Looking ahead, the Manager believes that particularly the first measures taken by the Trump administration as regards trade policies have created material uncertainty on expectations of global economic and inflationary pressures. In this regard credit markets are expected to be in an uneasy situation on the back of uncertainty from monetary politicians. However, the fund's exposure to high-yield credit markets should mitigate any volatility in benchmark yields. Identifying opportunities within credit markets remains a key part of the strategy, with a focus on securing income returns going forward.

From an equity allocation perspective, the newly emerging geopolitical tensions have further reduced visibility. Volatility has increased sharply in financial markets, particularly concerning energy and commodity prices, and, as mentioned, bond yields, adding a hawkish dimension to monetary policy expectations. Given these factors, the more conservative approach adopted at the beginning of the year is further justified. Despite the prevailing uncertainty, the manager believes that pockets of opportunity will arise. The manager intends to act opportunistically, investing in companies offering attractive entry points, while maintaining core holdings that are expected to perform well over the long term.

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