

Investment Objective and Policies

The Fund aims to maximise the total level of return through investment, in a diversified portfolio of Emerging Market ("EM") Corporate and Government fixed income securities as well as up to 15% of the Net Assets of the Fund in EM equities. In pursuing this objective, the Investment Manager shall invest primarily in a diversified portfolio of EM bonds rated at the time of investment "BBB+" to "CCC+" by S&P, or in bonds determined to be of comparable quality. The Fund can also invest up to 10% of its assets in Non-Rated bond issues and up to 30% of its assets in Non-EM issuers. The Fund is actively managed, not managed by reference to any index.

Fund Type UCITS
Minimum Initial Investment \$3,000

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 MT7000021226
Bloomberg Ticker CCEMBFA MV

Charges

Entry Charge Up to 2.5%
Exit Charge None
Total Expense Ratio (TER) 2.33%
Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction with the KID

Lower Risk Higher Risk
Potentially lower reward Potentially higher reward



Portfolio Statistics

Total Net Assets (in \$mns) 8.6
Month end NAV in USD 97.89
Number of Holdings 49
% of Top 10 Holdings 31.6

Current Yields

Distribution Yield (%) N/A
Underlying Yield (%) 5.91

Country Allocation¹ %

Brazil	13.6
Malta (incl. cash)	13.0
Mexico	8.6
India	7.0
Oman	7.0
Turkey	6.8
Indonesia	6.7
United States	5.7
United Kingdom	4.7
Spain	4.6

¹ including exposures to CIS

Credit Rating %

From AAA to BBB-	44.9
From BB+ to BB-	35.8
From B+ to B-	7.3
CCC+	0.0
Less than CCC+	4.1
Average Credit Rating	BBB-

Top 10 Exposures %

iShares JPM USD EM Bond	4.8
6.625% NBM US Holdings Inc 2029	4.6
5.8% Oryx Funding Ltd 2031	4.6
3.25% Export-Import BK India 2030	3.2
7.25% Gusap III LP 2044	2.6
6.625% Oztel Holdings Ltd 2028	2.4
6.033% Banco Santander SA 2035	2.4
5.25% KSA Sukuk Ltd 2034	2.4
7.45% Turkcell 2030	2.4
5% Takeda Pharmaceutical 2028	2.3

Currency Allocation %

USD	100.0
EUR	0.0

Asset Allocation %

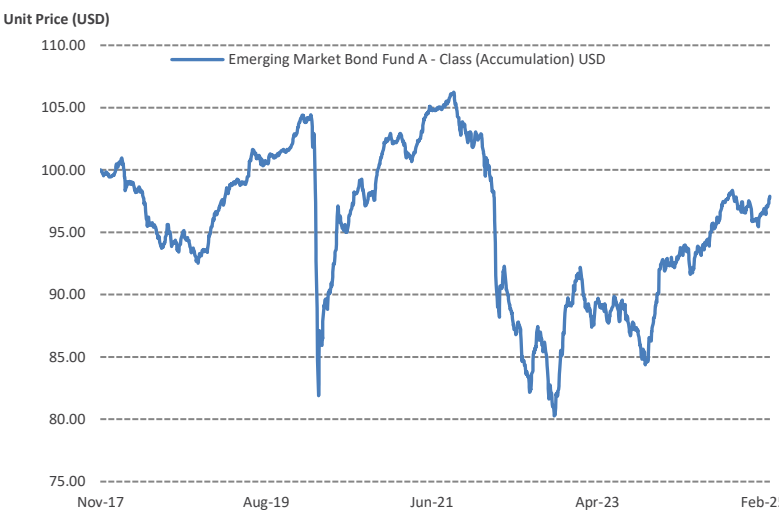
Cash	1.3
Bonds (incl. ETFs)	98.7

Maturity Buckets² %

0 - 5 years	46.0
5 - 10 years	38.4
10 years +	7.7

² based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown³ %

Sovereign	24.2
Telecommunications	9.1
Oil&Gas	7.4
Mining	7.4
Electric	6.9
Food	6.9
Healthcare-Services	1.8
Oil&Gas Services	1.2

³ excluding exposures to CIS

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception***
Share Class A - Total Return**	1.94	3.45	3.94	-13.21	0.25	-0.71	-0.29
Total Return	1-month	3-month	6-month	9-month	12-month		
Share Class A - Total Return**	1.35	0.89	0.53	4.72	5.31		

* The USD Accumulator Share Class (Class A) was launched on 03 November 2017.

** Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

*** 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.

Introduction

Emerging market (EM) credit exhibited robust performance in early 2025, recovering from the late 2024 sell-off. This prior downturn, which eroded prior gains, was largely attributed to heightened risk aversion preceding the US presidential election. Market participants priced in potential downside risks stemming from anticipated protectionist policies, notably trade tariffs.

Post-inauguration, tariff risk remained a significant overhang, with Mexico facing specific vulnerability due to its role in addressing US border security concerns. The threatened 25% tariffs on Mexican imports, a direct response to perceived policy shortcomings, were temporarily mitigated following diplomatic interventions and commitments to enhanced border enforcement. This episode underscores the sensitivity of EM credit to geopolitical risks and their potential for rapid repricing.

February saw a continuation of positive momentum.

Despite persistent inflationary risks, including the potential impact of tariffs and stronger-than-anticipated inflation data, global bond markets reacted positively to weakening US sentiment indicators and escalating growth concerns. This led to a 33bps decline in the US 10-year Treasury yield, closing at 4.21%, and a corresponding depreciation of the USD. This provided a significant tailwind for EM debt, as evidenced by a 1.34% return in EM corporate credit for the month.

Market Environment and Performance

Lack of clarity, arising from the dynamic and continuously evolving environment within the geopolitical sphere, are giving rise to uncertainty. The re-election of Donald Trump into office meant that the neighbouring countries will have to deal with the possibility of tariff imposition. Mexico and Canada, on the basis of the lack of controls surrounding imports of fentanyl and unfair trade practices, have certainly started to feel the below, with threats of tariffs being laid out. China too were subject to such trade tariffs, albeit to a lesser extent, with trump thus far taking a more cautious stance, imposing only a 10% tariff on Chinese imports. The PBoC - facing persistent headwinds to its economic recovery - has demonstrated restraint, favouring diplomatic engagement over aggressive retaliatory trade actions which may ultimately have adverse effects on domestic consumption.

In economic numbers, China's General Composite PMI increased to 51.5 in February 2025 from 51.1 in the previous month, marking the highest reading since last November. Still, it was the 16th month of growth in private sector activity, with new orders solidifying, supported by modest growth in output across both sectors. Meanwhile, China's annual inflation rate climbed to 0.5% in January from 0.1% in December, surpassing market expectations of 0.4%. This marked the highest level since August 2024, driven by seasonal effects from the Lunar New Year at the end of the month. This also reflected the impact of recent government stimulus measures and the central bank's accommodative monetary policy to support the economy.

Latin America's economic landscape presents a mixed picture. While earlier concerns regarding resurgent inflation were prevalent, recent data indicates a potential disinflationary trend, prompting a reassessment of future monetary policy adjustments. Notably, Brazil's inflation rate moderated to 4.56% from 4.83%, aligning with market forecasts and reaching its lowest level since September, amidst signs of slowing economic growth. This development suggests a potential shift in the Brazilian monetary policy stance.

In Asia, monetary policy is also responding to evolving economic conditions. The Reserve Bank of India (RBI) implemented a 25bps repo rate cut to 6.25% in February, the first reduction in nearly five years. The RBI's stated neutral stance aims to support economic growth. Conversely, Thailand and Indonesia experienced the most significant market declines in the region, reflecting investor concerns regarding weakening growth prospects.

Fund Performance

The CC Emerging Market Bond Fund delivered a 1.35% return in February, mirroring the broader positive trend in credit markets.

In response to ongoing market volatility and expectations of a sustained period of elevated Federal Reserve policy rates, the portfolio manager continued to dynamically manage risk and yield. Following the previous month's reduction in exposure to tariff-sensitive issuers, the focus shifted to enhancing income yield and mitigating interest rate duration.

To achieve these objectives, the manager strategically reallocated capital. Proceeds from the sale of the iShares Emerging Markets Bond UCITS ETF were redeployed to increase direct corporate bond exposures, specifically adding positions in Standard Chartered, Vedanta Resources, and HSBC Holdings. To further optimize income yield, a duration-neutral swap was executed, replacing a Polish bond with a 4.88% coupon with a newer issue yielding 5.38%. This swap effectively maintained the portfolio's duration profile while enhancing its income generation.

Market and Investment Outlook

Looking forward, Federal Reserve policy decisions and the broader global interest rate trajectory will remain pivotal factors. A shift towards a more dovish Fed stance could trigger further USD depreciation, a trend already observed in recent weeks. The USD's recent weakening is attributable to concerning US private sector employment data, which raised concerns regarding labor market resilience, and escalating trade tensions. Retaliatory tariffs imposed by Canada, Mexico, and China in response to US actions have amplified global growth risks and exerted downward pressure on the USD.

For the CC Emerging Market Bond Fund, the portfolio manager will maintain a dynamic approach, actively assessing the evolving market landscape to capitalize on attractive credit opportunities. Consistent with recent strategies, portfolio adjustments will be made to align with prevailing yield conditions and optimize duration, as deemed prudent. Furthermore, the manager will vigilantly monitor the geopolitical landscape within emerging markets, particularly the potential for escalating tensions, which continue to present a source of market uncertainty.

Disclaimer

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