Calamatta Cuschieri | moneybase

GROWTH STRATEGY FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet as at 28th February 2025

Month end NAV as at 26th February 2025

Investment Objective and Policies

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of collective investment schemes. The Investment Manager ("We") will invest in collective investment schemes ("CIS") (including UCITS, exchange-traded funds and other collective investment undertakings) that invest in a broad range of assets, including debt and equity securities. In instances, this may involve investing in CISs that are managed by the Investment Manager. The Investment Manager ("We") aims to build a diversified portfolio spread across several industries and sectors. The Fund is actively managed, not managed by reference to any index.

Minimum Initial Investment	€5,000

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	MT7000030672
Bloomberg Ticker	CCPGSCA MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.55%

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

Portfolio Statistics

Total Net Assets (in €mns)	5.36
Month end NAV in EUR	107.07
Number of Holdings	15
% of Top 10 Holdings	74.5

Currency Allocation	%
EUR	94.20
USD	5.80
GBP	0.00

Asset Allocation	%
Fund	96.00
Cash	4.00
ETF	0.00

Asset Class	%
Fixed Income	15.80
Equity	80.20

Geographic Allocation	%
European Region	36.20
Global	24.40
U.S.	22.50
International	12.80

Top Holdings	SRRI	%
Morgan Stanley Investment Fund	6	10.1
CC Funds SICAV plc - Global Opportunities Fund	6	8.6
Invesco Pan European Equity Fund	6	8.5
CC Funds SICAV plc - High Income Bond Fund	4	8.4
Fundsmith SICAV - Equity Fund	5	7.7
Comgest Growth plc - Europe Opportunities	6	7.3
UBS (Lux) Bond Fund - Euro High Yield	4	6.4
FTGF ClearBridge US Value Fund	6	6.2
Robeco BP US Large Cap Equities	5	5.8
UBS (Lux) Equity Fund - European Shares	6	5.5

Historical Performance to Date *

Source: Calamatta Cuschieri Investment Management Ltd.

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021*
Share Class A - Total Return**	3.51	10.63	12.62	-16.64	-0.41

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	0.11	1.82	6.04	6.78	8.65

* The Accumulator Share Class (Class A) was launched on 3 November 2021

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

Market Commentary

Introduction

The last week of February turned out to develop as a crisis of American unpredictability as the decision-making process and subsequent readjustments from the new Trump administration have conquered in rattling financial markets. While the protectionist agenda so far enforced amounts to a considerably higher estimated impact compared to measures taken during the first Trump mandate, markets have really been taken by surprise by such decisive action, with the big R word (read "recession") resurfacing again in the US. Against basic economic theory, the current US leadership actions have not been welcomed by markets, leaving in the dust the American exceptionalism theme which dominated just some months ago.

Meanwhile, market participants have rediscovered Europe and China as viable alternatives, which was unthinkable just a year ago. Geopolitical factors stemming from the need to step up its military defence against a potential Russian aggression has revitalized the Eurozone as a relevant economic bloc, active in finding its own footing in the very complicated landscape nowadays. A reassessment of the need to collaborate with the corporate sector in propping up domestic economic growth has been the main act in China as the central leadership signalled a warming up particularly towards the local technology sector. To paraphrase a political adage, it takes years for some major economic themes to play out in financial markets, but sometimes just weeks for market consensus to shift.

From the monetary front, while the FOMC had no meeting scheduled during the month, markets now expect for the FED to wait until next quarter before cutting rates again being faced with the threat of rising inflation. Inflation forecasts have raised on concerns that the new administration's policies, particularly on tariffs could reignite price pressures in the economy. Recently FED officials themselves, including Chair Powell, have admitted they are not in a hurry to lower rates further. In Europe, as the ECB did not hold a monetary policy meeting during the month, expectations remained constant as regards a further 25basis-point interest rate cut next month as the disinflation process remains on track.

In equity markets the last week of February has literally flipped the virtual market consensus as regards the continuation of American domination well into 2025. Since Christmas 2024, US markets underperformed their European and Chinese peers, in a total contradiction to what we have witness since the Great Financial Crisis, moves which recaps the beginning of 2023. That time around such development proved to be a fluke, as the then nascent AI tailwind quickly reverted things back to normal. This time however the challenge of US dominance in market performance might prove to be more sustainable. This time, the political change in the US, which seem to lead to unorthodox economic policies, combined with valid game-changing factors ripe to benefit both European and Chinese markets, can make such reality more sustainable. Finally, it looks like the valuation gap between the US and the rest has found a reason to shrink again after many years of failed attempts. The gap does not necessarily need to close, but the low base from which it all starts gives it the potential of quite some time to balance. Even from a theoretical standpoint it would make sense for such a process to take place now as the fundamental advantage of US markets, namely an outsized weighting in technology and growth stocks, does not quite do the trick in a higher interest rate environment, with higher cost of opportunity and requiring higher equity returns. Value sectors are at an advantage on a comparative basis requiring less margin of safety and being more competitive with bond pay-outs through dividend pay-outs. Of course, all this might turn on its head should the Trump doctrine perform a U-turn, which seems unthinkable right now. But also, an alternative to US markets seemed unthinkable just a quarter ago. So, it's definitely a wait and see process and do not sell the noise strategy.

Market Environment and Performance

In February, the economic picture was brightening after stagnation. The monthly PMI reading remained steady at 50.2, unchanged from the previous month and indicating a marginal economic growth in the bloc. Spain led the expansion with a strong and accelerated rise in business activity, while Ireland also saw faster growth, and Italy returned to expansion for the first time in four months. Germany experienced only modest growth, and France's activity continued to decline. Headline inflation eased to 2.4% as price growth slowed for services and energy, while core inflation fell to 2.6%, the lowest level since January 2022.

The US economy exhibited signs of emerging growth concerns, driven by potential tariff impacts and persistent inflationary pressures. The Composite PMI sharply declined to 50.4 from January level of 52.7, signalling near-stagnation in private sector activity. This marked the slowest expansion since September 2023, with a renewed contraction in services output. Business optimism reached a low point reflecting anxieties about federal spending cuts, tariffs, heightened price pressures and geopolitical uncertainties. The headline inflation posted a 2.8% reading in February, although slightly below market expectations. Core inflation also eased to 3.1%, rising by 0.2% month-over-month.

In February, global equity markets have put an end to the optimism it has embraced since the outcome of the US elections late last year, while at the same time asking serious questions about the American exceptionalism that was supposed to dominate financial markets this year. While the overall performance was only marginally negative, its sector-based segregation looked much more typical to a bear market, where consumer staples, energy and utilities heavily outperformed technology and consumer discretionary. Following on the debacle of the AI rally, the Magnificent 7 were the burden that pushed US markets toward a huge underperformance year-to-date compared to European and Chinese markets. The S&P 500 index lost 1.21% as even another set of impressive earnings from Nvidia failed to impress investors. European markets continued their strong run as institutional investors are changing their perennially negative sentiment toward the region even for a while. The EuroStoxx50 gained 3.34% while the DAX gained 3.77%.

Fund Performance

Performance for the month of February proved positive, noting a 0.11% gain for the CC Growth Strategy Fund.

Market and Investment Outlook

Going forward, the Manager believes that the conflicting measures taken by the Trump administration within its first weeks as regards trade policies have created material uncertainty on expectations of global economic and inflationary pressures. What initially was believed to be either a straightforward protectionist policy or a negotiating tactic, looks increasingly just an improvised trade policy without purpose with significant odds of generating a US recession. A collateral damage of such behaviour is monetary policy, as interest rates future pathway have by now became anyone's guess. While European and Chinese political factors have moved towards a more active support for their domestic economies and show no signs of appeasement in relation to the US trade aggressiveness, expectations for the global macroeconomic landscape as drafted after the US election should undergo a revision.

Given the above, the Manager remain conservative as regards market return expectations, combining a diversified allocation with heightened exposure to quality companies and business models benefitting from secular growth trends agnostic to specific macroeconomic developments. The Manager's strategy remains intact in terms of acting 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 episodes of market overshooting.

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