Calamatta Cuschieri | moneybase

INCOME STRATEGY FUND

SHARE CLASS A (DISTRIBUTOR) - 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 a combination of income, with the possibility of 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	MT7000030680
Bloomberg Ticker	CCPISAE MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.29%

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

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Portfolio Statistics

Total Net Assets (in €mns)	6.00
Month end NAV in EUR	93.03
Number of Holdings	13
% of Top 10 Holdings	96.2

Current Yield

Last 12-m Distrib. Yield (%)	3.47

Currency Allocation	%
EUR	100.00
USD	0.00
GBP	0.00

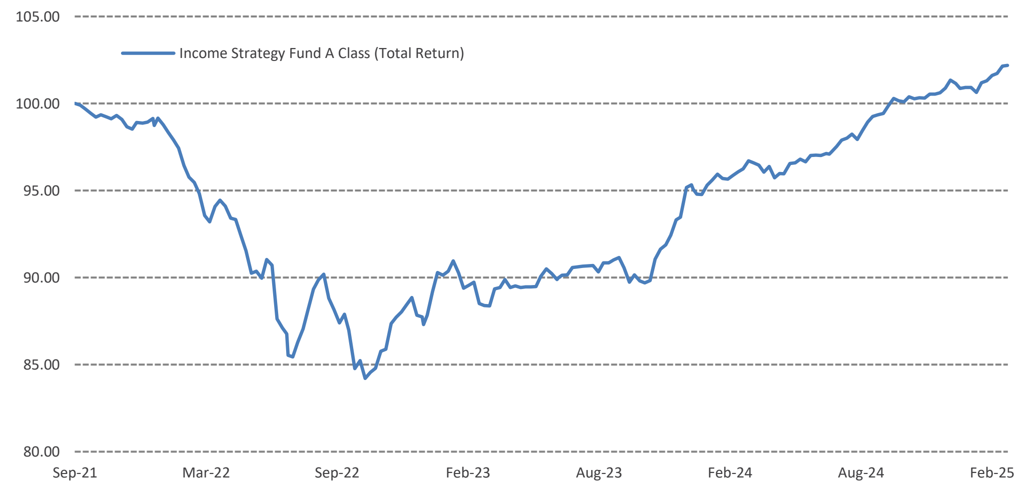
Asset Allocation	%
Fund	97.50
ETF	1.40
Cash	1.20

Asset Class	%
Fixed Income	98.80
Equity	0.00

Geographic Allocation	%
Europe	37.80
Global	36.10
International	24.90

Top Holdings	SRRI	%
UBS (Lux) Bond Fund - Euro High Yield	4	19.6
Nordea 1 - European High Yield Bond Fund	4	10.0
CC Funds SICAV plc - High Income Bond Fund	4	9.9
Robeco Capital Growth Funds - High Yield Bonds	4	9.6
BlackRock Global High Yield Bond Fund	4	8.1
DWS Invest Euro High Yield Corp	4	8.0
Janus Henderson Horizon Global High Yield Bond Fund	4	7.8
Fidelity Funds - European High Yield Bond Fund	4	7.8
Schroder International Selection Fund Global High Yield	5	7.7
AXA World Funds - Global High Yield Bonds	4	7.7

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****	1.25	6.16	8.90	-11.59	-1.26

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return****	0.87	1.57	2.96	5.73	6.35

* The Distributor Share Class (Class A) was launched on 15 September 2021.

** 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 A) was launched on 15 September 2021.

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

Market Commentary

Introduction

Following a turbulent start to the year, where resurgent US Treasury yields, driven by anticipated fiscal expansion and inflation concerns stemming from a change in administration, created significant market volatility, credit markets demonstrated a strong rebound. This positive trend continued into February.

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. Consequently, the US 10-year Treasury yield experienced a 33bps decline, concluding the month at 4.21%.

In Europe, improved growth prospects, fuelled by increasing optimism regarding a resolution to the Russia-Ukraine conflict, were counterbalanced by concerns over increased government borrowing for defence initiatives. This resulted in a more modest reduction in European sovereign yields compared to the US. Specifically, the yield on the benchmark 10-year German Bund declined by 5bps to 2.41%.

Central bank policy action remained pivotal. The Federal Reserve, after holding interest rates steady in January, indicated they see no immediate need for further adjustments, citing a strong economy and a less restrictive policy stance. They emphasized the need to balance inflation control with economic growth. In contrast, the European Central Bank (ECB), despite encouraging inflation trends and an additional 25bps cut in January, signalled it's too early to discuss further reductions, prioritizing continued inflation convergence.

February witnessed continued positive performance across corporate bond markets, albeit with varying regional dynamics. European high yield bonds exhibited a 1.04% gain, surpassing investment grade performance. In the US, a combination of slight spread widening and shorter duration resulted in US high yield underperforming, posting returns of 0.65%. The weakening US dollar provided tailwinds for emerging market debt, which recorded a 1.34% return.

Market Environment and Performance

The US economy exhibited signs of emerging growth concerns, driven by potential tariff impacts and persistent inflationary pressures. Leading indicators, specifically the February composite PMI, sharply declined to 50.4 from 52.7, signaling near-stagnation in private sector activity. This marked the slowest expansion since September 2023, with a renewed contraction in services output. Business optimism for the coming year reached its lowest point since December 2022 (excluding September), reflecting anxieties over federal spending cuts, tariffs, heightened price pressures, and geopolitical uncertainties.

Inflationary pressures intensified, with headline inflation rising to 3.0% in January, exceeding forecasts and the previous month's 2.9%, indicating stalled progress. Core inflation climbed to 3.3% from 3.2%, surpassing market expectations. The labour market presented a mixed picture: job growth fell below expectations, while the unemployment rate dipped to 4.0%. Critically, average hourly earnings rose by 4.1%, matching the revised prior month and exceeding forecasts, signaling potential for continued wage-driven inflation.

In Europe, the economic picture is brightening after stagnation in Q4 2024. February’s PMI reading remaining 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 accelerating rise in business activity, while Ireland also saw faster growth, and Italy returned to expansion for the first time in four months. In contrast, Germany experienced only modest growth, and France’s activity continued to decline.

On the price front, Inflation eased to 2.4%, down from a six-month high of 2.5% but slightly above market expectations of 2.3%, as price growth slowed for services and energy. Core inflation which excludes volatile energy, food, alcohol & tobacco prices, fell to 2.6% in February, the lowest since January 2022. The labour market, remained healthy, with the unemployment rate revolving at notable lows (6.2% in January), and significantly below the 20-year average.

Fund Performance

Performance for the month of February proved positive, noting a 0.87% gain for the CC Income Strategy Fund – in line with the moves witnessed across high-yield credit markets during such period.

Market and Investment Outlook

The credit market narrative at the start of the year remained largely unchanged, with investor attention focused on the dynamic political landscape, central bank policies, and economic data.

Economic indicators, both leading and lagging, continue to emphasize a regional divergence. The US, despite the Federal Reserve's "higher for longer" stance, continues to demonstrate resilient broad-based strength, underpinned by a robust labour market that has thus far supported consumer spending. Meanwhile, Europe has shown tentative signs of growth acceleration following a Q4 2024 stagnation, with private sector activity in expansionary territory for the second consecutive month.

In credit markets, the combination of a resilient labour market in the US and persistent inflationary pressures dictates a prudent, neutral duration strategy, especially as the yield curve's trajectory remains highly uncertain.

Our current preference leans towards European credit, underpinned by the prospects of continued monetary easing by the ECB. Nevertheless, the dynamic nature of the current environment, particularly the constantly evolving geopolitical tensions, require a highly proactive and adaptive management style to navigate potential risks and capitalize on emerging opportunities.

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