Calamatta Cuschieri | moneybase

EMERGING MARKET BOND FUND

SHARE CLASS F EUR (DISTRIBUTOR) INSTITUTIONAL - FACT SHEET

Factsheet at 31st March 2025

Month end NAV as at 28th March 2025

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 Sub-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	€100,000

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	MT7000026456
Bloomberg Ticker	CCEMBFF MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	1.88%

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)	8.8
Month end NAV in EUR	59.69
Number of Holdings	48
% of Top 10 Holdings	30.3

Current Yields

Distribution Yield (%)	4.60
Underlying Yield (%)	6.05

Country Allocation[1]	%
Brazil	13.8
Mexico	8.7
Oman	7.2
India	7.1
Turkey	6.8
Indonesia	6.8
United States	5.2
Saudi Arabia	4.7
United Kingdom	4.7
Spain	4.6

[1] including exposures to CIS

Credit Rating	%
From AAA to BBB-	44.9
From BB+ to BB-	36.3
From B+ to B-	7.3
CCC+	0.0
Less than CCC+	4.1
Average Credit Rating	**BBB-**

Top 10 Exposures	%
5.8% Oryx Funding Ltd 2031	4.7
6.625% NBM US Holdings Inc 2029	4.7
3.25% Export-Import BK India 2030	3.2
iShares JPM USD EM Bond	3.0
7.25% Gusap III LP 2044	2.6
6.625% Oztel Holdings Ltd 2028	2.5
6.033% Banco Santander SA 2035	2.4
5.25% KSA Sukuk Ltd 2034	2.4
5% Takeda Pharmaceutical 2028	2.4
6.5% Petrobras Global Finance 2033	2.4

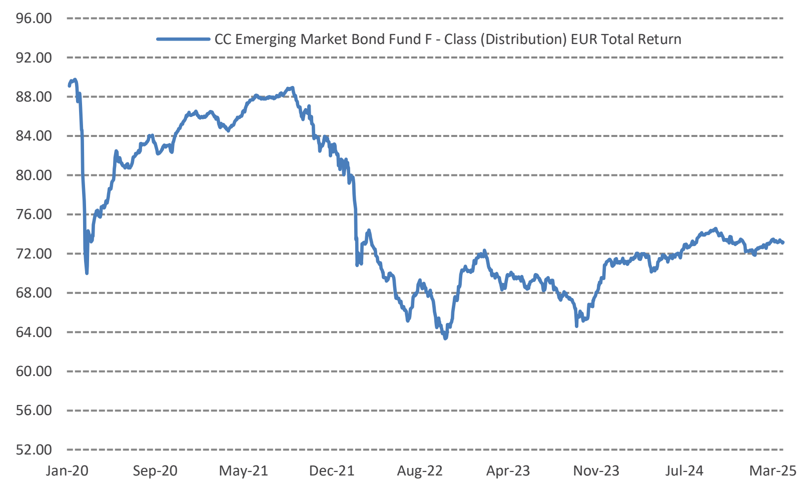
Currency Allocation	%
USD	98.7
EUR	1.3

Asset Allocation	%
Cash	2.5
Bonds (incl. ETFs)	97.5

Maturity Buckets[2]	%
0 - 5 years	46.5
5 - 10 years	38.3
10 years +	7.8

[2] based on the Next Call Date

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown[3]	%
Sovereign	23.8
Telecommunications	9.2
Oil&Gas	7.5
Mining	7.4
Electric	7.1
Food	7.0
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 F - Total Return* **	1.17	1.26	1.74	-14.80	-4.54	-3.11	-3.75

Total Retun	1-month	3-month	6-month	9-month	12-month
Share Class F - Total Return* **	-0.37	1.17	-1.78	1.81	1.64

* The EUR Distributor Share Class (Class F) was launched on 06 February 2020.

** 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.

*** 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.

Market Commentary

Introduction

Emerging market (EM) credit delivered strong performance throughout the first quarter of 2025, rebounding from the sell-off seen in late 2024. That earlier downturn was largely driven by heightened risk aversion ahead of the US presidential election, as markets priced in potential downside risks linked to anticipated protectionist policies, particularly trade tariffs.

Tariff-related risk remained a notable headwind even after the inauguration, with countries like China and Mexico bearing the brunt. Mexico, in particular, was seen as especially vulnerable due to its central role in addressing US border security concerns. Proposed 25% tariffs on Mexican imports, introduced in response to perceived policy shortcomings, were temporarily averted following diplomatic efforts and commitments to strengthen border enforcement.

As US exceptionalism became more pronounced - negatively impacting EM economies and contributing to a broader climate of uncertainty - certain developments proved supportive for EM credit. These included rising US policy uncertainty, a decline in 10-year US Treasury yields, and a weakening US dollar, all of which followed softening US sentiment indicators and growing concerns over economic growth. These factors provided a meaningful tailwind for EM debt. Notably, EM corporate credit posted a modest 0.10% return in March, contrasting with negative returns across global investment-grade and high-yield credit. For the quarter as a whole, EM corporate credit outperformed, delivering a 2.57% gain.

Market Environment and Performance

The lack of clarity stemming from the dynamic and continuously evolving geopolitical landscape is fuelling heightened uncertainty. The re-election of Donald Trump has raised concerns among US trade partners, as the risk of new tariff impositions becomes more pronounced. Mexico and Canada, in particular, have come under pressure due to perceived shortcomings in controlling fentanyl imports and alleged unfair trade practices, with threats of tariffs already being voiced. China has also faced renewed tariff measures, with Trump initially adopting a more cautious approach by imposing a 10% tariff on Chinese imports—later raised to 20%. In response, the People's Bank of China (PBoC), contending with persistent challenges to economic recovery, has shown restraint. Rather than retaliating aggressively, it has opted for diplomatic engagement, aiming to avoid actions that could further undermine domestic consumption.

In economic numbers, China's General Composite PMI increased to 51.8 in March 2025 from 51.5 in the previous month, marking the highest reading since last November. Still, it was the 17th month of growth in private sector activity, driven by the strongest expansion in manufacturing output in four months and a three-month peak in service sector growth. Meanwhile, China's consumer prices dropped by 0.7% YoY in February 2025, surpassing market estimates of a 0.5% decline and reversing a 0.5% rise in the prior month. This was the first consumer deflation since January 2024, amid fading seasonal demand following the Spring Festival in late January.

Latin America's economic landscape presents a mixed picture. Earlier concerns about resurgent inflation were alleviated by previous month's readings, which suggested a potential disinflationary trend in some economies. However, more recent data has reignited these worries. Notably, Brazil's inflation rate rose to 5.06% from 4.56%, surpassing market forecasts and reaching its highest level since September 2023. Mexico and Chile also saw increases, with headline inflation rising to 3.77% and 4.9%, respectively.

In Brazil, with inflation still above the central bank's target, the policy rate has been raised three times since the beginning of the year and now stands at 14.25%.

Fund Performance

The CC Emerging Market Bond Fund posted a negative return of 0.26% in March, which offset the gains achieved in the first two months of the year. For Q1, the fund delivered a return of 1.67%.

In response to ongoing market volatility and expectations of a prolonged period of elevated Federal Reserve policy rates, the portfolio manager continued to actively manage risk and yield. After reducing exposure to tariff-sensitive issuers, increasing allocations to income-generating securities, and mitigating interest rate duration in the previous month, the manager largely maintained the portfolio's current allocation in March. The only adjustment made was a reduction in exposure to sovereigns through ETFs, which effectively lowered the portfolio's duration.

Market and Investment Outlook

Looking ahead, policy uncertainty under the new US administration, upcoming Federal Reserve decisions, and the broader trajectory of global interest rates will remain key drivers. Should current economic uncertainty persist, a shift toward a more dovish stance by the Fed could prompt further depreciation of the US dollar, a trend that has already begun to emerge in recent weeks.

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.

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