Calamatta Cuschieri | moneybase

GLOBAL BALANCED INCOME FUND

SHARE CLASS B (DISTRIBUTOR) - FACT SHEET

Factsheet at 31st March 2025

Month end NAV as at 28th March 2025

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	MT7000023891
Bloomberg Ticker	CCGBIFB 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)	14.7
Month end NAV in EUR	11.41
Number of Holdings	82
% of Top 10 Holdings	18.1

Current Yield

Last 12-m Distrib. Yield (%)	2.00

Country Allocation[1]	%
USA	38.4
Malta	15.2
France	9.7
Germany	5.1
Great Britain	4.8
Luxembourg	4.2
Netherlands	3.8
Brazil	3.6
China	1.7
Denmark	1.4

[1] including exposures to ETFs

By Credit Rating[2]	%
AAA to BBB-	15.3
BB+ to BB-	18.2
B+ to B-	1.9
CCC+ to CCC	0.0
Not Rated	7.5

[2] excluding exposures to ETFs

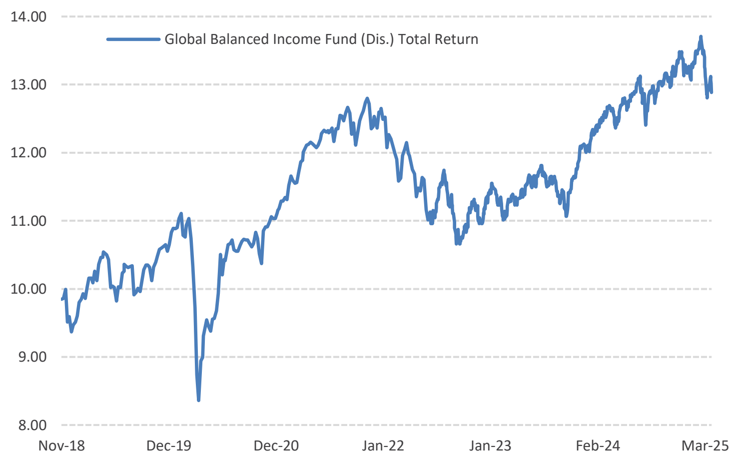
Top 10 Exposures	%
Bristol Myers Squibb Co	2.1
Amazon.com Inc	2.0
Uber Technologies Inc	2.0
Alphabet Inc	1.7
Mercadolibre Inc	1.7
iShares Euro High Yield Corp	1.7
Booking Holdings Inc	1.7
Airbnb Inc	1.7
3.5% Govt of France 2033	1.7
Salesforce Inc	1.7

Currency Allocation	%
EUR	58.8
USD	40.9
GBP	0.3

Asset Allocation[1]	%
Cash	12.0
Bonds	45.8
Equities	42.2

Maturity Buckets	%
0 - 5 years	19.6
5 - 10 years	17.2
10 years +	6.2

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown	%
Communications	19.1
Financial	13.9
Consumer, Non-cyclical	11.0
Industrial	9.2
Technology	9.2
ETFs	9.2
Diversified	4.4
Sovereign	4.2
Basic Materials	3.6
Energy	3.2
Healthcare	1.0

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception***
Total Return******	-2.14	8.66	10.58	-12.92	12.81	2.52	4.31

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return******	-4.60	-2.14	-1.08	-0.14	1.51

* Data in the chart does not include any dividends distributed since the Fund was launched on 19 November 2018.

** 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 B) was launched on 19 November 2018. 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

March has most likely revealed what the world will probably have to face up over the remaining 3 years and 10 months of the second Trump's term – namely uncertainty. As financial markets got a respite from the diplomacy blitzkrieg meant to reshape the global geopolitical alliances, they had to re-shift their focus on global trade. Levying taxes on imports from the US largest trading partners does have a much more palpable negative effect on the real economy, therefore having a direct impact on financial markets. As expected, it is the lack of visibility that rattled financial markets, completely erasing any sense of predictability on their direction. Beyond the logic behind such measures, the surprise factor on such measures and their depth have the potential of changing some of the well-known paradigms on which financial markets have been running since the Great Financial Crisis. Indeed, American equities outperformance, US dollar as a safe heaven, and the current setup of global supply chains have all been put into question overnight. Compounding this with the said geopolitical shakeup attempt does amount to the potential of an accelerated de-globalization process that can reshape the global financial system as it works today. We know that financial markets thrive on predictability and that the lack thereof creates uneasiness and difficult to navigate. However, it looks like market participants do not fully buy into this scenario. Political and economic pressures are piling up against such momentous swift change in economic and financial flows that will most likely push other financial or political establishment making critical interventions eventually. For the time being the pro-business pro-growth economic agenda on which US elections have been won last year seem very far from being achieved.

From the monetary front, the FED maintained its federal funds target rate steady reflecting a cautious stance amid growing economic uncertainty. It also slowed its balance sheet reduction, cutting monthly Treasury paper runoff starting in April, while keeping agency mortgage-backed securities redemptions constant. While headline inflation eased, new tariffs introduced by the US executive are expected to reignite inflationary pressures. As such, FED officials acknowledged the heightened uncertainty and revised 2025 growth forecasts downward. In Europe, the ECB reduced its key interest rate by 25basis points marking the sixth cut in the latest decreasing cycle. Its projections regarding GDP growth forecasts were revised downwards based on uncertainties from US tariffs and increased defence spending. Concerns were expressed as regards potential retaliatory trade measures that could exert upward pressure on prices in the near term.

In equity markets, March has been the worst month in terms of performance in recent memory. Not for the first time in our memory, the American exceptionalism in equity markets was put into question. However, for the first time this stems not from an exogenous event, not from an economic depression, but by a man-made erroneous economic policy which if carried out, at face value will challenge the business models of many blue chips at fundamental level. This is not about valuation metrics, this is not about transitory economic effects which will be eventually managed through creativity and optimal capital deployment, but about dismantling decades of long supply chain setups implemented with a view to generate optimal operating margins. No wonder that some institutional investors have separated from the cream of US corporate exceptionalism, namely Mag 7, and deployed capital in other geographies seen to ultimately benefit from the US economy loss of competitiveness. The more alarming prospect is seeing investors taking a full-blown de risking approach vis-à-vis US assets, including the US dollar and US Treasuries. While still a far-fetched prospect at this point, should the intended economic and political global reshuffling sought by the current US administration succeed, US might not end up as the financial markets hegemon it is today.

Market Environment and Performance

In March, the European economic outlook improved further after the stagnation in Q4 2024. The monthly Composite PMI edged up to 50.9 from 50.2 in February, pointing to a modest expansion across the Euro area. Spain led the expansion with a strong, accelerated rise in business activity, while in Germany data signalled the strongest private sector expansion in ten months, as the manufacturing slump eased, and production rose for the first time in nearly two years. Headline inflation fell to 2.2% 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. Leading indicators rebounded after a sharp decline last month, with March's Composite PMI noting a solid growth to 53.5 from February level of 51.6, driven by a pickup in service activities as manufacturing output declines. Concerns over the impact of federal government policies, especially in relation to tariffs, caused sentiment to fall to its second-lowest level since the end of 2022. The headline inflation posted a 2.4% reading in March, slightly below market expectations. Core inflation also eased to 2.8%, declining by 0.3% month-over-month.

In March, global equity markets have started negative pressures under the weight of the vicious protectionist trade policies earmarked by the Trump administration on the main US trading partners, thus mirroring the fear of a global recession in the making. Indeed U.S. markets continued unravelling their 15-year long performance dominance taking disproportionally the brunt of a global commercial war in the making, while all other geographies were also in red. The S&P 500 index lost 8.30% as elevated valuation metrics and sudden worries about domestic economic growth have caught equities by surprise. European markets continued outperforming on a relative basis benefitting from historical inflows from investors who perceive the potential of long-term outperformance. The EuroStoxx50 lost 2.44% while the DAX lost 0.4% helped in particular by defence contractors and banks.

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. However, the announced fiscal package by the Germany has spooked an upward tick in yields which has also conditioned other European regions. The recent moves have created more volatility within the space despite market expectations that the ECB will continued with its interest rate cut trajectory. We are of the view that the recent moves are to a certain extent an overshoot and we do expect to see some retracement in the coming months.

Fund Performance

In the month of March, the Global Balanced Income Fund registered a 4.60 per cent loss. The Fund's equity allocation has been rebalanced, as the Manager aligned it to the overriding market sentiment. New conviction names Rheinmetall AG and Thales SA have been added based on expectations of improved return potential over the short to medium term. Meanwhile holdings in US Bancorp and PayPal Holdings were liquidated based on decreased upside potential 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 three newly issued bonds, namely the 4.5% Sappi Papier Holding 2032, 5% Celanese US Holdings, and the 5.375% Schaeffler AG 2031.

Market and Investment Outlook

Going forward, the Manager believes that the fear regarding the potential damage to be induced by the Trump administration envisaged economic measures has been validated as financial markets are mirroring the clear and present danger induced by those on the outlook for global economic growth and inflationary pressures. Notwithstanding the level of uncertainty already in place by the conflicting actions taken on a daily basis in respect to such measures (announcements, reprieves, suspensions, exceptions), what is under analysis is not the certain negative impact, but mostly its extent and timeframe. We expect credit markets to be vvery much conditioned by monetary politicians and/or a risk-off mode which should positively impact the considered safer bonds, while solid risker names should be less volatile in the current environment.

From the equity front, the Manager has raised its conservative view on the market return expectations over the short term, however sticking with its long-term conviction as regards a diversified allocation with heightened exposure to quality companies benefitting from secular growth trends agnostic to specific macroeconomic developments. The Manager remains opportunistic for the time being in deploying capital tactically in specific sectors where the promise of fast returns becomes predominant over the shorter timeframe, and using cash levels as dry powder to be used during episodes of market overshooting.

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