Calamatta Cuschieri | moneybase

INCOME STRATEGY FUND

SHARE CLASS A (DISTRIBUTOR) - FACT SHEET

Factsheet as at 31st March 2025

Month end NAV as at 26th March 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

1 **2** 3 4 5 6 7

Portfolio Statistics

Total Net Assets (in €mns)	5.95
Month end NAV in EUR	92.40
Number of Holdings	13
% of Top 10 Holdings	96.0

Current Yield

Last 12-m Distrib. Yield (%)	3.47

Currency Allocation

Currency Allocation	%
EUR	100.00
USD	0.00
GBP	0.00

Asset Allocation

Asset Allocation	%
Fund	97.50
ETF	1.30
Cash	1.20

Asset Class

Asset Class	%
Fixed Income	98.80
Equity	0.00

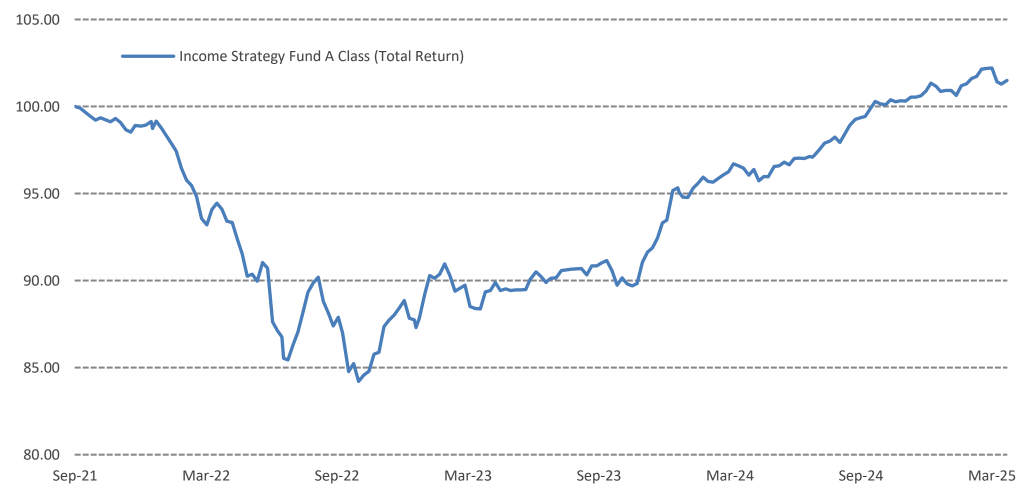
Geographic Allocation

Geographic Allocation	%
Europe	37.90
Global	35.90
International	25.00

Top Holdings

Top Holdings	SRRI	%
UBS (Lux) Bond Fund - Euro High Yield	4	19.6
Nordea 1 - European High Yield Bond Fund	3	10.0
CC Funds SICAV plc - High Income Bond Fund	3	9.9
Robeco Capital Growth Funds - High Yield Bonds	4	9.6
BlackRock Global High Yield Bond Fund	5	8.1
Janus Henderson Horizon Global High Yield Bond Fund	3	7.8
Fidelity Funds - European High Yield Bond Fund	3	7.8
DWS Invest Euro High Yield Corp	3	7.8
Schroder International Selection Fund Global High Yield	3	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******	0.57	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******	-0.68	0.57	1.21	4.50	5.23

* 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

The global macroeconomic environment underwent a notable shift in the first quarter of 2025. US exceptionalism came under pressure as heightened policy uncertainty triggered a sharp decline in sentiment, intensifying recession concerns. Meanwhile, a significant change in Germany's fiscal policy improved the economic outlook across Europe, leading to a pronounced divergence in fixed income markets.

Germany held federal elections in February, with Friedrich Merz's Christian Democratic Union (CDU) securing the largest share of votes. Merz expressed his intention to form a coalition government by Easter. In March, Germany's parliament approved plans under the incoming Chancellor to relax the country's borrowing restrictions, specifically exempting defence and security spending from strict debt limits. This move also enabled the launch of a €500 billion infrastructure fund to be deployed over the next 12 years. Consequently, German Bunds bore the brunt of the ensuing sell-off across the eurozone, with yields recording their largest daily jump since reunification in 1990 following the announcement (yields move inversely to price). There was a partial reversal of the market weakness towards the end of the quarter as focus turned to US "Liberation Day", and thus the announcement of a broader swathe of tariffs.

Central bank policy action remained pivotal in Q1. The European Central Bank cut interest rates by a total of 50bps across its January and March meetings. Meanwhile, the Federal Reserve held the federal funds rate steady in March at 4.25-4.5%, maintaining the pause in its rate-cutting cycle that began in January. Fed Chair Jerome Powell acknowledged growing uncertainty in the economic outlook but reiterated expectations of approximately 50bps in rate reductions over the course of the year.

US Treasuries outperformed during the quarter, with yields declining significantly (and prices rising) in response to weaker economic data. Divergence was also evident in corporate bond markets. Divergence was evident in corporate bond markets. Credit delivered positive returns over the quarter, despite a risk-off tone in March that weighed especially on high-yield segments. Overall, US dollar-denominated bonds outpaced euro-denominated debt, with investment-grade returns at 2.36% versus 0.14%, and speculative-grade returns at 0.94% versus 0.64%.

Market Environment and Performance

The US economy exhibited signs of emerging growth concerns, driven by potential tariff impacts and persistent inflationary pressures. Leading indicators, following a sharp decline in February rebounded at quarter-end, with March's Composite PMI noting solid growth (53.5 v a previous month reading of 51.6) in the US private sector, largely driven by a pickup in services activity as manufacturing output declined. Meanwhile, 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.

On the inflation front, concerns eased as both headline and core inflation declined more than expected in February. Headline inflation dropped to 2.8% from 3%, coming in below forecasts. Core inflation, which excludes volatile components such as energy, food, alcohol, and tobacco, also fell to 3.1% from 3.3% the previous month. Despite some signs of softening, the labour market remained resilient. Job growth exceeded expectations, although the unemployment rate edged up slightly to 4.2%. Critically, average hourly earnings rose by 3.8%, below forecasts of a 3.9% rise and February's 4% advance.

In Europe, the economic outlook improved after stagnation in Q4 2024. PMI readings remained in expansionary territory since the start of the year. March's Composite PMI edged up to 50.9 from 50.2 in January and February, pointing to a modest expansion across the euro area. Spain led the recovery with strong and accelerating business activity throughout the quarter. In Germany, March data signaled the strongest private sector expansion in ten months, as the manufacturing slump eased and production rose for the first time in nearly two years. France, however, remained an outlier, recording a seventh consecutive month of contraction in private sector activity.

On the price front, inflation continued to decline, reinforcing confidence that the disinflation process is on track and converging toward the ECB's medium-term target of 2%. In March, annual inflation fell to 2.2%, the lowest level since November 2024. Services inflation also eased to a 33-month low, falling to 3.4% from 3.7% in February. The labour market, remained healthy, with the unemployment rate revolving at notable lows (6.1% in February), and significantly below the 20-year average.

Fund Performance

Performance for the month of March proved negative, noting a 0.68% loss 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 displayed early signs of a pickup in growth following stagnation in Q4 2024, with private sector activity remaining in expansionary territory throughout the first quarter.

In credit markets, the interplay between a resilient US labour market and ongoing inflationary pressures supports a cautious, neutral approach to duration, particularly given the continued uncertainty surrounding the yield curve's direction. The imposition of new tariffs - exacerbated by the US's Liberation Day measures - is expected to further cloud the economic outlook and add complexity to the yield curve's path, as consumers grapple with rising prices and a resurgence in inflationary pressures.

We maintain our current preference, which 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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