



Calamatta Cuschieri Funds SICAV p.l.c.

**Annual Report and
Audited Financial Statements**

For the year ended 31st December 2017

Calamatta Cuschieri Funds SICAV p.l.c.

Company Registration Number: SV18

Ewropa Business Centre,
Dun Karm Street,
Birkirkara BKR 9034,
Malta.

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1. Directors, officers and other information

Directors:	Alexander Cuschieri Nicholas Calamatta Carmel John Farrugia Alan Cuschieri
Registered office:	Ewropa Business Centre, Dun Karm Street, Birkirkara BKR 9034, Malta.
Company registration number:	SV186
Administrator and transfer agent:	Calamatta Cuschieri Fund Services Limited Ewropa Business Centre, Dun Karm Street, Birkirkara BKR 9034, Malta.
Investment manager:	Calamatta Cuschieri Investment Management Limited Ewropa Business Centre, Dun Karm Street, Birkirkara BKR 9034, Malta.
Custodian and banker:	Sparkasse Bank Malta p.l.c. 101 Townsquare, Qui-si-Sana Waterfront, Sliema SLM 3122, Malta.
Legal advisors:	GANADO Advocates 171, Old Bakery Street, Valletta VLT1455, Malta.
Auditor:	Deloitte Audit Limited Deloitte Place, Mriehel Bypass, Mriehel BKR3000, Malta.

3 Report of the investment manager

The long end of the European sovereign curve upheld its declining momentum in the initial trading sessions of 2017, as investors continued to offload their positions in line with improving economic data, as the market increased its expectations that the ECB will tighten its policies going forward. In the month, the European 15-year plus sovereign curve declined by 5.4 percent, while short-dated issues, 1-year to 3-year sovereign bonds, declined marginally by 0.28 percent.

On the contrary, spreads amongst risky bonds continued to as most of the returns were generated through interest returns, rather than price appreciation. In the U.S., treasury yields were conditioned by Trump's chatter in his first days in office. On the contrary, US HY bonds continued to display gains with a monthly total return gain of 1.3 per cent, mainly driven by the attractive yields following the correction witnessed post November's US Presidential election. Undoubtedly, the market has been pricing-in the expected three rate hikes in 2017 and thus market participants were happy to re-dip in at attractive levels.

Hard currency EM bonds once again emerged as the best performing class amongst its peers with a monthly total return of 2.1 percent.

For European equity markets, 2016 turned out to be nothing like expectations at the beginning of the year. Brexit happened in June and sent shivers through the markets for a while. The banking sector crumbled under negative interest rates and in addition, the much-hoped-for earnings growth failed to appear.

Economic growth in Europe is still sub-par and subject to event risk. January seems to be representative of this view as the positive from improving fundamental data was cancelled by the market's reaction to an executive order by Trump banning immigration from seven Muslim-majority countries and tweets on the Euro, Germany and trade. By the end of the month, the main European equity benchmark had dropped 1.8 percent.

Over the whole year, rising bond yields and global economic momentum were supportive of European equities. While our analysts concur with market views that equity prices will not rise in a straight line this year, the Investment Managers expect European equity markets to end the year positively. In addition, careful stock selection will play a key part in determining long-term performance.

Credit markets registered a noteworthy performance across both sides of the Atlantic during the month of February as European and US HY markets were up by 1.06% and 1.60% respectively as measured by leading market indices. The political and central bank activity and chatter did little to deter investors to adding more risk to their portfolios, in part aided by robust economic thorough data, but also by the positive string of earnings releases. Sentiment in risky assets was upbeat, cash was put to work and credit spreads tightened as improved credit metrics compelled investors to take advantage of the persistent credit grind tighter. Investors' buoyant mood was also bolstered by a series of credit rating upgrades, something which investors had seemingly forgotten were still achievable and possible.

With February expectedly being a quiet month for central bank activity, investors were not expecting government bonds to be much in the fray. With the looming French and Dutch elections in Europe however, and persistent fluctuations in polls towards pro- and anti-Europe parties for much of the month, government bonds were back in demand as the flight to safety trade kicked in once again as European government bonds rallied by 1.1% during the month, with the longer end of the curve bull-flattening.

The global search for yield continued, the outlook for commodities has improved markedly and without being too euphoric, emerging market economies are in a healthier state than a large number of developed economies, with encouraging prospects for GDP growth in 2017. Meanwhile, inflation has continued to creep upwards, mainly on the back of a rise in commodity and energy prices, so base effects largely contributed towards this uptick in price pressure. Although inflationary pressures could well persist on the back of the robustness in emerging market economies, EM central banks are more likely to oversee the recent spike in inflation rather than respond with any form of policy tightening.

The world economy seems to be recovering steadily. Expectations of economic growth often accompanied by higher interest rate expectations are having a twofold impact on equity valuations. The twin effect; an expected earnings increases from higher economic growth and the expected rotation from fixed income to equities as a result of higher interest rates, is dramatic.

In February, European equities gained 2.75 percent as market analysts continued to reprice future earnings. Optimism was supported by a decent earnings season and a rebound in profit margins, even if most of the growth was already priced-in. However, we believe that the Q416 results were the first stage of a strengthening earnings recovery.

Credit markets across both sides of the Atlantic, and beyond had a mixed month in March and had muted returns within some regions, notably in European High Yield and Emerging Market High Yield markets, both registering gains of 0.08%. Investment Grade credit and sovereign markets ended the month in negative territory in March, both in Europe and the US, for varying reasons.

Whilst the European economy closed off the quarter with a string of positive economic data and an even better Q4 earnings season, the political scenario continued to take its toll on investor sentiment, with the weakness witnessed in peripheral sovereigns dragging corporate bonds in the region lower and spreads on such bonds wider. Despite this, the sharp cost savings by high yield issuers as witnessed by the recent wave of refinancing of bonds previously issued with large coupons placed such high yield bonds in a better footing in terms of credit metrics. This, coupled with the abundance of liquidity in the market and the persistent search for yield kept prices supported albeit the carry trade was a major contributor for European High Yield returns during the month. In the meantime, fixed income markets focused instead on renewed expectations that the ECB will maintain a dovish tone for longer, and sovereign yields dropped quickly again.

In the US, the new administration's failure to thread along with the newly proposed healthcare legislation coupled with its persistent delay in placing climate change regulation high on its agenda has had the market raising eyebrows on Trump's willingness and capability of sticking to and implementing its pre-electoral promises, particularly due to the fact that at pre-election stage these were being viewed as market-friendly policies.

A strong European equity rally was fuelled by President Trump's speech to congress at the beginning of the month that struck a softer tone than normal. Meanwhile a rate increase at March's US FED FOMC meeting pushed the dollar higher and Eurozone manufacturing PMI continued to rise. Flash February Eurozone inflation was up 2 percent on the year after increasing 1.8 percent in January leading many to question the need for additional monetary support by the ECB. Markets continued to advance following the encouraging Dutch elections, whereby voters rejected populism.

Towards the end of the month, the headline that most attracted attention during the month of March was the UK's formal withdrawal from the EU. However, this was not enough to derail the equity rally in Europe. The Benchmark index added an impressive 5.5 percent over the month.

Economic data remained resilient, both in the Eurozone and in the US, and this was translated into yet another positive string of corporate results in the early days of Q117 earnings season whilst manufacturing and services data, as measured by PMIs have also surprised to the upside. For example, data shows that unemployment in Europe has been creeping lower and has recently fallen to its lowest in almost eight years. Inflationary data has also been slowly ticking upwards, with the European Central Bank revising its forecast for inflation upwards to for 2018 and 2019.

Though it had been announced earlier, April marks the month whereby the ECB's monthly asset purchase programme is scaled lower to €60bn from €80bn. ECB's Draghi acknowledged that the recovery is gaining ground, reiterating however that inflation is "not yet self-sustaining enough to justify an end of extraordinary monetary support."

Towards the beginning of the month, investors began to question the sustainability of the emerging-market revival that channelled almost \$60 billion into assets of developing economies during the first months of 2017. While money is still flowing in, some investors were a bit weary, and held back from pumping more money in, as worries that the buying spree, which helped give emerging-market stocks and currencies their best quarter in two years, has resulted in heightened valuations

Geopolitical tensions heightened during the month. With tension growing between the U.S. and North Korea, there is elevated political risk from many angles. This, coupled with the uncertainty in the run-up to the French presidential elections, halted flows into the asset class. However, following the first round of elections in France, flows picked up into emerging markets as the likelihood of Macron emerging victorious in the second round grew rife, fuelling a much-needed end of month rally across all emerging market asset classes. Global emerging market high yield bonds ended the month 1.43% higher.

The month of April started off in 'risk off' mode as concerns about North Korea, Syria and the approaching French election increased uncertainty in equity markets. Polls on the first round of the French presidential election continued to show Le Pen and Macron on around 25% of the vote each.

Fortunately, the first round of the French Presidential election has delivered a good outcome for investment markets with centrist pro-Euro candidate Emmanuel Macron and far-right Anti-Euro National Front candidate Marine Le Pen advancing to the May 7 run-off vote for President of France.

Sentiment turned 'risk on' following the outcome of the election. On the election result, Eurozone shares reacted up 3.4%, while US shares went up 1.5%.

From European to US High Yield and Emerging Market Credit (and to a lesser extent, European and US Investment Grade markets) credit remained better bid for most of the trading sessions within the calendar month, as the global search for yield, within an asset class, which has so far remained robust and offered minimal volatility, intensified.

In an attempt to not miss out on the rally, despite being aware that valuations and spreads appear tight and have been appearing so for quite a while, global investors and investment managers alike sought to jump on the bandwagon and reduce cash holdings for an increased preference in allocation towards fixed income.

Investors are seemingly getting the lowest yields, on bonds within the higher yielding space, such as High Yield and Emerging Markets, in the years which could well-explain the level and element of complacency within the markets. Historically, high yield bonds have, more often than not, closely mirrored performance in equity markets, and the persistent buoyance being portrayed within equity markets is spreading over on to the fixed income investor.

Economic data has been resilient, both in the Eurozone and in the US, whilst manufacturing and services data, as measured by PMIs, have also surprised to the upside. Unemployment in Europe has been creeping lower and has recently fallen to its lowest in almost eight years whilst US economic data has also remained robust.

The French presidential election panned out even better than we expected with Macron winning 66% of the vote. Coming on the back of the Spanish, Austrian and Dutch elections it is clear that Eurozone countries continue to reject the nationalism and populism evident in the Brexit and US elections. France under Macron is likely to move towards economic reform, openness and working with Germany to strengthen the Eurozone.

However, the European equity index closed the month flat as most global share markets fell over the last two weeks on the back of the political crisis around President Trump. Meanwhile Eurozone GDP growth was solid in the March quarter and December quarter growth was revised up with business conditions indicators pointing to a further improvement ahead. Unemployment was unchanged at 9.5% in March, which is well down from its 2013 high of 12.1%. Eurozone March quarter profits are running at a 24% level of increase year-on-year. Eurozone business conditions Purchasing Managers' Index data remained very strong in April and business confidence rose in Germany and France, which is all consistent with strengthening growth in Europe.

One of the recurring themes we have been talking about over recent months has been the robustness of credit markets in general, particularly the riskier part of the spectrum such as High Yield and Emerging Market credits, and the remarkable performance registered so far during the first six months of 2017.

2016 started on a significant weak tone, with credit markets recovering. The risk of a correction appeared to be troubling equity markets at the start of the month. However, the combination of improved growth, solid business conditions, rising profits and low interest rates indicate that valuations may still be at acceptable levels.

Still, equity indices suffered. European equities, as gauged by the Euro Stoxx 50, fell 2.9%. The S&P 500 and the Morgan Stanley Global equity index remained largely unchanged. One of the culprits was a speech by Draghi warning that policy will need to be adjusted once inflation rises. But at this stage there is still little evidence of an increase in underlying inflation, and political risk around Italy will likely slow Draghi from moving too quick.

Views remain that it will announce a 2018 taper to its quantitative easing program later this year, but that rate hikes are a while away. Moreover, the Bank of Japan remains years away from any easy money exit and the US Federal Reserve provided no surprises with its fourth rate hike this cycle - no change to the so-called dot plot path for expected future interest rate hikes.

The other culprit was a 12% drop in the price of oil by mid-June. The oil price has been trending down since February amid concerns that rising non-OPEC production will offset OPEC production cuts. The weak oil price highlights the broader lack of inflationary pressure globally, which will keep interest rates low.

In the initial months of the year, the relative expensiveness of valuations and tightness of spreads had shaped asset managers' strategic and tactical allocations for an increased preference towards cash holdings, only to realise that they had been missing on the rally witnessed in the first few months of this year. That realisation led to new flows pouring into the asset class as investors became increasingly aware that company balance sheets were healthier and the weaker US dollar provided a supportive background for emerging market issuers.

Bond issuers refinanced at lower levels, and hence lowered their finance costs whilst at the same time extended the bond maturity ladder, so investors were nonetheless compelled with the urge of wanting, or rather needing, to generate returns in a market which was already tight but with bond issuers' credit profiles markedly better.

We would not call it complacency this time round - more of a general feeling that there has been nothing worthy of derailing credit markets so far. The Trump trade is slowly fading, the dollar has weakened, both US and European economies appear to be healthy (although inflation and wage growth remain rather sticky) and neither geopolitical tensions nor election season have had the prowess to add any form of weakness in the market so far.

July started with the European Central Bank indicating it is considering dropping its easing bias. This triggered a mini 'taper tantrum'. The response in equity markets was subdued and negative movement is being interpreted as a normal correction following strong gains and investor complacency in the first half of the year.

Meanwhile US Federal Reserve Chair Janet Yellen stuck to her recent script in front of Congress by emphasising that monetary policy adjustment would be 'gradual'. The Fed is still expected to raise interest rates once more this year in December. However, the infighting in the US administration and the failure to pass significant legislation has tempered confidence in the US dollar.

On the back of these expectations, the Euro moved significantly upwards against the dollar closing the month at 1.1842 over 5% from the start of the month. Consequently, Eurozone shares fell over 3%. US equity indices remained largely unchanged.

Data emerging from Europe remained strong and consistent. In addition, political risk appears to have shifted to the United States. Under these circumstances, the investment managers expect European equities to outperform in the medium term. Currency adjustment appeared to be reaching a peak and the European earnings season is mostly in line with expectations.

Credit market saw another remarkable performance in July as the flight to yield in a low-volatility environment persisted in the first month of the third quarter of 2017. Spreads ground even tighter to year-to-date lows - from European High Yield to US High Yield to Emerging Market debt markets. Monies continue to flow in the asset class, with European High Yield registering a 0.93% gain during the month, followed by a 1.15% rally in US High Yield markets.

The imminent reduction in the ECB's quantitative easing programme could result in benchmark yields rising and the hunt for yield abating, particularly within that segment of investors who stepped down the ratings ladder for an improved yield. This could ultimately mark the start of a correction in high yield markets - not only in the single currency region, but also spill over across the Atlantic.

Markets remained relatively muted for the greater part of August. Bar the geopolitical tensions between the US and North Korea, the terrorist attacks in Barcelona, Spain, Turkey and Finland as well as the situation in Venezuela being as edgy as ever, markets remained particularly robust. Earnings season momentum was maintained from previous quarters and economic data did not surprise. More recently, North Korea's announcement of a missile launch in Japanese waters did not aid the cause and 'risk off' mode prevailed towards the end of the month. Having said this, credit still managed to clock in yet another solid month, as the grind tighter in spread persisted. The asset class remains better bid in the thick of the summer month were trading volumes are characteristically and seasonally thin.

There had been great hype the 2017 Economic Policy Symposium in Jackson Hole, an annual event held towards the end of August whereby the world's leading central bankers join their emerging market counterparts as well as academics and leading bank chief executives. Those market participants who expected some form of clear indication as to what the next move by both the European Central Bank and US Federal Reserve will be, more importantly in terms of timing, were left more than disappointed, and felt like a status quo scenario unfolded, leaving investors frustrated and ignored.

ECB's Draghi failed to provide any form of updated on Euro area growth in his attempt of trying to control the Euro from strengthening any further. Even Fed Chair Janet Yellen's Jackson Hole speech did little to excite investors and cause any great shakes, in either direction, to the markets, particularly because close to none of the statements were forward-looking.

Intermittently there have been bouts of risk aversion whereby investors flocked from the riskier asset classes to the safer low yielding investments, sending yields European Sovereign bonds lower during the month.

Equity markets were slightly negative during the month of August. During the month, investors monitored the situation between the US and North Korea closely. However, it was also the month which hosted the Jackson Hole Symposium.

Federal Reserve Chair Janet Yellen's speech on financial stability was all about how post-crisis financial reforms made the banking system safer and more resilient. It was NOT about rate-hike chances, disappointing anyone who thought she might try to prop-up the sagging odds in futures that there will be another one this year, so the dollar sank by the most in a month.

The third quarter of 2017 ended just as it had begun – credit rallying, spreads tightening, demand for High Yield bonds remaining well-intact and Emerging Market credit marching on. US High Yield rose by 2.0% in Q317 - European High Yield by a satisfactory 1.75% and Emerging Market Credit in hard currency posted a remarkable 2.95% during the summer. In September alone, US high yield, European high yield and Emerging Market bonds returned 0.89%, 0.54% and 0.85% respectively.

Shares fell in the first week of September as North Korean risk continued to escalate. The risk of a skirmish has grown, however, a diplomatic solution remains most likely. That said, there was a positive turnaround in the following weeks as global economic conditions continued to improve. US August durable goods were robust and regional manufacturing conditions indices remained strong. The hurricane season dampened home sales and household spending.

Eurozone PMIs rose in September to very strong levels with gains in manufacturing and services pointing to stronger growth ahead. Economic confidence indicators also continued to rise. On the contrary, inflation remains well below target with core inflation falling to 1.1% year-on-year from 1.2%. In September, US shares increased by 1.9% and Eurozone shares registered gains of 5.07%.

From the monetary world, Fed Chair Janet Yellen reiterated the case for a gradual rise in interest rates. The ECB made no changes to monetary policy. However, it revised its growth forecasts, while it cut down on its inflation forecasts. The surprise was that Draghi was not any more forceful in expressing concerns about the risking Euro.

The investment managers expect the last quarter of the year to continue to be positive for European Equities and thus have adjusted the asset allocation accordingly.

As widely expected, the ECB announced a further extension of its quantitative easing program at the reduced rate of €30 billion a month from January 2018 for nine months and beyond if necessary. In doing so, the ECB reiterated that interest rates will not be raised until “well after” QE ends, which implies that interest rates will not be raised until 2019 at the earliest.

Despite the fact that scepticism continued to prevail over whether the credit cycle is over, once again credit markets continued to add gains across the segmental fixed income asset class. Clearly, the monetary decision taken by the ECB mainly conditioned the long end of the sovereign curve, with price returns ticking higher by 2.2 percentage points. In fact, markets reacted positively, despite the ECB announcing a reduction in monthly bond purchases, presumably on the basis that notwithstanding the trim in monthly purchases, the program was extended.

European High Yield (HY) debt continued to experience yield compression, as investors were willing to hold on to good credit stories in search for the much-desired credit trade. The unclear rate hike path conditioned U.S. HY. In fact, in price returns U.S. HY locked a negative 0.13 percent. On the contrary, Emerging Market debt continued to experience inflows, as investors continued their search for yield. Rationally speaking, holding an exposure selectively in EM debt is indeed positive for investors. On a year-to-date basis, EM returned just below 9 percent - the best performance within the asset class.

The continuation of QE and low rates in the Eurozone is also a big positive for Eurozone shares, and at a time when the US Federal Reserve (the Fed) is undertaking rate hikes, this puts further pressure on the Euro. The continuation of QE in Europe is a signal that monetary conditions will remain accommodative as necessary. This, along with a pick-up in economic growth and earnings, largely explains why global share markets were so strong.

Analysts’ expectations for the rest of the year were cautious, given the impressive performance to date, even if economic data and company earnings are supportive of the current market level.

Profit-taking took centre stage in November together with some spread widening in the fixed income market. Sovereign bonds led the retreat following ECB comments of complacency and all other fixed-income asset classes followed suit.

Equities came under pressure too, and there has been a great focus on the US tax reform, although at the time of writing the US Senate passed the tax reform package, with a good chance it will now be in place by year-end.

Having gotten this far the tax reform is likely to be signed into law. This will most likely mean a boost to 2018 US GDP Growth, additional Fed rate hikes and downward pressure on fixed income prices. It will also mean a stronger US dollar and an increase in demand for European products. Thus, unless optimism is derailed by anti-trade rhetoric, the tax cut should be supportive of European Equities.

At this juncture, the largest issue for the bond investor in credit markets, both the Investment Grade and High Yield investor, in EUR and USD, is the risk-reward profile being highly skewed away from the reward element. Record lows, in yields and spreads in almost ten years, notwithstanding the correction registered during the month of November, are the greatest indicators that markets had become toppish and ahead of themselves. In this vein, we think that the correction and profit-taking was justified and warranted despite fundamentals remaining intact.

Asset markets performed consistently in 2017 with the world equity index gaining 26 percent in dollar terms during the period. Global high yield bonds were more subdued but still provided consistent positive returns. The main weakness in 2017 resulted from the US dollar that lost over 15 percent against the Euro.

3.1 Salient Market Information as at 31st December 2017

31-Dec-2016	30-Jun-2017	31-Dec-2017	Change Since	Change Since
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				31-Dec-2016	30-Jun-2017
10-Year German Bund	0.20	0.47	0.42	0.22	-0.04
10-Year US Treasury	2.45	2.31	2.41	-0.04	0.10
10-Year UK Gilt	1.24	1.26	1.19	-0.05	-0.07
Dow Jones Eurostoxx 50	3,291	3,442	3,504	6.49%	1.80%
FTSE 100	7,143	7,313	7,688	7.63%	5.13%
S&P 500	2,239	2,423	2,674	19.42%	10.32%
Topix	19,114	20,033	22,765	19.10%	13.63%
EUR/USD	1.0517	1.1426	1.2005	-14.15%	-5.07%
EUR/GBP	0.8535	0.8771	0.8881	-4.05%	-1.25%
EUR/JPY	122.97	128.4	135.28	-10.01%	-5.36%
VIX	14.04	11.18	11.04	-3.00	-0.14
Gold	1,152	1,242	1,303	13.09%	4.95%
EUR/CHF	1.0721	1.0950	1.1703	-9.16%	-6.87%

3.2 Remuneration disclosures

Calamatta Cuschieri Investment Management Ltd. (the “Company”) is licensed by the Malta Financial Services Authority to act as a UCITS Management Company (amongst others) pursuant to the transposition of Directive 2009/65/EC (as amended). Directive 2014/91/EU of European Parliament on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (“UCITS”) as regards depositary functions, remuneration policies and sanctions came into force in March 2016 hereinafter referred to as “UCITS V” or the “Directive”.

ESMA Guidelines on sound remuneration policies under the UCITS Directive requires that the management company considers the additional disclosures, in accordance with the principle of proportionality and at least on an annual basis, certain information regarding its remuneration policy and practices for ‘identified staff’.

The Board of Directors has adopted and implements a remuneration policy which is available at: <https://www.cc.com.mt/wp-content/uploads/2012/10/CCIM-Remuneration-Policy.pdf>

Following due consideration of the Company’s size, internal organisation as well as the nature, scope and complexity of its activities, the Board of Directors have determined that the Company is not required to appoint a remuneration committee on the basis of the principle of proportionality. The Board of Directors will review the appropriateness of the remuneration policy annually and will ensure that it is in accordance with the applicable laws and regulations.

The Company’s remuneration regime is designed, structured and implemented on the basis of an annual operating plan that is contingent to the Company’s long term strategic objectives to achieve strong investment performance and to be instrumental to clients’ success. The Company’s remuneration policy does not provide for pension benefits nor any deferral or equity measure in line with the proportionality principle.

The Company’s Board of Directors has determined that ‘identified staff’ constitute of investment committee members, directors, investment manager, compliance officer and money laundering reporting officer totalling 9 ‘identified staff’. All identified staff are involved in the activities related to Calamatta Cuschieri Funds SICAV plc and receive fixed and variable remuneration as follows:

Fixed Remuneration	Variable Remuneration
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	Number of beneficiaries	€	€
Senior management	3	43,970*	-
Risk Takers	5	309,643*	8,799
Control functions	1	41,476	865
Other identified staff	-	-	-
	9	395,089	9,664

*The Senior Management Fees also include the fixed Director Fees set at €15,000

The Fixed Remuneration Fees referred to above do not reflect the fees that are being charged to the Fund by the Investment Manager. The Fixed Remuneration of Investment Manager reflects the total Remuneration of CCIM that is paid to Senior Management and other staff in control functions for the Management of various Funds and portfolios and other daily operations of CCIM. CCIM is required to publish such information in line with the UCITS Remuneration disclosures requirements.

The quantitative information disclosed above pertains to the full financial year ended 31 December 2017 and pertains to the total aggregate remuneration paid by the UCITS Management Company to identified staff. There have been no material changes to the remuneration policy in the year under review.

4 Report of the Directors

The Directors present their seventh Annual Report, together with the audited financial statements of Calamatta Cuschieri Funds SICAV plc ('the Company') for the year ended 31st December 2017.

4.1 Principal activities

The Company is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the Laws of Malta. The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act Regulations. As at the reporting date, the Company constituted of six sub-funds each being a segregated patrimony and each sub-fund is represented by different classes of shares. The investment objective of the High Income Bond Fund – EUR and USD is to endeavour to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of debt securities and other fixed income or interest bearing securities. The Euro Equity Fund's investment objective is to endeavour to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of equity securities. The investment objective of the Global Balanced Income Fund is to seek to provide stable, long-term capital appreciation by investing primarily in a diversified portfolio of local and international bonds, equities and other income-generating assets. The investment objective of the Malta Government Bond Fund is to endeavour to maximise the total level of return for investors through investment, primarily in debt securities and money market instruments issued or guaranteed by the Government of Malta. The Emerging Markets Bond Fund's investment objective is to endeavour to maximise the total level of return for investors through investments primarily in a well-diversified portfolio of debt securities and other fixed-income or interest bearing securities.

The Malta Government Bond Fund was listed on the Malta Stock Exchange during the year.

4.2 Significant changes in the Company's documents

During the financial year ended 31 December 2017, two sub-funds, the Malta Government Bond Fund and the Emerging Markets Bond Fund were launched whilst none were liquidated.

4.3 Results and dividends

The results for the year are shown in the statements of profit or loss and other comprehensive income on pages 18 to 21.

In the year to 31 December 2017, no dividend was proposed to the founder shareholders out of the profits of the General Account (2016: proposed dividend of NIL). No subsequent to year-end dividends were proposed.

4.4 Business review

A review of the business of the Company during the current year and an indication of likely future developments are given in the Investment Manager's Report on pages 2 to 9.

At 31st December 2017, the net asset value of the Company stood at €89,012,303 (2016: €79,988,858).

Sub-Fund	NAV Dec 16 EUR	NAV Dec 17 €	YTD	AUM € Million	Net Sub/Red € Million
High Income Bond Fund – EUR A Share Class	119.47	125.83	5.32%	53.3	3.8
High Income Bond Fund – EUR D Share Class	98.48	99.49	1.03%		
High Income Bond Fund – USD A Share Class	114.04	120.55	5.71%	19.4	(0.06)
High Income Bond Fund – USD D Share Class	94.41	95.06	0.69%		
Euro Equity Fund	107.11	119.11	10.38%	7.7	1.9
Global Balanced Income Fund	10.27	11.11	8.67%	6.0	0.9
Malta Government Bond Fund	-	100.45	0.45%	1.9	1.9
Emerging Markets Bond Fund – USD A Share Class	-	99.78	(0.22%)	5.3	5.2
Emerging Markets Bond Fund – USD B Share Class	-	99.78	(0.22%)		
Emerging Markets Bond Fund – EUR C Share Class	-	98.75	(1.25%)		
Emerging Markets Bond Fund – EUR D Share Class	-	98.65	(1.35%)		

4.5 Principal risks and uncertainties

The successful management of risk is essential to enable the company to achieve its objectives. The ultimate responsibility for risk management rests with the company's directors, who evaluate the company's risk appetite and formulate policies for identifying and managing such risks. The Principal risks and uncertainties are included in the investment managers' report on pages 2 to 9.

4.6 Financial risk management

Note 11 to the financial statements provides details in connection with the company's use of financial instruments, its financial risk management objectives and policies and the financial risks to which it is exposed.

4.7 Directors

The Directors who served in office during the period were:

Alexander Cuschieri
Nicholas Calamatta
Carmel John Farrugia
Alan Cuschieri
Christopher Saliba (resigned 14 June 2017)

In accordance with article 19.5 of the Company's Articles of Association, all the Directors are due to retire at the Company's forthcoming Annual General Meeting and being eligible, intend offering themselves for re-election.

4.8 Auditors

A resolution to reappoint Deloitte Audit Limited as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

4.9 Standard licence conditions and regulatory sanctions

During the year under review there were no breaches of standard conditions or other regulatory requirements or administrative penalty which were subject to regulatory sanctions.

4.10 Events after the reporting period

On the 11 April 2018, an additional sub-fund, the Malta Income Sub-Fund was added to the scheme, this fund was listed on the Malta Stock Exchange and the Directors confirm that all Listing Rules had been adhered to.

Approved by the Board on 27 April 2018 and signed on its behalf by:



Carmel John Farrugia
Director



Nicholas Calamatta
Director

5 Statement of Directors' responsibilities

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with generally-accepted accounting principles and practices which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss for the year then ended.

In preparing the financial statements, the directors should:

- (i) select suitable accounting policies and apply them consistently;
- (ii) make judgments and estimates that are reasonable; and
- (iii) prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the Directors of a multi-fund Company are responsible for ensuring that such separate records, accounts, statements and other records are kept as may be necessary to evidence the liabilities and assets of each sub-fund as distinct and separate from the assets and liabilities of other sub-funds in the same Company.

6 Comparative table

		Net Asset Value per unit			Net Asset Value		
	CU	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-17	31-Dec-16	31-Dec-15
High Income Bond Fund EUR							
Class A	EUR	125.83	119.47	113.78	4,291,593	4,220,702	4,226,635
Class D	EUR	99.49	98.48	98.52	48,787,775	44,313,637	39,123,556
High Income Bond Fund USD							
Class A	USD	120.55	114.04	103.64	2,574,709	2,628,338	2,306,832
Class D	USD	95.06	94.40	90.29	16,735,699	16,489,461	14,427,961
Equity Euro Fund							
Class A	EUR	119.11	107.08	108.05	7,650,643	8,774,529	7,542,546
Global Balanced Income Fund							
Class A	EUR	11.11	10.25	10.09	5,925,730	4,501,994	3,836,267
Malta Government Bond Fund							
Class A	EUR	100.22	-	-	1,880,857	-	-
Emerging Markets Bond Fund							
Class A	USD	99.78	-	-	414,198	-	-
Class B	USD	99.78	-	-	1,366,569	-	-
Class C	EUR	98.75	-	-	800,962	-	-
Class D	EUR	98.65	-	-	2,105,912	-	-

7 Statement of financial position

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets							
Financial assets at fair value through profit or loss	78,199,564	47,118,609	13,999,045	7,527,234	5,367,453	1,612,575	2,574,648
Prepayments and accrued income	1,082,785	768,282	219,097	860	35,706	19,707	39,133
Settlements receivable	10,266	9,266	-	-	-	-	-
Cash and cash equivalents	10,071,126	5,370,865	1,929,658	167,947	553,582	252,705	1,793,795
Total assets	89,363,741	53,267,022	16,147,800	7,696,041	5,956,741	1,884,987	4,407,576
Liabilities							
Advance against subscriptions							
Accrued expenses and other payables	(347,864)	(187,654)	(62,496)	(45,398)	(31,011)	(4,130)	(17,175)
Total liabilities (excluding net assets attributable to holders of redeemable shares)	(347,864)	(187,654)	(62,496)	(45,398)	(31,011)	(4,130)	(17,175)
Net assets attributable to holders of redeemable shares	89,013,303	53,079,368	16,085,304	7,650,643	5,925,730	1,880,857	4,390,401
Represented by:							
Founder shares (notes 8 and 10)	1,000						
Net assets attributable to holders of redeemable shares calculated in accordance with the Company's offering memorandum	89,023,235	53,080,224	16,085,779	7,651,888	5,929,214	1,885,308	4,390,822
Adjustment for IFRS fair value	-	-	-	-	-	-	-
Adjustment for formation expenses capitalised and amortised according to the Company's offering memorandum but recognised under International Financial Reporting Standards (IFRS) as expenses when incurred	(10,932)	(856)	(475)	(1,245)	(3,484)	(4,451)	(421)
	89,013,303	53,079,368	16,085,304	7,650,643	5,925,730	1,880,857	4,390,401

The notes on pages 24 to 57 are an integral part of these annual financial statements.

	Calamatta Cuscheri Funds SICAV plc EUR	High Income Bond Fund EUR	High Income Bond Fund USD	Global Asset Allocation Fund EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR
As at 31st December 2016	EUR	EUR	EUR	EUR	EUR	EUR
Assets						
Financial assets at fair value through profit or loss	62,165,649	36,429,836	13,078,160	-	8,303,993	4,353,660
Prepayments and accrued income	845,095	610,624	202,235	-	3,335	28,901
Cash and cash equivalents	17,278,045	11,658,972	4,961,781	3,057	509,947	144,288
Total assets	80,288,789	48,699,432	18,242,176	3,057	8,817,275	4,526,849
Liabilities						
Advance against subscriptions	-	-	-	-	-	-
Accrued expenses and other payables	(299,931)	(165,093)	(64,180)	(3,057)	(42,746)	(24,855)
Total liabilities (excluding net assets attributable to holders of redeemable shares)	(299,931)	(165,093)	(64,180)	(3,057)	(42,746)	(24,855)
Net assets attributable to holders of redeemable shares	79,988,858	48,534,339	18,177,996	-	8,774,529	4,501,994
Represented by:						
Founder shares	1,000	-	-	-	-	-
Net assets attributable to holders of redeemable shares calculated in accordance with the Company's offering memorandum	79,999,868	48,536,381	18,179,271	-	8,777,322	4,506,894
Adjustment for IFRS fair value	-	-	-	-	-	-
Adjustment for formation expenses capitalised and amortised according to the Company's offering memorandum but recognised under International Financial Reporting Standards (IFRS) as expenses when incurred	(11,010)	(2,042)	(1,275)	-	(2,793)	(4,900)
	79,989,858	48,534,339	18,177,996	-	8,774,529	4,501,994

Approved by the Board on 27 April 2018 and signed on its behalf by:



Carmel John Farrugia
Director



Nicholas Calamatta
Director

8 Statement of changes in net assets attributable to holders of redeemable shares

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Funds	Emerging Markets Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2017							
Net assets attributable to holders of redeemable shares as at 1 January 2017	79,988,858	48,534,339	18,177,996	8,774,529	4,501,994	-	-
Amounts received on creation of shares	19,758,313	8,505,602	1,460,404	1,354,522	1,917,801	1,890,317	4,629,667
Amounts paid on redemption of shares	(10,495,174)	(4,675,167)	(1,520,645)	(3,338,368)	(929,936)	(8,331)	(22,727)
(Decrease)/increase in net assets attributable to holders of redeemable shares	(239,694)	714,594	(2,032,451)	859,960	435,871	(1,129)	(216,539)
Net assets attributable to holders of redeemable shares as at 31 December 2017	89,012,303	53,079,368	16,085,304	7,650,643	5,925,730	1,880,857	4,390,401

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Global Asset Allocation Fund	Euro Equity Fund	Global Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2016						
Net assets attributable to holders of redeemable shares as at 1 January 2016	84,513,968	43,350,191	15,406,734	14,377,230	7,542,546	3,836,267
Amounts received on creation of shares	15,771,995	9,140,524	2,451,294	63,700	3,089,744	1,026,733
Amounts paid on redemption of shares	(21,581,104)	(4,200,167)	(1,123,238)	(13,915,792)	(1,874,895)	(467,012)
(Decrease)/increase in net assets attributable to holders of redeemable shares	1,284,999	243,791	1,443,206	(525,138)	17,134	106,006
Net assets attributable to holders of redeemable shares as at 31 December 2016	79,989,858	48,534,339	18,177,996	-	8,774,529	4,501,994

The notes on pages 24 to 57 are an integral part of these annual financial statements.

9 Statement of profit or loss and other comprehensive income

1st January 2017 to 31st December 2017

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Governm ent Bond Fund	Emerging Markets Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Income							
Interest income	3,068,384	2,108,898	827,529	-	93,136	22,151	16,670
Dividend income	279,339	28,488	16,127	173,654	61,070	-	-
Net gains/(losses) on financial assets at fair value through profit or loss	3,121,569	1,328,217	349,379	948,735	496,523	(5,635)	4,351
Net gains/(losses) on derivative instruments that are held for trading	(103,718)	(48,562)		(30,903)	(87,025)		(62,771)
Other income	10,842	7,399	2,647	-	515	-	281
Net investment gain/(loss)	6,376,416	3,424,440	1,195,682	1,091,486	564,219	16,516	84,073
Expenses							
Management fees	(872,958)	(518,009)	(169,668)	(111,559)	(66,449)	-	(7,273)
Administration fees	(153,640)	(79,826)	(26,162)	(30,000)	(12,500)	-	(5,152)
Custody fees	(53,490)	(28,176)	(10,196)	(8,206)	(5,293)	(888)	(731)
Legal fees	(3,667)	(2,094)	(863)	(486)	(224)	-	-
Audit fees	(26,384)	(4,460)	(5,034)	(4,207)	(4,165)	(4,130)	(4,388)
Directors' fees	(17,997)	(10,081)	(4,496)	(2,340)	(1,080)	-	-
Transaction fee	(54,112)	(23,457)	(6,171)	(12,674)	(7,061)	(1,774)	(2,975)
Other fees and charges	(186,822)	(98,452)	(33,822)	(22,877)	(16,108)	(9,383)	(6,180)
Total operating expenses	(1,369,070)	(764,555)	(256,412)	(192,349)	(112,880)	(16,175)	(26,699)
Operating profit	5,007,346	2,659,885	939,270	899,137	451,339	341	57,374
Finance costs							
Distributions to holders of redeemable shares	(2,659,200)	(1,945,291)	(713,909)	-	-	-	-
Profit/(loss) before tax	2,348,146	714,594	225,361	899,137	451,339	341	57,374
Withholding taxes	(56,402)	-	(287)	(39,177)	(15,468)	(1,470)	-

The notes on pages 24 to 57 are an integral part of these annual financial statements.

1 January 2017 to 31 December 2017

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR EUR	High Income Bond Fund USD EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR	Malta Governme nt Bond Fund EUR	Emerging Markets Bond Fund EUR
Increase in net assets attributable to holders of redeemable shares	2,291,744	714,594	225,074	859,960	435,871	(1,129)	(57,374)
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Exchange rate differences arising on translation	(2,531,438)	-	(2,257,525)	-	-	-	(273,913)
Total comprehensive income/(expense) for the year	(239,694)	714,594	(2,032,451)	859,960	435,871	(1,129)	(216,539)

1 January 2016 to 31 December 2016

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR EUR	High Income Bond Fund USD EUR	Global Asset Allocation Fund EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR
Income						
Interest income	2,598,024	1,751,003	772,664	2,282	-	72,075
Dividend income	230,125	896	16,501	3,972	158,425	50,331
Net gains/(losses) on financial assets at fair value through profit or	1,772,876	1,148,709	952,323	(493,034)	73,008	91,870
Other income	51,321	39,161	12,160	-	-	-
Net investment gain/(loss)	4,652,346	2,939,769	1,753,648	(486,780)	231,433	214,276
Expenses						
Management fees	(860,234)	(458,379)	(157,856)	(22,095)	(98,216)	(52,809)
Administration fees	(139,726)	(70,879)	(24,453)	(1,894)	(30,000)	(12,500)
Custody fees	(47,116)	(24,731)	(9,976)	(833)	(7,331)	(4,245)
Legal fees	(7,093)	(3,680)	(1,595)	(568)	(855)	(395)
Audit fees	(24,998)	(6,051)	(5,905)	(590)	(6,048)	(6,404)
Directors' fees	(19,030)	(10,471)	(4,563)	(448)	(2,365)	(1,183)
Offering costs	-	-	-	-	-	-
Transaction costs	(43,595)	(19,704)	(5,186)	(3,348)	(11,107)	(4,250)
Performance fee	-	-	-	-	-	-
Other fees and charges	(87,340)	(80,602)	(35,283)	(7,336)	(18,725)	(16,273)
Total operating expenses	(1,229,132)	(674,497)	(244,817)	(37,112)	(174,647)	(98,059)

1 January 2016 to 31 December 2016

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR EUR	High Income Bond Fund USD EUR	Global Asset Allocation Fund EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR
Operating profit	3,423,214	2,265,272	1,508,831	(523,892)	56,786	116,217
Finance costs						
Distributions to holders of redeemable shares	(2,691,032)	(2,021,481)	(669,551)	-	-	-
Profit after distributions and before tax	732,182	243,791	839,280	(523,892)	56,786	116,217
Withholding taxes	(51,109)	-	-	(1,246)	(39,652)	(10,211)
Increase in net assets attributable to holders of redeemable shares	681,073	243,791	839,280	(525,138)	17,134	106,006
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange rate differences arising on translation	603,926	-	603,926	-	-	-
Total comprehensive income for the year	1,284,999	243,791	1,443,206	(525,138)	17,134	106,006

10 Statement of cash flows

The notes on pages 24 to 57 are an integral part of these annual financial statements

1 January 2017 to 31 December 2017

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR	High Income Bond Fund USD EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR	Malta Governm ent Bond Fund EUR	Emerging Markets Bond Fund EUR
Cash flows from/(used in) operating activities							
Profit after distributions and before tax	2,348,146	714,594	225,361	899,137	451,339	341	57,374
Adjustments for:							
Interest income	(3,068,384)	(2,108,898)	(827,529)	-	(93,136)	(22,151)	(16,670)
Dividend income	(279,339)	(28,488)	(16,127)	(173,654)	(61,070)	-	-
Withholding tax	(287)	-	(287)	-	-	-	-
Distributions paid to holders of redeemable shares	2,659,200	1,945,291	713,909	-	-	-	-
Net increase in financial assets at fair value through profit or loss	(16,033,915)	(10,688,773)	(920,885)	776,759	(1,013,793)	(1,612,575)	(2,574,648)
Movement in other receivables	2,432	3,182	3,542	35	(2,572)	(1,148)	(607)
Movement in accrued expenses and other payables	50,507	22,561	(1,684)	2,652	6,156	4,130	17,175
Cash flows from/(used in) operations	(14,321,640)	(10,140,531)	(823,700)	1,504,929	(713,076)	(1,631,403)	(2,517,376)
Interest received	2,813,506	1,938,792	807,125	-	85,853	3,592	(21,856)
Dividends received	284,829	28,488	16,127	176,094	64,120	-	-
Tax paid	(56,115)	-	-	(39,177)	(15,468)	(1,470)	-
Net cash flows from/(used in) operating activities	(11,279,420)	(8,173,251)	(448)	1,641,846	(578,571)	(1,629,281)	(2,539,232)
Cash flows from/(used in) financing activities							
Distributions paid to holders of redeemable shares	(2,659,200)	(1,945,291)	(713,909)	-	-	-	-
Proceeds from creation of units	19,758,313	8,505,602	1,460,404	1,354,522	1,917,801	1,890,317	4,629,667
Outflows from redemption of units	(10,495,174)	(4,675,167)	(1,520,645)	(3,338,368)	(929,936)	(8,331)	(22,727)
Cash flows from/(used in) financing activities	6,603,939	1,885,144	(774,150)	(1,983,846)	987,865	1,881,986	4,606,940
Effect of exchange rate fluctuations on translation of cash flows from functional to presentation currency	(2,531,438)	-	(2,257,525)	-	-	-	(273,913)
Net increase/(decrease) in cash and cash equivalents	(7,206,919)	(6,288,107)	(3,032,123)	(342,000)	409,294	252,705	1,793,795
Cash and cash equivalents at the beginning of the year	17,278,045	11,658,972	4,961,781	509,947	144,288	-	-
Cash and cash equivalents at the end of the year	10,071,126	5,370,865	1,929,658	167,947	553,582	252,705	1,793,795

1 January 2016 to 31 December 2016

	Calamatta Cuscheri Funds SICAV plc EUR	High Income Bond Fund EUR	High Income Bond Fund USD EUR	Global Asset Allocation Fund EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR
Cash flows from/(used in) operating activities						
Profit/(Loss) after distributions and before tax	732,182	243,791	839,280	(523,892)	56,786	116,217
<i>Adjustments for:</i>						
Interest income	(2,598,024)	(1,751,003)	(772,664)	(2,282)	-	(72,075)
Dividend income	(230,125)	(896)	(16,501)	(3,972)	(158,425)	(50,331)
Distributions paid to holders of redeemable shares	2,691,032	2,021,481	669,551	-	-	-
Net increase in financial assets at fair value through profit or loss	5,682,190	327,952	(134,931)	9,272,360	(1,859,838)	(1,923,353)
Movement in other receivables	1,676	(13,808)	8,593	25,760	(2,292)	(16,577)
Movement in accrued expenses and other payables	(101,554)	23,357	(9,255)	(128,202)	4,675	7,871
Cash flows from/(used in) operations	6,177,377	850,874	584,073	8,639,772	(1,959,094)	(1,938,248)
Interest received	2,598,024	1,751,003	772,664	2,282	-	72,075
Dividends received	230,125	896	16,501	3,972	158,425	50,331
Tax paid	(51,109)	-	-	(1,246)	(39,652)	(10,211)
Net cash flows from/(used in) operating activities	(2,777,040)	1,751,899	789,165	5,008	118,773	112,195
Cash flows from/(used in) financing activities						
Distributions paid to holders of redeemable shares	(2,691,032)	(2,021,481)	(669,551)	-	-	-
Proceeds from creation of units	15,771,995	9,140,524	2,451,294	63,700	3,089,744	1,026,733
Outflows from redemption of units	(21,581,104)	(4,200,167)	(1,123,238)	(13,915,792)	(1,874,895)	(467,012)
Cash flows from/(used in) financing activities	(8,500,141)	2,918,876	658,505	(13,852,092)	1,214,849	559,721
Effect of exchange rate fluctuations on translation of cash flows from functional to presentation currency	204,475	-	204,475	-	-	-
Net increase/(decrease) in cash and cash equivalents	658,751	5,521,649	2,236,218	(5,207,312)	(625,472)	(1,266,332)
Cash and cash equivalents at the beginning of the year	16,619,294	6,137,323	2,725,563	5,210,369	1,135,419	1,410,620
	17,278,045	11,658,972	4,961,781	3,057	509,947	144,288
Cash and cash equivalents at the end of the year						

11 Notes to the annual financial statements

1. Reporting Entity

Calamatta Cuschieri Funds SICAV plc (the “Company”) is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital (SICAV) incorporated in Malta in terms of the Companies Act, 1995 (Cap 386, Laws of Malta) on 3 June 2011 with registration number SV186. The Company qualifies as a ‘Maltese UCITS’ in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta) and has its registered address in Ewropa Business Centre, Dun Karm Street, Birkirkara, BKR 9034, Malta.

These financial statements comprise the Company’s financial statements which include the following licensed sub-funds (the “sub-funds”) at 31 December 2017: High Income Bond Fund – EUR, High Income Bond Fund – USD, Euro Equity Fund, Global Balanced Income Fund (licenced 7 August 2015), Malta Government Bond Fund (licenced 1 March 2017) which is listed on the Malta Stock Exchange and the Emerging Markets Bond Fund (licenced 1 October 2017).

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU (“the applicable framework”). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. These financial statements have also been prepared and presented in accordance with the provisions of the Companies Act, 1995 (Cap 386, Laws of Malta).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss which are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Euro (EUR), which is the presentation currency of the six sub-funds, rounded to the nearest unit. The Euro is also the functional currency of the High Income Bond Fund – EUR, Global Balanced Income Fund, Euro Equity Fund and the Malta Government Bond Fund. The functional currency of the High Income Bond Fund – USD and the Emerging Markets Bond Fund is the USD.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with the applicable framework requires the Directors to make judgements, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Collective investment schemes amounting to EUR945,565 do not have a co-terminous year-end with that of the company and thus cannot be valued on independently audited net asset values. The valuation of these investments was calculated by the respective administrators of the collective investment schemes. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their descriptions as significant and critical in terms of the requirements of IAS 1 (revised).

3. Significant accounting policies

The accounting policies set out below have been applied consistently during the year.

3.1 Foreign currency translations

Transactions in foreign currencies are translated to the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

The functional currency of the High Income Bond Fund – USD and the Emerging Markets Bond Fund is the USD. As allowed by sub-legislation 386.02 of the Companies Act (Investment Companies with Variable Share Capital) Regulations, a Company with sub-funds whose capital is denominated in different currencies may elect to present its financial statements in any one of these currencies. Consequently, the financial statements of the Company are presented in Euro being the currency in which the majority of the sub-funds' share capital is denominated. For the purpose of presenting these financial statements, income and expenses (including comparatives) are translated from the functional currency to Euro at the exchange rates ruling on the date of the transaction. Assets and liabilities (including comparatives) are translated from the functional currency to Euro at the exchange rate ruling at the date of the statement of financial position. Exchange differences are recognised in other comprehensive income.

3.2 Financial assets and financial liabilities

3.2.1 Recognition

The Company recognises financial assets on the date it commits to purchase the assets, using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets are recorded in the period in which they arise.

Where applicable, interest income on financial assets at fair value through profit or loss is disclosed within the line item 'interest income', while dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income within dividend income. Fair value gains or losses are recognised within Net gains/(losses) on financial assets at fair value through profit or loss.

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2.2 Classification

The company classifies financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss:

- (i) Held for trading – derivative financial instruments;
- (ii) Designated as at fair value through profit or loss – Portfolio assets other than derivative financial instruments.

Financial liabilities at fair value through profit or loss:

- (i) Held for trading – derivative financial instruments.

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivative financial assets and derivative financial liabilities are classified as held for trading unless they are designated as effective hedging instruments. During the year under review, the Company did not designate any of its derivative financial instruments in a hedging relationship for accounting purposes.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the sub-funds' documented investment strategy.

Financial liabilities include all financial liabilities, other than those classified as at fair value through profit or loss and comprise accrued expenses and settlements payable.

3.2.3 Measurement

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss and other comprehensive income.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any.

Settlement and other receivables are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Financial liabilities, other than those at fair value through profit or loss, are stated at their nominal value unless the effect of discounting is material in which case such liabilities are measured at amortised cost using the effective interest rate method.

When applying the effective interest method, the annual amortisation of any discount or premium is aggregated with other investment income receivable over the term of the instrument, if any, so that the revenue recognised in each year represents a constant yield on the investment.

3.2.4 *Fair value measurement principles*

The fair value of quoted financial instruments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs and adjusted for any tax effect on the maturity of such instruments. Financial assets and financial liabilities are priced at current mid-market or the last traded price where this falls within the bid-ask yield.

Unquoted investments are valued at initial value restated at fair value as determined by the Directors, acting on the advice of the Investment Manager or such other person commissioned and appointed from time to time for that purpose by the Directors. The fair value is estimated using valuation techniques, including the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Investments in collective investment schemes (private investment funds) are valued at fair value, as determined by the administrator of the private investment fund and/or based on the independently audited net asset values of the private investment funds.

For those private investment funds for which independently audited financial statements are not available or their year-end is not co-terminous with that of the Company, the board of directors bases its valuation on the private investments funds' net asset values as calculated by the administrator of such private investment funds at the reporting date. It is possible that the underlying private investment funds' results may subsequently be adjusted when such results are subjected to an audit, and the adjustments may be material. In determining fair value, the administrator utilises the valuations of the underlying private investment funds to determine the fair value of its interest. The underlying private investment funds value securities and other financial instruments on a mark-to-market of fair value basis of accounting.

The fair value of investments that are not exchange-traded is estimated at the amount that the Company would receive, or pay, to terminate the contract at the reporting date, taking into account current market conditions, volatility, appropriate yield curve and the current creditworthiness of the counterparties.

3.2.5 *Identification and measurement of impairment*

The carrying amount of financial assets other than those at fair value through profit or loss are reviewed at each reporting date to determine whether there is any indication or objective evidence of impairment. If any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer (or counterparty), a breach of contract, indications that the borrower will enter bankruptcy or other financial reorganisation, the disappearance of an active market for that financial asset because of financial difficulties and observable data indicating that there is a measurable decrease in the estimated future cash flows since the initial recognition of those assets. If any such indication exists, an impairment loss is recognised in the statement of profit or loss and other comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rates.

If, in a subsequent year, the amount of an impairment loss recognised on a financial asset other than a financial asset at fair value through profit or loss decreases and the reduction in value can be linked objectively to an event occurring after the write-down, this is reversed through the statement of profit or loss and other comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3.2.6 *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (and the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained, less any new liability assumed) is recognised in the statement of profit or loss and other comprehensive income.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards would include, for example, securities lending and repurchase transactions. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3.3 Redeemable shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of instruments.

The redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the sub-funds' net assets at the redemption date and also in the event of the sub-funds' liquidation.

The redeemable shares are classified as financial liabilities from the perspective of the company and are measured at the present value of the redemption amounts.

3.4 Cash and cash equivalents

Cash comprises current deposits with banks with original maturities of less than three months. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.5 Net assets attributable to holders of redeemable shares

The liability by the Company to holders of redeemable shares is presented in the statement of financial position as "Net assets attributable to holders of redeemable shares" and is determined based on the residual assets of the Company after deducting all other liabilities.

3.6.1 Interest income and dividend income

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues using the effective interest method and, where applicable, gross of withholding tax. Dividend income is recognised when the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.7 Finance costs

Proposed distributions to holders of redeemable shares are recognised in the statement of profit or loss and other comprehensive income when they are appropriately authorised and no longer at the discretion of the Company. This typically occurs when proposed distribution is ratified at the Annual General Meeting. The

distribution on the redeemable shares is recognised as a finance cost in the statement of profit or loss and other comprehensive income.

3.8 Net gains/(losses) from financial instruments at fair value through profit or loss

Net gains/losses from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes interest and dividend income. Net realised gain from financial instruments at fair value through profit or loss is calculated using the first-in-first-out method.

3.9 Expenses

All expenses, including management fees, administration fees and custodian fees, are recognised in the statement of profit or loss and other comprehensive income on an accrual basis and are accordingly expensed as incurred. Formation expenses are recognised as an expense when incurred.

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

3.10 Taxation

Under the current system of taxation in Malta, the Company is exempt from paying taxes on income, profits or capital gains. Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin.

3.11 Initial application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

Adoption of revised International Financial Reporting Standards

The following amendment to the existing standards issued by the International Accounting Standards Board is effective for the current year:

Amendments to IAS 7, Disclosure Initiative – The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The Company's liabilities arising from financing activities consist of those included in the section entitled 'Cash flows from financing activities' in the Statement of Cash Flows. A reconciliation between the opening and closing balances of these items is provided in the notes to the financial statements. Consistent with the transition provisions, the Company has not disclosed comparative information for the prior period. Apart from this additional disclosure, the application of these amendments has had no impact on the Company's financial statements.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

IFRS 9 – Financial instruments: The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The Standard supersedes all previous versions of IFRS 9.

IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply.

The new model also results in a single, forward-looking 'expected loss' impairment model that will require more timely recognition of expected credit losses.

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. This standard is applicable for annual periods beginning on or after 1 January 2018.

In terms of IFRS 9, the financial assets currently classified as financial assets at fair value through profit or loss will continue to be measured at fair value. The majority of the remaining financial assets will continue to be measured at amortised cost using the effective interest method on the same basis as is currently adopted under IAS 39 and will be subject to the impairment provisions of IFRS 9.

The directors anticipate that the adoption of other International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements but not yet effective will have no material impact on the financial statements of the company in the period of initial application.

4. Share capital

The Company's capital is represented by the redeemable shares outstanding. The number of shares at the end of the year is analysed below:

Number of shares

	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
Units issued						
31 December 2017						
Class A - EUR	34,105	-	64,710	531,198	18,768	-
Class A - USD	-	21,357	-	-	-	4,151
Class B - USD	-	-	-	-	-	13,696
Class C - EUR	-	-	-	-	-	8,111
Class D - EUR	490,338	-	-	-	-	21,348
Class D - USD		176,047	-	-	-	
	524,443	197,404	64,710	531,198	18,768	47,306

Number of shares

	High Income Bond Fund EUR	High Income Bond Fund USD	Global Asset Allocation Fund	Euro Equity Fund	Global Balanced Income Fund
31 December 2016					
Units issued					
Class A - EUR	35,328	23,047	-	81,943	439,031
Class D - EUR	449,988	174,669	-	-	-
	485,316	197,716	-	81,943	439,031

Analysed as follows:

	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
31 December 2017						
Units in issue as at 1 January	485,316	197,716	81,943	439,031	-	-
Creation of units during the						
Class A - EUR	9,151	-	11,824	178,375	18,851	-
Class A - USD	-	672	-	-	-	4151
Class B - USD	-	-	-	-	-	13,716
Class C - EUR	-	-	-	-	-	8,111
Class D - EUR	74,528	-	-	-	-	21,552
Class D - USD	-	16,498	-	-	-	-
Redemption of units during the year						
Class A - EUR	(10,374)	-	(29,058)	(86,209)	(83)	-
Class A - USD	-	(2,363)	-	-	-	-
Class B - USD	-	-	-	-	-	(20)
Class C - EUR	(34,178)	-	-	-	-	(204)
Class D - EUR	-	(15,119)	-	-	-	-
Class D - USD	-	-	-	-	-	-
Units in issue as at 31						

	High Income Bond Fund EUR	High Income Bond Fund USD	Global Asset Allocation Fund	Euro Equity Fund	Global Balanced Income Fund
31 December 2016					
Units in issue as at 1 January	434,250	182,054	142,607	69,808	380,105
Creation of units during the year					
Class A - EUR	10,235	3,475	637	31,267	106,353
Class D - EUR	81,658	25,300	-	-	-
Redemption of units during the year					
Class A - EUR	(12,057)	(2,686)	(143,244)	(19,132)	(47,427)
Class D - EUR	(28,772)	(10,427)	-	-	-
Units in issue as at 31 December	485,316	197,716	-	81,943	439,031

The authorised share capital of the Company amounting to 1,000,001,000 shares has not been assigned any nominal value. The paid-up share capital of the Company shall at all times be equal to the net asset value of the sub-funds. The Company was incorporated by the issue of 1,000 founder shares with no nominal value. The effect of the proceeds from the issue of the founder shares is reflected in the combined amounts in these annual financial statements.

5. Dividends

During the year the following sub-funds declared and paid dividends as follows:

	High Income Bond Fund	High Income Bond Fund USD
31 December 2017		
Dividend paid on 31.03.2017		
Dividend per share (Euro)	2.1712	2.3089
Total distributions (Euro)	987,224	394,556
Dividend paid on 30.09.2017		
Dividend per share (Euro)	1.9552	2.3279
Total distributions (Euro)	958,066	405,814
31 December 2016		
Dividend paid on 31.03.2016		
Dividend per share (Euro)	2.4840	2.2848
Total distributions (Euro)	1,000,347	314,435
Dividend paid on 30.09.2016		
Dividend per share (Euro)	2.3642	2.4373
Total distributions (Euro)	1,021,134	355,116

6. Management fees and other expenses

Management fees

High Income Bond Fund EUR

The Investment Manager receives a fee of 1% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR518,009 (2016: EUR458,379) of which EUR138,438 (2016: EUR122,573) was due to the Investment Manager as at the reporting date.

High Income Bond Fund USD

The Manager receives a fee of 1% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR169,668 (2016: EUR157,856) of which EUR41,873 (2016: EUR45,138) was due to the Investment Manager as at the reporting date.

Euro Equity Fund

The Investment Manager receives a fee of 1.35% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR111,559 (2016: EUR98,216) of which EUR27,408 (2016: EUR26,732) was due to the Investment Manager as at the reporting date.

Global Balanced Income Fund

The Investment Manager receives a fee of 1.25% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR66,449 (2016: EUR52,809) of which EUR19,608 (2016: EUR14,753) was due to the Investment Manager as at the reporting date.

Malta Government Bond Fund

The Investment Manager receives a fee of 0.50% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR NIL of which EUR NIL was due to the Investment Manager as at the reporting date.

Emerging Markets Bond Fund

The Investment Manager receives a fee of 0.60% of the net asset value of the sub-fund per annum as well as reimbursement of out-of-pocket expenses.

The management fees incurred for the year were EUR7,273 of which EUR7,273 was due to the Investment Manager as at the reporting date.

Custodian's fees

High Income Bond Fund EUR

The Custodian receives a fee of 0.1% of the net asset value of the sub-fund as per the Custodian Agreement. The Custody fee is subject to a minimum fee of EUR2,000 per annum if the NAV of the fund is up to EUR10m; EUR10,000 per annum if the NAV of the Fund is between EUR10m and EUR50m; and EUR37,500 per annum if the NAV of the fund is greater than EUR50m. The Custodian will also be reimbursed for out-of-pocket expenses.

The custodian fees incurred for the year were EUR28,176 (2016: EUR NIL) of which EUR NIL (2016: EUR NIL) was due to the Custodian as at the reporting date.

Effective from 7 Aug 2015, the Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

High Income Bond Fund USD

The Custodian receives a fee of 0.1% of the net asset value of the sub-fund as per the Custodian Agreement. The Custody fee is subject to a minimum fee of EUR2,000 per annum if the NAV of the fund is up to EUR10m, EUR10,000 per annum if the NAV of the Fund is between EUR10m and EUR50m and EUR37,500 per annum if the NAV of the fund is greater than EUR50m. The Custodian will also be reimbursed for out-of-pocket expenses.

Effective from 7 Aug 2015, the Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian

receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

The custodian fees incurred for the year were EUR10,196 (2016: EUR9,976) of which EUR NIL (2016: EUR NIL) was due to the Custodian as at the reporting date.

Euro Equity Fund

The Custodian receives a fee of 0.1% of the net asset value of the sub-fund as per the Custodian Agreement. The Custody fee is subject to a minimum fee of EUR6,000 per annum if the NAV of the fund is up to EUR10m, EUR10,000 per annum if the NAV of the Fund is between EUR10m and EUR50m and EUR35,700 per annum if the NAV of the fund is greater than EUR50m. The Custodian will also be reimbursed for out-of-pocket expenses.

Effective from 7 Aug 2015, the Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

The custodian fees incurred for the year were EUR8,206 (2016: EUR7,331) of which EUR0.00 (2016: EUR NIL) was due to the Custodian as at the reporting date.

Global Balanced Income Fund

The Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

The custodian fees incurred for the year were EUR5,293 (2016: EUR4,245) of which EUR0.00 (2016: EUR NIL) was due to the Custodian as at the reporting date.

Malta Government Bond Fund

The Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

The custodian fees incurred for the year were EUR888 of which EUR NIL was due to the Custodian as at the reporting date.

Emerging Markets Bond Fund

The Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR10m, the Custodian receives a fee of 0.055% of the net asset value of the sub-fund as per the Custodian Agreement and a minimum fee of EUR10,000 per annum is applicable.

The custodian fees incurred for the year were EUR731 of which EUR NIL was due to the Custodian as at the reporting date.

Administration fees

High Income Bond Fund EUR

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR12,500 per annum and EUR25 for each trade as per the Administration, Registrar and Transfer Agency agreement. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR79,826 (2016: EUR70,879) of which EUR21,166 (2016: EUR18,886) was due to the Administrator as at the reporting date.

High Income Bond Fund USD

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR12,500 per annum and EUR25 for each trade as per the Administration, Registrar and Transfer Agency agreement. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR26,162 (2016: EUR24,453) of which EUR6,330 (2016: EUR6,923) was due to the Administrator as at the reporting date.

Euro Equity Fund

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR30,000 (2016: EUR30,000) of which EUR7,644 (2016: EUR7,540) was due to the Administrator as at the reporting date.

Global Balanced Income Fund

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR12,500 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR12,500 (2016: EUR12,500) of which EUR3,325 (2016: EUR3,278) was due to the Administrator as at the reporting date.

Malta Government Bond Fund

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is entitled to additional EUR1,500 per annum for each additional Class of Investor Shares launched. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR NIL of which EUR NIL was due to the Administrator as at the reporting date.

Emerging Markets Bond Fund

The Administrator receives a fee of 0.15% of the net asset value of the sub-fund subject to a minimum fee of EUR30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is entitled to additional EUR1,500 per annum for each additional Class of Investor Shares launched. The Administrator is also entitled to recover out-of-pocket expenses.

The administration fees incurred for the year were EUR5,152 of which EUR5,152 was due to the Administrator as at the reporting date.

Performance fees

No performance fees are applicable except for the Global Asset Allocation Fund, the terms of which are as follows:

The Investment Manager shall receive from the Company in respect of the Global Asset Allocation Fund, a performance fee in respect of each Investor Share outstanding on each Valuation Date equal to 15% of the amount by which the NAV per Share exceeds the Base Net Asset Value per Share.

The Performance Fee will be deemed to accrue as at each Valuation Day and shall be payable at the end of each calendar quarter in arrears and normally within 14 calendar days of the end of each Calculation Period. The Performance Fee in respect of each Investor Share will be calculated in respect of each Calculation Period. Each Calculation Period shall commence on the first Business Day of each calendar quarter and end on the last Business Day of that calendar quarter.

The performance fees incurred for the year in relation to Global Asset Allocation Fund amounted to EUR NIL (2016: EUR NIL) of which EUR NIL (2016: EUR NIL) was due to the Investment Manager as at the reporting date.

7 Taxation

The Company

In terms of current Maltese fiscal legislation, collective investment schemes are classified as either 'prescribed' or 'non-prescribed' funds.

A collective investment scheme which declares that the value of its assets situated in Malta allocated thereto for the purpose of its operations does not exceed eighty five per cent of the value of its total assets is treated as a non-prescribed fund.

On this basis, the High Income Bond Fund-EUR, the High Income Bond Fund-USD, the Euro Equity Fund, the Global Balanced Income Fund, the Malta Government Bond Fund and the Emerging Markets Bond Fund qualify as non-prescribed funds for Maltese income tax purposes.

Accordingly, the sub-funds within the Company are exempt from Maltese income tax except in respect of any income from immovable property situated in Malta.

Capital gains, dividends, interest and any other income from foreign investments held by the sub-funds within the Company may nonetheless be subject to tax imposed by the country of origin concerned and any such taxes are not recoverable by the sub-funds within Company or by the members.

Members not resident in Malta

Capital gains accruing to members not resident in Malta upon a redemption or transfer of shares or upon a distribution on a winding-up of the Company are not subject to tax in Malta.

However, the redemption or transfer of shares and any distribution on a winding-up of the Company may result in a tax liability for the members according to the tax regime applicable in their respective countries of incorporation, establishment, residence, citizenship, nationality or domicile, or other relevant jurisdiction.

Withholding tax expense

Certain interest income received by the Company is subject to withholding tax imposed in the country of origin.

8 Cash and cash equivalents

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR	High Income Bond Fund USD EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR	Malta Government Bond Fund EUR	Emerging Markets Bond Fund EUR
Cash at bank							
31 December 2017	10,071,126	5,370,865	1,929,658	167,947	553,582	252,705	1,793,795

	Calamatta Cuschieri Funds SICAV plc EUR	High Income Bond Fund EUR EUR	High Income Bond Fund USD EUR	Global Asset Allocation Fund EUR	Euro Equity Fund EUR	Global Balanced Income Fund EUR
Cash at bank						
31 December 2016	17,278,045	11,658,972	4,961,781	3,057	509,947	144,288

The cash and cash equivalents of the Company include EUR1,000 representing the proceeds of issue of founder shares.

Cash at bank earns interest at floating rates based on bank deposit rates.

9. Financial assets at fair value through profit or loss

9.1 Summary of the composition of the portfolio of investments

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Market Bond Fund
Financial assets designated as at fair value through profit or loss	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2017							
Exchange traded funds	6,157,776	1,677,669	270,424	2,417,903	1,690,627	19,138	82,016
Equities	6,813,587	-	-	5,097,450	1,716,040	-	-
Collective investment schemes	945,565	728,139	217,426	-	-	-	-
Debt instruments	63,904,768	44,437,835	13,511,195	-	1,928,752	1,593,437	2,433,530
Financial assets designated as held for trading							
OTC Derivatives	189,187	86,187	-	11,881	32,034	-	59,085
	78,199,662	47,118,609	13,999,045	7,527,234	5,367,453	1,612,575	2,574,648

	Calamatta Cuschieri Funds SICAV plc	High Income Bond Fund EUR	High Income Bond Fund USD	Global Asset Allocation Fund	Euro Equity Fund	Global Balanced Income Fund
Financial assets designated as at fair value through profit or loss	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2016						
Exchange traded funds	8,351,233	2,442,256	309,488	-	3,656,382	1,963,107
Equities	5,663,839	-	-	-	4,647,612	1,016,228
Collective investment schemes	1,210,662	719,857	490,805	-	-	-
Debt instruments	46,939,916	33,287,724	12,277,867	-	-	1,374,326
	62,165,649	36,429,836	13,078,160	-	8,303,993	4,353,660

The financial year-end of certain underlying collective investment schemes is not co-terminous with that of the Company or independently audited financial statements are not readily available as at the date of approval of the Company's financial statements. As a result, the valuation of these collective investment schemes, in aggregate amounting to EUR945,565 (2016: EUR1,210,662), cannot be corroborated against independently audited net asset values as at 31 December 2017 and have been based on alternative available independent market information. This has been further disclosed in note 2.4.

High Income Bond Fund EUR

The table below sets the composition of the portfolio of the Fund as at 31st December 2017 and 31st December 2016 respectively:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Transferable securities traded on a regulated market						
Collective investment schemes	728,139	1.37	1.37	719,857	1.48	1.48
Exchange traded funds	1,677,669	3.16	3.16	2,422,256	4.97	4.99
Debt instruments traded on a regulated market						
Sovereign bonds	953,440	1.80	1.80	1,143,000	2.35	2.36
Corporate bonds	43,484,395	81.92	81.92	31,980,003	65.67	65.89
	44,437,835	83.72	83.72	33,123,003	68.02	68.25
Debt instruments not traded on a regulated market						
Corporate bonds	188,780	0.36	0.36	164,721	0.34	0.34
Financial assets at fair value through profit or loss	46,843,642	88.25	88.25	36,429,836	74.81	75.06
Financial assets designated as held for trading						
OTC Derivatives	86,187	0.16	0.16	164,721	0.34	0.34

Issuers of the above financial assets are categorised as follows:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	29,728,460	56.01	56.01	23,855,513	48.99	49.15
EU non-Eurozone	4,533,804	8.54	8.54	5,584,577	11.47	11.51
United States	2,137,524	4.03	4.03	2,271,880	4.67	4.68
Other	10,718,821	20.19	20.19	4,717,866	9.69	9.72
	47,118,609	88.77	88.77	36,429,836	74.81	75.06

None of the financial assets at fair value through profit or loss as at 31 December 2017 and 31 December 2016 were pledged.

High Income Bond Fund USD

The table below sets the composition of the portfolio of the Fund as at 31 December 2017 and 31 December 2016:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Transferable securities traded on a regulated market						
Collective investment schemes	217,426	1.35	1.35	490,805	2.69	2.70
Exchange traded funds	270,424	1.68	1.68	309,488	1.70	1.70
Debt instruments traded on a regulated market						
Sovereign bonds	-	-	-	157,319	0.86	0.87
Corporate bonds	13,511,195	83.99	83.99	12,120,548	66.44	66.68
	13,511,195	83.99	83.99	12,277,867	67.30	67.54
Financial assets at fair value through profit or loss	13,999,045	87.03	87.03	13,078,160	71.69	71.95

Issuers of the above financial assets are categorised as follows:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	1,381,046	8.59	8.59	1,839,610	10.08	10.12
EU non-Eurozone	1,645,667	10.23	10.23	1,917,072	10.51	10.55
United States	3,269,632	20.33	20.33	4,492,391	24.63	24.71
Other	7,702,700	47.89	47.89	4,829,087	26.47	26.57
	13,999,045	87.03	87.03	13,078,160	71.69	71.95

None of the financial assets at fair value through profit or loss as at 31 December 2017 and 31 December 2016 were pledged.

Euro Equity Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2017 and 31 December 2016:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Transferable securities traded on a regulated market						
Exchange traded funds	2,417,903	31.60	31.60	3,656,382	41.47	41.67
Equities	5,097,450	66.63	66.63	4,647,612	52.71	52.97

Financial assets at fair value through profit or loss	7,515,353	98.22	98.22	8,303,993	94.18	94.64
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Financial assets designated as held for trading

OTC Derivatives	11,881	0.16	0.16	-	-	-
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Issuers of the above financial assets are categorised as follows:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	6,067,945	79.30	79.30	7,477,717	84.81	85.22
EU non-Eurozone	515,775	6.74	6.74	-	-	-
United States	613,010	8.01	8.01	826,277	9.37	9.42
Other	330,504	4.32	4.32	-	-	-
	7,527,234	98.37	98.37	8,303,993	94.18	94.64

None of the financial assets at fair value through profit or loss as at 31 December 2017 and 31 December 2016 were pledged.

Global Balanced Income Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2017 and 31 December 2016:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Transferable securities traded on a regulated market						
Exchange traded funds	1,690,627	28.51	28.51	1,963,107	43.37	43.61
Equities	1,716,040	28.94	28.94	1,016,228	22.45	22.57
Debt instruments traded on a regulated market						
Corporate bonds	1,928,752	32.53	32.53	1,374,326	30.36	30.53
Financial assets at fair value through profit or loss	5,335,518	89.99	89.99	4,353,660	96.17	96.71
Financial assets designated as held for trading						
OTC Derivatives	32,034	0.54	0.54	-	-	-

Issuers of the above financial assets are categorised as follows:

	31 December 2017			31 December 2016		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	3,358,279	56.64	56.64	3,187,534	70.41	70.80
EU non-Eurozone	229,301	3.87	3.87	314,189	6.94	6.98
United States	582,327	9.82	9.82	851,938	18.82	18.92
Other	1,197,644	20.20	20.20	-	-	-
	5,367,551	90.53	90.53	4,353,660	96.17	96.71

None of the financial assets at fair value through profit or loss as at 31 December 2016 and 31 December 2017 were pledged.

Malta Government Bond Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2017:

	31 December 2017		
	Total	% of total assets	% of net assets
EUR			
Transferable securities traded on a regulated market			
Collective investment schemes	-	-	-
Exchange traded funds	19,138	1.02	1.02
Debt instruments traded on a regulated market			
Sovereign bonds	1,593,437	84.52	84.72
Corporate bonds	-	-	-
	1,593,437	84.52	84.72
Financial assets at fair value through profit or loss	1,612,575	85.54	85.74

Issuers of the above financial assets are categorised as follows:

	31 December 2017		
	Total	% of total assets	% of net assets
EUR			
Eurozone	1,581,966	83.91	84.11
EU non-Eurozone	30,609	1.62	1.63
	1,612,575	85.53	85.74

None of the financial assets at fair value through profit or loss as at 31 December 2017 were pledged.

Emerging Markets Bond Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2017:

	31 December 2017		
	Total	% of total assets	% of net assets
EUR			
Transferable securities traded on a regulated market			
Collective investment schemes	-	-	-
Exchange traded funds	82,016	1.87	1.87
Debt instruments traded on a regulated market			
Sovereign bonds	344,017	7.83	7.84
Corporate bonds	2,089,530	47.59	47.59
	2,433,547	55.42	55.43

Financial assets at fair value through profit or loss	2,515,563	57.29	57.30
Financial assets designated as held for trading			
OTC Derivatives	59,085	1.35	1.35

Issuers of the above financial assets are categorised as follows:

	31 December 2017		
	Total	% of total assets	% of net assets
EUR			
Eurozone	349,653	7.96	7.96
EU non-Eurozone	514,530	11.72	11.72
Other	1,710,465	38.96	38.96
	2,574,648	58.64	58.64

None of the financial assets at fair value through profit or loss as at 31 December 2017 were pledged.

10 Transactions with related parties

(a) Directors

During the reporting year, Directors' remuneration amounted to EUR17,997 (31 December 2016: EUR19,030) as disclosed separately on statement of profit or loss and other comprehensive income. Directors are entitled to a maximum of EUR40,000 per annum paid quarterly in arrears. There were no other payments to key management personnel as defined in IAS 24 - Related Party Disclosures.

(b) Management fees

Total management fees for the reporting year ending 31 December 2017 amounted to EUR872,958 (31 December 2016: EUR860,234), as disclosed separately in the statement of profit or loss and other comprehensive income.

(c) Administration fees

Total administration fees for the reporting year ending 31 December 2017, amounted to EUR153,640 (31 December 2016: EUR139,726), as disclosed separately in the statement of profit or loss and other comprehensive income.

(d) Performance fees

Total performance fees for the reporting year ending 31 December 2017, amounted to EUR NIL (31 December 2016: EUR NIL), as disclosed separately in the statement of profit or loss and other comprehensive income.

(e) Founder shares

1,000 Founder Shares have been issued fully paid by Calamatta Cuschieri Investment Services Limited on behalf of the Company.

All transactions between the related parties are conducted at arm's length and are summarised in

Note 6 to these financial statements. Related party balances are neither secured nor has any guarantees been given or received relating to these balances.

11 Financial instruments and associated risks

The Company is established as an investment company with variable share capital (SICAV) which implies that financial instruments are extensively used in the course of its routine business. The sub-funds may invest in securities, deposits with credit institutions, investments in units of other Collective Investment Schemes, financial derivative instruments or OTC financial derivative instruments for the purposes of efficient portfolio management only and ancillary liquid assets.

Tactical allocation of sub-funds' assets is determined by the Investment Manager, setting the risk management limits in line with the investment strategy of each sub-fund at the prevailing market circumstances.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the sub-funds are discussed below.

11.1 Market risk

Market risk encapsulates the potential for gains and losses in the valuation of the underlying securities, including gains and losses arising from currency risk, interest rate risk and price risk.

The strategy of each sub-fund relating to the management of investment risk is derived from the sub-funds' investment objective, which is clearly outlined in the prospectus of the SICAV. The Investment Manager monitors the sub-funds' market exposures within the pre-determined Investment Restrictions on a daily basis whilst the overall market exposures are also monitored on a quarterly basis by the Board of Directors.

Details of the nature of the sub-funds' investment portfolio as at the reporting date are disclosed in Note 9.

11.1.1 Currency risk

The sub-funds may hold foreign cash balances, as well as invest in financial instruments and enter into transactions denominated in currencies other than the respective functional currency. Consequently, the sub-funds are exposed to risks that the exchange rate of the functional currencies relative to other foreign currencies may change in a manner that have adverse effect on the value of that portion of the sub-funds' assets denominated in currencies other than the functional currency.

The sub-funds' currency risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

As at the reporting date the sub-funds had the following open currency exposures:

High Income Bond Fund - EUR

	31 December 2017	31 December 2016
	% of total assets	% of total assets
Currency		
US Dollars	10.51	-

Euro Equity Fund

	31 December 2017	31 December 2016
	% of total assets	% of total assets
Currency		
US Dollars	8.77	8.25
Great Britain Pound	6.74	-

Global Balanced Income Fund

	31 December 2017	31 December 2016
	% of total assets	% of total assets
Currency	28.34	
US Dollars	3.98	19.49

Emerging Markets Bond Fund

	31 December 2017
	% of total assets
Currency	
Euros	9.97

Sensitivity Analysis

As at 31 December 2017 and 2016, had the functional currency of the Fund strengthened or weakened by 5% in relation to the other currencies with all other variables held constant, net assets attributable to holders of redeemable shares would have decreased by the amounts shown below. The Table below illustrates the estimated impact of a strengthening in the base currency of the Fund. Similar, but negative impact would be expected in the event of a weakening in the base currency. Importantly, the estimates below do not account for the hedging positions which would offset most of the impact of a change in EURUSD rate.

High Income Bond Fund - EUR

	31 December 2017	31 December 2016
	EUR	EUR
Currency		
US Dollars	279,062	-
Great Britain Pound	-	-

Euro Equity Fund

	31 December 2017	31 December 2016
	EUR	EUR
Currency		
US Dollars	33,549	36,381
Great Britain Pound	-	-

Global Balanced Income Fund

	31 December 2017	31 December 2016
	EUR	EUR
Currency		
US Dollars	83,957	44,124
Great Britain Pound	11,791	-

Emerging Markets Bond Fund

	31 December 2017
	EUR
Currency	
Euros	21,890
Great Britain Pound	-

11.1.2 Interest rate risk

A substantial amount of the sub-funds' financial assets are interest-bearing securities and are hence exposed to fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Sensitivity analysis

The interest rate risk is managed on a daily basis by the Investment Manager in line with the pre-determined policies and procedures in place. The overall interest rate risk is monitored on a quarterly basis by the Board of Directors and is managed on a daily basis by the Investment Manager.

The table below sets out the impact on the relative net assets of each sub-fund as at 31 December 2016 and 2017 in the event that worldwide yield curves experience a parallel 25bps/50bps shift upwards or downwards.

Yield curve shift

		31 December 2017		31 December 2016	
		+/- 25bps	+/- 50bps	+/- 25bps	+/- 50bps
		EUR	EUR	EUR	EUR
High Income Bond Fund EUR	+/-	363,600	727,200	308,200	616,400
High Income Bond Fund USD	+/-	122,700	245,400	109,100	218,200
Global Balanced Income Fund	+/-	16,300	32,600	25,500	51,000
Malta Government Bond Fund	+/-	33,300	66,600	-	-
Emerging Markets Bond Fund	+/-	30,000	60,000	-	-

As at 31 December 2017 and 2016, the Euro Equity Fund had no exposure to debt securities.

11.1.3 Price risk

Price risk is the risk that the value of the underlying assets will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk). These can arise from factors specific to an individual investment or its issuer, better known as idiosyncratic risk, or from factors affecting total market sentiment, better known as systemic risk.

Idiosyncratic price risk is managed through the construction of a well-diversified portfolio of investments traded on various markets. Systemic risk cannot be eliminated completely by diversification and hence investors in the respective sub-funds forming part of this SICAV are subject to the sub-funds relative systemic market risk.

As the majority of the sub-funds financial instruments are carried at fair value with fair value changes recognised in the statement of profit or loss and other comprehensive income, all changes in market conditions will directly affect the sub-funds' financial statements.

11.2 Credit and settlement risk

Credit risk is the risk that counterparty to a financial instrument will fail to honour an obligation or commitment that it has entered into with the respective sub-fund.

Settlement risk is the risk of loss due to failure of counterparty to honour its obligations to deliver cash, securities and/or other assets as contractually agreed. Risk relating to unsettled transactions is considered to be minimal due to the short settlement period involved and the high credit quality of the brokers used. Furthermore, the Investment Manager monitors the financial positions of the brokers used to further mitigate this risk.

All of the assets of the sub-funds are held by Sparkasse Bank Malta p.l.c. as Custodian. Sparkasse Schwaz AG is the parent company of Sparkasse Bank Malta plc and is a member of the Austrian Savings Bank Group, comprising all Austrian Sparkasse and Erste Group Banks. Erste Group Bank is rated BBB+ based on rating agency Standard & Poor's.

Bankruptcy or insolvency of the Custodian may cause the sub-funds rights with respect to securities held by the Custodian to be delayed or limited.

High Income Bond Fund EUR

The sub-fund aims to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of debt securities and other fixed income or interest bearing securities.

As at 31 December 2017, the High Income Bond Fund EUR's exposure to debt securities stood at 83.72% (2016: 68.59%) of its total net assets. The credit quality of these investments as at 31 December 2017 is summarised below:

Credit rating	31 December 2017 % Exposure of total net assets	31 December 2016 % Exposure of total net assets
A	2%	1%
BBB	14%	14%
BB	25%	22%
B	38%	27%
CCC+	-	1%
NR/Below CCC+	5%	3%

The credit ratings of entities which are holding cash at bank are:

Credit Institution		Credit Rating	31 December 2017	31 December 2016
Sparkasse Malta plc	Bank	NR	1,542,843	4,215,224
BNF Bank		NR	1,827,252	2,323,132
MeDirect		NR	1,000,000	696
FIMBank p.l.c		BB-	426	2,119,924
Bank of Valetta		BBB+	1,000,436	2,999,996

High Income Bond Fund USD

The sub-fund aims to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of debt securities and other fixed income or interest bearing securities. As at 31 December 2017, the High Income Bond Fund USD's exposure to debt securities stood at 84.00% (2016: 67.54%) of its total net assets. The credit quality of these investments as at 31 December 2017 is summarised below:

Credit rating	31 December 2017 % Exposure of total net assets	31 December 2016 % Exposure of total net assets
A	1%	1%
BBB	17%	16%
BB	31%	22%
B	35%	25%
CCC+	-	1%
NR/Below CCC+	-	2%

The credit ratings of entities which are holding cash at bank are:

Credit Institution		Credit Rating	31 December 2017	31 December 2016
Sparkasse Malta plc	Bank	NR	1,510,617	3,721,509
MeDirect (Malta) plc	Bank	NR	12	480,927
FIMBank plc		BB-	805,926	759,345

Global Balanced Income Fund

The objective of the sub-fund is to provide stable, long-term capital appreciation by investing in a diversified portfolio of local and international bonds, equities and other income generating assets. As at 31 December 2017, the Global Balanced Income Fund's exposure to debt securities stood at 32.55% (2016: 30.53%). The credit quality of these investments as at 31 December 2017 is summarised below:

Credit rating	31 December 2017 % Exposure of total net assets	31 December 2016 % Exposure of total net assets
BBB	0%	0%
BB	10%	13%
B	19%	16%

NR		3%	2%
The credit ratings of entities which are holding cash at bank are:			
Credit Institution	Credit Rating	31 December 2017	31 December 2016
Sparkasse Bank Malta plc	NR	553,571	144,482

Euro Equity Fund

The objective of the sub-fund is to endeavour to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of equity securities.

As at 31 December 2017 and 2016, the Euro Equity Fund had no exposure to debt securities.

The credit ratings of entities which are holding cash at bank are:

Credit Institution	Credit Rating	31 December 2017	31 December 2016
Sparkasse Bank Malta plc	NR	168,200	509,126

Malta Government Bond Fund

The Fund aims to maximise the total level of return for investors through investment, primarily, in debt securities and money market instruments issued by the Government of Malta. The Investment Manager may also invest directly or indirectly via eligible ETFs and/or eligible CISs up to 15% of its assets in "Non-Maltese Assets" in debt securities and/or money market instruments issued or guaranteed by Governments of EU, EEA and OECD Member States other than Malta. The Investment Manager will not be targeting debt securities of any particular duration, coupon or credit rating.

As at 31 December 2017, the Malta Government Bond Fund's exposure to debt securities stood at 84.72%. The credit quality of these investments as at 31 December 2017:

31 December 2017	
Credit rating	% Exposure of total net assets
AA-A	47%
BBB	6%
BB	2%
B	-
CCC+	-
NR/Below CCC+	31%

The credit ratings of entities which are holding cash at bank are:

Credit Institution	Credit Rating	31 December 2017
Sparkasse Bank Malta plc	NR	252,705

Emerging Markets Bond Fund

The Sub-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.

As at 31 December 2017, the Emerging Markets Bond Fund's exposure to debt securities stood at 55.43%. The credit quality of these investments as at 31 December 2017:

Credit rating	31 December 2017
	% Exposure of total net assets
A	0%
BBB	12%
BB	11%
B	33%
CCC+	-
NR/Below CCC+	-

The credit ratings of entities which are holding cash at bank are:

Credit Institution	Credit Rating	31 December 2017
Sparkasse Bank plc	Malta NR	2,153,451

11.3 Liquidity risk

The sub-funds' constitution provides for the weekly creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unit-holders' redemptions at any time. The major part of these sub-funds' underlying securities is considered to be readily realisable since they are all listed on major European and US Stock Exchanges.

The sub-fund's investments in collective investment schemes may not be readily realisable and their marketability may be restricted, in particular because the underlying funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods, and apply lock-ups and redemption fees. The respective sub-funds' ability to withdraw monies from or invest monies in underlying funds with such restrictions will be limited and such restrictions will limit the Company's flexibility to reallocate such assets among underlying funds. Some of the underlying funds may be or may become illiquid, and the realisation of investments from them may take a considerable time and/or be costly. As a result, the Company may not be able to quickly liquidate its investment in these instruments at an amount close to fair value in order to meet its liquidity requirements.

The sub-funds' liquidity risk is managed on an on-going basis by the Investment Manager in accordance with policies and procedures in place. The sub-funds' overall liquidity risks are monitored and reviewed on a quarterly basis by the Board of Directors.

The liabilities of the sub-funds are comprised of accrued expenses and advances received against pending subscriptions and these are due within 3 months of the date of statement of financial position.

11.4 Custody risk

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of a loss being incurred on financial instruments held in custody as a result of a custodian's or prime broker's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial instruments held by the custodian or prime broker in the event of its failure, the ability of the Company to transfer the securities might be temporarily impaired.

11.5 Capital risk management

The capital of the Company is represented by the net assets attributable to holders of redeemable shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a weekly basis, as the sub-funds are subject to weekly subscriptions and redemptions at the discretion of shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Company.

In order to maintain or adjust the capital structure, the Company's policy is to monitor the level of weekly subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and adjust the amount of distributions the Company pays to redeemable shareholders.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

12 Fair values of financial assets and financial liabilities

At 31 December 2017 and 2016 the carrying amounts of financial assets and financial liabilities not measured at fair value through profit or loss approximated their fair values due to the short-term maturities of these assets and liabilities or the fact that they carried a rate of interest that is reflective of market rates at the year end.

Fair value hierarchy

Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data

Collective investment schemes

The sub-funds' investments in the collective investment schemes are priced based on the underlying funds' net asset value as calculated by the administrator of such collective investment scheme as at the reporting date. The determination of whether such investment will be classified in Level 2 or Level 3 is assessed at the class level and based upon the ability to redeem such investment within a reasonable period of time. If an investment in a private investment fund may be redeemed at least quarterly and the fair value of the investment is based on information provided by management of the underlying fund, it is classified as Level 2. In all other cases it will be classified as Level 3.

Equity shares and exchange traded funds

Investments in equity shares and exchange traded funds for which quoted market prices in active markets (non-Maltese regulated markets) are available are valued at the price within the bid-ask spread that is most representative of the fair value in the circumstances to be used to measure fair value. These investments are categorised in Level 1 of the fair value hierarchy.

High Income Bond Fund EUR

	Level 1	Level 2	Level 3	Total
31 December 2017	EUR	EUR	EUR	EUR
Exchange traded funds	1,677,669	-	-	1,677,669
Collective investment schemes	-	728,139	-	728,139
Debt instruments	44,249,055	188,780	-	44,437,835
OTC Derivatives	-	86,187	-	86,187
	45,926,724	1,003,106	-	46,929,830
	Level 1	Level 2	Level 3	Total
31 December 2016	EUR	EUR	EUR	EUR
Exchange traded funds	2,422,256	-	-	2,422,256
Collective investment schemes	-	719,857	-	719,857
Debt instruments	33,123,003	164,721	-	33,287,724
	35,545,259	884,577	-	36,429,836

High Income Bond Fund USD

	Level 1	Level 2	Level 3	Total
31 December 2017	EUR	EUR	EUR	EUR
Exchange traded funds	270,424	-	-	270,424
Collective investment schemes	-	217,426	-	217,426
Debt instruments	13,511,195	-	-	13,511,195
	13,781,619	217,426	-	13,999,045
	Level 1	Level 2	Level 3	Total
31 December 2016	EUR	EUR	EUR	EUR
Exchange traded funds	309,488	-	-	309,488
Collective investment schemes	-	490,805	-	490,805
Debt instruments	12,277,867	-	-	12,277,867
	12,587,355	490,805	-	13,078,160

Euro Equity Fund

	Level 1	Level 2	Level 3	Total
31 December 2017	EUR	EUR	EUR	EUR

Exchange traded funds	2,417,903	-	-	2,417,903
Equities	5,097,450	-	-	5,097,450
OTC Derivative Instruments	-	11,881	-	11,881
	7,515,353	11,881	-	7,527,234

	Level 1	Level 2	Level 3	Total
31 December 2016	EUR	EUR	EUR	EUR
Exchange traded funds	3,656,382	-	-	3,656,382
Equities	4,647,612	-	-	4,647,612
	8,303,993	-	-	8,303,993

Global Balanced Income Fund

	Level 1	Level 2	Level 3	Total
31 December 2017	EUR	EUR	EUR	EUR
Exchange traded funds	1,690,627	-	-	1,690,627
Equities	1,716,138	-	-	1,716,040
Debt instruments	1,928,752	-	-	1,928,752
OTC Derivative Instruments	-	32,034	-	32,034
	5,335,517	32,034	-	5,367,453

	Level 1	Level 2	Level 3	Total
31 December 2016	EUR	EUR	EUR	EUR
Exchange traded funds	1,963,107	-	-	1,963,107
Equities	1,016,228	-	-	1,016,228
Debt instruments	1,374,326	-	-	1,374,326
	4,353,660	-	-	4,353,660

Malta Government Bond Fund

	Level 1	Level 2	Level 3	Total
31 December 2017	EUR	EUR	EUR	EUR
Exchange traded funds	19,138	-	-	19,138
Collective investment schemes	-	-	-	-
Debt instruments	1,593,437	-	-	1,593,437
	1,612,575	-	-	1,612,575

Emerging Markets Bond Fund

	Level 1	Level 2	Level 3	Total
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31 December 2017	EUR	EUR	EUR	EUR
Exchange traded funds	82,016	-	-	82,016
Collective investment schemes	-	-	-	-
Debt instruments	2,433,547	-	-	2,433,547
OTC Derivative Instruments	-	59,085	-	59,085
	2,515,563	59,085	-	2,574,648

As at 31 December 2017 and 2016, the carrying amounts of other financial assets and other payables approximated to their fair values due to the short-term nature of these balances.

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the sub-funds in accordance with their offering supplements. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the sub-funds at any dealing date for cash equal to a proportionate share of the sub-funds' net asset value attributable to the share class. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares.

13 Events after the reporting period

An additional sub-fund, namely the Malta Income Fund will be launched during Q2 2018. To date this sub-fund has been licensed by the MFSA and is currently in the initial offering period. The directors consider that the year-end financial position was satisfactory and that the Company is well placed to sustain the present level of activity in the foreseeable future.

Independent auditor's report

to the members of
Calamatta Cuschieri Funds SICAV plc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Calamatta Cuschieri Funds SICAV plc ("the Company"), constituting each of the sub-funds of the Company, set out on pages 15 to 59, which comprise each of the statements of financial position as at 31 December 2017, and the statements of profit or loss or other comprehensive income, statements of changes in net assets attributable to holders of redeemable shares and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- value of investments at fair value through profit or loss

We draw attention to note 9.1 in the financial statements which describes that the financial year-end of certain underlying collective investment schemes is not co-terminous with that of the Company and in certain instances where the year-ends are co-terminous, independently audited financial statements are not readily available as at the reporting date of the Company. As a result, the valuation of these collective investment schemes, in aggregate amounting to EUR945,565, cannot be corroborated against independently audited net asset values as at 31 December 2017 and have been based on net asset values as calculated by the administrators of the underlying funds. Because of the inherent uncertainty in the aforesaid valuations, reported figures might differ from the values that would have been obtained had independently audited net asset values as at 31 December 2017 been available. Our opinion is not qualified in this respect.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the company information on page 1, the investment managers report on page 2 to 9, the Directors' report on pages 10 to 12, the statement of directors' responsibilities on page 13, portfolio statement on pages 64 to 72, efficient portfolio management techniques on pages 73 to 75, Appendix 1-General information on page 76 and the Custodian's report on pages 77 to 78, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Independent auditor's report (continued)

to the members of

Calamatta Cuschieri Funds SICAV plc.

Information Other than the Financial Statements and the Auditor's Report Thereon (continued)

Except for our opinion on the Directors' report in accordance with the Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386)

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 10 to 12, in our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibility of the Directors for the Financial Statements

As explained more fully in the Statement of directors' responsibilities on page 13, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act (Cap.386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Companies Act (Cap.386), the scope of our audit does not include assurance on the future viability of the audited entity or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the entity.

Independent auditor's report (continued)

to the members of

Calamatta Cuschieri Funds SICAV plc.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

to the members of

Calamatta Cuschieri Funds SICAV plc.

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception under the Companies Act

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

Consistency of the audit report with the additional report to the Board of Directors

Our audit opinion is consistent with the additional report to the Board of Directors in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

Auditor appointment

We were appointed by the members of the Company to act as statutory auditor of the Company and its Group for the year ended 31 December 2017, during which the Company's equity listing occurred, on 27 April 2017.



Sarah Curmi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Mriehel, Malta.

27 April 2018

13 Portfolio of Net Assets

Portfolio of Net Assets as at 31st December 2017

High Income Bond Fund EUR

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
5.625% KBC GROEP NV 19/06/2166	EUR	731,521	1.38
4.75% UBS AG 12/02/2026	EUR	561,130	1.06
4.75% ALLIANZ SE 24/10/2166	EUR	238,156	0.45
6% DEUTSCHE BANK AG 30/04/2166	EUR	730,555	1.38
6.125% VEDANTA RESOURCE 09/08/2024	USD	255,309	0.48
5.375% ELEC DE FRANCE 29/01/2166	EUR	678,618	1.28
4.87% CASINO GUICHARD 31/01/2166	EUR	714,126	1.35
2.125% PERNOD RICARD SA 27/09/2024	EUR	433,860	0.82
4.5% MALTA GOVERNMENT 25/10/2028	EUR	526,600	0.99
6.75% DIGICEL LIMITED 01/03/2023	USD	246,512	0.46
7.25% ALDESA FINANCIAL 01/04/2021	EUR	846,567	1.59
5% NIDDA BONDCO 30/09/2025	EUR	806,640	1.52
5.875% PETROBRAS 07/03/2022	EUR	581,000	1.09
5% MASARIA INVEST 15/09/2024	EUR	707,763	1.33
10% BANK OF IRELAND 19/12/2022	EUR	707,210	1.33
6.625% ALAM SYNERGY 24/04/2022	USD	494,039	0.93
7.25% ALTICE LX 15/05/2022	EUR	304,932	0.57
5.625% UNITYMEDIA 15/04/2023	EUR	364,616	0.69
6.5% ENEL SPA 10/01/2074	EUR	425,404	0.80
5.75% CREDIT SUISSE 18/09/2025	EUR	568,305	1.07
5.425% SOLVAY FIN 12/11/2166	EUR	353,433	0.67
6.625% VIVACOM 15/11/2018	EUR	801,352	1.51
5.25% ORANGE 07/02/2166	EUR	475,832	0.90
3.6% GAZPROM 26/02/2021	EUR	539,510	1.02
6.25% BANCO SANTANDER 12/06/2166	EUR	837,512	1.58
5.75% DANSKE BANK A/S 06/10/2166	EUR	542,520	1.02
3.625% ENERGIE BADEN-WU 02/04/2076	EUR	323,268	0.61
4.625% VOLKSWAGEN INTFN 24/03/2166	EUR	563,990	1.06
3.75% BORTEX GROUP FIN 01/12/2027	EUR	262,962	0.50
4% AEGON NV 25/04/2044	EUR	563,260	1.06
6.5% BARCLAYS PLC 15/09/2166	EUR	642,408	1.21
3.875% AXA SA 08/10/2166	EUR	568,000	1.07
6.5% SELECTA GROUP BV 15/06/2020	EUR	406,504	0.77
3.875% AVIVA PLC 03/07/2044	EUR	339,696	0.64
4.875% LOXAM SAS 23/07/2021	EUR	599,231	1.13
3.375% HANNOVER RUECKV 26/06/2166	EUR	334,449	0.63
5.25% HSBC HOLDINGS 16/03/2166	EUR	664,476	1.25
4% EDEN FINANCE 28/04/2027	EUR	312,000	0.59
5.25% MALTA GOVERNMENT 23/06/2030	EUR	426,840	0.80
4% INEOS FINANCE PL 01/05/2023	EUR	1,030,090	1.94
4.85% VOLVO TREAS AB 10/03/2078	EUR	229,758	0.43
6.5% GLOBAL PORTS FIN 22/09/2023	USD	440,033	0.83
6.25% EPHIOS BONDCO 01/07/2022	EUR	844,752	1.59
5.5% RABOBANK 29/06/2166	EUR	542,860	1.02
6.5% CMA CGM SA 15/07/2022	EUR	527,675	0.99
4.75% INTL GAME TECH 15/02/2023	EUR	454,396	0.86
5.75% UBS GROUP 19/02/2166	EUR	228,118	0.43
6.125% BNP PARIBAS 17/12/2166	EUR	231,500	0.44
7.5% GARFUNKELUX HOLD 01/08/2022	EUR	840,432	1.58
3.25% GRUPO-ANTOLIN 30/04/2024	EUR	625,974	1.18
9.5% WFS GLOBAL HLDGS 15/07/2022	EUR	642,072	1.21

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
4.75% ALTICE FINCO SA 15/01/2028	EUR	669,725	1.26
5.299% PETROBRAS GLOB 27/01/2025	USD	418,234	0.79
4% SAPPI PAPIER HOL 01/04/2023	EUR	735,168	1.39
3.625% TELECOM ITALIA 25/05/2026	EUR	336,006	0.63
4.5% EIRCOM FINANCE 31/05/2022	EUR	622,794	1.17
3.5% GESTAMP FUN LUX 15/05/2023	EUR	314,784	0.59
6.5% LECTA SA 01/08/2023	EUR	932,949	1.76
2.625% CROWN EUROPEAN 30/09/2024	EUR	618,468	1.17
4.625% CEMEX FINANCE 15/06/2024	EUR	543,855	1.02
8.5% PATERNOSTER HOLD 15/02/2023	EUR	627,204	1.18
6.125% CHEMOURS CO 15/05/2023	EUR	1,064,660	2.01
4.8% MED MARITIME HUB 14/10/2026	EUR	273,000	0.51
6.25% THOMAS COOK GR 15/06/2022	EUR	650,484	1.23
4.375% BOPARAN FINANCE 15/07/2021	EUR	371,512	0.70
6.75% UNICREDIT SPA 10/03/2166	EUR	756,805	1.43
4.875% GERDAU TRADE INC 24/10/2027	USD	415,244	0.78
4.4% VON DER HEYEDEN 08/03/2024	EUR	199,000	0.37
4.125% HP PELZER 01/04/2024	EUR	1,146,190	2.16
6% LOXAM SAS 15/04/2025	EUR	655,764	1.24
6.5% BORETS FIN 07/04/2022	USD	266,619	0.50
6.5% MINERVA LUX SA 20/09/2026	USD	256,198	0.48
3.875% THOMAS COOK FI 15/07/2023	EUR	101,980	0.19
7% MARB BONDCO PLC 15/03/2024	USD	670,707	1.26
6.375% VEDANTA RESOURCE 30/07/2022	USD	522,527	0.98
4.35% SD FINANCE PLC 25/04/2027	EUR	240,350	0.45
6.95% MODERNLAND OVERS 13/04/2024	USD	425,681	0.80
6.25% CHINA EVERGRANDE 28/06/2021	USD	500,846	0.94
4.875% UNITED GROUP 01/07/2024	EUR	521,085	0.98
5.25% INTRALOT CAPITAL 15/09/2024	EUR	913,986	1.72
5.375% TAKKO LUX 2 SCA 15/11/2023	EUR	684,887	1.29
4% STIVALA GROUP 18/10/2027	EUR	210,120	0.40
5.875% MINERVA LUX SA 19/01/2028	USD	406,139	0.77
8.375% GAJAH TUNGAL 10/08/2022	USD	247,097	0.47
6.25% FortyTwo Invest plc 01/03/2022	EUR	188,780	0.36
Total debt Instruments		44,626,614	84.08
Exchange traded funds			
LYXOR ETF EUROMTS 7-10Y Investment Grade - EUR ETF	EUR	171,920	0.32
Lyxor BofAML € High Yield Ex-Financial Bond UCITS ETF	EUR	293,100	0.55
iShares € High Yield Corp Bond UCITS ETF	EUR	429,520	0.81
db x-trackers II ITRAXX Crossover UCITS ETF	EUR	406,269	0.77
LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF	EUR	376,860	0.71
Total exchange traded funds		1,677,669	3.16
Collective investment schemes			
HI Numen Credit Fund	EUR	728,139	1.37
Total collective investment schemes		728,139	1.37

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Derivatives			
Forwards			
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 05.01.2018	USD	86,187	0.16
Total forwards		86,187	0.16
Total portfolio of investments		47,118,609	88.77
Bank balances		5,370,865	10.12
Other assets net of liabilities		589,894	1.11
Net Assets		53,079,368	100.00

High Income Bond Fund USD

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
5.125% UBS AG 15/05/2024	USD	317,577	1.64
6.5% GLOBAL PORTS FIN 22/09/2023	USD	316,956	1.64
8.25% BARCLAYS PLC 15/03/2166	USD	210,212	1.09
4.375% FORD MOTOR CRED 06/08/2023	USD	210,420	1.09
5.625% HSBC HOLDINGS 17/01/2167	USD	412,632	2.14
6% ICAHN ENTER/FIN 01/08/2020	USD	411,296	2.13
7% KB HOME 15/12/2021	USD	666,966	3.45
4.75% LENNAR CORP 15/11/2022	USD	525,220	2.72
5.5% NORDEA BANK AB 23/03/2166	USD	308,766	1.60
11.5% SPRINT NEXTEL 15/11/2021	USD	361,599	1.87
8.25% VALE OVERSEAS 17/01/2034	USD	265,596	1.38
6.125% BOMBARDIER INC 15/01/2023	USD	294,795	1.53
5.25% ELEC DE FRANCE 29/07/2166	USD	204,382	1.06
6.25% INTL GAME TECH 15/02/2022	USD	432,484	2.24
4.25% JAGUAR LAND ROVR 15/11/2019	USD	409,480	2.12
6% VEDANTA RESOURCE 31/01/2019	USD	204,800	1.06
5.25% VIRGIN MEDIA SEC 15/01/2026	USD	203,940	1.06
6.75% DIGICEL LIMITED 01/03/2023	USD	197,292	1.02
8.375% MARFRIG HLDG EUR 09/05/2018	USD	204,066	1.06
7.25% JBS USA LUX/FIN 01/06/2021	USD	203,926	1.06
5.875% JBS USA LLC/JBS 15/07/2024	USD	394,460	2.04
7% SCIENTIFIC GAMES 01/01/2022	USD	527,605	2.73
9.25% GAZPROM 23/04/2019	USD	324,138	1.68
7.25% COUNTRY GARDEN 04/04/2021	USD	310,974	1.61
5.5% ALLIANZ SE 26/03/2166	USD	203,796	1.06
5.25% SBERBANK 23/05/2023	USD	417,452	2.16
6.5% CREDIT SUISSE AG 08/08/2023	USD	224,242	1.16
4.875% TURK TELEKOM 19/06/2024	USD	408,060	2.11
8% UNICREDIT SPA 03/06/2166	USD	439,312	2.28
6.375% BANCO SANTANDER 19/08/2166	USD	410,328	2.12
6.25% DEUTSCHE BANK AG 30/04/2166	USD	400,128	2.07
6.625% MMC NORILSK NICK 14/10/2022	USD	338,738	1.75
6.25% GTH FINANCE BV 26/04/2020	USD	421,000	2.18
5.625% INEOS GROUP HOLD 01/08/2024	USD	520,370	2.69
5.75% TURKCELL ILETISI 15/10/2025	USD	215,530	1.12
5.5% TENEDORA NEMAK 28/02/2023	USD	206,200	1.07
7.875% GRUPO POSADAS 30/06/2022	USD	207,568	1.07
6.625% ALAM SYNERGY 24/04/2022	USD	395,396	2.05
6.375% VEDANTA RESOURCE 30/07/2022	USD	209,098	1.08
5.375% PETROBRAS GLOB 27/01/2021	USD	521,875	2.70
7% MARB BONDCO PLC 15/03/2024	USD	301,944	1.56
4.95% GAZPROM 23/03/2027	USD	312,933	1.62
4.1% MMC NORILSK NICK 11/04/2023	USD	403,036	2.09
6.5% BORETS FIN 07/04/2022	USD	320,076	1.66
7.25% GTL TRADE FIN 16/04/2044	USD	217,580	1.13
6.95% MODERNLAND OVERS 13/04/2024	USD	408,824	2.12
6.25% CHINA EVERGRANDE 28/06/2021	USD	200,422	1.04
5.299% PETROBRAS GLOB 27/01/2025	USD	401,672	2.08
5.875% MINERVA LUX SA 19/01/2028	USD	195,028	1.01
Total debt Instruments		16,220,190	84.00

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Exchange traded funds			
ISHARES USD HIGH YIELD CORPORATE BOND UCITS	USD	324,644	1.69
Total exchange traded funds		324,644	1.69
Collective investment schemes			
MUZINICH FUNDS - LONG SHORT CREDIT YIELD	USD	261,020	1.35
Total collective investment schemes		261,020	1.35
Total portfolio of investments		16,805,854	87.03
Bank balances		2,316,555	12.00
Other assets net of liabilities		187,999	0.97
Net Assets		19,310,408	100.00

Euro Equity Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Equities			
ALLIANZ SE-REG	EUR	397,363	5.19
APPLE INC	EUR	285,200	3.73
ASML HOLDING NV	EUR	399,163	5.22
BANK OF VALLETTA PLC	EUR	180,000	2.35
BARCLAYS PLC	GBP	285,866	3.74
BAYERISCHE MOTOREN WERKE AG	EUR	347,320	4.54
BNP PARIBAS	EUR	373,500	4.88
COMPAGNIE DE SAINT GOBAIN	EUR	266,684	3.49
DAIMLER AG-REGISTERED SHARES	EUR	283,200	3.70
LLOYDS BANKING GROUP PLC	GBP	229,909	3.01
L'OREAL	EUR	258,930	3.38
LVMH MOET HENNESSY LOUIS VUI	EUR	368,100	4.81
MASTERCARD INC - A	USD	327,810	4.28
RENAULT SA	EUR	335,640	4.39
SOCIETE GENERALE SA	EUR	322,875	4.22
VALEO SA	EUR	435,890	5.70
Total equities		5,097,450	66.63
Exchange traded funds			
ISHARES MSCI EM ACC	USD	330,504	4.32
ISHR EUR600 CNSTRN&MTRLs DE	EUR	297,310	3.89
ISHR EUROPE600 OIL & GAS DE	EUR	263,857	3.45
LYX EURSTX600 TECHNlg ETF	EUR	573,059	7.49
LYX CAC 40 DR DIST	EUR	182,473	2.39
LYX ETF DAX DR	EUR	368,220	4.81
LYX ETF EURSTX600 BANKS	EUR	402,480	5.26
Total exchange traded funds		2,417,903	31.60
Forwards			
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 26.01.2018	USD	11,881	0.16
Total forwards		11,881	0.16
Total portfolio of investments		7,527,234	98.39
Bank balances		167,947	2.20
Other liabilities net of assets		(44,538)	(0.58)
Net Assets		7,650,643	100.00

Global Balanced Income Fund

		EUR	total net assets %
Debt Instruments			
7% KB HOME 15/12/2021	USD	46,297	0.78
4.875% LOXAM SAS 23/07/2021	EUR	74,903	1.26
4% INEOS FINANCE PL 01/05/2023	EUR	206,018	3.48
5.125% GRUPO ANTOLIN DU 30/06/2022	EUR	104,804	1.77
4.75% LENNAR CORP 01/04/2021	USD	43,365	0.73
7.5% GARFUNKELUX HOLD 01/08/2022	EUR	210,108	3.55
6.5% LECTA SA 01/08/2023	EUR	207,322	3.50
5.25% INTRALOT CAPITAL 15/09/2024	EUR	203,108	3.43
6.125% CHEMOURS CO 15/05/2023	EUR	106,466	1.80
6.75% UNICREDIT SPA 10/03/2166	EUR	216,230	3.65
4% EDEN FINANCE 28/04/2027	EUR	72,800	1.23
4.35% SD FINANCE PLC 25/04/2027	EUR	82,555	1.39
6.125% VEDANTA RESOURCE 09/08/2024	USD	170,205	2.87
5.299% PETROBRAS GLOB 27/01/2025	USD	83,646	1.41
5% NIDDA BOND CO 30/09/2025	EUR	100,830	1.70
Total debt Instruments		1,928,657	32.55
Equities			
ALLIANZ SE	EUR	134,050	2.26
APPLE INC	USD	126,869	2.14
ASML NV	EUR	145,150	2.45
BANK OF VALLETTA PLC	EUR	90,000	1.52
BARCLAYS PLC	GBP	114,346	1.93
BNP PARIBAS	EUR	118,275	2.00
DAIMLER AG	EUR	113,280	1.91
LLOYDS BANKING GROUP PLC	GBP	114,954	1.94
L'OREAL	EUR	110,970	1.87
LVMH	EUR	103,068	1.74
RENAULT SA	EUR	201,384	3.40
SOCIETE GENERALE SA	EUR	94,710	1.60
VALEO SA	EUR	249,080	4.20
Total equities		1,716,136	28.96
Exchange traded funds			
ISHARES EURO HY CORP BOND ETF	EUR	214,760	3.62
ISHARES USD HY CORP USD ETF	USD	86,397	1.46
ISHARES CORE S&P 500 ETF	EUR	172,931	2.92
ISHARES EURO STOXX50 UCITS ETF	USD	157,590	2.66
LYXOR EUROSTOXX 600 TECHNOLOGY ETF	USD	95,510	1.61
ISHARES MSCI EM ETF	EUR	540,824	9.13
ISHARES MSCI EM ASIA ACC	EUR	196,949	3.32
ISHARES EUROSTOXX600 CONSTRUCTION & MATERIALS ETF	EUR	114,400	1.93
ISHARES EUROSTOXX600 OIL&GAS ETF	USD	111,265	1.88
Total exchange traded funds		1,690,626	28.53
Forwards			
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 05.01.2018	USD	32,034	0.54
Total forwards		32,034	0.54
Total portfolio of investments		5,367,453	90.58
Bank balances		553,582	9.34
Other assets net of liabilities		4,695	0.08
Net Assets		5,925,730	100.00

Malta Government Bond Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
4.5% MALTA GOVERNMENT 25/10/2028	EUR	131,650	7.00
3.3% MALTA GOVERNMENT 12/11/2024	EUR	41,227	2.19
4.8% MALTA GOVERNMENT 11/09/2028	EUR	107,552	5.72
5.1% MALTA GOVERNMENT 16/08/2022	EUR	98,188	5.22
5% MALTA GOVERNMENT 08/08/2021	EUR	76,411	4.06
5.5% MALTA GOVERNMENT 06/07/2023	EUR	63,990	3.40
4.3% MALTA GOVERNMENT 15/05/2022	EUR	85,247	4.53
5.25% MALTA GOVERNMENT 23/06/2030	EUR	85,368	4.54
4.65% MALTA GOVERNMENT 22/07/2032	EUR	137,810	7.33
5.1% MALTA GOVERNMENT 01/10/2029	EUR	139,400	7.41
5.2% MALTA GOVERNMENT 16/09/2031	EUR	114,776	6.10
2.3% MALTA GOVERNMENT 24/07/2029	EUR	142,159	7.56
4.1% MALTA GOVERNMENT 18/10/2034	EUR	66,215	3.52
4.45% MALTA GOVERNMENT 03/09/2032	EUR	101,490	5.40
3.4% IRISH GOVT 18/03/2024	EUR	17,922	0.95
2.6% BELGIAN 0332 22/06/2024	EUR	23,181	1.23
5% BTPS 01/03/2025	EUR	18,596	0.99
5.125% REP OF SLOVENIA 30/03/2026	EUR	20,562	1.09
2.2% PORTUGUESE OT'S 17/10/2022	EUR	10,857	0.58
5.4% SPANISH GOV'T 31/01/2023	EUR	25,000	1.33
3.5% BTPS 01/03/2030	EUR	16,829	0.89
4.125% PORTUGUESE OT'S 14/04/2027	EUR	23,727	1.26
5.75% SPANISH GOV'T 30/07/2032	EUR	14,674	0.78
6.25% HUNGARY 29/01/2020	USD	17,877	0.95
3% REP OF POLAND 17/03/2023	USD	12,732	0.68
Total debt Instruments		1,593,437	84.72
Exchange traded funds			
LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETI	EUR	19,138	1.02
Total exchange traded funds		19,138	1.02
Total portfolio of investments		1,612,575	85.74
Bank balances		252,705	13.44
Other assets net of liabilities		15,577	0.83
Net Assets		1,880,857	100.00

Emerging Markets Bond Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
6.625% ALAM SYNERGY 24/04/2022	USD	164,680	3.75
5.875% JBS USA LLC/JBS 15/07/2024	USD	164,290	3.74
5.299% PETROBRAS GLOB 27/01/2025	USD	292,764	6.67
7.5% CHINA EVERGRANDE 28/06/2023	USD	169,654	3.86
7.25% ALDESA FINANCIAL 01/04/2021	EUR	94,183	2.15
6.125% VEDANTA RESOURCE 09/08/2024	USD	170,206	3.88
5% NIDDA BONDCO 30/09/2025	EUR	100,828	2.30
4.75% ALTICE FINCO SA 15/01/2028	EUR	95,673	2.18
6.75% DIGICEL LIMITED 01/03/2023	USD	164,342	3.74
8.125% GLOBAL LIMAN 14/11/2021	USD	170,512	3.88
3% REP OF POLAND 17/03/2023	USD	254,632	5.80
4.875% GERDAU TRADE INC 24/10/2027	USD	166,097	3.78
6.375% AXTEL SAB 14/11/2024	USD	171,567	3.91
6.25% HUNGARY 29/01/2020	USD	89,386	2.04
8.375% GAJAH TUNGGAL 10/08/2022	USD	164,731	3.75
Total debt instruments		2,433,545	55.43
Exchange traded funds			
iShares MSCI EM UCITS ETF USD	USD	41,313	0.94
iShares MSCI EM Asia UCITS ETF USD	USD	40,703	0.93
Total exchange traded funds		82,016	1.87
Forwards			
USD/EUR - Sparkasse Bank Malta plc - 02.02.2018	USD	37,411	0.85
USD/EUR - Sparkasse Bank Malta plc - 09.02.2018	USD	4,499	0.10
USD/EUR - Sparkasse Bank Malta plc - 16.02.2018	USD	4,015	0.09
USD/EUR - Sparkasse Bank Malta plc - 23.02.2018	USD	1,087	0.02
USD/EUR - Sparkasse Bank Malta plc - 02.03.2018	USD	375	0.01
USD/EUR - Sparkasse Bank Malta plc - 09.03.2018	USD	4,502	0.10
USD/EUR - Sparkasse Bank Malta plc - 16.03.2018	USD	4,051	0.09
USD/EUR - Sparkasse Bank Malta plc - 23.03.2018	USD	1,167	0.03
USD/EUR - Sparkasse Bank Malta plc - 29.03.2018	USD	390	0.01
USD/EUR - Sparkasse Bank Malta plc - 06.04.2018	USD	1,590	0.04
Total forwards		59,087	1.35
Total portfolio of investments		2,574,648	58.64
Bank balances		1,793,795	40.86
Other assets net of liabilities		21,958	0.50
Net Assets		4,390,401	100.00

14 Efficient portfolio management techniques

The Company may employ various techniques, including the use of Financial Derivative Instruments (“FDIs”), to attempt to reduce a portion of the risks inherent in the respective sub-fund’s investment strategies. The use of efficient portfolio management techniques is subject to the provisions of the sub-funds’ Offering Supplements.

Emerging Market Bond Fund

The Investment Manager may make use of listed and OTC FDIs (including, but not limited to, futures, forwards, options and swaps) linked to bonds, interest rates and currencies for efficient portfolio management, hedging purposes and the reduction of risk only. The sub-fund’s base currency is USD and includes two USD share classes and two EUR denominated share classes are available. During the year ended 31 December 2017, the Fund has entered into forward foreign exchange contracts to hedge the EUR denominated share classes. Details of the forward contracts and the respective notional exposure calculated on the basis of the Standard Commitment Approach are as follows:

Forward currency contracts

Details		Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2017
Sell EUR	USD/BUY	02-Feb-18	991,000	1,160,461	966,648.06	Sparkasse	29,670.64
Sell EUR	USD/BUY	09-Feb-18	133,000	155,863	129,831.74	Sparkasse	3,925.85
Sell EUR	USD/BUY	09-Mar-18	133,000	156,129	130,053.31	Sparkasse	3,927.52
Sell EUR	USD/BUY	16-Feb-18	156,000	184,064	153,322.78	Sparkasse	3,433.12
Sell EUR	USD/BUY	16-Mar-18	156,000	184,361	153,570.18	Sparkasse	3,465.19
Sell EUR	USD/BUY	23-Feb-18	68,500	81,255	67,684.30	Sparkasse	1,109.50
Sell EUR	USD/BUY	23-Mar-18	68,500	81,323	67,740.94	Sparkasse	1,191.61
Sell EUR	USD/BUY	02-Mar-18	82,000	98,236	81,829.24	Sparkasse	400.77
Sell EUR	USD/BUY	29-Mar-18	82,000	98,400	81,965.85	Sparkasse	417.92
Sell EUR	USD/BUY	06-Apr-18	112,000	133,134	110,898.79	Sparkasse	1,908.68
Sell EUR	USD/BUY	02-Feb-18	509,000	596,039	496,492.29	Sparkasse	15,239.51
Sell EUR	USD/BUY	09-Feb-18	50,000	58,595	48,808.83	Sparkasse	1,475.88
Sell EUR	USD/BUY	09-Mar-18	50,000	58,695	48,892.13	Sparkasse	1,476.51
Sell EUR	USD/BUY	16-Feb-18	63,000	74,334	61,919.20	Sparkasse	1,386.45
Sell EUR	USD/BUY	16-Mar-18	63,000	74,453	62,018.33	Sparkasse	1,399.40
Sell EUR	USD/BUY	23-Feb-18	12,000	14,234	11,856.73	Sparkasse	194.37

Sell EUR	USD/BUY	23-Mar-18	12,000	14,246	11,866.72	Sparkasse	208.75
Sell EUR	USD/BUY	02-Mar-18	10,000	11,980	9,979.18	Sparkasse	48.87
Sell EUR	USD/BUY	29-Mar-18	10,000	12,000	9,995.84	Sparkasse	50.97

Realised gains/losses on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2017 amounted to EURNil (2016: EURNil). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR4,162 (2016: EURNil). There was no collateral received by the Company to reduce counterparty exposure in 2017 and 2016.

High Income Bond Fund – EUR

The Investment Manager may make use of listed and OTC FDIs (including, but not limited to, futures, forwards, options and swaps) linked to bonds, interest rates and currencies for efficient portfolio management, hedging purposes and the reduction of risk only.

As disclosed in the portfolio of net assets on pages 61 to 63 , the sub-fund holds investments denominated in USD. During the year ended 31 December 2017, the Fund has entered into forward foreign exchange contracts to hedge it's risk exposure to adverse fluctuations in the currency exchange rate on these investments. Details of the forward contracts and the respective notional exposure calculated on the basis of the Standard Commitment Approach are as follows:

Forward currency contracts

Details		Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2017
Sell EUR	USD/BUY	20-Jul-17	1,230,000	1,145,145	1,374,746.30	Sparkasse	-
Sell EUR	USD/BUY	20-Jul-17	925,000	844,980	1,014,398.92	Sparkasse	-
Sell EUR	USD/BUY	20-Jul-17	705,000	624,502	749,714.33	Sparkasse	-
Sell EUR	USD/BUY	10-Oct-17	280,000	245,012	294,137.21	Sparkasse	-
Sell EUR	USD/BUY	10-Oct-17	2,860,000	2,471,696	2,967,271.62	Sparkasse	-
Sell EUR	USD/BUY	10-Oct-17	615,000	519,075	623,149.48	Sparkasse	-
Sell EUR	USD/BUY	10-Oct-17	310,000	262,890	315,599.55	Sparkasse	-
Sell EUR	USD/BUY	10-Oct-17	585,000	485,921	583,347.87	Sparkasse	-
Sell EUR	USD/BUY	05-Jan-18	5,150,000	4,381,301	5,259,751.59	Sparkasse	86,187.28

Realised gains on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2017 amounted to EUR134,749 (2016: EURNil). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR6,925 (2016: EURNil). There was no collateral received by the Company to reduce counterparty exposure in 2017 and 2016.

Euro Equity Fund

The Investment Manager may make use of listed and OTC FDIs (including, but not limited to, futures, forwards, options and swaps) linked to bonds, interest rates and currencies for efficient portfolio management, hedging purposes and the reduction of risk only. As disclosed in the schedule of investments on page 66, the sub-fund holds investments denominated in USD. During the year ended 31 December 2017, the Fund has entered into forward foreign exchange contracts to hedge its risk exposure to adverse fluctuations in the currency exchange rate on these investments. Details of the forward contracts and the respective notional exposure calculated on the basis of the Standard Commitment Approach are as follows:

Forward currency contracts

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2017
Sell EUR USD/BUY	29-Sep-17	1,250,000	1,104,826	1,326,343.47	Sparkasse	-
Sell EUR USD/BUY	11-Aug-18	285,000	249,126	299,075.61	Sparkasse	-
Sell EUR USD/BUY	27-Oct-17	1,250,000	1,061,121	1,273,875.21	Sparkasse	-
Sell EUR USD/BUY	26-Jan-18	1,000,000	844,880	1,014,278.48	Sparkasse	11,881.28

Realised gains on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2017 amounted to EUR42,784 (2016: EURNil). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR1,958 (2016: EURNil). There was no collateral received by the Company to reduce counterparty exposure in 2017 and 2016.

Global Balanced Income Fund

The Investment Manager may make use of listed and OTC FDIs (including, but not limited to, futures, forwards, options and swaps) linked to bonds, interest rates and currencies for efficient portfolio management, hedging purposes and the reduction of risk only. As disclosed in the schedule of investments on page 67, the sub-fund holds investments denominated in USD. During the year ended 31 December 2017, the Fund has entered into forward foreign exchange contracts to hedge its risk exposure to adverse fluctuations in the currency exchange rate on these investments. Details of the forward contracts and the respective notional exposure calculated on the basis of the Standard Commitment Approach are as follows:

Forward currency contracts

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2017
Sell EUR USD/BUY	19-Jul-17	1,600,000	1,495,886	1,795,811.52	Sparkasse	-
Sell EUR USD/BUY	10-Oct-17	1,750,000	1,519,229	1,823,834.53	Sparkasse	-
Sell EUR USD/BUY	10-Oct-17	160,000	135,044	162,120.19	Sparkasse	-

Sell	USD/BUY	05-Jan-18	1,910,000	1,624,979	1,950,786.97	Sparkasse	32,033.72
EUR							

Realised gains on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2017 amounted to EUR119,059 (2016: EURNil). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR3,155 (2016: EURNil). There was no collateral received by the Company to reduce counterparty exposure in 2017 and 2016.

15 Appendix 1 – General information

1. Authorisation

Calamatta Cuschieri Funds SICAV p.l.c. is an open-ended collective investment scheme organised as a multi-fund public liability company with variable share capital. The Company was registered on 3rd June 2011 and is licensed and regulated by the Malta Financial Services Authority as a collective investment scheme under the Investment Services Act (Cap 370) of the Laws of Malta. The company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

2. Management Fees and other expenses

a) Registrar Fees

A fee of EUR2,360 (including VAT) is levied by the Administrator for acting as Registrar to the Company

b) Secretarial Fees

A fee of €5,000 (excluding VAT) is charged by the Administrator for acting as Secretary to the Company, as decided in the board meeting of 20th January 2017.

c) Dividend Administration Fee

No fees are charged by the Administrator for administering the payment of the dividend.

d) General

All fees may be increased with the agreement of the Company and the members shall be notified accordingly.

3. Risk Warning

Past performance is not necessarily a guide to future performance. The value of investments and the currency in which these are denominated may go down as well as up and investors may not always get back their initial investment. Investments in collective investment schemes should be regarded as a medium to long-term investment.

This annual report does not constitute an offer to purchase units in the respective funds. The opinions expressed are given in good faith and should not be construed as investment and /or tax advice.

4. Main changes to the Company's documents during the reporting year

Custodian Fees: A supplemental agreement for each of the following three sub-funds has been entered into between the SICAV and the Custodian on the 7th August 2015.

- High Income Bond Fund EUR
- High Income Bond Fund USD
- Euro Equity Fund

By means of this supplemental agreement, the fee schedule for each of the above listed sub-funds has been amended with effective date being the 7th August 2015 as disclosed in Note 6 to the financial statements.

5. Main changes in the Company's documents post reporting period

There were no changes in the Company documentation post the period under review, other than those mentioned in note 13 to the financial statement.

16 Custodian's Report



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The Directors

Calamatta Cuschieri Funds SICAV plc
Ewropa Business Centre
Dun Karm Street
B'Kara BKR 9034
Malta

06th March 2018

Custodian's Report

As Custodian to the sub-funds of the CALAMATTA CUSCHIERI FUNDS SICAV PLC ("the Scheme"), we hereby confirm having enquired into the conduct of the Scheme in relation to the below mentioned sub-funds for the period 01.01.2017 until 31.12.2017 and confirm that during this period:

- Emerging Market Bond Fund

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority as from the sub-fund's licencing date (01.10.2017).

- Euro Equity Fund

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority.

- Global Balanced Income Fund

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority.

SPARKASSE BANK MALTA – CUSTODY

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Sparkasse Bank Malta plc is authorised to conduct Banking business and to conduct Investment Services business by the Malta Financial Services Authority (MFSA).



- High Income Bond Fund EUR

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority.

- High Income Bond Fund USD

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority.

- Malta Cautious Fund

The sub-fund was licenced on the 1st March 2017 and did not issue any investor shares till 31st December 2017.

- Malta Government Bond Fund

The sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by their constitutional documents and by the Malta Financial Services Authority as from the sub-fund's licencing date (01.03.2017).

II. And in accordance with the provision of the constitutional documents and the License Conditions.


Paul Mifsud
Managing Director
o.b.o.
Sparkasse Bank Malta p.l.c.
06th March 2018


Anna Mironova
Manger Securities & Custody

SPARKASSE BANK MALTA – CUSTODY

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Calamatta Cuschieri Funds SICAV p.l.c.
Company Registration Number: SV18

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