



CC Funds SICAV plc
(formerly Calamatta Cuschieri Funds SICAV plc)

**Annual Report and
Audited Financial Statements**

For the year ended 31st December 2018

CC Funds SICAV plc

(formerly Calamatta Cuschieri Funds SICAV plc)
Company Registration Number: SV18

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For the year ended

31 December 2018

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Company 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:	CC Fund Services (Malta) Ltd 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.

Report of the investment manager

Market Review covering the period from January 2018 to December 2018

Q1-2018

Risky assets had a positive run during 2016 and 2017, and, heading into the new year, investors were aware that 2018 might be a pretty tough year given that monetary easing was approaching an end as indicated by major Central Banks. Effectively this was pretty much the case in the first quarter of 2018, as investors were rattled by initial market chatter on the infamous Trade War between the US and China. Having said that, January started off on a positive tone for risky assets, both in credit and equity markets. The sharp correction in the latter trading sessions of the month gave the global investor a taste of what volatility could look like when uncertainty begins to trickle in, particularly on the back of trade war tensions. Nevertheless, economic data remained robust and earnings intact, with credit and equity posting steady gains. Investors' sentiment was also supported by the fact that the European Central Bank was thought to be on the brink of terminate QE, with some also expecting a rate hike by the end of 2018.

As the days passed by, the gains registered in the first month of the year began to slowly be erased on the back of investors' woes concerning the longevity of the multi-decade bull market. Central bank talk remained supportive and leading indicators were encouraging whilst market expectations of higher inflation in the U.S. were primarily brought about by the uptick in wage growth. Despite these positive signals, February was a weaker month for risky assets, with credit spreads heading back to December 2017 levels as investors found a new reason to be worried about – Italian elections. From a fundamental perspective, both the Eurozone and US economies remained in pretty good shape – but investor sentiment was dwindling by the day.

To the surprise of many, sovereign credit emerged as a niche for investors, with European long-dated sovereigns, in the first quarter of the year registering a just over four per cent return. Investors flocked towards the safer heavens given the sell-off triggered primarily by the tête-à-tête between the US and China. Riskier debt upheld its correlation with equities and it succumbed to selling pressure.

Q2-2018

The second quarter of the year kicked-off in muted fashion. Investors were brushing off the declines registered in the Q118. Economic data releases came in line with market consensus whilst the primary credit market, despite showing some signs of revival, remained tepid. Geopolitical tensions remained unaltered whilst ECB's Draghi's tone remained upbeat about the outlook for the Eurozone. However, investors were reluctant to put money to work as they were aware that market risks remained prevalent; both European and US corporates have re-leveraged significantly over the past few years, taking advantage of historically low yields.

In its rate-setting meeting, the ECB remained market friendly as Draghi issued no major announcements at the end of the QE program, or any major shifts in policy, with the ECB President keeping his neutral tone. Equities and risky assets temporarily came under pressure once more as missile strikes in Syria continued to add to concerns that the recent global economic recovery was coming under threat. The worry list for investors already included the risk of wider conflict in the Middle East, confrontation with Russia, North Korea, trade disputes and Brexit.

Apart from the political tensions, investors had mixed economic data to contend with. The PMI indices in the Eurozone came in much lower than expected, and this was also reflected in weaker PMIs in other counties. On the other hand, Eurozone HICP inflation increased markedly to 1.9% in May, up from 1.2% in April, exceeding market expectations. Meanwhile, satisfactory earnings results and a change in tone from the US regarding international trade was followed by sustained positive performance throughout April and most of May.

June proved to be one of the toughest months for credit markets and risky assets during the first half of the year, and was pretty much a reflection of what characterised credit markets in H1-2018. Risk-off mode, risk aversion, and flight to safety trades led to a marked widening in spreads and resulted in a negative performance. In addition, the ECB confirmed that the end of QE was set for December, and whilst the statement indicated that interest rates will be

maintained at the current levels surely until August 2019, this was not digested particularly well with the market, resulting in a sharp increase in sovereign yields, and hence higher benchmark rates.

Q3-2018

Following the dismal first half of the year, markets were offered some respite in the early trading sessions of Q318, This also provided some form of relief to credit investors despite the fact that credit markets continued to be pressured by a more hawkish tone from leading Central Banks, but also by the wider picture of geopolitical tensions. During the month, trade tensions waned and markets viewed that as an opportunity. It therefore came as no surprise that in July, emerging market bonds emerged amongst the best performers as the recent outflow from the region seemed an overreaction. Hard currency emerging market bonds registered a gain of just below 1.8 percent as investors opted to take advantage of the opportunity by dipping in at very attractive levels.

July also marked the beginning of earnings seasons and many companies published reports by midsummer 2018, which also aided in spurring investor sentiment. Meanwhile, the policy divergence between the Federal Reserve and the European Central Bank decreased enthusiasm in the euro. Two-year yield difference between Treasuries and German bunds widened to more than 300 basis points.

President Trump meanwhile proposed further tariffs on Chinese goods worth \$200 billion, which threatened a niche trade in minor metals and rare earths used in a wide range of products, from medicine, to jet engines and consumer electronics. This escalating trade dispute continued to pose a risk to international markets, including the euro zone, and this was ultimately reflected in the valuation of assets.

The political saga in Italy continued to loom on Italian assets, which resulted in Fitch to revise its outlook to negative, while reaffirming its BBB rating. If this was not enough, investors had to digest the reintroduction of US sanctions against Iran, new tensions between Turkey and the US, a deterioration of trade talks between the US and China, and volatility in the Italian government bond market. Most equity markets and risk assets sold off for much of the quarter, with the notable exception of the S&P 500, where extraordinarily strong macro data, and a general absence of any inflation concerns, once again pushed the index higher. Amid the geopolitical turmoil, the search for a safe haven helped push government bond prices up, with the 10-year US Treasury yield falling by 10 basis points (bps) to 2.86%.

Uncertainty was of the highest order in September as there were a number of external market forces, beyond everyone, which were impossible to anticipate let alone quantify. This had a massive impact on asset prices, a typical example of which was the infamous on going trade wars, which pretty much characterised the better part of 2018. The effect impacted asset classes across the entire spectrum including High Yield assets. In addition, geo-political tensions persistently increased in Europe, as Italy's populist government pushed towards a higher deficit target, a move towards economic sustainability. Given that Italy is a very important economy for the euro area, the said political chaos triggered volatility in risky assets.

Moreover, there was a material weakening in the Eurozone manufacturing new export orders survey since the beginning of 2018. Much of the weakness came from a sharp slowdown in exports to China. Investors' worries emanated on the notion that the main risk was that weaker exports combined with higher oil prices could feed into weaker domestic consumption. Adding further to investor woes, consumer confidence persisted with its downward trajectory, triggering a significant shift in risk aversion out of risky assets into safer havens.

Q4-2018

Heading into the last stretch of 2018, investors were eager to recover the lost ground of the previous months – but the first month of the year pretty much mirrored events, which characterised 2018 as a whole, especially for credit markets. US High Yield markets declined by 1.61%; European High Yield markets declined by 1.00%; Global Emerging Markets declined by 0.60%; and, as a result in a marked increase in risk aversion, interest rates on European Sovereign bonds declined marginally during the October, with the total return on Malta Government Stocks, as registered by the CC Malta Government Bond Index being a positive 0.30%. Credit spreads kept widening on thin volumes. The US dollar fell below the 1.14 level against the euro.

The world's leading economies, the US and the Eurozone, appeared to be in good shape albeit some weak numbers. Yet, what was causing most jitters were Emerging Markets and the ramifications the trade wars was having on EM's largest economy, China. This resulted in a market and asset wide sell-off during October.

The haemorrhage was contained during November on investor hopes that the December G20 meeting would offer investors some relief and respite. In fact, markets took a boost with the news of an agreement being attempted. The market rebounded but not to its full potential due to market sentiment reflecting overall wariness towards uncertainty, as the weakness in the financial sector remained a drag on the asset class, whilst the sharp decline in the price of oil also contributed to weak investor sentiment..

The G-20 summit in December was a crucial meeting which investors were anxiously waiting for, which however did not suffice to convince investors that a deal would be imminently struck. This led to yet an umpteenth market correction in the final month of the year - markets were rattled and led equity markets and other risky assets testing investors' nerves.

Furthermore, despite expected by most market participants, the major event that sent bond prices falling further was the fourth interest hike set by the Fed. Whilst investors did price in a rate hike, the Fed's dovish tone caught market participants unawares. The said move was a huge concern given the relatively weak data in the final days of 2018.

All in all, investors across all asset classes, bar US treasuries, could not catch a break in 2018 even though they hoped to see some form of good news particularly during the G20 summit in December. 2018 was indeed an extremely challenging year, with the final stretch of the year doing little to tone down investor worries as the volatility which characterised the year persisted till the final trading session of the year amid fears that a forecasted global growth slowdown could further dent the prospects of recovering from the rollercoaster that was 2018.

Indeed, 2018 was one of the toughest years in history. A year characterised by abnormal market volatility, which was triggered on chatter, rather than factual events, which are usually the prime market movers. As with all market participants, we believed that the last month of the year markets would find some sort of respite, which however did not materialise. For 2019, we are now more confident based on a trade war solution, in addition to the implanted economic stimulus by the Chinese government. Both should trigger a more benevolent economic environment, which should also be reflected in financial markets.

Salient Market Information as at 31 December 2018

	31-Dec-2017	30-Jun-2018	31-Dec-2018	Change Since 31-Dec-2017	Change Since 30-Jun-2018
10-Year German Bund	0.42	0.30	0.24	-0.18	-0.06
10-Year US Treasury	2.41	2.86	2.69	0.28	-0.18
10-Year UK Gilt	1.19	1.28	1.28	0.09	0.00
Dow Jones					
Eurostoxx 50	3,504	3,396	3,001	-14.34%	-11.61%
FTSE 100	7,688	7,637	6,728	-12.48%	-11.90%
S&P 500	2,674	2,718	2,507	-6.24%	-7.78%
Topix	22,765	22,305	20,015	-12.08%	-10.27%
EUR/USD	1.2005	1.1684	1.1467	4.48%	1.86%
EUR/GBP	0.8881	0.8847	0.8990	-1.22%	-1.61%
EUR/JPY	135.28	129.36	125.83	6.99%	2.73%
VIX	11.04	16.09	25.42	14.38	9.33
Gold	1,303	1,253	1,282	-1.58%	2.34%
EUR/CHF	1.1703	1.1570	1.1255	3.82%	2.72%

Remuneration disclosures

CC Funds SICAV plc (formerly Calamatta Cuschieri Funds SICAV plc) (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 CC Funds SICAV plc (formerly Calamatta Cuschieri Funds SICAV plc) and receive fixed and variable remuneration as follows:

Staff Remuneration FY 2018

	Number of beneficiaries	Fixed Remuneration EUR	Variable Remuneration EUR
Senior management	3	44,014	-
Risk takers	5	297,981	7,271
Control functions	1	20,163	-
Other identified staff	1	10,011	-
	10	372,169	7,271

Staff Remuneration FY 2017

	Number of beneficiaries	Fixed Remuneration EUR	Variable Remuneration EUR
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 quantitative information disclosed above pertains to the full financial years ended 31 December 2018 and 31 December 2017 respectively 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.

Report of the Directors

The Directors present their eighth Annual Report, together with the audited financial statements of CC Funds SICAV plc (formerly Calamatta Cuschieri Funds SICAV plc) ('the Company') for the year ended 31 December 2018.

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 Euro High Income Bond Fund (formerly High Income Bond Fund – EUR) and Global High Income Bond Fund (formerly High Income Bond Fund - 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 investment objective of the Malta Balanced Income Fund (formerly Malta Income Fund) is to maximise the total level of return for investors through investment primary in debt securities and money market instruments issued or guaranteed by the Government of Malta, and equities and corporate bonds issued and listed on the Malta Stock Exchange.

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

Significant changes in the Company's documents

During the financial year ended 31 December 2018, one sub-fund, the Malta Balanced Income Fund (formerly Malta Income Fund) was launched whilst none were liquidated.

Results and dividends

The results for the year are shown in the statements of profit or loss and other comprehensive income on pages 17 to 20.

In the year to 31 December 2018, no dividend was proposed to the founder shareholders out of the profits of the General Account (2017: proposed dividend of NIL). No subsequent to year-end dividends were proposed.

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 5 to 8.

At 31 December 2018, the net asset value of the Company stood at EUR101,830,535 (2017: EUR89,013,303).

Business review (continued)

Sub-Fund	NAV Dec 17 EUR	NAV Dec 18 EUR	YTD	AUM EUR Million	Net Sub/Red EUR Million	TER
Euro High Income Bond Fund – A Share Class	125.83	117.72	(6.45%)	45.6	(2.60)	
Euro High Income Bond Fund – D Share Class	99.49	89.56	(9.98%)			
Global High Income Bond Fund – A Share Class	120.55	116.67	(3.22%)	17.5	(0.05)	
Global High Income Bond Fund – D Share Class	95.06	87.56	(7.89%)			
Euro Equity Fund	119.11	118.24	(0.73%)	6.3	(0.02)	
Global Balanced Income Fund – EUR A Share Class	11.11	9.46	(14.85%)	6.1	1.14	
Global Balanced Income Fund – EUR B Share Class	-	9.46	(3.96%)			
Malta Government Bond Fund	100.45	99.74	(0.71%)	12.6	10.6	
Emerging Markets Bond Fund – USD A Share Class	99.78	93.63	(6.16%)	10.2	6.37	
Emerging Markets Bond Fund – USD B Share Class	99.78	91.52	(8.28%)			
Emerging Markets Bond Fund – EUR C Share Class	98.75	89.78	(9.08%)			
Emerging Markets Bond Fund – EUR D Share Class	98.65	87.51	(11.29%)			
Malta Balanced Income Fund – EUR A Share Class	-	100.23	0.23%	7.6	7.50	
Malta Balanced Income Fund – EUR B Share Class	-	100.25	0.25%			

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 5 to 8.

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.

Directors

The Directors who served in office during the period were:

Alexander Cuschieri
Nicholas Calamatta
Carmel John Farrugia
Alan Cuschieri

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.

Auditors

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

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.

Events after the reporting period

In March 2019, the name of the SICAV changed from Calamatta Cuschieri Funds SICAV plc to CC Funds SICAV plc. Administrator's name changed from Calamatta Cuschieri Fund Services Limited to CC Fund Services (Malta) Limited. Additionally, CC High Income Bond Fund EUR changed to Euro High Income Bond Fund, CC High Income Bond Fund USD name changed to Global High Income Bond Fund and Malta Income Fund name changed to Malta Balanced Income Fund.

Approved by the Board on 16 April 2019 and signed on its behalf by:



Carmel John Farrugia
Director



Nicholas Calamatta
Director

Statement of Directors' responsibilities

The directors are required by the 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.

Comparative table

		Net Asset Value per unit			Net Asset Value		
		31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-18	31-Dec-17	31-Dec-16
Euro High Income Bond Fund							
Class A	EUR	117.72	125.83	119.47	3,511,754	4,291,593	4,220,702
Class D	EUR	89.56	99.49	98.48	41,887,181	48,787,775	44,313,637
Global High Income Bond Fund							
Class A	USD	116.67	120.55	114.04	1,956,258	2,574,709	2,628,338
Class D	USD	87.56	95.06	94.40	15,476,072	16,735,699	16,489,461
Euro Equity Fund							
Class A	EUR	118.24	119.11	107.08	6,242,584	7,650,643	8,774,529
Global Balanced Income Fund							
Class A	EUR	9.46	11.11	10.25	5,918,408	5,925,730	4,501,994
Class B	EUR	9.46	-	-	118,065	-	-
Malta Government Bond Fund							
Class A	EUR	99.74	100.22	-	12,530,602	1,880,857	-
Emerging Markets Bond Fund							
Class A	USD	93.63	99.78	-	646,658	414,198	-
Class B	USD	91.52	99.78	-	1,996,668	1,366,569	-
Class C	EUR	89.78	98.75	-	1,336,623	800,962	-
Class D	EUR	87.51	98.65	-	5,252,737	2,105,912	-
Malta Balanced Income Fund							
Class A	EUR	100.23	-	-	2,317,594	-	-
Class B	EUR	100.25	-	-	5,207,654	-	-

Statement of financial position

As at 31 December 2018

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Govern- ment Bond Fund	Emerging Markets Bond Fund USD	Malta Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets								
Financial assets at fair value through profit or loss	89,408,666	39,122,515	13,472,231	6,267,796	5,259,824	11,653,520	7,828,665	5,804,115
Prepayments and accrued income	1,234,058	695,029	219,767	716	33,429	97,887	134,228	53,002
Settlements receivable	40,452	-	-	39,452	-	-	-	-
Cash and cash equivalents	11,715,618	5,845,643	1,569,683	(27,502)	797,697	811,895	1,021,348	1,696,854
Total assets	102,398,794	45,663,187	15,261,681	6,280,462	6,090,950	12,563,302	8,984,241	7,553,971
Liabilities								
Financial liabilities at fair value through profit or loss	(167,046)	(98,329)	-	-	(22,578)	-	(46,139)	-
Accrued expenses and other payables	(401,213)	(165,923)	(59,509)	(37,878)	(31,899)	(32,700)	(44,581)	(28,723)
Total liabilities (excluding net assets attributable to holders of redeemable shares)	(568,259)	(264,252)	(59,509)	(37,878)	(54,477)	(32,700)	(90,720)	(28,723)
Net assets attributable to holders of redeemable shares	101,830,535	45,398,935	15,202,172	6,242,584	6,036,473	12,530,602	8,893,521	7,525,248
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	101,841,273	45,398,935	15,202,172	6,242,584	6,038,575	12,534,020	8,893,871	7,531,116
Adjustment for formation expenses capitalised and amortised according to the Company's offering memorandum but recognised under International Financial Reporting Standards (IFRS)	(11,738)	-	-	-	(2,102)	(3,418)	(350)	(5,868)
	101,830,535	45,398,935	15,202,172	6,242,584	6,036,473	12,530,602	8,893,521	7,525,248

The notes on pages 23 to 63 are an integral part of these annual financial statements.

As at 31 December 2017

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Governm ent Bond Fund	Emerging Markets Bond Fund USD
	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							
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

Approved by the Board on 16 April 2019 and signed on its behalf by:



Carmel John Farrugia
Director



Nicholas Calamatta
Director

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

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Govern- ment Bond Funds	Emerging Markets Bond Fund USD	Malta Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2017								
Net assets attributable to holders of redeemable shares as at 1 January 2017	89,013,303	53,079,368	16,085,304	7,650,643	5,925,730	1,880,857	4,390,401	-
Amounts received on creation of shares	31,635,612	2,353,072	957,888	1,825,530	2,057,293	10,618,406	6,271,825	7,551,598
Amounts paid on redemption of shares	(10,062,663)	(5,017,419)	(1,352,003)	(1,841,289)	(918,461)	(14,608)	(873,300)	(45,583)
(Decrease)/increase in net assets attributable to holders of redeemable shares	(8,755,717)	(5,016,086)	(489,017)	(1,392,300)	(1,028,089)	45,947	(895,405)	19,233
Net assets attributable to holders of redeemable shares as at 31 December 2018	101,830,535	45,398,935	15,202,172	6,242,584	6,036,473	12,530,602	8,893,521	7,525,248
	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Funds	Emerging Markets Bond Fund USD	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
31 December 2016								
Net assets attributable to holders of redeemable shares as at 1 January 2017	79,989,858	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	89,013,303	53,079,368	16,085,304	7,650,643	5,925,730	1,880,857	4,390,401	

The notes on pages 23 to 63 are an integral part of these annual financial statements.

Statement of profit or loss and other comprehensive income

1 January 2018 to 31 December 2018

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Govern- ment Bond Fund	Emerging Markets Bond Fund USD	Malta Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Income								
Interest income	3,921,355	2,332,562	833,857	-	99,074	194,662	405,669	55,531
Dividend income	303,498	25,497	14,573	146,412	86,660	-	1,269	29,087
Net (losses)/ gains on financial assets at fair value through profit or loss	(10,153,859)	(4,902,985)	(1,131,887)	(1,332,071)	(997,895)	(21,225)	(1,806,971)	39,175
Net gains/(losses) on derivative instruments that are held for trading	464,390	35,532		-	(72,393)		501,251	-
Other income	6,349	4,477	1,357	41	10	-	464	-
Net investment gain/(loss)	(5,458,267)	(2,504,917)	(282,100)	(1,185,618)	(884,544)	173,437	(898,318)	123,793
Expenses								
Management fees	(981,512)	(500,221)	(156,430)	(99,251)	(77,464)	(35,078)	(87,693)	(25,375)
Administration fee	(220,400)	(76,234)	(23,911)	(30,000)	(12,500)	(30,000)	(30,002)	(17,753)
Custody fees	(69,452)	(26,784)	(10,031)	(7342)	(6,238)	(7,382)	(8,173)	(3,502)
Legal fees	(3,821)	(2,244)	(700)	(331)	(258)	(74)	(154)	(60)
Audit fees	(28,637)	(4,130)	(4,001)	(4,130)	(4,130)	(4,188)	(3,928)	(4,130)
Directors' fees	(16,138)	(8,931)	(2,877)	(1,325)	(1,064)	(687)	(1,008)	(246)
Transaction fee	(62,832)	(15,060)	(4,425)	(5,520)	(2,864)	(15,726)	(9,554)	(9,683)
Other fees and charges	(250,490)	(94,285)	(32,069)	(19,599)	(20,259)	(17,510)	(35,779)	(30,989)
Total operating expenses	(1,633,282)	(727,889)	(234,444)	(167,498)	(124,777)	(110,645)	(176,291)	(91,738)
Operating (loss)/profit	(7,091,549)	(3,232,806)	(516,544)	(1,353,116)	(1,009,321)	62,792	(1,074,609)	32,055
Finance costs								
Distributions to holders of redeemable shares	(2,605,395)	(1,781,408)	(671,302)	-	-	-	(152,685)	-
(Loss) /Profit before tax	(9,696,944)	(5,014,214)	(1,187,846)	(1,353,116)	(1,009,321)	62,792	(1,227,294)	32,055
Withholding taxes	(89,521)	(1,872)	(30)	(39,184)	(18,768)	(16,845)	-	(12,822)

The notes on pages 23 to 63 are an integral part of these annual financial statements.

For the year ended 31 December 2018

	1 January 2018 to 31 December 2018							
	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund	Malta Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Decrease in net assets attributable to holders of	(9,786,465)	(5,016,086)	(1,187,876)	(1,392,300)	(1,028,089)	45,947	(1,227,294)	19,233
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Exchange rate differences arising on translation	1,030,748	-	698,859	-	-	-	331,889	-
Total comprehensive income/ (expense) for the year	(8,755,717)	(5,016,086)	(489,017)	(1,392,300)	(1,028,089)	45,947	(895,405)	19,233

1 January 2017 to 31 December 2017

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Governmen t 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)	-

	1 January 2017 to 31 December 2017						
	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	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)

Statement of cash flows

For the year ended 31 December 2018

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund USD	Malta Balances Income Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cash flows from/(used in) operating activities								
(Loss)/profit after distributions and before tax	(9,696,944)	(5,014,214)	(1,187,846)	(1,353,116)	(1,009,321)	62,792	(1,227,294)	32,055
<i>Adjustments for:</i>								
Interest income	(3,921,355)	(2,332,562)	(833,857)	-	(99,074)	(194,662)	(405,669)	(55,531)
Dividend income	(303,498)	(25,497)	(14,573)	(146,412)	(86,660)	-	(1,269)	(29,087)
Distributions paid to holders of redeemable shares	2,605,395	1,781,408	671,302	-	-	-	152,685	-
Net movement in financial assets at fair value through profit or loss	(11,042,056)	8,094,423	526,814	1,259,438	130,207	(10,040,945)	(5,207,878)	(5,804,115)
Movement in other receivables	(34,882)	7,857	3,198	(39,308)	2,577	63	(124)	(9,145)
Movement in accrued expenses and other payables	53,349	(21,731)	(2,987)	(7,520)	888	28,570	27,406	28,723
Cash flows from/(used in) operations	(22,339,991)	2,489,684	(837,949)	(286,918)	(1,061,383)	(10,144,182)	(6,662,143)	(5,837,100)
Interest received	3,774,778	2,407,224	829,989	-	98,774	116,419	310,698	11,674
Dividends received	303,498	25,497	14,573	146,412	86,660	-	1,269	29,087
Tax paid	(89,521)	(1,872)	(30)	(39,184)	(18,768)	(16,845)	-	(12,822)
Net cash flows from/(used in) operating activities	(18,351,236)	4,920,533	6,583	(179,690)	(894,717)	(10,044,608)	(6,350,176)	(5,809,161)
Cash flows from/(used in) financing activities								
Distributions paid to holders of redeemable shares	(2,605,395)	(1,781,408)	(671,302)	-	-	-	(152,685)	-
Proceeds from creation of units	31,635,612	2,353,072	957,888	1,825,530	2,057,293	10,618,406	6,271,825	7,551,598
Outflows from redemption of units	(10,062,663)	(5,017,419)	(1,352,003)	(1,841,289)	(918,461)	(14,608)	(873,300)	(45,583)
Cash flows from/(used in) financing activities	18,967,554	(4,445,755)	(1,065,417)	(15,759)	1,138,832	10,603,798	5,245,840	7,506,015
Effect of exchange rate fluctuations on translation of cash flows from functional to presentation currency	1,030,748	-	698,859	-	-	-	331,889	-
Net increase/(decrease) in cash and cash equivalents	1,647,066	474,778	(359,975)	(195,449)	244,115	559,190	(772,447)	1,696,854
Cash and cash equivalents at the beginning of the year	10,068,552	5,370,865	1,929,658	167,947	553,582	252,705	1,793,795	-
Cash and cash equivalents at the end of the year	11,715,618	5,845,643	1,569,683	(27,502)	797,697	811,895	1,021,348	1,696,854

The notes on pages 23 to 63 are an integral part of these annual financial statements.

For the year ended 31 December 2017

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Governmen t Bond Fund	Emerging Markets Bond Fund USD
	EUR	EUR	EUR	EUR	EUR	EUR	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
<i>Adjustments for:</i>							
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

Notes to the annual financial statements

1. Reporting Entity

CC Funds SICAV plc (formerly 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 2018: Euro High Income Bond Fund, Global High Income Bond Fund, 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, Emerging Markets Bond Fund (licenced 1 October 2017) and Malta Balanced Income Fund (licenced 12 February 2018).

In March 2019, the name of the SICAV changed from Calamatta Cuschieri Funds SICAV plc to CC Funds SICAV plc. Administrator’s name changed from Calamatta Cuschieri Fund Services Limited to CC Fund Services (Malta) Limited. Additionally, CC High Income Bond Fund EUR changed to Euro High Income Bond Fund, CC High Income Bond Fund USD name changed to Global High Income Bond Fund and Malta Income Fund name changed to Malta Balanced Income Fund.

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 seven sub-funds, rounded to the nearest unit. The Euro is also the functional currency of the Euro High Income Bond Fund, Global Balanced Income Fund, Euro Equity Fund, Malta Balanced Income Fund and the Malta Government Bond Fund. The functional currency of the Global High Income Bond Fund 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.

In prior year the company held investments in collective investments schemes of which EUR945,565 did not have a co-terminous year-end with that of the company and thus could not 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 were reviewed on an ongoing basis. Revisions to accounting estimates were recognised in the period in which the estimates were revised and in any future periods affected. As at the year end of the financial year 2018 there were no such investments in collective investment schemes.

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 Global High Income Bond Fund 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 and measurement

Comparative year

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.

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.

Current year

The Company classifies its financial assets as subsequently measured at amortised cost or measured at FVTPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include term deposits, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

For financial assets at amortised cost, appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

Financial assets at FVTPL

A financial asset is measured at FVTPL if it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position, financial assets classified as held for trading, financial assets managed, evaluated and reported on a fair value basis in accordance with the Funds' documented investment strategy, and those financial investments and term deposits whose contractual cash flows do not solely represent payments of principal and interest, which are mandatorily measured at FVTPL.

3.2.3. 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.

3.2.4. Identification and measurement of impairment

Comparative year

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.

Current year

The Company recognises a loss allowance for ECLs on the following – financial assets at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.
- The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:
 - Financial assets that are determined to have a low credit risk at the reporting date; and
 - Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes

in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. To the extent applicable, the Company has applied the low credit risk assumption for the following classes of financial assets – cash at bank and term deposits.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. In this regard, the Company has an internal credit scoring system in place that analyses the credit quality of the counterparties accordingly. Such credit scoring system takes into consideration both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, and also considers the counterparties' macroeconomic context.

The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due.

Moreover, unless the low credit risk assumption is applied, if the counterparty becomes downgraded by two notches (or more) based on the credit score assessment, the Company deems the financial asset's credit risk to have increased significantly.

Moreover, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimated ECLs is the maximum contractual period over which the Company is exposed to credit risk.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

For financial assets, the credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses with the respective risks of a default occurring as the weights.

Under IFRS 9, the Company has incorporated forward-looking information, where applicable. A third party provider has been engaged to provide forward-looking PDs and LGDs.

3.2.5. 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. 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

Initial application of International Financial Reporting Standards

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

The Company has elected not to restate its comparative information for the effects of IFRS 9 and such information continues to be reported under IAS 39. In terms of this approach, any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application is recognised in equity at 1 January 2018.

IFRS 9 has been applied retrospectively by the company and did not result in a change to the classification or measurement of financial instruments. There was no material impact on adoption from the application of the new impairment model.

The Company does not designate any of its financial liabilities as at fair value through profit or loss upon initial recognition and accordingly the change introduced by IFRS 9 in this respect does not affect these financial statements.

The table below illustrates the classification and measurement of financial assets, on a consolidated basis, under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39 / New carrying amount under IFRS 9
			EUR
Financial investments at fair value through profit or loss – shares, bonds, stocks and other	Financial assets at FVTPL	Financial assets measured at FVTPL	78,199,564
Cash and cash equivalents	Loans and receivables	Financial assets measured at amortised cost	10,071,126

Cash at bank

Cash at bank that was previously classified as loans and receivables is classified in terms of IFRS 9 as financial assets measured at amortised cost if it meets the conditions for such classification. In accordance with the transitional provisions of IFRS 9, the Company assessed the business model in which the financial assets are held on the basis of the facts and circumstances at 1 January 2018 and the resulting classification is being applied retrospectively irrespective of the Company's business model in prior reporting periods. Accordingly, there was no change in the carrying amount of these instruments at 1 January 2018 as a result of the new classification in terms of IFRS 9. In terms of IFRS 9, the Company applies an ECL model as opposed to an incurred credit loss model under IAS 39. For such amounts, the ECL model did not result in material loss allowances at 1 January 2018 because of the use of the low credit risk exemption.

Debt investments that were designated as at FVTPL in terms of IAS 39

Debt investments that were previously designated as at FVTPL are classified in terms of IFRS 9 as financial assets measured at FVTPL unless they meet both criteria below:

- they are held within a business model whose objective is to collect the contractual cash flows or they are held within a business model whose objective is to collect the contractual cash flows and to sell, and
- they have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's debt investments did not meet both criteria above and accordingly, there was no change in the carrying amount of these instruments at 1 January 2018 as a result of the new classification in terms of IFRS 9.

Equity and other investments that were designated as at FVTPL in terms of IAS 39

Equity and other instruments that were previously designated as at FVTPL continue to be measured at FVTPL in terms of IFRS 9. Accordingly, there was no change in the carrying amount of these instruments at 1 January 2018 as a result of the new classification in terms of IFRS 9.

International Financial Reporting Standards in issue but not yet effective

IAS 1 & IAS 8 Amendment – Definition of material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. These amendments are effective for annual periods beginning on or after 1 January 2020.

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						
	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund	Malta Balanced Income Fund
31 December 2018							
Units issued							
Class A - EUR	29,830	-	64,668	625,449	125,629	-	23,122
Class A - USD	-	16,767	-	-	-	6,906	-
Class B - EUR	-	-	-	12,477	-	-	51,949
Class B - USD	-	-	-	-	-	21,817	-
Class C - EUR	-	-	-	-	-	14,887	-
Class D - EUR	467,686	-	-	-	-	60,021	-
Class D - USD		176,743	-	-	-		
	497,516	193,510	64,668	637,926	125,629	103,631	75,071

	Number of shares					
	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
31 December 2017						
Units issued						
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

Analysed as follows:

	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund	Malta Balanced Income Fund
31 December 2017							
Units in issue as at 1 January 2018	524,443	197,404	64,710	531,198	18,768	47,306	-
Creation of units during the year							
Class A - EUR	7,139	-	15,724	177,789	107,007	-	23,216
Class A - USD	-	396	-	-	-	3,164	-
Class B - EUR	-	-	-	12,477	-	-	52,310
Class B - USD	-	-	-	-	-	9,093	-
Class C - EUR	-	-	-	-	-	8,762	-
Class D - EUR	15,255	-	-	-	-	45,100	-
Class D - USD	-	11,801	-	-	-	-	-
Redemption of units during the year	(11,414)	-	(15,766)	(83,538)	(146)	-	(94)
Class A - EUR	-	(4,986)	-	-	-	(409)	-
Class A - USD	-	-	-	-	-	(972)	-
Class B - EUR	-	-	-	-	-	-	(361)
Class B - USD	-	-	-	-	-	(1,986)	-
Class C - EUR	(37,907)	-	-	-	-	(6,427)	-
Class D - EUR	-	(11,105)	-	-	-	-	-
Class D - USD	-	-	-	-	-	-	-
Units in issue as at 31 December 2018	497,516	193,510	64,668	637,926	125,629	103,631	75,071

	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
31 December 2016						
Units in issue as at 1 January 2017	485,316	197,716	81,943	439,031	-	-
Creation of units during the year						
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	(10,374)	-	(29,058)	(86,209)	(83)	-
Class A - EUR	-	(2,363)	-	-	-	-
Class A - USD	-	-	-	-	-	(20)
Class B - USD	-	-	-	-	-	-
Class C - EUR	(34,178)	-	-	-	-	(204)
Class D - EUR	-	(15,119)	-	-	-	-
Class D - USD	-	-	-	-	-	-
Units in issue as at 31 December 2017	524,443	197,404	64,710	531,198	18,768	47,306

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:

	Euro High Income Bond Fund	Global High Income Bond Fund	Emerging Markets Bond Fund EUR	Emerging Markets Bond Fund USD
31 December 2018				
Dividend paid on 31.03.2018				
Dividend per share	1.8429	2.2870	0.4930	0.5026
Total distributions	896,199	406,658	21,571	8,506
Dividend paid on 30.09.2018				
Dividend per share	1.8630	2.2376	1.6014	1.6602
Total distributions	885,208	395,985	93,650	35,461
31 December 2017				
Dividend paid on 31.03.2017				
Dividend per share	2.1712	2.3089		
Total distributions	987,224	394,556		
Dividend paid on 30.09.2017				
Dividend per share	1.9552	2.3279		
Total distributions	958,066	405,814		

6. Management fees and other expenses

(a) Management fees

Euro High Income Bond Fund (formerly 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 EUR 500,221 (2017: EUR 518,009) of which EUR 122,815 (2017: EUR 138,438) was due to the Investment Manager as at the reporting date.

Global High Income Bond Fund (formerly 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 EUR 156,430 (2017: EUR 169,668) of which EUR 40,309 (2017: EUR 41,873) 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 EUR 99,251 (2017: EUR 111,559) of which EUR 23,473 (2017: EUR 27,408) 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 EUR 77,464 (2017: EUR 66,449) of which EUR 20,802 (2017: EUR 19,608) 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 35,078 (2017: EUR NIL) of which EUR 15,067 (2017: EUR NIL) was due to the Investment Manager as at the reporting date.

Emerging Markets Bond Fund

The Investment Manager receives a fee of 1.10% 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 87,693 (2017: EUR 7,273) of which EUR 25,108 (2017: EUR 7,273) was due to the Investment Manager as at the reporting date.

Malta Balanced Income Fund (formerly Malta Income Fund)

The Investment Manager receives a fee of 0.80% 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 25,375 of which EUR 13,768 was due to the Investment Manager as at the reporting date.

(a) *Custodian's fees*

Euro High Income Bond Fund (formerly 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 EUR 2,000 per annum if the NAV of the fund is up to EUR 10m; EUR 10,000 per annum if the NAV of the Fund is between EUR 10m and EUR 50m; and EUR 37,500 per annum if the NAV of the fund is greater than EUR 50m. The Custodian will also be reimbursed for out-of-pocket expenses.

The custodian fees incurred for the year were EUR 26,784 (2017: EUR 28,176) of which EUR NIL (2017: 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

Global High Income Bond Fund (formerly 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 EUR 2,000 per annum if the NAV of the fund is up to EUR 10m, EUR 10,000 per annum if the NAV of the Fund is between EUR 10m and EUR 50m and EUR 37,500 per annum if the NAV of the fund is greater than EUR 50m. 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 10,031 (2017: EUR 10,196) of which EUR NIL (2017: 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 EUR 6,000 per annum if the NAV of the fund is up to EUR 10m, EUR 10,000 per annum if the NAV of the Fund is between EUR 10m and EUR 50m and EUR 35,700 per annum if the NAV of the fund is greater than EUR 50m. 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 7,342 (2017: EUR 8,206) of which EUR NIL (2017: 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 6,238 (2017: EUR 5,293) of which EUR NIL (2017: 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 7,382 (2017: EUR 888) of which EUR NIL (2017: 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 EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 8,173 (2017: EUR 731) of which EUR NIL (2017: EUR NIL) was due to the Custodian as at the reporting date.

Malta Balanced Income Fund (formerly Malta Income Fund)

The Custodian receives a fee of 0.1% of the NAV of the Fund if the Fund is up to EUR 10m, while no minimum fee is applicable as per the Custodian Agreement. If the Fund is larger than EUR 10m, 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 EUR 10,000 per annum is applicable.

The custodian fees incurred for the year were EUR 3,502 of which EUR NIL was due to the Custodian as at the reporting date.

Administration fees

Euro High Income Bond Fund (formerly 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 EUR 12,500 per annum and EUR 25 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 EUR 76,234 (2017: EUR 79,826) of which EUR 19,047 (2017: EUR 21,166) was due to the Administrator as at the reporting date.

Global High Income Bond Fund (formerly 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 EUR 12,500 per annum and EUR 25 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 EUR 23,911 (2017: EUR 26,162) of which EUR 6,477 (2017: EUR 6,330) 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 EUR 30,000 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 EUR 30,000 (2017: EUR 30,000) of which EUR 7,727 (2017: EUR 7,644) 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 EUR 12,500 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 EUR 12,500 (2017: EUR 12,500) of which EUR 3,355 (2017: EUR 3,325) 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 EUR 30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is entitled to additional EUR 1,500 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 30,000 (2017: EUR NIL) of which EUR 7,891 (2017: 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 EUR 30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is entitled to additional EUR 1,500 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 30,002 (2017: EUR 5,152) of which EUR 8,514 (2017: EUR 5,152) was due to the Administrator as at the reporting date.

Malta Balanced Income Fund (formerly Malta 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 EUR 30,000 per annum as per the Administration, Registrar and Transfer Agency agreement. The Administrator is entitled to additional EUR 1,500 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 17,753 of which EUR 7,726 was due to the Administrator as at the reporting date.

(c) Performance fees

No performance fees are applicable.

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 Euro High Income Bond Fund, the Global High Income Bond Fund, the Euro Equity Fund, the Global Balanced Income 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.

Malta Balanced Income Fund and the Malta Government Bond Fund falls under the category of a prescribed fund, meaning it is liable to Maltese income tax.

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

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund	Malta Balanced Income Fund
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cash at bank 31 December 2018	11,715,618	5,845,643	1,569,683	(27,502)	797,697	811,895	1,021,348	1,696,854

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Markets Bond Fund
	EUR	EUR	EUR	EUR	EUR	EUR	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

The cash and cash equivalents of the Company include EUR 1,000 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

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	Euro Equity Fund	Global Balanced Income Fund	Malta Government Bond Fund	Emerging Market Bond Fund	Malta Balanced Income Fund
Financial assets designated as at fair value through profit or loss	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31 December 2018								
Exchange traded funds	5,766,795	1,607,689	264,086	1,874,363	1,777,816	61,024	181,817	-
Equities	8,789,297	-	-	4,393,433	1,807,996	-	-	2,587,868
Debt instruments	74,841,013	37,514,826	13,208,145	-	1,674,012	11,592,496	7,635,287	3,216,247
Financial assets designated as held for trading								
OTC Derivatives	11,561	-	-	-	-	-	11,561	-
	89,408,666	39,122,515	13,472,231	6,267,796	5,259,824	11,653,520	7,828,665	5,804,115
Financial Liabilities designated as held for trading								
OTC Derivatives	167,047	98,329	-	-	22,578	-	46,139	-

	CC Funds SICAV plc	Euro High Income Bond Fund	Global High Income Bond Fund	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

In the prior year the company held shares in collective investment schemes some of which had a financial year which was not co-terminous with that of the Company or independently audited financial statements were 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 prior year amounting to EUR945,565 could not be corroborated against independently audited net asset values as at 31 December 2017 and were based on alternative available independent market information. The company did not hold investments in collective investment schemes in current year.

Euro High Income Bond Fund (formerly High Income Bond Fund EUR)

The table below sets the composition of the portfolio of the Fund as at 31 December 2018 and 31 December 2017 respectively:

	31 December 2018			31 December 2017		
	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
Exchange traded funds	1,607,689	3.52	3.54	1,677,669	3.16	3.16
Debt instruments traded on a regulated market						
Sovereign bonds	2,146,526	4.70	4.73	953,440	1.80	1.80
Corporate bonds	35,190,577	77.07	77.51	43,484,395	81.92	81.92
	38,944,792	85.29	85.78	44,437,835	83.72	83.72
Debt instruments not traded on a regulated market						
Corporate bonds	177,723	0.39	0.39	188,780	0.36	0.36
Financial assets at fair value through profit or loss	39,122,515	85.68	86.17	46,843,642	88.25	88.25
Financial assets designated as held for trading						
OTC Derivatives	-	-	-	86,187	0.16	0.16
Financial liabilities designated as held for trading						
OTC Derivatives	98,329	0.22	0.22	-	-	-

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	22,757,359	49.84	50.13	29,728,460	56.01	56.01
EU non-Eurozone	3,745,075	8.20	8.25	4,533,804	8.54	8.54
United States	2,060,768	4.51	4.54	2,137,524	4.03	4.03
Other	10,460,984	22.91	23.04	10,718,821	20.19	20.19
	39,024,186	85.46	85.96	47,118,609	88.77	88.77

None of the financial assets at fair value through profit or loss as at 31 December 2018 and 31 December 2017 were pledged.

Global High Income Bond Fund (formerly High Income Bond Fund USD)

The table below sets the composition of the portfolio of the Fund as at 31 December 2018 and 31 December 2017:

	31 December 2018			31 December 2017		
	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
Exchange traded funds	264,086	1.73	1.74	270,424	1.68	1.68
Debt instruments traded on a regulated market						
Sovereign bonds	563,994	3.70	3.71	-	-	-
Corporate bonds	12,644,151	82.85	83.17	13,511,195	83.99	83.99
	13,208,145	86.55	86.88	13,511,195	83.99	83.99
Financial assets at fair value through profit or loss	13,472,231	88.28	88.62	13,999,045	87.03	87.03
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	1,687,825	11.06	11.10	1,381,046	8.59	8.59
EU non-Eurozone	1,988,931	13.03	13.08	1,645,667	10.23	10.23
United States	2,540,941	16.65	16.71	3,269,632	20.33	20.33
Other	7,254,534	47.53	47.72	7,702,700	47.89	47.89
	13,472,231	88.27	88.61	13,999,045	87.03	87.03

None of the financial assets at fair value through profit or loss as at 31 December 2018 and 31 December 2017 were pledged.

Euro Equity Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2018 and 31 December 2017:

	31 December 2018			31 December 2017		
	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	1,874,363	29.84	30.03	2,417,903	31.60	31.60
Equities	4,393,433	69.95	70.38	5,097,450	66.63	66.63
Financial assets at fair value through profit or loss	6,267,796	99.79	100.41	7,515,353	98.22	98.22
Financial assets designated as held for trading						
OTC Derivatives	-	-	-	11,881	0.16	0.16

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	5,581,031	88.86	89.40	6,067,945	79.30	79.30
EU non-Eurozone	-	-	-	515,775	6.74	6.74
United States	438,081	6.98	7.02	613,010	8.01	8.01
Other	248,684	3.96	3.98	330,504	4.32	4.32
	6,267,796	99.8	100.40	7,527,234	98.37	98.37

None of the financial assets at fair value through profit or loss as at 31 December 2018 and 31 December 2017 were pledged.

Global Balanced Income Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2018 and 31 December 2017:

	31 December 2018			31 December 2017		
	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	1,777,816	31.12	29.45	1,690,627	28.51	28.51
Equities	1,807,996	29.68	29.96	1,716,040	28.94	28.94
Debt instruments traded on a regulated market						

Corporate bonds	1,674,012	27.48	27.73	1,928,752	32.53	32.53
Financial assets at fair value through profit or loss	5,259,824	88.28	87.14	5,335,518	89.99	89.99
Financial assets designated as held for trading						
OTC Derivatives	-	-	-	32,034	0.54	0.54
Financial liabilities designated as held for trading						
OTC Derivatives	22,578	0.37	0.37	-	-	-

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	3,206,375	52.64	53.12	3,358,279	56.64	56.64
EU non-Eurozone	527,040	8.65	8.73	229,301	3.87	3.87
United States	759,058	12.46	12.57	582,327	9.82	9.82
Other	744,773	12.23	12.34	1,197,644	20.20	20.20
	5,237,246	85.98	86.76	5,367,551	90.53	90.53

None of the financial assets at fair value through profit or loss as at 31 December 2017 and 31 December 2018 were pledged.

Malta Government Bond Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2018 and as at 31 December 2017:

	31 December 2018			31 December 2017		
	Total	Total	% of total assets	% of net assets	% of total assets	% of net assets
	EUR			EUR		
Transferable securities traded on a regulated market						
Collective investment schemes	-	-	-	-	-	-
Exchange traded funds	61,024	0.49	0.49	19,138	1.02	1.02
Debt instruments traded on a regulated market						
Sovereign bonds	11,592,496	92.27	92.51	1,593,437	84.52	84.72
Corporate bonds	-	-	-	-	-	-
	11,592,496	92.27	92.51	1,593,437	84.52	84.72
Financial assets at fair value through profit or loss	11,653,520	92.76	93.00	1,612,575	85.54	85.74

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	11,609,220	92.41	92.65	1,581,966	83.91	84.11
EU non-Eurozone	30,922	0.25	0.25	30,609	1.62	1.63
Other	13,378	0.11	0.10	-	-	-
	11,653,520	92.77	93.00	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.

Malta Income Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2018:

	31 December 2018		
	Total	% of total assets	% of net assets
	EUR		
Transferable securities traded on a regulated market			
Collective investment schemes	-	-	-
Exchange traded funds	-	-	-
Equities	2,587,868	34.26	34.39
Debt instruments traded on a regulated market			
Sovereign bonds	-	-	-
Corporate bonds	3,216,247	42.58	42.74
	3,216,247	42.58	42.74
Financial assets at fair value through profit or loss	5,804,115	76.84	77.13

Issuers of the above financial assets are categorised as follows:

	31 December 2018		
	Total	% of total assets	% of net assets
	EUR		
Eurozone	5,804,115	76.84	77.13

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 and 31 December 2018:

	31 December 2018			31 December 2017		
	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	-	-	-	-	-	-
Exchange traded funds	181,817	2.02	2.04	82,016	1.87	1.87
Debt instruments traded on a regulated market						
Sovereign bonds	699,550	7.79	7.87	344,017	7.83	7.84
Corporate bonds	6,935,737	77.20	77.99	2,089,530	47.59	47.59
	7,635,287	84.99	85.86	2,433,547	55.42	55.43
Financial assets at fair value through profit or loss	7,817,104	87.01	87.90	2,515,563	57.29	57.30
Financial assets designated as held for trading						
OTC Derivatives	11,561	0.13	0.13	59,085	1.35	1.35
Financial liabilities designated as held for trading						
OTC Derivatives	46,139	0.51	0.52	-	-	-

Issuers of the above financial assets are categorised as follows:

	31 December 2018			31 December 2017		
	Total	% of total assets	% of net assets	Total	% of total assets	% of net assets
	EUR			EUR		
Eurozone	770,536	8.58	8.66	349,653	7.96	7.96
EU non-Eurozone	682,614	7.60	7.68	514,530	11.72	11.72
Other	6,329,376	70.45	71.17	1,710,465	38.96	38.96
	7,782,526	86.63	87.51	2,574,648	58.64	58.64

None of the financial assets at fair value through profit or loss as at 31 December 2018 and 31 December 2017 were pledged.

10. Transactions with related parties

(a) *Directors*

During the reporting year, Directors' remuneration amounted to EUR16,138 (31 December 2017: EUR17,997) 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 2018 amounted to EUR981,512 (31 December 2017: EUR872,958), 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 2018, amounted to EUR220,400 (31 December 2017: EUR153,640), 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 2018, amounted to EUR NIL (31 December 2018: 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:

Euro High Income Bond Fund (formerly High Income Bond Fund – EUR)

	31 December 2018 % of total assets	31 December 2017 % of total assets
Currency		
US Dollars	13.50	10.51

Euro Equity Fund

	31 December 2018	31 December 2017
	% of total assets	% of total assets
Currency		
US Dollars	8.27	8.77
Great Britain Pound	-	6.74

Global Balanced Income Fund

	31 December 2018	31 December 2017
	% of total assets	% of total assets
Currency		
Great Britain Pound	24.62	28.34
US Dollars	0.05	3.98

Emerging Market Bond Fund

	31 December 2018	31 December 2017
	% of total assets	% of total assets
Currency		
Euros	6.98	9.97

Malta Government Bond Fund

	31 December 2018	31 December 2017
	% of total assets	% of total assets
Currency		
US Dollars	0.37	-

Sensitivity Analysis

As at 31 December 2018 and 2017, 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 EUR/USD rate.

Euro High Income Bond Fund (formerly High Income Bond Fund – EUR)

	31 December 2018 EUR	31 December 2017 EUR
Currency		
US Dollars	306,408	279,062
Great Britain Pound	-	-

Euro Equity Fund

	31 December 2018 EUR	31 December 2017 EUR
Currency		
US Dollars	25,814	33,549
Great Britain Pound	-	-

Global Balanced Income Fund

	31 December 2018 EUR	31 December 2017 EUR
Currency		
US Dollars	74,302	83,957
Great Britain Pound	137	11,791

Emerging Market Bond Fund

	31 December 2018 EUR	31 December 2017 EUR
Currency		
Euros	31,031	21,890
Great Britain Pound	-	-

Malta Government Bond Fund

	31 December 2018 EUR	31 December 2017 USD
Currency		
US Dollars	2,347	-

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 2018 and 2017 in the event that worldwide yield curves experience a parallel 25bps/50bps shift upwards or downwards.

Yield curve shift

	31 December 2018		31 December 2017	
	+/- 25bps	+/- 50bps	+/- 25bps	+/- 50bps
	EUR	EUR	EUR	EUR
Euro High Income Bond Fund	+/- 317,300	634,600	363,600	727,200
Global High Income Bond Fund	+/- 131,100	262,200	122,700	245,400
Global Balanced Income Fund	+/- 18,900	37,900	16,300	32,600
Malta Government Bond Fund	+/- 262,300	524,600	33,300	66,600
Malta Balanced Income Fund	+/- 55,300	110,600	-	-
Emerging Markets Bond Fund	+/- 99,000	198,000	30,000	60,000

As at 31 December 2018 and 2017, 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.

Euro High Income Bond Fund (formerly 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 2018, the Euro High Income Bond Fund's exposure to debt securities stood at 82.63% (2017: 83.72%) of its total net assets. The credit quality of these investments as at 31 December 2018 is summarised below:

Credit rating	31 December 2018 % Exposure of total net assets	31 December 2017 % Exposure of total net assets
AA-A	5%	2%
BBB	11%	14%
BB	27%	25%
B	32%	38%
CCC+	1%	-
NR/Below CCC+	8%	5%

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

Credit Institution	Credit Rating	31 December 2018 EUR	31 December 2017 EUR
Sparkasse Bank Malta plc	NR	1,063,541	1,542,843
Calamatta Cuschieri Investment Services Limited	NR	1,500,000	-
BNF Bank	NR	1,831,088	1,827,252
MeDirect	NR	-	1,000,000
FIMBank p.l.c	BB-	-	426
Bank of Valetta	BBB+	1,451,014	1,000,436

Global High Income Bond Fund (formerly 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 2018, the Global High Income Bond Fund's exposure to debt securities stood at 86.88% (2017: 84.00%) of its total net assets. The credit quality of these investments as at 31 December 2018 is summarised below:

Credit rating	31 December 2018 % Exposure of total net assets	31 December 2017 % Exposure of total net assets
AAA-A	6%	1%
BBB	18%	17%
BB	44%	31%
B	19%	35%

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

Credit Institution	Credit Rating	31 December 2018 EUR	31 December 2017 EUR
Sparkasse Bank Malta plc	NR	1,569,683	1,510,617
MeDirect Bank (Malta) plc	NR	-	12
FIMBank plc	BB-	-	805,926

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 2018, the Global Balanced Income Fund's exposure to debt securities stood at 27.73% (2017: 32.55%). The credit quality of these investments as at 31 December 2018 is summarised below:

Credit rating	31 December 2018 % Exposure of total net assets	31 December 2017 % Exposure of total net assets
BBB	0%	0%
BB	12%	10%
B	13%	19%
NR	3%	3%

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

Credit Institution	Credit Rating	31 December 2018 EUR	31 December 2017 EUR
Sparkasse Bank Malta plc	NR	797,697	553,571

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 2018, 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 2018	31 December 2017
		EUR	EUR
Sparkasse Bank Malta plc	NR	(27,502)	168,200

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 2018, the Malta Government Bond Fund's exposure to debt securities stood at 92.51% (84.72% as at 31 December 2017). The credit quality of these investments as at 31 December 2018:

Credit rating	31 December 2018 % Exposure of total net assets	31 December 2017 % Exposure of total net assets
AAA-A	40%	47%
BBB	1%	6%
BB	-	2%
B	-	-
CCC+	-	-
NR/Below CCC+	52%	31%

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

Credit Institution	Credit Rating	31 December 2018	31 December 2017
		EUR	EUR
Sparkasse Bank Malta plc	NR	411,895	252,705
Calamatta Cuschieri Investment Services Limited	NR	400,000	-

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 2018, the Emerging Markets Bond Fund's exposure to debt securities stood at 85.85% (55.43% as at 31 December 2017). The credit quality of these investments as at 31 December 2018:

Credit rating	31 December 2018 % Exposure of total net assets	31 December 2017 % Exposure of total net assets
AAA-A	6%	0%
BBB	12%	12%
BB	45%	11%
B	20%	33%
CCC+	2%	-
NR/Below CCC+	-	-

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

Credit Institution	Credit Rating	31 December 2018 EUR	31 December 2017 EUR
Sparkasse Bank Malta plc	NR	871,895	2,153,451
Calamatta Cuschieri Investment Services Limited	NR	150,000	-

Malta Income Fund

The Fund aims to maximise the total level of return through investment, in debt securities and money market instruments issued by the Government of Malta, and equities and corporate bonds issued and listed on the MSE. The Investment Manager may also invest directly or indirectly up to 15% of its assets in "Non-Maltese Assets". The Investment Manager will, maintain an exposure to local equities issued on the MSE of at least 25% of NAV and will also maintain a direct exposure to local Maltese debt securities (Government and Corporate bonds) of at least 25% of the NAV of the Sub-Fund.

As at 31 December 2018, the Malta Government Bond Fund's exposure to debt securities stood at 42.74%. The credit quality of these investments as at 31 December 2018:

Malta Income Fund (continued)

Credit rating	31 December 2018 % Exposure of total net assets
AA-A	-
BBB	-
BB	-
B	-
CCC+	-
NR/Below CCC+	43%

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

Credit Institution	Credit Rating	31 December 2018 EUR
Sparkasse Bank Malta plc	NR	1,446,854
Calamatta Cuschieri Investment Services Limited	NR	250,000

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 2018 and 2017 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

In prior year the sub-funds' investments in the collective investment schemes were 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.

Collective investment schemes

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.

Euro High Income Bond Fund (formerly High Income Bond Fund – EUR)

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	1,607,689	-	-	1,607,689
Collective investment schemes	-	-	-	-
Debt instruments	37,337,103	177,723	-	37,514,826
OTC Derivatives	-	(98,329)	-	(98,329)
	38,944,792	79,394	-	39,024,186

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

Global High Income Bond Fund (formerly High Income Bond Fund USD)

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	264,086	-	-	264,086
Collective investment schemes	-	-	-	-
Debt instruments	13,208,145	-	-	13,208,145
	13,472,231	-	-	13,472,231

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

Euro Equity Fund

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	1,874,363	-	-	1,874,363
Equities	4,393,433	-	-	4,393,433
OTC Derivative Instruments	-	-	-	-
	6,267,796	-	-	6,267,796

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

Global Balanced Income Fund

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	1,777,816	-	-	1,777,816
Equities	1,807,996	-	-	1,807,996
Debt instruments	1,674,012	-	-	1,674,012
OTC Derivative Instruments	-	(22,578)	-	(22,578)
	5,259,824	(22,578)	-	5,237,246

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

12 Fair values of financial assets and financial liabilities (continued)

Malta Government Bond Fund

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	61,024	-	-	61,024
Collective investment schemes	-	-	-	-
Debt instruments	11,592,496	-	-	11,592,496
	11,653,520	-	-	11,653,520
31 December 2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total 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 Market Bond Fund

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Exchange traded funds	181,817	-	-	181,817
Collective investment schemes	-	-	-	-
Debt instruments	7,635,287	-	-	7,635,287
OTC Derivative Instruments	-	(34,578)	-	(34,578)
	7,817,104	(34,578)	-	7,782,526
31 December 2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total 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

Malta Balanced Income Fund

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Equities	2,587,868	-	-	2,587,868
Collective investment schemes	-	-	-	-
Debt instruments	3,216,247	-	-	3,216,247
	5,804,115	-	-	5,804,115

As at 31 December 2018 and 2017, the carrying amounts of other financial assets and other payables approximated to their fair values due to the short-term nature of these balances.

Malta Balanced Income Fund (continued)

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

In March 2019, the name of the SICAV changed from Calamatta Cuschieri Funds SICAV plc to CC Funds SICAV plc. Administrator's name changed from Calamatta Cuschieri Fund Services Limited to CC Fund Services (Malta) Limited. Additionally, CC High Income Bond Fund EUR changed to Euro High Income Bond Fund, CC High Income Bond Fund USD name changed to Global High Income Bond Fund and Malta Income Fund name changed to Malta Balanced Income Fund.



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VAT Reg No: MT2013 6121
Exemption number: EXO2155

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 CC Funds SICAV plc (formerly Calamatta Cuschieri Funds SICAV plc) ("the Company"), constituting each of the sub-funds of the Company, set out on pages 14 to 63, which comprise each of the statements of financial position as at 31 December 2018, 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 and its sub-funds as at 31 December 2018, 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.

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 5 to 8, the Directors' report on pages 9 to 11, the statement of directors' responsibilities on page 12, comparative statement on page 13, portfolio statement on pages 68 to 78, efficient portfolio management techniques on pages 79 to 85, Appendix 1-General information on page 86 and the Custodian's report on pages 87 to 88, but does not include the separate and consolidated financial statements and our auditor's report thereon.

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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 9 to 11, 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 12, 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 first appointed to act as statutory auditor of the Company, following the Company's equity listing, by the members of the Company on 27 April 2017 for the financial year ended 31 December 2017, and were subsequently reappointed as statutory auditors by the members of the Company on an annual basis. The period of total uninterrupted engagement as statutory auditor since the Company became a public interest entity including previous reappointments of the firm is 1 financial year.



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

16 April 2019

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Portfolio of net assets at 31st December 2018

Euro High Income Bond Fund (formerly High Income Bond Fund – EUR)

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
42 Invest plc 6.25% 2022	EUR	177,717	0.39
4.875% UNITED GROUP BV 01/07/2024	EUR	492,985	1.09
4% AEGON NV 25/04/2044	EUR	303,939	0.67
6.25% THOMAS COOK GROUP PLC 15/06/2022	EUR	233,139	0.51
7.25% ALDESA FINANCIAL SERVCS 01/04/2021	EUR	437,679	0.96
4.75% ALTICE FINCO SA 15/01/2028	EUR	562,632	1.24
4.75% ALLIANZ SE 24/10/2167	EUR	220,128	0.48
3.25% GRUPO-ANTOLIN IRAUSA SA 30/04/2024	EUR	525,138	1.16
6.625% ALAM SYNERGY PTE LTD 24/04/2022	USD	438,893	0.97
7.25% ALTICE LUXEMBOURG SA 15/05/2022	EUR	280,437	0.62
3.875% AVIVA PLC 03/07/2044	EUR	201,938	0.44
3.875% AXA SA 08/10/2167	EUR	305,247	0.67
6.5% BARCLAYS PLC 15/09/2167	EUR	195,400	0.43
6.5% MINERVA LUXEMBOURG SA 20/09/2026	USD	244,223	0.54
5.875% MINERVA LUXEMBOURG SA 19/01/2028	USD	381,015	0.84
0.8% BELGIUM KINGDOM 22/06/2027	EUR	304,131	0.67
10% GOVERNOR & CO OF THE BAN 19/12/2022	EUR	635,060	1.40
6.125% BNP PARIBAS 17/12/2167	EUR	207,954	0.46
6.5% BORETS FINANCE DAC 07/04/2022	USD	428,887	0.94
3.75% BORTEX GROUP FINANCE PLC 01/12/2027	EUR	297,820	0.66
4% CHEMOURS CO 15/05/2026	EUR	949,580	2.09
6.5% CMA CGM SA 15/07/2022	EUR	746,568	1.64
3.992% CASINO GUICHARD PERRACHO 31/01/2168	EUR	197,550	0.44
5.75% CREDIT SUISSE 18/09/2025	EUR	535,710	1.18
5.75% DANSKE BANK A/S 06/10/2167	EUR	295,875	0.65
6% DEUTSCHE BANK AG 30/04/2167	EUR	163,670	0.36
4% EDEN FINANCE 28/04/2027	EUR	314,700	0.69
5.375% ELECTRICITE DE FRANCE SA 29/01/2168	EUR	410,212	0.90
4.5% EIRCOM FINANCE DAC 31/05/2022	EUR	610,500	1.34
3.625% ENBW 02/04/2076	EUR	309,924	0.68
6.25% CHINA EVERGRANDE GROUP 28/06/2021	USD	499,799	1.10
0.75% FRANCE (GOVT OF) 25/11/2028	EUR	301,236	0.66
3.6% GAZPROM (GAZ CAPITAL SA) 26/02/2021	EUR	524,290	1.15
4.875% GERDAU TRADE INC 24/10/2027	USD	415,505	0.92
3.5% GESTAMP FUND LUX SA 15/05/2023	EUR	294,777	0.65
7.5% GARFUNKELUX HOLDCO 3 SA 01/08/2022	EUR	712,360	1.57
8.375% GAJAH TUNGGAL TBK PT 10/08/2022	USD	220,099	0.48
6.5% GLOBAL PORTS FINANCE 22/09/2023	USD	444,266	0.98
3.375% HANNOVER RE 26/06/2167	EUR	205,764	0.45
5% HH FINANCE PLC 19/05/2028	EUR	255,000	0.56
3.85% HILI FINANCE CO PLC 24/07/2028	EUR	256,250	0.56
5.25% HSBC HOLDINGS PLC 16/03/2168	EUR	397,516	0.88
4.75% INTERNATIONAL GAME TECH 15/02/2023	EUR	426,424	0.94
4% INEOS FINANCE PLC 01/05/2023	EUR	1,004,730	2.21
5.25% INTRALOT CAPITAL LUX 15/09/2024	EUR	575,721	1.27
5% JD CAPITAL PLC 21/05/2028	EUR	252,500	0.56
5.625% KBC GROEP NV 19/06/2167	EUR	499,375	1.10
6.25% SYNLAB BONDCO PLC 01/07/2022	EUR	816,928	1.80
6.5% LECTA SA 01/08/2023	EUR	835,560	1.84
6% LOXAM SAS 15/04/2025	EUR	605,406	1.33

Euro High Income Bond Fund (formerly High Income Bond Fund – EUR) (continued)

Debt Instruments (continued)

4.875% LOXAM SAS 23/07/2021	EUR	470,957	1.04
4.625% CEMEX FINANCE LLC 15/06/2024	EUR	504,900	1.11
5% TENDAM BRANDS SAU 15/09/2024	EUR	643,566	1.42
6.95% MODERNLAND OVERSEAS PTE 13/04/2024	USD	359,200	0.79
4.8% MED MARITIME HUB FINANCE 14/10/2026	EUR	270,400	0.60
7% MARB BONDCO PLC 15/03/2024	USD	661,613	1.46
5% NIDDA BONDCO GMBH 30/09/2025	EUR	880,010	1.94
5.25% ORANGE SA 07/02/2168	EUR	435,392	0.96
4.125% ADLER PELZER HLDG GMBH 01/04/2024	EUR	1,016,686	2.24
5.299% PETROBRAS GLOBAL FINANCE 27/01/2025	USD	417,638	0.92
6.75% PROMONTORIA HOLDING 15/08/2023	EUR	582,858	1.28
5.875% PETROBRAS GLOBAL FINANCE 07/03/2022	EUR	551,475	1.21
2.625% CROWN EURO HOLDINGS SA 30/09/2024	EUR	593,640	1.31
5.5% COOPERATIEVE RABOBANK UA 29/06/2167	EUR	513,215	1.13
0.75% REPUBLIC OF AUSTRIA 20/02/2028	EUR	307,107	0.68
0.5% FINNISH GOVERNMENT 15/09/2028	EUR	298,782	0.66
2.125% PERNOD RICARD SA 27/09/2024	EUR	425,500	0.94
5.481% BANCO SANTANDER SA 12/06/2167	EUR	476,380	1.05
4% SAPPI PAPIER HOLDING GMBH 01/04/2023	EUR	712,824	1.57
4.35% SD FINANCE PLC 25/04/2027	EUR	241,500	0.53
5.875% SELECTA GROUP BV 01/02/2024	EUR	567,606	1.25
5.5% SCIENTIFIC GAMES INTERNA 15/02/2026	EUR	517,548	1.14
5.425% SOLVAY FINANCE 12/11/2167	EUR	321,030	0.71
4% STIVALA GR FINANCE PLC 18/10/2027	EUR	419,200	0.92
5.375% TAKKO LUX 2 SCA 15/11/2023	EUR	504,343	1.11
3.625% TELECOM ITALIA SPA 25/05/2026	EUR	299,871	0.66
4.75% NEMAK SAB DE CV 23/01/2025	USD	490,072	1.08
4.75% UBS AG 12/02/2026	EUR	530,465	1.17
5.75% UBS GROUP FUNDING SWITZE 19/02/2168	EUR	212,312	0.47
4.4% VON DER HEYDEN GR FNC 08/03/2024	EUR	204,960	0.45
6.375% VEDANTA RESOURCES PLC 30/07/2022	USD	470,022	1.04
6.125% VEDANTA RESOURCES PLC 09/08/2024	USD	217,982	0.48
4.85% VOLVO TREASURY AB 10/03/2078	EUR	211,132	0.47
8.5% WITTUR INTL HLDG GMBH 15/02/2023	EUR	297,213	0.65
5.25% MALTA GOVERNMENT 23/06/2030	EUR	418,950	0.92
4.5% MALTA GOVERNMENT 25/10/2028	EUR	516,320	1.14

Total debt instruments		37,514,826	82.63
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Exchange traded funds

ISHARES EURO HY CORP	EUR	399,940	0.88
X ITRAXX CROSSOVER SWAP	EUR	388,249	0.86
LYXOR EURMS1-3Y INV GR DR	EUR	375,720	0.83
LYXOR EURMTS 7-10Y INVG DR	EUR	174,480	0.38
LYXOR BOFAML EUR HY EX FINC	EUR	269,300	0.59

Total exchange traded funds		1,607,689	3.54
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Forwards

Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 04.01.2019	USD	(98,329)	(0.22)
Total forwards		(98,329)	(0.22)

Total portfolio of investments		39,024,186	85.96
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Bank balances		5,845,643	12.88
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Other assets net of liabilities		529,106	1.17
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Net Assets		45,398,935	100.00
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Global High Income Bond Fund (formerly High Income Bond Fund USD)

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
5.25% ELECTRICITE DE FRANCE SA 29/07/2167	USD	165,672	1.09
4.375% FORD MOTOR CREDIT CO LLC 06/08/2023	USD	166,043	1.09
6.625% ALTICE FINANCING SA 15/02/2023	USD	168,056	1.11
5.5% ALLIANZ SE 26/03/2168	USD	163,767	1.08
6.625% ALAM SYNERGY PTE LTD 24/04/2022	USD	292,725	1.93
6.125% BOMBARDIER INC 15/01/2023	USD	245,881	1.62
5.875% MINERVA LUXEMBOURG SA 19/01/2028	USD	152,406	1.00
6.5% BORETS FINANCE DAC 07/04/2022	USD	257,331	1.69
5.375% CHEMOURS CO 15/05/2027	USD	316,358	2.08
7.25% COUNTRY GARDEN HLDGS 04/04/2021	USD	262,481	1.73
6.5% CREDIT SUISSE AG 08/08/2023	USD	182,669	1.20
7.25% JBS USA LUX/JBS USA FIN 01/06/2021	USD	176,370	1.16
6.25% CHINA EVERGRANDE GROUP 28/06/2021	USD	166,600	1.10
9.25% GAZPROM (GAZ CAPITAL SA) 23/04/2019	USD	265,770	1.75
4.95% GAZPROM (GAZ CAPITAL SA) 23/03/2027	USD	250,491	1.65
7.25% GTL TRADE FINANCE INC 16/04/2044	USD	182,028	1.20
6.5% GLOBAL PORTS FINANCE 22/09/2023	USD	266,560	1.75
4.1% MMC NORILSK (MMC FIN) 11/04/2023	USD	332,764	2.19
6.25% GTH FINANCE BV 26/04/2020	USD	354,346	2.33
5.625% HSBC HOLDINGS PLC 17/01/2168	USD	341,191	2.24
6% ICAHN ENTERPRISES/FIN 01/08/2020	USD	349,291	2.30
5.625% INEOS GROUP HOLDINGS SA 01/08/2024	USD	542,522	3.57
6.25% INTERNATIONAL GAME TECH 15/02/2022	USD	350,725	2.31
7.25% JBS INVESTMENTS GMBH 03/04/2024	USD	354,489	2.33
7% KB HOME 15/12/2021	USD	534,265	3.51
1.5% KFW 06/02/2019	USD	304,940	2.01
1.25% KFW 30/09/2019	USD	259,054	1.70
4.75% LENNAR CORP 15/11/2022	USD	428,630	2.82
6.95% MODERNLAND OVERSEAS PTE 13/04/2024	USD	287,360	1.89
6.625% MMC NORILSK (MMC FIN) 14/10/2022	USD	275,578	1.81
7% MARB BONDCO PLC 15/03/2024	USD	248,105	1.63
5.5% NORDEA BANK ABP 23/03/2168	USD	257,576	1.69
5.375% PETROBRAS GLOBAL FINANCE 27/01/2021	USD	445,208	2.93
5.299% PETROBRAS GLOBAL FINANCE 27/01/2025	USD	334,110	2.20
7.875% GRUPO POSADAS SAB CV 30/06/2022	USD	169,197	1.11
6.375% BANCO SANTANDER SA 19/08/2167	USD	167,177	1.10
5.25% SBERBANK (SB CAP SA) 23/05/2023	USD	341,038	2.24
6.75% SOCIETE GENERALE 06/10/2167	USD	148,033	0.97

Global High Income Bond Fund (formerly High Income Bond Fund USD) (continued)

Debt Instruments (continued)

11.5% SPRINT COMMUNICATIONS 15/11/2021	USD	297,585	1.96
5.75% TURKCELL ILETISIM HIZMET 15/10/2025	USD	159,822	1.05
4.25% JAGUAR LAND ROVER AUTOMO 15/11/2019	USD	345,879	2.28
4.875% TURK TELEKOMUNIKASYON AS 19/06/2024	USD	301,844	1.99
5.125% UBS AG 15/05/2024	USD	261,081	1.72
8% UNICREDIT SPA 03/06/2167	USD	311,126	2.05
8.25% VALE OVERSEAS LIMITED 17/01/2034	USD	216,362	1.42
6.375% VEDANTA RESOURCES PLC 30/07/2022	USD	156,674	1.03
6% VEDANTA RESOURCES PLC 31/01/2019	USD	174,366	1.15
5.25% VIRGIN MEDIA SECURED FIN 15/01/2026	USD	160,724	1.06
2.25% WESTPAC BANKING CORP 09/11/2020	USD	172,347	1.13
6.9% YESTAR HEALTHCARE HLD CO 15/09/2021	USD	143,527	0.94
Total debt instruments		13,208,144	86.88

Equity

ISHARES USD HY CORP USD DIST	USD	264,087	1.74
Total Equity		264,087	1.74

Total portfolio of investments **13,472,231** **88.62**

Bank balances 1,569,683 10.33

Other assets net of liabilities 160,258 1.05

Net Assets **15,202,172** **100.00**

Equity Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Equities			
ALLIANZ SE-REG	EUR	363,416	5.82
APPLE INC	EUR	171,575	2.75
ASML HOLDING NV	EUR	445,770	7.14
ALIBABA GROUP HOLDING-SP ADR	USD	131,487	2.11
BAYERISCHE MOTOREN WERKE AG	EUR	282,800	4.53
BNP PARIBAS	EUR	315,800	5.06
BANK OF VALLETTA PLC	EUR	133,000	2.13
VINCI SA	EUR	144,040	2.31
DEUTSCHE POST AG-REG	EUR	334,740	5.36
VALEO SA	EUR	223,212	3.58
SOCIETE GENERALE SA	EUR	159,965	2.56
HALLIBURTON CO	USD	101,990	1.63
MASTERCARD INC - A	USD	164,516	2.64
LVMH MOET HENNESSY LOUIS VUI	EUR	387,300	6.20
MUENCHENER RUECKVER AG-REG	EUR	285,825	4.58
L'OREAL	EUR	281,680	4.51
RENAULT SA	EUR	349,120	5.59
WEIBO CORP-SPON ADR	USD	117,196	1.88
Total equities		4,393,432	70.38
Exchange traded funds			
LYXOR EURSTX600 BANKS	EUR	302,148	4.84
LYXOR EURSTX600 HALTHCARE	EUR	417,350	6.69
LYXOR DAX DR	EUR	162,400	2.60
ISHR EUROPE600 OIL & GAS DE	EUR	253,773	4.07
ISH EUR600 BASICRESOURCE DE	EUR	281,785	4.51
LYXOR EURSTX600 TECHNLG	EUR	456,908	7.32
Total exchange traded funds		1,874,364	30.03
Total portfolio of investments		6,267,796	100.40
Bank balances		(27,502)	(0.44)
Other liabilities net of assets		2,290	0.04
Net Assets		6,242,584	100.00

Global Balanced Income Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
4% CEMOURS CO 15/05/2026	EUR	189,916	3.15
4% EDEN FINANCE 28/04/2027	EUR	73,430	1.22
7.5% GARFUNKELUX HOLDCO 3 SA 01/08/2022	EUR	178,090	2.95
4% INEOS FINANCE PLC 01/05/2023	EUR	200,946	3.33
5.25% INTRALOT CAPITAL LUX 15/09/2024	EUR	127,938	2.12
4.75% LENNAR CORP 01/04/2021	USD	43,291	0.72
7% KB HOME 15/12/2021	USD	44,522	0.74
6.5% LECTA SA 01/08/2023	EUR	185,680	3.08
4.875% LOXAM SAS 23/07/2021	EUR	58,870	0.98
5% NIDDA BONDCO GMBH 30/09/2025	EUR	176,002	2.92
5.299% PETROBRAS GLOBAL FINANCE 27/01/2025	USD	167,055	2.77
4.35% SD FINANCE PLC 25/04/2027	EUR	82,950	1.37
6.125% VEDANTA RESOURCES PLC 09/08/2024	USD	145,321	2.41
Total debt instruments		1,674,011	27.73
Equities			
APPLE INC	USD	123,804	2.05
ALLIANZ SE-REG	EUR	122,598	2.03
ASML HOLDING NV	EUR	219,456	3.64
BAYERISCHE MOTOREN WERKE AG	EUR	166,145	2.75
BNP PARIBAS	EUR	75,003	1.24
BANK OF VALLETTA PLC	EUR	119,700	1.98
DEUTSCHE POST AG-REG	EUR	95,640	1.58
VALEO SA	EUR	127,550	2.11
HALLIBURTON CO	USD	101,990	1.69
ISHARES USD HY CORP USD DIST	USD	84,373	1.40
LLOYDS BANKING GROUP PLC	GBP	2,683	0.04
MUENCHENER RUECKVER AG-REG	EUR	123,858	2.05
L'OREAL	EUR	120,720	2.00
RENAULT SA	EUR	185,470	3.07
VOLKSWAGEN AG	EUR	111,280	1.84
WEIBO CORP-SPON ADR	USD	112,101	1.86
Total equities		1,892,371	31.35
Exchange traded funds			
ISHARES EURO HY CORP	EUR	199,970	3.31
LYXOR CAC 40 DR-D-EUR	EUR	125,172	2.07
ISHARES MSCI EM ASIA ACC	USD	289,668	4.80
ISHARES CORE S&P 500	USD	171,162	2.84
LYXOR DAX DR	EUR	203,000	3.36
LYXOR EURSTX600 HALTHCARE	EUR	166,940	2.77

Global Balanced Income Fund (continued)

Exchange traded funds (continued)

ISHARES MSCI EM ACC	USD	175,948	2.91
ISHR EUROPE600 OIL & GAS DE	EUR	107,012	1.77
ISH EUR600 BASICRESOURCE DE	EUR	80,510	1.33
LYXOR EURSTX600 TECHNLG	EUR	174,060	2.88
Total exchange traded funds		1,693,442	28.05

Forwards

Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 04.01.2019	USD	(22,578)	(0.37)
Total forwards		(22,578)	(0.37)

Total portfolio of investments		5,237,246	86.76
Bank balances		797,697	13.21
Other assets net of liabilities		1,530	0.03
Net Assets		6,036,473	100.00

Malta Government Bond Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
2.6% BELGIUM KINGDOM 22/06/2024	EUR	45,467	0.36
5.4% BONOS Y OBLIG DEL ESTADO 31/01/2023	EUR	48,469	0.39
3.4% IRISH TSY 3.4% 2024 18/03/2024	EUR	35,056	0.28
3% MALTA GOVERNMENT 11/06/2040	EUR	82,369	0.66
2.2% OBRIGACOES DO TESOURO 17/10/2022	EUR	21,574	0.17
4.125% OBRIGACOES DO TESOURO 14/04/2027	EUR	48,023	0.38
3% REPUBLIC OF POLAND 17/03/2023	USD	12,958	0.10
6.25% HUNGARY 29/01/2020	USD	17,963	0.14
7% REPUBLIC OF TURKEY 05/06/2020	USD	13,378	0.11
5.125% REPUBLIKA SLOVENIJA 30/03/2026	EUR	39,765	0.32
5.75% BONOS Y OBLIG DEL ESTADO 30/07/2032	EUR	29,576	0.24
5.25% MALTA GOVERNMENT 23/06/2030	EUR	837,900	6.69
4.5% MALTA GOVERNMENT 25/10/2028	EUR	1,477,966	11.79
4.65% MALTA GOVERNMENT 22/07/2032	EUR	627,210	5.01
5.1% MALTA GOVERNMENT 01/10/2029	EUR	642,913	5.13
1.4% MALTA GOVERNMENT 29/07/2024	EUR	835,200	6.67
2% MALTA GOVERNMENT 26/09/2020	EUR	51,797	0.41
2.1% MALTA GOVERNMENT 24/08/2039	EUR	361,745	2.89
2.2% MALTA GOVERNMENT 24/11/2035	EUR	89,403	0.71
2.3% MALTA GOVERNMENT 24/07/2029	EUR	1,085,500	8.66
2.4% MALTA GOVERNMENT 25/07/2041	EUR	160,530	1.28
2.5% MALTA GOVERNMENT 17/11/2036	EUR	349,824	2.79
3.3% MALTA GOVERNMENT 12/11/2024	EUR	386,490	3.08
4.1% MALTA GOVERNMENT 18/10/2034	EUR	1,020,240	8.14
3% MALTA GOVERNMENT 22/09/2019	EUR	15,344	0.12
4.3% MALTA GOVERNMENT 01/08/2033	EUR	431,925	3.45
4.6% MALTA GOVERNMENT 25/04/2020	EUR	74,312	0.59
4.8% MALTA GOVERNMENT 11/09/2028	EUR	230,160	1.84
4.3% MALTA GOVERNMENT 15/05/2022	EUR	375,408	3.00
4.45% MALTA GOVERNMENT 03/09/2032	EUR	784,076	6.26
5.1% MALTA GOVERNMENT 16/08/2022	EUR	305,747	2.44
5.2% MALTA GOVERNMENT 16/09/2031	EUR	658,533	5.26
5% MALTA GOVERNMENT 08/08/2021	EUR	248,171	1.98
5.5% MALTA GOVERNMENT 06/07/2023	EUR	147,504	1.18
Total debt instruments		11,592,496	92.51
Exchange traded funds			
LYXOR EUROMTS 3-5Y DR ETF	EUR	61,024	0.49
Total exchange traded funds		61,024	0.49
Total portfolio of investments		11,653,520	93.00
Bank balances		811,895	6.48
Other assets net of liabilities		65,187	0.52
Net Assets		12,530,602	100.00

Emerging Markets Bond Fund

	Denominated in:	Fair Value	Percentage of
	EUR		total net assets
			%
Debt Instruments			
4.95% GAZPROM (GAZ CAPITAL SA) 19/07/2022	USD	352,165	3.96
6.875% AEROPUERTOS ARGENT 2000 01/02/2027	USD	120,515	1.36
7.25% ALDESA FINANCIAL SERVCS 01/04/2021	EUR	48,611	0.55
4.75% ALTICE FINCO SA 15/01/2028	EUR	160,727	1.81
6.625% ALAM SYNERGY PTE LTD 24/04/2022	USD	146,363	1.65
6.375% AXTEL SAB DE CV 14/11/2024	USD	167,113	1.88
6.5% MINERVA LUXEMBOURG SA 20/09/2026	USD	325,630	3.66
6.5% BORETS FINANCE DAC 07/04/2022	USD	171,555	1.93
5.125% COUNTRY GARDEN HLDGS 17/01/2025	USD	146,042	1.64
7.5% CHINA EVERGRANDE GROUP 28/06/2023	USD	153,821	1.73
3.625% GEELY AUTOMOBILE 25/01/2023	USD	171,101	1.92
7.25% GTL TRADE FINANCE INC 16/04/2044	USD	182,028	2.05
8.375% GAJAH TUNGGAL TBK PT 10/08/2022	USD	146,732	1.65
6.5% GLOBAL PORTS FINANCE 22/09/2023	USD	355,413	4.00
8.125% GLOBAL LIMAN ISLETMELERI 14/11/2021	USD	333,625	3.75
4.1% MMC NORILSK (MMC FIN) 11/04/2023	USD	166,382	1.87
7.25% JBS INVESTMENTS GMBH 03/04/2024	USD	354,489	3.99
1.5% KFW 06/02/2019	USD	261,377	2.94
6.375% LOGAN PROPERTY HOLDINGS 07/03/2021	USD	255,182	2.87
6.95% MODERNLAND OVERSEAS PTE 13/04/2024	USD	287,360	3.23
6% MILLICOM INTL CELLULAR 15/03/2025	USD	172,718	1.94
5% NIDDA BOND CO GMBH 30/09/2025	EUR	263,963	2.97
5.299% PETROBRAS GLOBAL FINANCE 27/01/2025	USD	292,347	3.29
3% REPUBLIC OF POLAND 17/03/2023	USD	259,172	2.91
7.875% GRUPO POSADAS SAB CV 30/06/2022	USD	169,197	1.90
6.25% HUNGARY 29/01/2020	USD	89,817	1.01
7% REPUBLIC OF TURKEY 05/06/2020	USD	89,185	1.00
6.375% BANCO SANTANDER SA 19/08/2167	USD	334,354	3.76
5.8% TURKCELL ILETISIM HIZMET 11/04/2028	USD	150,467	1.69
4.75% NEMAK SAB DE CV 23/01/2025	USD	163,357	1.84
6.625% TUPY OVERSEAS SA 17/07/2024	USD	355,095	3.99
4.875% TURK TELEKOMUNIKASYON AS 19/06/2024	USD	150,922	1.70
6.125% VEDANTA RESOURCES PLC 09/08/2024	USD	145,321	1.63
4.95% VEON HOLDINGS BV 16/06/2024	USD	334,323	3.76
6.9% YESTAR HEALTHCARE HLD CO 15/09/2021	USD	358,817	4.03
Total debt Instruments		7,635,286	85.85
Exchange traded funds			
X HARVEST CSI 300	USD	53,125	0.60
ISHARES MSCI EM ASIA ACC	USD	63,727	0.72
ISHARES MSCI EM ACC	USD	64,966	0.73
Total exchange traded funds		181,818	2.04

Emerging Markets Bond Fund (continued)

Forwards

Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 04.01.2019	EUR	(31,704)	(0.36)
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 18.01.2019	EUR	(7,776)	(0.09)
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 01.02.2019	EUR	(1,034)	(0.01)
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 15.02.2019	EUR	(5,626)	(0.06)
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 01.03.2019	EUR	2,500	0.03
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 15.03.2019	EUR	5,931	0.07
Forward Exchange Contract EUR/USD - Sparkasse Bank Malta plc 29.03.2019	EUR	3,131	0.04
Total forwards		(34,578)	(0.39)
Total portfolio of investments		7,782,526.00	87.51
Bank balances		1,021,348	11.48
Other liabilities net of assets		89,647.00	1.01
Net Assets		8,893,521	100.00

Malta Balanced Income Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
3.75% BORTEX GROUP FINANCE PLC 01/12/2027	EUR	332,998	4.43
4.8% BANK OF VALLETTA PLC 15/03/2020	EUR	140,112	1.86
4.4% CENTRAL BUSINESS CENTRES 07/07/2027	EUR	38,291	0.51
4% EDEN FINANCE 28/04/2027	EUR	356,135	4.73
4.75% GILLIERU INVESTMENT 30/11/2028	EUR	118,163	1.57
5% HH FINANCE PLC 19/05/2028	EUR	113,322	1.51
3.85% HILI FINANCE CO PLC 24/07/2028	EUR	220,375	2.93
4% INTERNATIONAL HOTEL INVE 20/12/2026	EUR	158,100	2.10
4% INTERNATIONAL HOTEL INVE 29/07/2026	EUR	111,240	1.48
5% JD CAPITAL PLC 21/05/2028	EUR	109,080	1.45
6% MEDIRECT BANK MALTA PLC 28/11/2024	EUR	86,275	1.15
4% MIDI MALTA PLC 26/07/2026	EUR	56,462	0.75
4.8% MED MARITIME HUB FINANCE 14/10/2026	EUR	67,600	0.90
5.75% PHARMACARE FINANCE 29/10/2028	EUR	202,400	2.69
3.75% PREMIER CAPITAL PLC 23/11/2026	EUR	252,762	3.36
4.35% SD FINANCE PLC 25/04/2027	EUR	343,560	4.57
4% STIVALA GR FINANCE PLC 18/10/2027	EUR	302,872	4.02
3.75% VIRTU FINANCE PLC 30/11/2027	EUR	206,500	2.74
Total debt instruments		3,216,247	42.74
Equities			
BANK OF VALLETTA PLC	EUR	85,093	1.13
MALTACOM PLC	EUR	333,895	4.44
HSBC BANK MALTA PLC	EUR	357,406	4.75
INTERNATIONAL HOTEL INVEST	EUR	187,840	2.50
LOMBARD BANK (MALTA) PLC	EUR	190,671	2.53
MIDI PLC	EUR	87,100	1.16
MALTA INTNL AIRPORT-A SHARES	EUR	140,517	1.87
MALITA INVESTMENTS PLC-B SHS	EUR	289,310	3.84
MAPFRE MIDDLESEA PLC	EUR	7,807	0.10
MALTAPOST PLC	EUR	108,345	1.44
PG PLC	EUR	256,931	3.41
PLAZA CENTRES PLC	EUR	264,068	3.51
TIGNE MALL PLC	EUR	278,885	3.71
Total equities		2,587,868	34.39
Total portfolio of investments		5,804,115	77.13
Bank balances		1,696,854	22.55
Other assets net of liabilities		24,279	0.32
Net Assets		7,525,248	100.00

Efficient portfolio management techniques

31 December 2018

Efficient portfolio management techniques

The Company may employ various techniques, including the use of 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 2018, 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 2018
SELL USD/BUY EUR	04/01/19	155,000.00	183,512.25	160,035.10	Sparkasse	-5,809.00
SELL USD/BUY EUR	04/01/19	815,000.00	964,919.25	841,474.88	Sparkasse	-30,546.00
SELL USD/BUY EUR	18/01/19	150,000.00	174,165.00	151,883.67	Sparkasse	-1,996.00
SELL USD/BUY EUR	18/01/19	520,000.00	603,772.00	526,530.04	Sparkasse	-6,921.00
SELL USD/BUY EUR	01/02/19	130,000.00	149,581.90	130,445.54	Sparkasse	-195.00
SELL USD/BUY EUR	01/02/19	660,000.00	759,415.80	662,261.97	Sparkasse	-990.00
SELL USD/BUY EUR	15/02/19	100,000.00	115,950.00	101,116.25	Sparkasse	-902.00
SELL USD/BUY EUR	15/02/19	615,000.00	713,092.50	621,864.92	Sparkasse	-5,549.00
SELL USD/BUY EUR	01/03/19	430,000.00	494,543.00	431,274.96	Sparkasse	743.00
SELL USD/BUY EUR	01/03/19	1,230,000.00	1,414,623.00	1,233,646.99	Sparkasse	2,124.00
SELL USD/BUY EUR	15/03/19	185,000.00	211,954.50	184,838.67	Sparkasse	1,398.00
SELL USD/BUY EUR	15/03/19	715,000.00	819,175.50	714,376.47	Sparkasse	5,403.00
SELL USD/BUY EUR	29/03/19	185,000.00	212,879.50	185,645.33	Sparkasse	742.00
SELL USD/BUY EUR	29/03/19	710,000.00	816,997.00	712,476.67	Sparkasse	2,848.00
SELL USD/BUY EUR	02/02/18	509,000.00	596,039.00	519,786.34	Sparkasse	-
SELL USD/BUY EUR	19/12/18	685,000.00	799,203.20	696,959.27	Sparkasse	-

Emerging Market Bond Fund (continued)

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2018
SELL USD/BUY EUR	02/02/18	991,000.00	1,160,461.00	1,012,000.52	Sparkasse	-
SELL USD/BUY EUR	07/02/18	50,000.00	58,595.00	51,098.81	Sparkasse	-
SELL USD/BUY EUR	07/02/18	133,000.00	155,862.70	135,922.82	Sparkasse	-
SELL USD/BUY EUR	07/03/18	50,000.00	58,695.00	51,186.01	Sparkasse	-
SELL USD/BUY EUR	07/03/18	133,000.00	156,128.70	136,154.79	Sparkasse	-
SELL USD/BUY EUR	14/02/18	63,000.00	74,333.70	64,824.02	Sparkasse	-
SELL USD/BUY EUR	14/02/18	156,000.00	184,064.40	160,516.61	Sparkasse	-
SELL USD/BUY EUR	14/03/18	63,000.00	74,453.40	64,928.40	Sparkasse	-
SELL USD/BUY EUR	14/03/18	156,000.00	184,360.80	160,775.09	Sparkasse	-
SELL USD/BUY EUR	21/02/18	12,000.00	14,234.40	12,413.36	Sparkasse	-
SELL USD/BUY EUR	21/02/18	68,500.00	81,254.70	70,859.60	Sparkasse	-
SELL USD/BUY EUR	21/03/18	12,000.00	14,246.40	12,423.82	Sparkasse	-
SELL USD/BUY EUR	21/03/18	68,500.00	81,323.20	70,919.33	Sparkasse	-
SELL USD/BUY EUR	28/02/18	10,000.00	11,980.00	10,447.37	Sparkasse	-
SELL USD/BUY EUR	28/02/18	82,000.00	98,236.00	85,668.44	Sparkasse	-
SELL USD/BUY EUR	27/03/18	10,000.00	12,000.00	10,464.81	Sparkasse	-
SELL USD/BUY EUR	27/03/18	82,000.00	98,400.00	85,811.46	Sparkasse	-
SELL USD/BUY EUR	04/04/18	112,000.00	133,134.40	116,102.21	Sparkasse	-
SELL USD/BUY EUR	11/04/18	21,000.00	25,397.36	22,148.22	Sparkasse	-
SELL USD/BUY EUR	11/04/18	123,000.00	148,755.95	129,725.26	Sparkasse	-
SELL USD/BUY EUR	18/04/18	104,000.00	127,004.80	110,756.78	Sparkasse	-
SELL USD/BUY EUR	18/04/18	281,000.00	343,157.20	299,256.30	Sparkasse	-

Emerging Market Bond Fund (continued)

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2018
SELL USD/BUY EUR	25/04/18	75,000.00	93,465.00	81,507.81	Sparkasse	-
SELL USD/BUY EUR	25/04/18	350,000.00	436,170.00	380,369.76	Sparkasse	-
SELL USD/BUY EUR	02/05/18	282,000.00	353,261.40	308,067.85	Sparkasse	-
SELL USD/BUY EUR	02/05/18	711,000.00	890,669.70	776,724.25	Sparkasse	-
SELL USD/BUY EUR	09/05/18	282,000.00	353,374.20	308,166.22	Sparkasse	-
SELL USD/BUY EUR	09/05/18	711,000.00	890,954.10	776,972.27	Sparkasse	-
SELL USD/BUY EUR	16/05/18	282,000.00	353,571.60	308,338.36	Sparkasse	-
SELL USD/BUY EUR	16/05/18	711,000.00	891,451.80	777,406.30	Sparkasse	-
SELL USD/BUY EUR	23/05/18	35,000.00	43,536.50	37,966.77	Sparkasse	-
SELL USD/BUY EUR	23/05/18	210,000.00	261,219.00	227,800.65	Sparkasse	-
SELL USD/BUY EUR	30/05/18	55,000.00	68,458.54	59,700.48	Sparkasse	-
SELL USD/BUY EUR	30/05/18	175,000.00	217,822.50	189,955.96	Sparkasse	-
SELL USD/BUY EUR	30/05/18	12,000.00	14,892.00	12,986.83	Sparkasse	-
SELL USD/BUY EUR	30/05/18	158,500.00	196,698.50	171,534.40	Sparkasse	-
SELL USD/BUY EUR	30/05/18	8,000.00	9,848.00	8,588.12	Sparkasse	-
SELL USD/BUY EUR	30/05/18	180,000.00	221,580.00	193,232.75	Sparkasse	-
SELL USD/BUY EUR	06/06/18	49,000.00	61,284.30	53,444.06	Sparkasse	-
SELL USD/BUY EUR	06/06/18	219,000.00	273,903.30	238,862.21	Sparkasse	-
SELL USD/BUY EUR	13/06/18	64,000.00	79,744.00	69,542.16	Sparkasse	-
SELL USD/BUY EUR	13/06/18	169,000.00	210,574.00	183,634.78	Sparkasse	-
SELL USD/BUY EUR	20/06/18	25,000.00	31,237.50	27,241.21	Sparkasse	-
SELL USD/BUY EUR	20/06/18	100,000.00	124,950.00	108,964.86	Sparkasse	-
SELL USD/BUY EUR	26/06/18	100,000.00	123,780.00	107,944.54	Sparkasse	-

Emerging Market Bond Fund (continued)

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2018
SELL USD/BUY EUR	04/07/18	200,000.00	246,520.00	214,982.12	Sparkasse	-
SELL USD/BUY EUR	11/07/18	145,000.00	180,873.00	157,733.50	Sparkasse	-
SELL USD/BUY EUR	18/07/18	100,000.00	124,488.90	108,562.75	Sparkasse	-
SELL USD/BUY EUR	18/07/18	275,000.00	342,344.47	298,547.55	Sparkasse	-
SELL USD/BUY EUR	25/07/18	65,000.00	79,924.00	69,699.14	Sparkasse	-
SELL USD/BUY EUR	25/07/18	365,000.00	448,804.00	391,387.46	Sparkasse	-
SELL USD/BUY EUR	01/08/18	270,000.00	326,592.00	284,810.33	Sparkasse	-
SELL USD/BUY EUR	01/08/18	690,000.00	834,624.00	727,848.61	Sparkasse	-
SELL USD/BUY EUR	14/08/18	255,000.00	305,388.00	266,319.00	Sparkasse	-
SELL USD/BUY EUR	14/08/18	615,000.00	736,524.00	642,298.77	Sparkasse	-
SELL USD/BUY EUR	29/08/18	200,000.00	237,920.00	207,482.34	Sparkasse	-
SELL USD/BUY EUR	29/08/18	600,000.00	713,760.00	622,447.02	Sparkasse	-
SELL USD/BUY EUR	12/09/18	100,000.00	119,090.00	103,854.54	Sparkasse	-
SELL USD/BUY EUR	12/09/18	100,000.00	119,090.00	103,854.54	Sparkasse	-
SELL USD/BUY EUR	12/09/18	45,000.00	53,271.00	46,455.92	Sparkasse	-
SELL USD/BUY EUR	12/09/18	375,000.00	443,925.00	387,132.64	Sparkasse	-
SELL USD/BUY EUR	26/09/18	75,000.00	88,087.50	76,818.26	Sparkasse	-
SELL USD/BUY EUR	26/09/18	510,000.00	598,995.00	522,364.18	Sparkasse	-
SELL USD/BUY EUR	12/09/18	56,000.00	66,449.60	57,948.55	Sparkasse	-
SELL USD/BUY EUR	12/09/18	271,000.00	321,568.60	280,429.58	Sparkasse	-
SELL USD/BUY EUR	26/09/18	64,000.00	75,936.00	66,221.33	Sparkasse	-
SELL USD/BUY EUR	26/09/18	284,000.00	336,966.00	293,857.16	Sparkasse	-
SELL USD/BUY EUR	10/10/18	300,000.00	350,580.00	305,729.48	Sparkasse	-

Emerging Market Bond Fund (continued)

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2018
SELL USD/BUY EUR	10/10/18	110,000.00	128,920.00	112,426.96	Sparkasse	-
SELL USD/BUY EUR	10/10/18	210,000.00	246,330.00	214,816.43	Sparkasse	-
SELL USD/BUY EUR	24/10/18	290,000.00	343,476.00	299,534.32	Sparkasse	-
SELL USD/BUY EUR	24/10/18	110,000.00	128,997.00	112,494.11	Sparkasse	-
SELL USD/BUY EUR	24/10/18	335,000.00	392,854.50	342,595.71	Sparkasse	-
SELL USD/BUY EUR	07/11/18	20,000.00	23,608.00	20,587.77	Sparkasse	-
SELL USD/BUY EUR	07/11/18	200,000.00	236,080.00	205,877.74	Sparkasse	-
SELL USD/BUY EUR	07/11/18	85,000.00	100,223.50	87,401.67	Sparkasse	-
SELL USD/BUY EUR	07/11/18	430,000.00	507,013.00	442,149.65	Sparkasse	-
SELL USD/BUY EUR	21/11/18	200,000.00	235,800.00	205,633.56	Sparkasse	-
SELL USD/BUY EUR	21/11/18	750,000.00	884,250.00	771,125.84	Sparkasse	-
SELL USD/BUY EUR	21/11/18	225,000.00	258,547.50	225,470.92	Sparkasse	-
SELL USD/BUY EUR	21/11/18	520,000.00	597,532.00	521,088.34	Sparkasse	-
SELL USD/BUY EUR	05/12/18	170,000.00	199,678.60	174,133.25	Sparkasse	-
SELL USD/BUY EUR	05/12/18	670,000.00	786,968.60	686,289.88	Sparkasse	-
SELL USD/BUY EUR	10/10/18	100,000.00	117,540.00	102,502.83	Sparkasse	-
SELL USD/BUY EUR	19/12/18	185,000.00	215,843.20	188,229.88	Sparkasse	-

Realised gains/losses on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2018 amounted to -EUR540,904.47 (2017: EURNil). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR11,673.75 (2017: EUR4,161.91). There was no collateral received by the Company/sub-fund to reduce counterparty exposure in 2018 and 2017.

Euro High Income Bond Fund (formerly 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 schedule of investments on page 50, the sub-fund holds investments denominated in USD. During the year ended 31 December 2018, 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 2018
SELL USD/BUY EUR	04/01/2019	-6,700,000.00	-5,745,667.60	-6,588,557.04	Sparkasse	-98,329.00
SELL USD/BUY EUR	04/04/2018	6,500,000.00	-5,371,013.06	-6,158,940.68	Sparkasse	-
SELL USD/BUY EUR	04/07/2018	7,000,000.00	-5,668,934.24	-6,500,566.89	Sparkasse	-
SELL USD/BUY EUR	03/10/2018	6,850,000.00	-5,841,539.92	-6,698,493.83	Sparkasse	-
SELL USD/BUY EUR	05/01/2018	5,150,000.00	-4,381,300.78	-5,024,037.60	Sparkasse	-

Notional amount = contract amount in reporting currency

@spot price

Realised gains/losses on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2018 amounted to -EUR268,609.78 (2017: EUR134,748.81). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR11,412.35(2017: EUR6,925.30). There was no collateral received by the Company/sub-fund to reduce counterparty exposure in 2017 and 2018.

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 51, the sub-fund holds investments denominated in USD. During the year ended 31 December 2018, 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 2018
SELL USD/BUY EUR	23/01/2018	1,000,000.00	-844,880.03	-968,823.93	Sparkasse	-
SELL USD/BUY EUR	24/04/2018	1,200,000.00	-974,658.87	-1,117,641.33	Sparkasse	-

Details	Maturity	Contract value in foreign currency	Contract value in USD	Notional	Counterparty	Fair value at year end 2018
SELL USD/BUY EUR	24/07/2018	1,200,000.00	-974,817.22	-1,117,822.91	Sparkasse	-

Realised gains/losses on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2018 amounted to -EUR32,824.42 (2017: EUR42,783.74). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR978.32 (2017: EUR1,958.44). There was no collateral received by the Company/sub-fund to reduce counterparty exposure in 2017 and 2018.

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 51, the sub-fund holds investments denominated in USD. During the year ended 31 December 2018, 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 2018
SELL USD/BUY EUR	05/01/2018	1,910,000.00	-1,624,978.73	-1,863,363.11	Sparkasse	-
SELL USD/BUY EUR	05/04/2018	2,000,000.00	-1,650,709.81	-1,892,868.94	Sparkasse	-
SELL USD/BUY EUR	04/10/2018	1,900,000.00	-1,618,156.05	-1,855,539.54	Sparkasse	-
SELL USD/BUY EUR	05/07/2018	-2,000,000.00	-1,611,084.26	-1,847,430.32	Sparkasse	-
SELL USD/BUY EUR	04/01/2019	-1,500,000.00	-1,285,778.94	-1,474,402.71	Sparkasse	-22,578.00

Notional amount = contract amount in reporting currency

@spot price

Realised gains/losses on derivative financial instruments used for efficient portfolio management techniques during the financial year ending 31 December 2018 amounted to -EUR69,244.02 (2017: EUR119,058.92). Direct and indirect operational costs and fees incurred on such techniques amounted to EUR3,113.30 (2017: EUR3,154.92). There was no collateral received by the Company/sub-fund to reduce counterparty exposure in 2018 and 2017.

Appendix 1 – General information

1. Authorisation

CC Funds SICAV plc (formerly Calamatta Cuschieri Funds SICAV plc) 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 EUR5,000 (excluding VAT) is charged by the Administrator for acting as Secretary to the Company.

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

During the year ended 31 December 2018 there were no major changes to the Company's documents.

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.

Custodian's Report

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The Directors
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Ewropa Business Centre
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Malta

16th April 2019

Custodian's Report

As Custodian to Emerging Market Bond Fund, Euro Equity Fund, Malta Income Fund, Global Balanced Income Fund, High Income Bond Fund EUR, High Income Bond Fund USD and Malta Government Bond Fund ("sub-funds") of 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 01.01.2018 until 31.12.2018 and confirm that during this period:

I.

- *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.
- *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.
- *Malta Income Fund (formerly known as Malta Cautious Fund (till 12.02.2018))*
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 public limited company is a public limited liability company registered in Malta with registration number C27152 and registered office at 101 Townsquare, Ix-Xatt Ta' Qui-Si-Sana, Sliema, Malta. Sparkasse Bank Malta public limited company is licensed by the Malta Financial Services Authority to carry out the business of banking and to provide investment services.

SPARKASSE
Bank Malta plc

- *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 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.

II. And in accordance with the provisions of the constitutional documents and the Licence Conditions.



Paul Mifsud
Managing Director
o.b.o.
Sparkasse Bank Malta p.l.c.



Anna Mironova
Manager Securities & Custody



CC Funds SICAV plc

(formerly Calamatta Cuschieri Funds SICAV plc)

Company Registration Number: SV18

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