

Investment Objective and Policies

The Fund aims to maximise the total level of return for investors by investing, mainly in a diversified portfolio of bonds and other similar debt securities. In pursuing this objective, the Investment Manager shall invest primarily in a diversified portfolio of corporate & government bonds maturing in the medium term, with an average credit quality of "Ba3" by Moody's or "BB-" by S&P, although individual bond holdings may have higher or lower ratings. The Fund can also invest up to 10% of its assets in Non-Rated bond issues.

The Fund is actively managed, not managed by reference to any index.

Fund Type UCITS
 Minimum Initial Investment €2,500

Fund Details

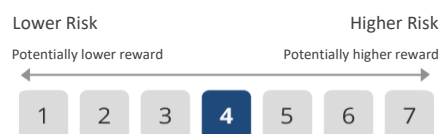
ISIN MT7000003059
 Bloomberg Ticker CALCHIE MV

Charges

Entry Charge Up to 2.5%
 Exit Charge None
 Total Expense Ratio 1.49%
 Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction with the KIID


Portfolio Statistics

Total Net Assets (in €mns) 41.04
 Month end NAV in EUR 79.53
 Number of Holdings 79
 % of Top 10 Holdings 23.9

Current Yields

Last 12-m Distrib. Yield (%) 2.75
 Underlying Yield (%) 4.53

Risk Statistics

	3Y	5Y
Sharpe Ratio	-0.16	-0.07
Std. Deviation (%)	8.95%	7.16%

Country Allocation¹

Country	%
United States	12.1
Germany	9.7
France	9.1
Spain	8.2
Netherlands	5.5
United Kingdom	4.2
Malta	4.1
Luxembourg	4.1
Czech Republic	3.6
Brazil	3.6

¹ including exposures to CIS

Credit Rating²

Credit Rating	%
From AAA to BBB-	12.1
From BB+ to BB-	34.6
From B+ to B-	25.6
CCC+	2.6
Less than CCC+	2.1
Not Rated	4.1
Average Credit Rating	BB-

² excluding exposures to CIS

Currency Allocation

Currency	%
EUR	84.1
USD	15.9
Others	0.0

Asset Allocation

Asset Class	%
Cash	9.6
Bonds	81.0
CIS/ETFs	1.2

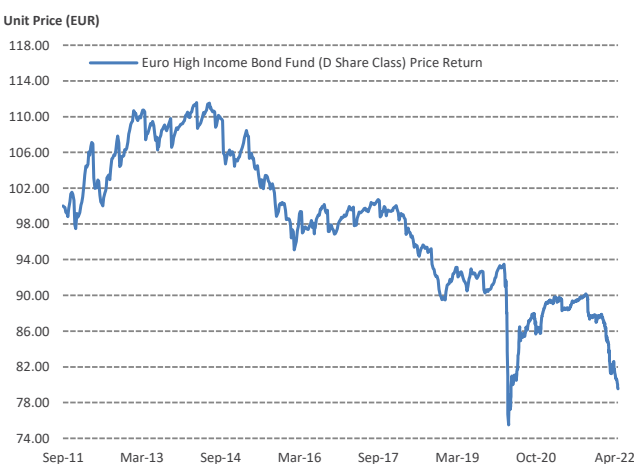
Top 10 Exposures

Exposure	%
iShares Fallen Angels HY Corp	3.3
iShares Euro High Yield Corp	3.2
Lyxor ESG Euro High Yield	2.6
4% Chemours Co 2026	2.3
5% Tendam Brands SAU 2024	2.2
5.25% HSBC Holdings perp	2.2
4.25% Encore Capital Group 2028	2.2
2.5% Hapag-Lloyd AG 2028	2.0
4% JP Morgan Chase & Co perp	1.9
3.5% Eircom Finance DAC 2026	1.9

Maturity Buckets³

Maturity Bucket	%
0 - 5 years	66.3
5 - 10 years	11.5
10 years +	3.2

³ based on the Next Call Date

Historical Performance to Date*


Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown²

Sector	%
Banks	12.1
Telecommunications	11.3
Funds	9.4
Transportation	7.3
Auto Parts&Equipment	5.4
Gaming	4.9
Chemicals	4.0
Pharmaceuticals	3.8
Debt Collectors	3.8
Insurance	3.0
Real Estate	2.6
Retail	2.4

Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2021	2020	2019	2018	Annualised Since Inception***
Share Class D - Total Return****	-8.15	1.48	-0.15	7.47	-6.44	2.43
Share Class D - Total Return****	5.31	4.97	-0.86	1.88	6.43	17.07
Total Return	1-month	3-month	6-month	9-month	12-month	
Share Class D - Total Return****	-2.40	-6.50	-7.92	-8.59	-7.53	

* Data in the chart does not include any dividends distributed since the Fund was launched on 1st September 2011.

** Performance figures are calculated using the Value Added Monthly Index "VAMI" principle. The VAMI calculates the total return gained by an investor from reinvestment of any dividends and additional interest gained through compounding.

*** The Distributor Share Class (Class D) was launched on 01 September 2011. The Annualised rate is an indication of the average growth of the Fund over one year. The value of the investment and the income yield derived from the investment, if any, may go down as well as up and past performance is not necessarily indicative of future performance, nor a reliable guide to future performance. Hence returns may not be achieved and you may lose all or part of your investment in the Fund. Currency fluctuations may affect the value of investments and any derived income.

**** Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

Introduction

April, along the same route of the preceding three months and first quarter of the year proved negative for financial markets. Russia's invasion in Ukraine, stringent Covid-19 policies in China once more prompting demand concerns and supply-chain disruptions, and expectations of a swift tightening in US monetary policy all weighed on sentiment. Credit markets came under pressure with investment grade and high-yield corporate credit delivering negative returns as treasury yields – pricing in the Fed's hawkish stance - maintained the upward trajectory. Also, the positive correlation to US paper led European sovereign yields higher.

Market Environment and Performance

The eurozone economy advanced by 0.2 per cent on quarter in the first three months of 2022, the least since the bloc exited a recession last year and below market expectations of a 0.3 per cent growth. Growth readings in Spain and Germany of 0.3 and 0.2 per cent respectively more than offset a contraction in Italy. Meanwhile the French economy stalled.

Forward looking indicators, notably Purchasing Managers Index (PMI) data painted a somewhat mixed picture as services - benefiting from loosened coronavirus restrictions - expanded while manufacturing contracted. Owing to such uptick in services, which offset the slowdown across the manufacturing sector, remaining susceptible to supply constraints and a slowdown in growth for new orders, the Eurozone Composite PMI increased to 55.8 from the previous months reading of 54.9.

In April, energy and food prices continued to contribute to a rise in annual inflation – a fresh record high at 7.5 per cent, in-line with expectations and marginally higher than the previous month reading of 7.4 per cent. Core inflation, which excludes transitory or temporary price volatility, rose to 3.5 per cent – the highest since available records began in January of 1997. The rate of inflation remains well above the European Central Bank (ECB) target of 2.0 per cent. Month-on-month, inflation increased by 0.6 per cent.

European sovereign yields furthered on the strong upward trajectory witnessed in March, heading to the highest in years on expectations of more aggressive interest rate increases by major central banks in spite of worsening sentiment due to China's strict coronavirus curbs. Also, ECB president Christine Lagarde repeated the message that asset purchases will end early in Q3 and rates could rise this year, but affirmed that the governing council will maintain "optionality". Meanwhile, incumbent French President Macron was re-elected with over 58 per cent of the votes against rival Marine Le Pen.

The yield on the 10-year German Bund, closed the month at 0.94 per cent, 39bps higher than the previous month end. Bond yields of sovereigns within the bloc's periphery, those which offer a premium over Germany's negative yielding debt, moved in tandem, albeit rising at somewhat faster pace.

While outperforming their US counterparts, European investment grade and high yield credit closed the month negative registering a 2.81 and 2.78 per cent loss, respectively.

Fund Performance

In the month of March, the CC Euro High Income Bond Fund lost 2.40 per cent, in line with the widening in spreads within European high yield corporate credit. Throughout the month the Manager continued to seek pockets of value by looking into attractive credit stories while maintaining adequate cash levels as yields continued to widen and keeping a low portfolio duration, this to reduce the funds sensitivity to changes in interest rates. During the month the fund reduced its exposure to financials, namely Unicredit SpA, while opening a position in the British multinational chemicals company Ineos Group on attractive valuations.

Market and Investment Outlook

Going forward the Manager believes that credit markets will largely remain conditioned by monetary decisions taken, thus far proving more hawkish than the economic outlook possibly warrants, altering benchmark yields, now revolving at notable highs. Such upward shift in yields, particularly at the longer-end of the yield curve - influenced by market participants - weighed on the performance of credit markets which on a year-to-date basis stand substantially negative. A prudent approach to tackling price pressures in the Euro area is more-than-ever imperative not to hinder growth, and thus worsen the economic situation of the bloc.

In terms of bond picking, the Manager will continue to monitor the current unprecedented environment and take opportunities in attractive credit stories which should continue to add value to the portfolio. The recent widening in corporate credit spreads may indeed pose an opportunity, presenting attractive entry points.

Important Information

This is a marketing communication prepared for information purposes and should not be interpreted as investment advice nor to constitute an offer or an invitation by CCIM to any person to buy or sell units in the UCITS fund. Please refer to the Prospectus of the UCITS and any Offering Supplement thereto and to the Key Investor Information Document before making any final investment decisions which may be obtained from www.ccfunds.com.mt or from the below address Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS. CC Funds SICAV p.l.c. is licensed as a Collective Investment Scheme by the Malta Financial Services Authority under the Investment Services Act and qualifies as a 'Maltese' UCITS. Calamatta Cuschieri Investment Management Limited ("CCIM") is licensed to conduct Investment Services in Malta by the Malta Financial Services Authority under the Investment Services Act.

This Marketing Communication is approved by Calamatta Cuschieri Investment Management Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034.

Source: Net Asset Value per Share as published by CC Fund Services Ltd, the Fund's Administrator, licensed by the MFSA.