

Investment Objective and Policies

The Fund aims to maximise the total level of return through investment, primarily 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 debt securities of at least 55% of the value of the Net Assets of the Fund. The Fund is actively managed, not managed by reference to any index.

Fund Type UCITS
 Minimum Initial Investment €2,500

Fund Details

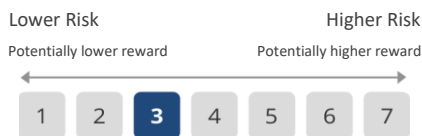
ISIN MT7000022281
 Bloomberg Ticker CCMIFAB MV

Charges

Entry Charge Up to 2.5%
 Exit Charge None
 Total Expense Ratio 1.25%
 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) 22.34
 Month end NAV in EUR 92.69
 Number of Holdings 74
 % of Top 10 Holdings 39.4

Current Yields

Underlying Yield (%) 2.39
 Distribution Yield (%) 3.00

Country Allocation¹ %

Malta 95.5
 Other 4.5

¹ including exposures to CIS and Cash

Currency Allocation %

EUR 98.4

Top 10 Issuers² %

GO plc 5.2
 Central Business Centres 3.9
 PG plc 3.9
 RS2 Software plc 2.9
 SD Finance plc 2.6
 Bank of Valletta plc 2.4
 Hili Properties plc 2.3
 Stivala Group Finance plc 2.1
 Eden Finance 2.1
 IHI plc 2.1

² including exposures to CIS, excluding Cash

Asset Allocation³ %

Cash 8.4
 Bonds 63.8
 Equities 26.2

³ including exposures to CIS

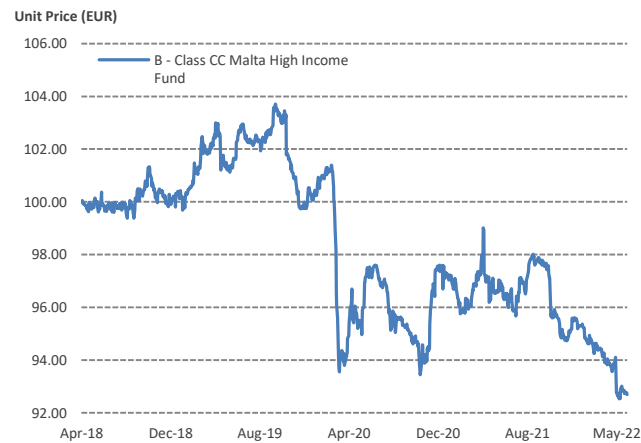
Top 10 Exposures %

PG plc 3.9
 Harvest Technology plc 3.4
 4% Central Business Centres 2033 3.2
 RS2 Software plc 2.9
 3.5% GO plc 2031 2.8
 3.9% Browns Pharma 2031 2.7
 4.35% SD Finance plc 2027 2.6
 4.65% Smartcare Finance plc 2031 2.5
 GO plc 2.4
 3.75% Tum Finance plc 2029 2.4

Maturity Buckets⁴ %

0 - 5 years 17.0
 5 - 10 years 38.3
 10 years + 6.3

⁴ based on the Next Call Date

Historical Performance to Date


Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation³ %

Consumer, Cyclical 47.5
 Real Estate 13.1
 Communications 10.1
 Industrial 6.6
 Financial 3.8
 Energy 2.2
 Consumer, Non-Cyclical 1.9
 Government 1.5
 Diversified 1.2

Performance History

Past performance does not predict future returns

| Calendar Year Performance | YTD | 2021 | 2020 | 2019 | 2018* | Annualised Since Inception ** |
|---------------------------|-------|------|-------|------|-------|-------------------------------|
| Total Return*** | -3.02 | 1.07 | -1.05 | 3.37 | 0.32 | 0.14 |

| Calendar Year Performance | 1-month | 3-month | 6-month | 9-month | 12-month |
|---------------------------|---------|---------|---------|---------|----------|
| Total Return*** | -1.50 | -1.72 | -2.25 | -3.38 | -2.48 |

*The Distributor Share Class (Class B) was launched on 10 April 2018

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

Market concerns, notably; lingering key macro-economic risks stemming from the war in Ukraine, monetary policy tightening as central banks continue to grapple with inflation, and a zero-tolerance coronavirus policy leading to stringent restrictions in China - threatening demand and sustaining supply-chain related disruptions, have in May continued to pose as a block to a shift in sentiment. A risk-off mode somewhat persisted, with credit market performance proving somewhat mixed.

Market Environment and Performance

Forward looking indicators, notably PMI data painted a somewhat mixed picture as manufacturing, albeit revised higher from initial estimate of 54.4 to 54.6, maintained its downward trend as new orders fell for the first time since June 2020 while output growth remained sluggish. Services, albeit pointing to the second-fastest expansion since September, edged lower as new business intakes, supported by a renewed increase in new orders from overseas customers, continued to rise. Owing to a softer service sector expansion amid signs that the post lockdown rebound was losing some strength, the Eurozone Composite PMI fell to a 4-month low of 54.8.

In May, energy and food prices continued to contribute to a rise in annual inflation; a fresh record high at 8.1 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 3.8 per cent. Month-on-month, inflation increased by 0.8 per cent.

European sovereign yields furthered on the strong upward trajectory witnessed in previous months, heading to the highest in years on expectations of a more aggressive tightening stance by the ECB, aiming to support the currency and taming inflation, in spite of concerns surrounding the Euro area growth outlook, cut to 2.7 per cent this year from the 4.0 per cent predicted earlier in February. Minutes from April's ECB meeting revealed ECB policymakers' worries over high inflation and agreement towards a gradual normalisation of monetary policy.

The yield on the 10-year German Bund, closed the month at 1.05 per cent, 12bps 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 some rising at somewhat faster pace. The yield on the benchmark 10-year Treasury closed the month 20bps lower than the previous month end, at 2.74 per cent.

Fund Performance

In May, the Malta High Income Fund registered a marginal loss of 0.03 percent for the month, outperforming its internally compared benchmark which saw a loss of 0.12 per cent for the month, as credit names outperformed equities.

Throughout the month the Manager continued to take an active approach, also seeking pockets of value by looking into attractive credit and equity stories. The fund's objective, to continue tweaking the fund's allocation towards the bond market - in line with the newly adopted strategy of a stable level of income and capital preservation - remains unchanged.

Market and Investment Outlook

Moving forward, the Managers believe in adopting a more defensive stance given the current economic climate. Price pressures may well leave a negative impact on the Maltese economy, possibly hindering the forecasted pace of recovery. Such pace remains highly dependant on inbounds of tourism, now seemingly more optimistic following an increase in appetite for travel.

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.