

**Investment Objective and Policies**

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.

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

Fund Type UCITS  
 Minimum Initial Investment €2,500

**Fund Details**

ISIN MT7000017992  
 Bloomberg Ticker CCMGBFA MV

**Charges**

Entry Charge Up to 2.5%  
 Exit Charge None  
 Total Expense Ratio 1.02%  
 Currency fluctuations may increase/decrease costs.

**Risk and Reward Profile**

This section should be read in conjunction with the KIID

Lower Risk Higher Risk

Potentially lower reward Potentially higher reward


**Portfolio Statistics**

Total Net Assets (in €mns) 34.70  
 Month end NAV in EUR 95.66  
 Number of Holdings 37  
 % of Top 10 Holdings 49.1

**Current Yields**

Underlying Yield (%) 2.33

Country Allocation <sup>1</sup>	%	By Issuer <sup>1</sup>	%	Top 10 Exposures	%
Malta	62.8	Government of Malta	62.8	1% MGS 2031	8.9
France	3.5	Republic of Croatia	3.1	4.5% MGS 2028	8.7
Portugal	2.4	Lyxor Euro	2.7	5.25% MGS 2030	7.2
Italy	1.5	Government of Portugal	2.4	4.45% MGS 2032	5.3
Spain	1.1	Government of Italy	1.5	5.2% MGS 2031	3.6
Poland	0.9	Kingdom of Spain	1.1	5.1% MGS 2029	3.4
Hungary	0.9	Republic of Poland	0.9	4.3% MGS 2033	3.3
Netherlands	0.8	Republic of Slovenia	0.8	4.1% MGS 2034	3.0
Slovenia	0.8	Kingdom of Belgium	0.7	2.3% MGS 2029	2.9
Belgium	0.7	Republic of Ireland	0.7	4.65% MGS 2032	2.7

<sup>1</sup> including exposures to CIS

Currency Allocation	%	Asset Allocation	%	Maturity Buckets <sup>2</sup>	%
EUR	99.0	Cash	22.6	0 - 5 years	10.6
USD	1.0	Bonds	74.7	5 - 10 years	49.9
		CIS/ETFs	2.7	10 years +	14.2

<sup>2</sup> based on the Next Call Date (also includes cash)

**Historical Performance to Date**


Source: Calamatta Cuschieri Investment Management Ltd.

**Regional Allocation<sup>1,3</sup>**

Malta	85.5
Europe (excl. Malta)	14.5

<sup>3</sup> Malta exposure includes Cash Holdings

**Performance History**  
 Past performance does not predict future returns

Calendar Year Performance	YTD	2021	2020	2019	2018	2017*	Annualised Since Inception***
Share Class A - Total Return**	-10.43	-3.04	1.31	8.98	-0.68	0.45	-0.82

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	-0.99	-4.06	-7.56	-10.25	-10.87

\* The Accumulator Share Class (Class A) was launched on 21 April 2017

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

\*\*\* 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.

## Introduction

Economic data prints have in August continued to illustrate somewhat of a mixed landscape as the labour market remained strong amid worsening macro conditions. Forward looking indicators, namely Purchasing Manager Index (PMI) readings showed activity losing momentum as demand waned while inflation remained at notable highs.

The recently witnessed upward momentum across financial markets, floundered. Central Banks' commitment to bring inflation under control despite such inherent risks to the growth outlook, observed in Jerome Powell's speech at the annual Jackson Hole Economic Symposium, drove markets lower rattling bond markets. Consequent to mounting fears of a worsening growth outlook and such shift in rhetoric, a shift across the US treasury yield curve was noted. Germany's – Europe's benchmark yield – followed suit.

Germany's 10-year yield ended the month at 1.54%, 72bps higher than the previous month-end close. Bond yields of sovereigns within the bloc's periphery, those which offer a premium over Germany's debt, moved in tandem, albeit rising at somewhat faster pace.

## Market Environment and Performance

Forward looking indicators, namely PMIs have continued to paint a somewhat gloomy picture as manufacturing and services, noted a sharp deterioration in the rate of growth, pointing to a second successive contraction in activity. In August, manufacturing (reading 49.6) shrank fell at a similar pace to that seen in July, which was the strongest since May 2020. Output fell at a similar pace to that seen in July, which was the strongest since May 2020, while new orders declined sharply once again. Weak demand conditions were a major drag on goods producers in August, reflecting deteriorating purchasing power across Europe amid high inflation. Services, for the first time this year revolved in contractionary territory, as August's reading came in at 49.8, lower than a preliminary of 50.2. New orders fell the most since February 2021 due to demand weakening and growth in employment waning.

Pressured by elevated energy costs and the continued acceleration in food prices and services, inflationary pressures persisted. In August, annual inflation rate increased to a new record high of 9.1%. On a monthly-on-month basis, the Consumer Price Index (CPI) in the Euro Area increased 0.50% over the previous month, preliminary estimates showed. Core inflation, which excludes transitory or temporary price volatility, increased to a record high of 4.3% from 4% in the previous month.

Fears of worsening economic conditions in Europe facing notably high inflation and an energy crisis looming, reflected on currency markets, pushing the Euro to slip below parity against the US dollar.

## Fund Performance

In the month of August, the CC Malta Government Bond Fund registered a loss of 0.99%, outperforming the MSE Malta Government Stocks Total Return Index which fell 1.43% over the same period.

## Market and Investment Outlook

The Manager's forward-looking view is to continue to play the duration play depending on market conditions. Should inflationary expectations increase, a lower duration will prove determinant for relative outperformance, as witnessed in the fund's performance on a year-to-date basis.

## 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](http://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.