MALTA GOVERNMENT BOND FUND

SHARE CLASS A (ACCUMULATOR) - FACT SHEET

Factsheet as at 31st March 2024

Month end NAV as at 28th March 2024

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

Sustainability

The Fund is classified under Article 6 of the SFDR meaning that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Fund Details

ISIN	MT7000017992
Bloomberg Ticker	CCMGBFA 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 conjuction with the KIID

Lower Risk — Higher Risk

Potentially lower reward — Potentially higher reward

1 | **2** | 3 | 4 | 5 | 6 | 7

Portfolio Statistics

Total Net Assets (in €mns)	31.77
Month end NAV in EUR	94.38
Number of Holdings	39
% of Top 10 Holdings	52.8

Current Yields

Underlying Yield (%)	3.20

Country Allocation[1]	%
Malta	80.4
Germany	2.6
Belgium	2.1
Portugal	1.4
Spain	1.1
France	1.0
Romania	0.8
Slovenia	0.7
Poland	0.7
Hungary	0.7

By Issuer[1]	%
Government of Malta	80.4
Kingdom of Spain	7.9
Government of Portugal	3.0
Lyxor Euro	2.2
Government of Italy	0.8
US Treasury	0.7

Top 10 Exposures	%
1.00% MGS 2031	9.5
4.50% MGS 2028	8.6
5.25% MGS 2030	7.9
4.45% MGS 2032	5.5
4.00% MGS 2033	4.0
4.30% MGS 2033	3.9
5.20% MGS 2031	3.6
5.10% MGS 2029	3.4
3.95% MGS 2028	3.2
2.30% MGS 2029	3.1

[1] including exposures to CIS

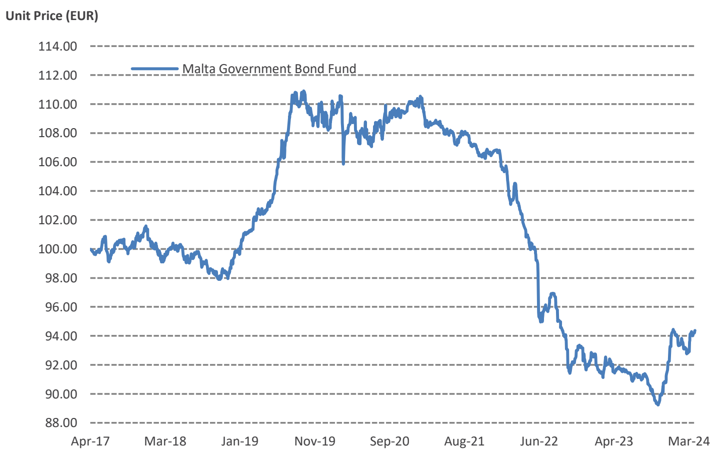
Currency Allocation	%
EUR	99.0
USD	1.0

Asset Allocation	%
Cash	4.9
Bonds	92.9
CIS/ETFs	2.2

Maturity Buckets[2]	%
0 - 5 years	16.7
5 - 10 years	58.4
10 years +	17.7

[2] based on the Next Call Date (also includes cash)

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Regional Allocation[1,3]	%
Malta	85.3
Europe (excl. Malta)	14.0
North America	0.7

[3] Malta exposure includes Cash Holdings

By Credit Rating	%
AAA-A	85.4
BBB	3.9
BB	0.0
B	0.0
Less than B	0.0
Not Rated	1.7

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020	2019	Annualised Since Inception***
Share Class A - Total Return**	0.07	2.72	-14.04	-3.04	1.31	8.98	-0.83

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	1.60	0.07	4.50	3.24	2.55

* 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.

Market Commentary

Introduction

The first quarter of 2024 defied some pre-existing expectations of a pronounced economic slowdown. Equity markets displayed continued strength, with the S&P 500 closing at a record high early in the period. However, credit markets experienced intermittent bouts of volatility, highlighting the inherent disconnect in risk pricing between asset classes. Notwithstanding headwinds faced, credit markets delivered positive returns, overall.

From a macroeconomic perspective, data remained generally supportive, proving particularly kind for central banks as developed economies maintained a positive growth momentum, avoiding a steeper downturn. Inflation, though persistent, showed nascent signs of peaking. The labour market, previously characterized by tightness, exhibited signs of easing, with wage growth decelerating. Economic activity continued at a healthy pace, albeit with some regional variations. European economies witnessed a near-stabilization of activity, with the tentative signs of a recovery observed at the start of the year carrying over. The pace however remains uncertain as the bloc's largest economies struggled to turn the corner.

Market Environment and Performance

The Eurozone economy in March 2024 presented a picture of continued, albeit moderating, recovery. Eurostat's preliminary estimates indicate Q1 2024 growth of 0.3% QoQ, a slight deceleration from the previous quarter's 0.5% QoQ growth.

Indeed, the Euro area economy moved closer to stabilization in March, Purchasing Managers' Index (PMI) survey showed, amid a modest recovery in services (reading 51.1 v 50.2), largely offsetting the weakening manufacturing segment (reading 45.7 v 46.5). Overall, new orders declined at the slowest rate in ten months, and backlogs of work were depleted at the weakest rate in nine months, while employment saw modest growth. On the price front, input cost inflation slowed to a three-month low, and selling price inflation cooled for the first time in five months. Finally, business confidence improved to its strongest level in a year.

Inflation, a key concern for policy makers, eased. Headline HICP inflation declined to 2.4% year-on-year in March, below expectations and down marginally from February's 2.6%. The core rate, excluding volatile food and energy prices, also cooled to 2.9%, below forecasts and its lowest point since February 2022. Meanwhile, the Eurozone labor market displayed continued strength with unemployment rate (6.5%) holding steady near historical lows. However, the absence of wage growth data limits a full assessment of its inflationary impact.

Fund Performance

In March, the CC Malta Government Bond Fund experienced a gain of 1.60%, outperforming its internally compared benchmark which recorded 1.47% gain, and aligned with the tightening observed amongst European sovereign bonds.

Throughout the month, the Manager maintained its portfolio allocation after having reduced its cash exposure while increasing the portfolio's exposure to longer-date Maltese and European sovereigns, in the previous months.

Market and Investment Outlook

Hopes for a rapid end to interest rate hikes faded in Q1 as central bankers reiterated their commitment to data-driven policy decisions and emphasized the continued threat of inflation. Despite reaching peak levels and inflation sustaining a downward trend, Fed Chair Jerome Powell stated that rate cuts in March were unlikely. Similarly, while acknowledging progress in "disinflation," ECB President Christine Lagarde stressed that discussions of easing policy were as yet premature. A divergent tone was observed in the March's meeting, with policy makers hinting at possible easing in June as data converges towards targets. The key challenge for policy makers currently is balancing continued high interest rates with supporting economic growth. The euro area, unlike its Western counterparts, faces an additional headwind whereby key economies, traditionally bolstering the single currency bloc, are now dragging down and offsetting a gathering upturn in the rest of the eurozone, pointing to an uneven economic picture.

Fixed income, for years losing its appeal – given the relatively low-yielding environment – has become more attractive. Indeed, locking in coupons at such comparably favorable levels, ahead of any policy easing, is key.

That said, the manager will going forward continue to assess the market landscape and capitalize on appealing credit opportunities. Consistent with recent actions, the manager will continue to tailor the portfolio to match prevailing yield conditions while increasing the portfolio's overall duration in a gradual manner. Optimism for the year ahead remains on the back of continued rate cut expectations.

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