

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

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	MT7000022273
Bloomberg Ticker	CCMIFAA MV

Charges

Entry Charge	Up to 2.5%
Exit Charge	None
Total Expense Ratio	2.03%
Currency fluctuations may increase/decrease costs.	

Risk and Reward Profile

This section should be read in conjunction with the KID

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

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Portfolio Statistics

Total Net Assets (in €mns)	17.16
Month end NAV in EUR	99.86
Number of Holdings	73
% of Top 10 Holdings	30.8

Current Yields

Underlying Yield (%)	3.16
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Country Allocation¹

Malta	94.3
Other	5.7

¹ including exposures to CIS and Cash

Top 10 Issuers²

GO plc	5.7
Central Business Centres	4.8
Bank of Valletta plc	3.6
SD Finance plc	3.1
Stivala Group Finance plc	2.5
PG plc	2.5
Malta International Airport plc	2.0
Hili Properties plc	1.8
Malita Investments plc	1.7
JD Capital plc	1.6

² including exposures to CIS, excluding Cash

Currency Allocation

EUR	99.9
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Asset Allocation³

Cash	0.3
Bonds	80.0
Equities	19.6

³ including exposures to CIS

Top 10 Exposures

4.00% Central Business Centres 2033	3.9
3.90% Browns Pharma 2031	3.5
4.65% Smartcare Finance plc 2031	3.3
3.50% GO plc 2031	3.2
4.35% SD Finance plc 2027	3.1
3.75% Tum Finance plc 2029	3.0
4.50% Endo Finance plc 2029	2.9
5.90% Together Gaming Solution 2026	2.7
Harvest Technology plc	2.6
Amundi Euro Gov Bond 10-15Y	2.6

Maturity Buckets⁴

0 - 5 years	40.4
5 - 10 years	36.1
10 years +	0.6

⁴ based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation³

Financial	54.8
Consumer, Non-Cyclical	10.1
Consumer, Cyclical	9.4
Communications	8.1
Industrial	6.9
Technology	4.5
Funds	2.8
Government	1.9
Energy	1.1

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception **
Total Return***	-0.65	0.23	1.05	-4.29	1.07	-1.06	-0.02

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	-0.65	-0.33	0.49	-0.25	0.49

* The Accumulator Share Class (Class A) 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

In 2024, Malta's economy sustained its growth trajectory, driven by strong domestic demand and solid export performance. Tourism arrivals to Malta remained on the rise, while employment stayed robust, with unemployment falling to 3.1%.

Malta's economy grew by 4.9% (annualized) in the third quarter of 2024, following an upwardly revised 8% increase in the previous quarter. This marked the slowest growth rate since the fourth quarter of 2022, influenced by a slowdown in household consumption. At the same time, imports grew at a faster pace than exports. However, both government spending and gross fixed capital formation showed stronger growth.

Inflation pressures on consumers also eased, with the annual inflation rate dropping to 1.8% in December from 2.1% in the previous month. This was the lowest inflation rate in nearly three years, as prices for food & non-alcoholic beverages, alcoholic beverages & tobacco, and transport all moderated.

Market Environment and Performance

The US economy maintains a steady growth trajectory, bolstered by positive leading indicators, particularly the recent Purchasing Managers' Index (PMI) figures.

In Europe, the economic picture is brightening after stagnation in Q4 2024. Eurozone private sector activity expanded for the first time since August 2024, driven by a resurgent services sector that offset continued weakness in manufacturing. Despite this improvement, growth remains uneven, concentrated outside the Eurozone's largest economies, which continue to struggle. Overall demand remains soft.

Inflation, previously noting a substantial decline due to base effects (particularly on energy), rose for a fourth straight month to 2.5% in January 2025, the highest since July. Core inflation remained steady at 2.7% while services inflation edged lower to 3.9% from 4.0% in the previous month.

The labour market, a beacon of hope for the Eurozone, remained healthy, with the unemployment rate revolving at notable lows (6.3% in December), and significantly below a 20-year average of 9.3%.

Fund Performance

In January, the Malta High Income Fund registered a loss of 0.65% for the month, underperforming its internally compared benchmark which saw a 0.11% loss.

Market and Investment Outlook

Financial markets narrative at the start of the year remained largely unchanged, with investor attention focused on the dynamic political landscape, central bank policies, and economic data.

Economic indicators, both leading and lagging, continue to emphasize a regional divergence. Despite the Federal Reserve's "higher for longer" approach, the US maintains broad-based strength, with consumer demand staying robust. In mainland Europe, growth appears stagnant overall. However, this does mask stark regional divergences. As Spain continues to out-grow its regional peers, the German economy remains an underperformer with its labour market on the verge of deteriorating. As a result, there is clearly scope for the ECB to ease policy further.

Locally, we expect Malta's economy to continue performing well. Recent data has been promising, with easing price pressures and tax cuts set to be implemented in 2025, which should support domestic consumer spending. Additionally, the strong influx of tourists in 2024 is a positive sign. Optimism within the tourism sector is expected to grow, benefiting the economy further if this upward trend continues.