

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	1.20%
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)	26.93
Month end NAV in EUR	96.9
Number of Holdings	36
% of Top 10 Holdings	60.6

Current Yields

Underlying Yield (%)	3.34
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Country Allocation¹

%

Malta	82.8
Belgium	2.5
Germany	1.9
Portugal	1.6
France	1.1
Slovenia	0.9
Poland	0.8
Croatia	0.8
Italy	0.8
Hungary	0.8

¹ including exposures to CIS

Currency Allocation

%

EUR	99.1
USD	0.9

By Issuer¹

%

Government of Malta	82.8
Kingdom of Spain	8.5
Government of Portugal	2.4
Lyxor Euro	1.4
US Treasury	0.9
Government of Italy	0.5

Asset Allocation

%

Cash	3.5
Bonds	95.1
CIS/ETFs	1.4

Top 10 Exposures

%

1.00% MGS 2031	11.6
5.25% MGS 2030	9.2
4.50% MGS 2028	8.8
4.45% MGS 2032	6.5
4.00% MGS 2033	4.7
4.30% MGS 2033	4.6
5.20% MGS 2031	4.2
5.10% MGS 2029	4.0
4.10% MGS 2034	3.5
4.65% MGS 2032	3.5

Maturity Buckets²

%

0 - 5 years	18.0
5 - 10 years	66.3
10 years +	10.8

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

Historical Performance to Date

Unit Price (EUR)



Source: Calamatta Cuschieri Investment Management Ltd.

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception***
Share Class A - Total Return**	-1.03	3.82	2.72	-14.04	-3.04	1.31	-0.40
Total Return	1-month	3-month	6-month	9-month	12-month		
Share Class A - Total Return**	-0.78	-1.03	-0.36	3.17	2.67		

* 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.

Regional Allocation^{1,3}

%

Malta	86.4
Europe (excl. Malta)	12.8
North America	0.9

³ Malta exposure includes Cash Holdings

By Credit Rating

%

AAA-A	91.8
BBB	2.7
BB	0.0
B	0.0
Less than B	0.0
Not Rated	2.0

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 2.9%.

Malta's economy grew by 2.8% (annualized) in the fourth quarter of 2024, slowing from a 4.9% gain in the previous three-month period. This marked the weakest expansion since Q1 of 2021, influenced by a slowdown in household consumption. At the same time, government spending (2.2% vs 1.4%) increased at a faster pace. On net external demand, exports remained unchanged while imports ticked lower.

Inflation pressures on consumers rose, with the annual inflation rising to 2.0% in February from 1.8% in the previous month. This marked the highest reading since November 2024, as prices accelerated for food and non-alcoholic beverages, recreation and culture, and restaurants and hotels.

Market Environment and Performance

In Europe, the economic outlook improved after stagnation in Q4 2024. PMI readings remained in expansionary territory since the start of the year. March's Composite PMI edged up to 50.9 from 50.2 in January and February, pointing to a modest expansion across the euro area. Spain led the recovery with strong and accelerating business activity throughout the quarter. In Germany, March data signaled the strongest private sector expansion in ten months, as the manufacturing slump eased and production rose for the first time in nearly two years. France, however, remained an outlier, recording a seventh consecutive month of contraction in private sector activity.

On the price front, inflation continued to decline, reinforcing confidence that the disinflation process is on track and converging toward the ECB's medium-term target of 2%. In March, annual inflation fell to 2.2%, the lowest level since November 2024. Services inflation also eased to a 33-month low, falling to 3.4% from 3.7% in February.

Fund Performance

The CC Malta Government Bond Fund lost 0.78% in March, mirroring the trend of rising yields in European government bonds.

Market and Investment Outlook

The credit market 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. The US, despite the Federal Reserve's "higher for longer" stance, continues to demonstrate resilient broad-based strength, underpinned by a robust labour market that has thus far supported consumer spending. Meanwhile, Europe has displayed early signs of a pickup in growth following stagnation in Q4 2024, with private sector activity remaining in expansionary territory throughout the first quarter.

Locally, we expect Malta's economy to continue performing well. The sustained decline in inflation, coupled with recent tax cuts, shall bolster 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.

In line with recent portfolio adjustments, we will continue to modify the portfolio's duration as deemed necessary and appropriate. Additionally, we aim to maintain the fund's exposure to other European sovereigns, utilizing the permitted 15% maximum allocation.

Disclaimer

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