

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)	26.70
Month end NAV in EUR	97.93
Number of Holdings	36
% of Top 10 Holdings	61.1

Current Yields

Underlying Yield (%)	3.33
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Country Allocation<sup>1</sup>

%

Malta	83.4
Belgium	2.5
Germany	1.9
Portugal	1.6
France	1.1
Slovenia	0.9
Croatia	0.8
Poland	0.8
Italy	0.8
Hungary	0.8

By Issuer<sup>1</sup>

%

Government of Malta	83.4
Kingdom of Spain	8.7
Government of Portugal	2.4
Lyxor Euro	1.4
US Treasury	0.8
Government of Italy	0.5

Top 10 Exposures

%

1.00% MGS 2031	11.6
5.25% MGS 2030	9.3
4.50% MGS 2028	8.7
4.45% MGS 2032	6.6
4.00% MGS 2033	4.8
4.30% MGS 2033	4.7
5.20% MGS 2031	4.3
5.10% MGS 2029	4.1
4.10% MGS 2034	3.6
4.65% MGS 2032	3.5

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

Currency Allocation

%

EUR	99.1
USD	0.9

Asset Allocation

%

Cash	2.8
Bonds	95.8
CIS/ETFs	1.4

Maturity Buckets<sup>2</sup>

%

0 - 5 years	18.0
5 - 10 years	67.0
10 years +	10.8

<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	86.2
Europe (excl. Malta)	13.0
North America	0.8

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

By Credit Rating

%

AAA-A	92.6
BBB	2.7
BB	0.0
B	0.0
Less than B	0.0
Not Rated	2.0

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**	0.23	3.82	2.72	-14.04	-3.04	1.31	-0.23
Total Return	1-month	3-month	6-month	9-month	12-month		
Share Class A - Total Return**	1.28	1.01	1.09	3.12	4.65		

\* 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

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.

Price pressures on consumers rose, with the annual inflation rising to 2.1% in March from 2.0% in the previous month. This marked the highest inflation rate since November 2024, as prices increased at a faster pace for food and non-alcoholic beverages, transport, clothing and footwear, and education.

Market Environment and Performance

In the euro area, Q1 growth outperformed expectations, supported by strength in southern European economies. This momentum carried into April, with Composite PMI readings remaining in expansionary territory, albeit easing slightly to 50.4 from 50.9 in March—still above forecasts.

On the price front, across the bloc remained largely stable, bolstering confidence that the disinflation process remains on track toward the ECB's 2% medium-term target. In April, annual inflation remained steady at 2.2 slightly exceeding market expectations of 2.1% and hovering just above the European Central Bank's 2.0% target midpoint, according to a preliminary estimate. A sharper drop in energy prices (-3.5% vs. -1.0% in March) was offset by faster inflation in services (3.9% vs. 3.5%) and food, alcohol, and tobacco (3.0% vs. 2.9%).

The labour market, remained healthy, with the unemployment rate revolving at notable lows (6.2% in March), and significantly below the 20-year average.

From a policy perspective, the European Central Bank (ECB) opted to cut its benchmark rates by 25bps, lowering the deposit facility rate to 2.25%. The ECB's move underscored growing concerns about slowing euro area growth and a disinflationary trend considered to be "well on track." Contributing factors included stronger euro currency performance, softer energy prices, and escalating U.S. tariffs.

Fund Performance

The CC Malta Government Bond Fund gained 1.28% in April, reflecting the broader decline in yields across European government bonds.

Market and Investment Outlook

The credit market narrative that began the year - with a focus on political uncertainty and central bank policy - remained prominent into Q2. Political tensions escalated as former President Trump adopted a more aggressive stance on tariffs, though this was later moderated with a 90-day pause. Meanwhile, central bank policies diverged: the Federal Reserve kept rates steady amid persistent inflation and signs of slowing growth, while the ECB cut its benchmark rate by 25bps to 2.25%, citing weakening euro area growth and a disinflation trend supported by a stronger euro, lower energy prices, and rising U.S. tariffs.

These monetary shifts led to divergence in bond markets, with European sovereign debt outperforming as yields tightened significantly. Malta's yield curve followed suit, particularly on the long end, which saw a marked decline.

Looking ahead, Malta's economy is expected to remain robust through 2025. Inflation remains low despite a slight uptick, and recent tax cuts are likely to support domestic consumption. The anticipated rise in tourist arrivals heading into peak season also bodes well for continued economic momentum.

In response to these developments, we will continue adjusting the portfolio's duration as appropriate and maintain exposure to European sovereigns, utilizing the allowable 15% allocation.

Disclaimer

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Address: Calamatta Cuschieri Investment Management Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034.