

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)	16.47
Month end NAV in EUR	100.99
Number of Holdings	71
% of Top 10 Holdings	31.8

Current Yields

Underlying Yield (%)	3.05
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Country Allocation ¹	%	Top 10 Issuers ²	%	Top 10 Exposures	%
Malta	93.7	GO plc	6.0	4.00% Central Business Centres 2033	4.2
Other	6.3	Central Business Centres	5.0	3.90% Browns Pharma 2031	3.6
		Bank of Valletta plc	3.5	3.50% GO plc 2031	3.4
		SD Finance plc	3.2	4.65% Smartcare Finance plc 2031	3.3
		Stivala Group Finance plc	2.7	4.35% SD Finance plc 2027	3.2
		Hili Properties plc	2.5	3.75% Tum Finance plc 2029	3.1
		PG plc	2.2	4.50% Endo Finance plc 2029	3.0
		Malta International Airport plc	2.0	Harvest Technology plc	2.8
		Malita Investments plc	1.7	GO plc	2.7
		JD Capital plc	1.6	4.00% Stivala Group Finance plc 2027	2.7

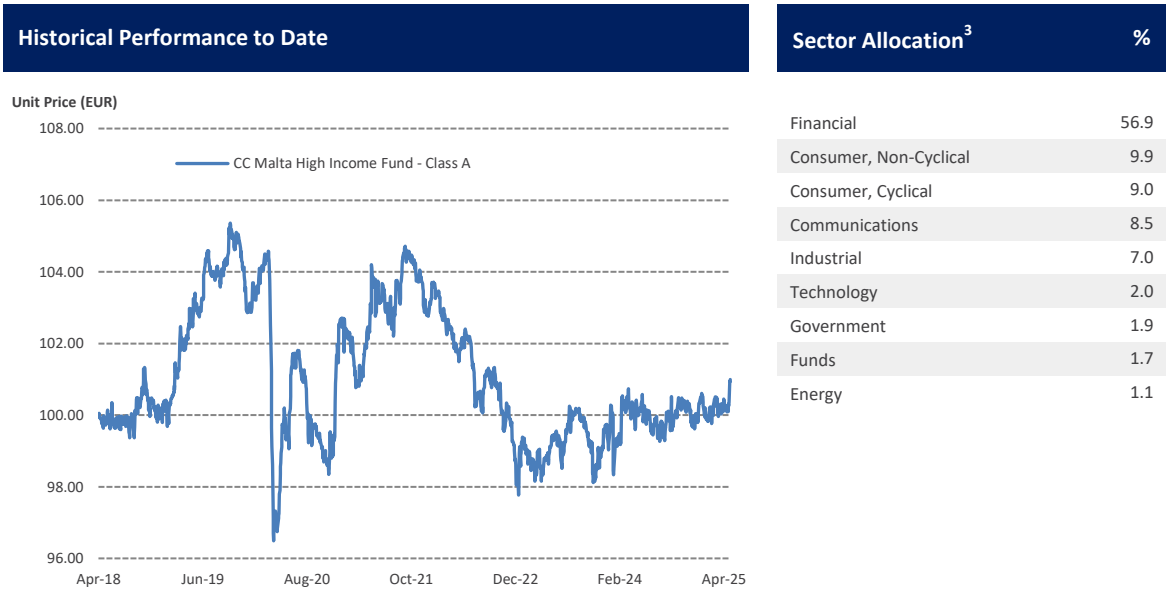
¹ including exposures to CIS and Cash

² including exposures to CIS, excluding Cash

Currency Allocation	%	Asset Allocation ³	%	Maturity Buckets ⁴	%
EUR	100.0	Cash	2.0	0 - 5 years	37.9
		Bonds	77.3	5 - 10 years	37.1
		Equities	20.6	10 years +	0.6

³ including exposures to CIS

⁴ based on the Next Call Date



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 **
Total Return***	0.48	0.23	1.05	-4.29	1.07	-1.06	0.14
Calendar Year Performance	1-month	3-month	6-month	9-month	12-month		
Total Return***	0.67	1.13	0.80	1.63	0.88		

* 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 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 2.1% 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

In April, the Malta High Income Fund registered a gain of 0.67% for the month, outperforming its internally compared benchmark which saw a loss of 0.38%.

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 line with recent portfolio adjustments, we will continue to modify the portfolio's duration as deemed necessary and appropriate. Additionally, we aim to increase the fund's exposure to non-Maltese assets, utilizing the permitted 15% maximum allocation.

Disclaimer

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