

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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1

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3

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Portfolio Statistics

Total Net Assets (in €mns)	26.70
Month end NAV in EUR	97.93
Number of Holdings	37
% of Top 10 Holdings	64.3

Current Yields

Underlying Yield (%)	3.35
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Country Allocation¹

%

Malta	84.0
Belgium	2.7
Portugal	1.7
Italy	1.4
France	1.2
Germany	1.0
Slovenia	0.9
Croatia	0.9
Hungary	0.9
Poland	0.9

By Issuer¹

%

Government of Malta	84.0
Kingdom of Spain	8.1
Government of Portugal	3.2
Lyxor Euro	1.5
US Treasury	0.9
Government of Italy	0.5

Top 10 Exposures

%

1.00% MGS 2031	12.4
5.25% MGS 2030	9.7
4.50% MGS 2028	9.2
4.45% MGS 2032	6.9
4.00% MGS 2033	5.0
4.30% MGS 2033	4.9
5.20% MGS 2031	4.5
5.10% MGS 2029	4.3
4.10% MGS 2034	3.8
4.65% MGS 2032	3.7

¹ including exposures to CIS

Currency Allocation

%

EUR	99.1
USD	0.9

Asset Allocation

%

Cash	1.9
Bonds	96.7
CIS/ETFs	1.5

Maturity Buckets²

%

0 - 5 years	19.0
5 - 10 years	67.1
10 years +	10.5

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**	0.41	3.82	2.72	-14.04	-3.04	1.31	-0.21
Total Return	1-month	3-month	6-month	9-month	12-month		
Share Class A - Total Return**	0.17	0.67	0.42	2.35	5.04		

* 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	85.9
Europe (excl. Malta)	13.3
North America	0.9

³ Malta exposure includes Cash Holdings

By Credit Rating

%

AAA-A	92.6
BBB	3.4
BB	0.0
B	0.0
Less than B	0.0
Not Rated	2.1

Introduction

In 2025, Malta's economy sustained its growth trajectory, albeit noting a marginal slowdown in household consumption (0.8% vs. 2.5% in Q4), and government spending (0.6% vs. 2.2%). On the trade side, both exports and imports grew, yet at a slower pace. In numbers, GDP expanded by 3.0% year-on-year (annualized) in the first quarter of 2025, slowing from an upwardly revised 3.1% increase in the previous three-month period, and marking the weakest economic growth since the third quarter of 2022.

Inflationary pressures on consumers intensified, as the annual inflation rate climbed to 2.6% in April from 2.1% in March—the highest level since March 2024. This rise was largely driven by accelerated price increases in food and non-alcoholic beverages, transportation, housing and utilities, and the hospitality sector including restaurants and hotels.

Market Environment and Performance

The Eurozone economy expanded by 0.6% in the first quarter of 2025, twice the initially reported 0.3%, representing its strongest growth since Q3 2022. This upswing was largely propelled by Ireland’s remarkable 9.7% increase and a better-than-expected performance from Germany. Among the major economies, Spain and Germany led with growth rates of 0.6% and 0.4%, respectively. Italy grew by 0.3%, while France and the Netherlands recorded modest increases of 0.1% each.

Business activity, as portrayed by the HCOB Composite PMI reading, continued to expand for a fifth consecutive month, though the pace of growth was only marginal, the weakest since February. Manufacturing was the main driver of output, offsetting the first decline in services activity since November. Among the euro area’s four largest economies, Italy and Spain recorded solid expansions, France moved closer to stabilization, and Germany remained in contraction. New business inflows continued to decline, while job creation remained modest.

Inflation across the bloc also moderated, easing to 1.9% year-on-year in May 2025 from 2.2% in April and falling below market expectations of 2.0%, according to a preliminary estimate. This marks the first time inflation has dipped below the European Central Bank’s 2.0% target since September 2024, reinforcing expectations of a 25bps rate cut at the ECB’s upcoming June meeting.

Fund Performance

The CC Malta Government Bond Fund gained 0.17% in May, 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 continued to ease policy, with weakening euro area growth, a sustained disinflation trend supported by a stronger euro, lower energy prices, and rising U.S. tariffs, at the backdrop of such policy decisions.

These monetary shifts led to divergence in bond markets, with European sovereign debt outperforming as yields, overall continued to tighten. Malta’s yield curve followed suit, particularly on the long end, which saw a marked decline since the end of Q1 2025.

Looking ahead, Malta’s economy is expected to remain robust through 2025. Inflation remains low despite more recent upticks, 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

This document has been prepared for information purposes and should not be interpreted as investment advice nor to constitute an offer or an invitation by Calamatta Cuschieri Investment Management Limited ("CCIM") to any person to buy or sell units in the UCITS fund. Please refer to the Prospectus of the UCITS and any Offering Supplement thereto and to the Key Investor Information Document before making any final investment decisions which may be obtained from www.ccfunds.com.mt or from the below address. Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS. CC Funds SICAV p.l.c. is licensed as a Collective Investment Scheme by the Malta Financial Services Authority under the Investment Services Act and qualifies as a 'Maltese' UCITS. CCIM is licensed to conduct Investment Services in Malta by the Malta Financial Services Authority under the Investment Services Act.

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