

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 TypeUCITS

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

ISINMT7000022281

Bloomberg TickerCCMIFAB MV

Charges

Entry ChargeUp to 2.5%

Exit ChargeNone

Total Expense Ratio2.03%

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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6

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Portfolio Statistics

Total Net Assets (in €mns)16.14

Month end NAV in EUR81.24

Number of Holdings70

% of Top 10 Holdings44.5

Current Yields

Underlying Yield (%)3.17

Distribution Yield (%)3.90

Country Allocation ¹		%	Top 10 Issuers ²		%	Top 10 Exposures		%
Malta		95.7	GO plc		6.0	4.00% Central Business Centres 2033		4.3
Other		4.3	Central Business Centres		5.2	3.90% Browns Pharma 2031		3.8
			Bank of Valletta plc		3.7	4.65% Smartcare Finance plc 2031		3.4
			SD Finance plc		3.3	3.50% GO plc 2031		3.3
			Stivala Group Finance plc		2.7	4.35% SD Finance plc 2027		3.3
			Hili Properties plc		2.4	3.75% Tum Finance plc 2029		3.1
			PG plc		2.2	4.50% Endo Finance plc 2029		3.1
			Malta International Airport plc		2.1	Harvest Technology plc		2.7
			Malita Investments plc		1.8	4.00% Stivala Group Finance plc 2027		2.7
			JD Capital plc		1.7	GO plc		2.6

¹ including exposures to CIS and Cash

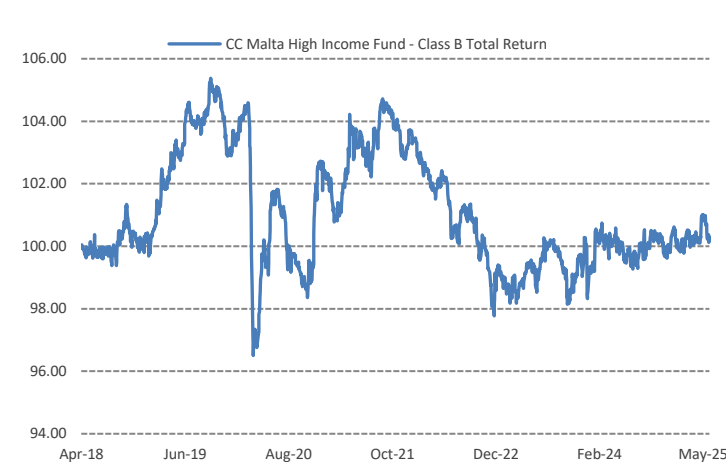
² including exposures to CIS, excluding Cash

Currency Allocation		%	Asset Allocation ³		%	Maturity Buckets ⁴		%
EUR		100.0	Cash		0.6	0 - 5 years		38.7
			Bonds		78.9	5 - 10 years		37.7
			Equities		20.5	10 years +		0.7

³ including exposures to CIS

⁴ based on the Next Call Date

Historical Performance to 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***	-0.22	0.23	1.03	-4.30	1.07	-1.05	0.04

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	-0.70	-0.22	0.51	0.52	0.21

*The Distributor Share Class (Class B) 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 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

In May, the Malta High Income Fund registered a loss of 0.69% for the month.

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.

Disclaimer

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