

Investment Objective and Policies

The Fund aims to maximise the total level of return for investors by investing, mainly in a diversified portfolio of bonds and other similar debt securities. In pursuing this objective, the Investment Manager shall invest primarily in a diversified portfolio of corporate & government bonds maturing in the medium term, with an average credit quality of "Ba3" by Moody's or "BB-" by S&P, although individual bond holdings may have higher or lower ratings. The Fund can also invest up to 10% of its assets in Non-Rated bond issues. 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 MT7000030920
 Bloomberg Ticker CCHIBNC MV

Charges

Entry Charge Up to 2.5%
 Exit Charge None
 Ongoing Charges 1.91%
 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


Portfolio Statistics

Total Net Assets (in €mns) 47.80
 Month end NAV in USD 80.78
 Number of Holdings 165
 % of Top 10 Holdings 15.9

Current Yields

Last 12-m Distrib. Yield (%) 4.25
 Underlying Yield (%) 5.25

Country Allocation¹

| Country | % |
|---------------|------|
| United States | 20.0 |
| France | 13.7 |
| Italy | 6.7 |
| Germany | 6.6 |
| Brazil | 3.5 |
| Spain | 3.2 |
| Netherlands | 3.1 |
| Turkey | 2.5 |
| Mexico | 2.5 |
| Luxembourg | 2.4 |

¹ including exposures to CIS

Credit Rating²

| Credit Rating | % |
|------------------------------|-----------|
| From AAA to BBB- | 21.8 |
| From BB+ to BB- | 53.4 |
| From B+ to B- | 7.9 |
| CCC+ | 0.2 |
| Less than CCC+ | 1.5 |
| Not Rated | 3.1 |
| Average Credit Rating | BB |

² excluding exposures to CIS

Top 10 Exposures

| Exposure | % |
|--------------------------------------|-----|
| 5.625% Unicredit Spa perp | 2.1 |
| iShares Fallen Angels HY Corp | 2.1 |
| iShares EUR High Yield Corp | 1.9 |
| iShares USD High Yield Corp | 1.7 |
| 6.266% Encore Capital Group Inc 2028 | 1.5 |
| 6.75% Societe Generale perp | 1.4 |
| 4.75% Dufry One BV 2031 | 1.3 |
| 5.375% Lottomatica Group Spa 2030 | 1.3 |
| 5.875% Credit Agricole SA perp | 1.3 |
| 6.375% Raiffeisen Bank Intl perp | 1.3 |

Currency Allocation

| Currency | % |
|----------|------|
| EUR | 58.6 |
| USD | 41.4 |
| Others | 0.0 |

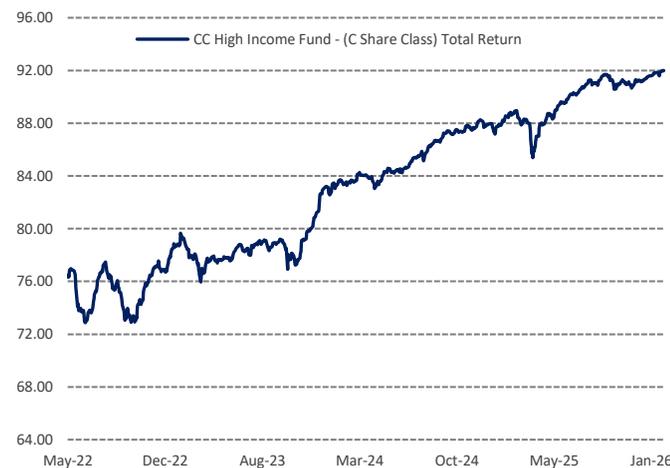
Asset Allocation

| Asset Class | % |
|-------------|------|
| Cash | 5.6 |
| Bonds | 88.0 |
| CIS/ETFs | 6.4 |

Maturity Buckets³

| Maturity Bucket | % |
|-----------------|------|
| 0 - 5 years | 60.2 |
| 5 - 10 years | 24.7 |
| 10 years + | 3.0 |

³ based on the Next Call Date

Historical Performance to Date**


Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown²

| Sector | % |
|----------------------|------|
| Banks | 11.7 |
| Telecommunications | 8.4 |
| Funds | 6.4 |
| Auto Parts&Equipment | 6.2 |
| Pharmaceuticals | 5.4 |
| Sovereign | 4.1 |
| Entertainment | 3.9 |
| Media | 3.8 |
| Oil&Gas | 3.6 |
| Auto Manufacturers | 3.4 |
| Commercial Services | 3.2 |
| Transportation | 3.1 |

Performance History**

Past performance does not predict future returns

| Calendar Year Performance | YTD | 2025 | 2024 | 2023 | 2022 | Annualised Since Inception*** |
|----------------------------------|---------|---------|---------|---------|----------|-------------------------------|
| Share Class D - Total Return**** | 0.44 | 0.16 | 1.38 | 4.71 | N/A | 1.53 |
| Total Return | 1-month | 3-month | 6-month | 9-month | 12-month | |
| Share Class D - Total Return**** | 0.44 | 0.92 | -0.48 | 2.79 | 0.25 | |

* The share class C was launched on 21 May 2022.

** 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 Distributor Share Class (Class D) was launched on 01 September 2011. 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

Despite heightened geopolitical tensions driving early-month volatility, investor risk appetite strengthened in January. Risk assets were supported by improving growth expectations and the continued presence of a “Goldilocks” macroeconomic backdrop. Economic activity data surprised to the upside while inflation continued to ease, pointing to prospective real income gains and strengthening consumer fundamentals.

U.S. Treasuries came under pressure as improved risk sentiment pushed expectations for the next Federal Reserve rate cut further out. At the same time, Japanese long-term government bonds suffered their worst start to a year since 1994 amid rising fiscal concerns. U.S. Treasury yields subsequently widened, likely reflecting spillover effects from the Japanese sell-off, particularly at the long end of the curve, where 20- and 30-year yields rose notably. Against this backdrop, U.S. corporate credit spreads edged wider, underperforming high-yield credit, which benefited from the improved risk environment.

In Europe, sovereign bonds outperformed their U.S. counterparts as economic conditions remained broadly resilient despite elevated geopolitical risks. President Trump’s threat to impose 25% tariffs on European allies in pursuit of Greenland (later rescinded) added uncertainty to the outlook but did not derail performance. French government bonds led the move, with spreads versus Germany tightening to mid-2024 levels as investors welcomed signs of improved political stability.

Corporate credit markets posted positive returns overall, with Europe outperforming across both investment-grade and high-yield segments, which returned 0.79% and 0.68%, respectively. In the U.S., investment-grade credit underperformed higher-risk segments but still outperformed sovereign bonds.

Market Environment and Performance

In the U.S. GDP expanded at an annualized rate of 4.4% in Q3 2025, slightly above the initial estimate of 4.3% and marking the strongest GDP growth since Q3 2023. Robust growth was driven by firm consumer spending, a rebound in exports and higher government outlays. Consumer spending rose 3.5%; unchanged from the initial estimate and the fastest pace this year, accelerating from 2.5% in Q2. Exports surged 9.6%, revised up from 8.8%

Forward-looking indicators eased from recent highs, though remained consistent with expansion. The S&P Global U.S. Flash Composite PMI edged up to 52.8 in January from 52.7 in December, indicating a modest pickup in business activity, albeit at a slower pace than the stronger expansion recorded in the second half of 2025. Manufacturing activity accelerated further (54.8 vs. 53.6), outpacing services growth (52.5 vs. 52.5). However, underlying momentum showed signs of softening across both sectors, with order book growth easing, led by weaker export demand.

Headline U.S. inflation remained at 2.7% year-on-year in December 2025, the same as in November and in line with market expectations. Price pressures eased notably in the energy sector, with prices rising at a much slower pace. Core inflation, which excludes food and energy, declined to 2.6%, stood at 2.6% in December 2025, the lowest since March 2021, matching November’s reading. Figures came slightly below market expectations of 2.7%. With regards to the labour market, data has proved largely mixed. The U.S. unemployment rate eased to 4.4% in December 2025 from 4.5% in November, which had marked the highest level since October 2021. At the same time, job growth eased, with payrolls adding 50k in December, less than a downwardly revised 56K in the previous month and below forecasts of 60K. Meanwhile, wage pressures moderated.

On the monetary front, the Federal Reserve left the federal funds rate unchanged at the 3.5%-3.75% target range, in line with expectations, after three consecutive rate cuts last year that pushed borrowing costs to their lowest level since 2022. Policymakers remained divided with Governors Stephen Miran and Christopher Waller voted against the hold, with both advocating another 25bps cut. Separately, following months of speculation, President Trump on 30 January nominated Kevin Warsh to succeed Jerome Powell as Chair of the Federal Reserve. Among the candidates reportedly under consideration, Warsh is widely viewed as one of the more market-friendly options. While supportive of lower interest rates, he has also advocated for continued balance-sheet reduction at the Fed.

In the euro area, the economy grew by 0.3% QoQ in Q4 2025, matching the pace of the previous quarter and slightly above market expectations of 0.2%, according to a flash estimate. Among the bloc’s largest economies, Spain outperformed with growth of 0.8% QoQ, while the Netherlands expanded by 0.5%. Germany and Italy each grew by 0.3%, both beating forecasts, while France grew 0.2%, as expected, and marking its weakest quarterly pace since Q1 2025.

Building on the expansion seen in the second half of 2025, January continued to reflect steady business activity. The flash Eurozone Composite PMI stood at 51.5, unchanged from December and slightly below market expectations of 51.8, indicating a temporary stabilization in private-sector growth. The overall expansion was supported by the services sector (51.9 vs. 52.4 in December), which moderated but remained in growth territory, while manufacturing returned to growth (50.2 vs. 48.9), signaling a rebound in production.

Consumer price inflation eased to 1.9% in December 2025, down from 2.1% in November and below preliminary estimates of 2.0%. The reading marked the first time since May that inflation has come in below the ECB’s 2.0% target.

On the political front, France’s budget process moved forward after months of political deadlock, with the government resuming formal debate following the adoption of a temporary funding law at the end of 2025. Prime Minister Sébastien Lecornu repeatedly invoked Article 49.3 of the Constitution to advance the 2026 budget without a parliamentary vote, successfully surviving several no-confidence motions. While political tensions remained elevated throughout the month, these developments kept the budget on track, paving the way for its formal adoption in early February and restoring fiscal continuity.

Fund Performance

The CC High Income Bond Fund posted a modest gain of 0.30% in January. The portfolio manager maintained an active strategy, continuing to incrementally enhance the fund’s income profile by selectively capitalizing on emerging opportunities, particularly within the primary and IPO markets. During the month, a new position in BetClic was initiated, whilst the fund increased its exposure to Freeport Indonesia PT, Canal+, Banco Santander and CMA CGM, the latter benefiting from price volatility that offered an attractive entry point.

Market and Investment Outlook

Fixed income markets delivered positive returns in January despite a volatile start driven by geopolitical tensions and yield-curve fluctuations. These moves were partly influenced by lingering uncertainty over the Federal Reserve’s policy path and yield widening in Japan, which pushed U.S. Treasury yields higher, particularly at the long end of the curve. On a more constructive note, political stability in France gained traction, with previously unresolved issues appearing closer to resolution, at least in the near term. Sovereign markets reflected this improvement, as the benchmark 10-year French government bond significantly outperformed, with yields tightening by 14bps over the month.

Looking ahead, fixed income markets are likely to remain highly sensitive to developments in trade policy, geopolitical tensions, and their broader economic implications, as well as to incoming macroeconomic data that will continue to shape monetary policy expectations. For 2026, we expect bond returns to be increasingly driven by income rather than price appreciation, reinforcing the importance of locking in attractive coupons from companies with strong credit fundamentals.

From a regional perspective, we remain constructive on European high-yield credit, supported by robust demand for new issuance. The U.S. credit market also remains attractive, although careful positioning is warranted ahead of potential policy easing, which now appears to be pushed further into the year. While there is scope for interest rates to decline gradually - potentially supporting bond prices - rates may remain anchored if inflation proves persistent and economic conditions stay resilient.

Against this evolving macroeconomic and geopolitical backdrop, maintaining a proactive and flexible management approach will be essential to managing risks effectively and capturing emerging opportunities.

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.

This document may not be reproduced either in whole, or in part, without the written permission of CCIM. CCIM does not accept liability for any actions, proceedings, costs, demands, expenses, loss or damage arising from the use of all or part of this document.

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