

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
Ongoing Charges 1.45%
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) 13.07
Month end NAV in EUR 101.09
Number of Holdings 71
% of Top 10 Holdings 34.4

Current Yields

Underlying Yield (%) 4.27

Country Allocation¹ %

Malta	86.9
Other	13.1

¹ including exposures to CIS and Cash

Top 10 Issuers² %

Central Business Centres	5.9
Bank of Valletta plc	4.3
GO plc	3.8
Malta International Airport plc	2.6
JD Capital plc	2.0
Plaza Centres plc	1.7
Malita Investments plc	1.5
Med Maritime Hub Finance	1.3
HH Finance plc	1.2
Malta Government	1.1

² including exposures to CIS, excluding Cash

Top 10 Exposures %

4.00% Central Business Centres 2033	4.8
3.90% Browns Pharma 2031	4.1
4.65% Smartcare Finance plc 2031	4.0
4.50% Endo Finance plc 2029	3.8
Harvest Technology plc	3.6
3.50% Bank of Valletta plc 2030	3.0
4.00% SP Finance plc 2029	3.0
5.00% Von Der Heyden Group Fin 2032	2.9
4.55% St Anthony Co plc 2032	2.6
Malta International Airport	2.6

Currency Allocation %

EUR	100.00
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Asset Allocation³ %

Cash	3.0
Bonds	79.5
Equities	17.3

³ including exposures to CIS

Maturity Buckets⁴ %

0 - 5 years	40.4
5 - 10 years	36.8
10 years +	2.3

⁴ based on the Next Call Date

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation³ %

Financial	50.4
Consumer, Cyclical	13.6
Industrial	9.2
Consumer, Non-Cyclical	8.4
Communications	7.8
Technology	2.8
Energy	2.1
Government	1.9
Basic Materials	0.7

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2025	2024	2023	2022	2021	Annualised Since Inception **
Total Return***	1.20	-0.62	0.23	1.05	-4.29	1.07	0.13

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	-0.34	1.64	1.87	0.70	0.10

* 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

Malta's economy grew by 2.1% YoY in the fourth and final quarter of 2025, slowing modestly from 3.0% in Q3. Growth continued to significantly outperform the Eurozone, where GDP expanded by just 0.2% which came in below earlier estimates of 0.3%. The region's largest economy, Germany, expanded by 0.3% in the same quarter, confirming preliminary estimates and marking a clear rebound from the stagnation recorded in the previous quarter.

Meanwhile, Malta's annual inflation rate stood at 2.3% in March, unchanged from the previous two months. It remained the lowest reading since March 2025, as prices were steady for health, while costs increased for housing and utilities, furnishings and household equipment, recreation and culture, and restaurants and hotels.

Market Environment and Performance

In the Eurozone, economic momentum showed clear signs of softening, partly reflecting the spillover effects of tensions in the Middle East. Growth in Q1 2026 undershot expectations, marking the slowest pace of expansion since Q2 2022. Forward-looking indicators also pointed to a weakening outlook, with the S&P Global Eurozone Composite PMI declining to 48.6 in April from 50.7 in March, well below expectations of 50.2 and signaling the sharpest contraction in private-sector activity since November 2024. The drop indicated a somewhat delayed impact on the services sector from the war in Iran, as higher energy costs weighed on consumer demand. In turn, the manufacturing sector continued to expand (52.2 vs. 52.0), despite ongoing challenges in sourcing input goods.

Consumer price inflation rose to 3.0% in April, up from 2.6% in March and slightly above market expectations of 2.9%, according to a preliminary estimate. This marked the highest reading since September 2023 and the second consecutive month in which inflation has exceeded the ECB's 2% target, as energy costs soared 10.9%.

On the policy front, the European Central Bank (ECB) kept interest rates unchanged at its April 2026 meeting, maintaining a cautious approach amid elevated uncertainty stemming from developments in the Middle East. ECB President Christine Lagarde stressed that longer-term inflation expectations remain broadly anchored, even as shorter-term expectations have risen significantly. She also noted that, although policymakers considered a range of alternatives - including a possible rate hike - the decision to hold rates was unanimous, reflecting the ECB's view that conditions are moving away from its baseline scenario.

In April, the Malta High Income Fund posted a loss of 0.34%.

Throughout the year, the portfolio manager maintained a proactive approach, in line with the fund's mandate to enhance income generation. This was achieved by further reducing the fund's exposure to local equities and low-coupon bonds. On the buy side, we continued to capitalize on opportunities as they arose, particularly in the IPO space across both local and international markets.

Fund Performance

Market and Investment Outlook

In April, benchmark yields continued to be driven by developments in the Middle East, alongside economic data releases and central bank policy signals. On the economic front, inflation accelerated notably, while leading indicators pointed to a contraction in business activity, underscoring the negative impact of higher energy costs and ongoing supply disruptions on the real economy. Against this backdrop, the European Central Bank (ECB) kept interest rates unchanged but adopted a cautious tone with an increasingly hawkish bias, particularly if near-term inflationary pressures prove persistent. Policymakers also acknowledged that economic conditions are gradually diverging from the ECB's baseline expectations.

Government bond markets were mixed over the month, with German Bunds underperforming relative to other European sovereigns. Core euro area yields moved modestly higher, particularly at the longer end of the curve, as investors scaled back expectations for ECB rate cuts and, in some cases, began pricing in the possibility of further tightening. Peripheral spreads, however, remained relatively stable, supported by resilient risk appetite and continued demand for carry.

Looking ahead, the outlook remains highly uncertain. Although there have been intermittent signs of de-escalation in the Middle East conflict, these have so far proven short-lived, with tensions continuing to persist. Ongoing disruption to energy flows through the Strait of Hormuz - a critical global energy chokepoint - may therefore continue to shape the trajectory of European sovereign yield curves. The broader economic consequences will depend largely on the duration and intensity of the conflict. For Europe in particular, the implications could be meaningful given the region's dependence on imported energy. Persistently elevated energy prices are likely to continue feeding through to inflation and ultimately weighing on consumer spending and broader economic activity.

Locally, Malta's economy is expected to remain resilient through 2026, supported by relatively contained inflation (as energy prices remain subsidised by the government), recently announced tax cuts taking effect as of January, and a robust tourism sector. These factors should continue to underpin domestic demand and overall economic growth.

With respect to the fund's composition, we will continue to adjust the portfolio's allocations as needed, with the goal of enhancing income yield through higher coupon bonds. This will also involve utilizing the allowed 15% allocation for non-Maltese assets.

Disclaimer

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