

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 MT7000003059
Bloomberg Ticker CALCHIE MV

Charges

Entry Charge Up to 2.5%
Exit Charge None
Ongoing Charges 1.88%
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) 45.34
Month end NAV in EUR 77.43
Number of Holdings 161
% of Top 10 Holdings 15.2

Current Yields

Last 12-m Distrib. Yield (%) 4.25
Underlying Yield (%) 5.57

Country Allocation¹

| Country | % |
|----------------|------|
| United States | 18.2 |
| France | 14.6 |
| Italy | 7.8 |
| Germany | 5.6 |
| Brazil | 5.2 |
| United Kingdom | 3.9 |
| Spain | 3.2 |
| Luxembourg | 2.9 |
| Netherlands | 2.9 |
| Turkey | 2.7 |

¹ including exposures to CIS

Credit Rating²

| Credit Rating | % |
|------------------------------|-----------|
| From AAA to BBB- | 20.7 |
| From BB+ to BB- | 56.9 |
| From B+ to B- | 8.2 |
| CCC+ | 0.0 |
| Less than CCC+ | 1.8 |
| Not Rated | 3.5 |
| Average Credit Rating | BB |

² excluding exposures to CIS

Top 10 Exposures

| Exposure | % |
|-----------------------------------|-----|
| 5.625% Unicredit Spa perp | 2.3 |
| iShares USD High Yield Corp | 1.8 |
| 6.75% Societe Generale perp | 1.5 |
| 5.375% Lottomatica Group Spa 2030 | 1.4 |
| 6.375% Raiffeisen Bank Intl perp | 1.4 |
| 5.875% Credit Agricole SA perp | 1.4 |
| iShares Fallen Angels HY Corp | 1.4 |
| 4.75% Dufry One BV 2031 | 1.4 |
| 6.625% NBM US Holdings Inc 2029 | 1.4 |
| 5% CMA CGM SA 2031 | 1.3 |

Currency Allocation

| Currency | % |
|----------|------|
| EUR | 60.7 |
| USD | 39.1 |
| Others | 0.0 |

Asset Allocation

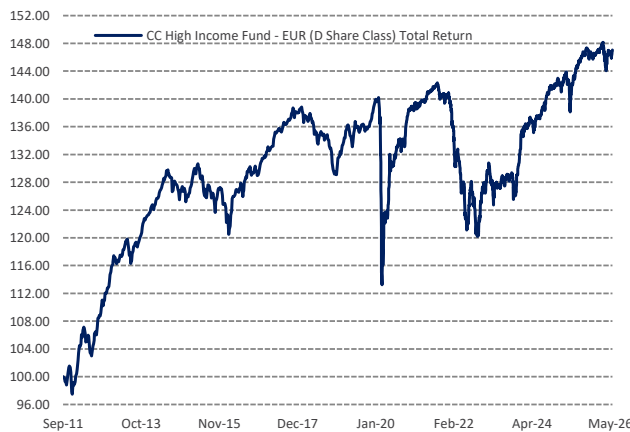
| Asset Class | % |
|-------------|------|
| Cash | 4.2 |
| Bonds | 91.0 |
| CIS/ETFs | 4.9 |

Maturity Buckets³

| Maturity Bucket | % |
|-----------------|------|
| 0 - 5 years | 61.9 |
| 5 - 10 years | 27.0 |
| 10 years + | 2.0 |

³ based on the Next Call Date

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Breakdown²

| Sector | % |
|----------------------|------|
| Banks | 12.5 |
| Telecommunications | 10.0 |
| Auto Parts&Equipment | 5.9 |
| Pharmaceuticals | 5.3 |
| Entertainment | 5.0 |
| Funds | 4.9 |
| Sovereign | 4.4 |
| Media | 4.2 |
| Oil&Gas | 4.0 |
| Real Estate | 3.4 |
| Transportation | 3.3 |
| Commercial Services | 2.9 |

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**** | 0.17 | 3.15 | 4.93 | 7.26 | -10.13 | 2.65 |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Share Class D - Total Return**** | 1.48 | -0.15 | 7.47 | -6.44 | 5.31 | 4.97 |
| Total Return | 1-month | 3-month | 6-month | 9-month | 12-month | |
| Share Class D - Total Return**** | 0.49 | -0.67 | 0.30 | 0.36 | 2.23 | |

* Data in the chart does not include any dividends distributed since the Fund was launched on 1st September 2011.

** 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

Bond markets delivered broadly positive returns in May despite a persistently challenging macroeconomic and geopolitical backdrop. While risk assets advanced meaningfully as investor sentiment improved following a period of heightened caution, sovereign bond markets remained primarily driven by the evolving inflation outlook and its implications for monetary policy and economic growth.

Geopolitical tensions in the Middle East continued to shape market dynamics during the month. Disruptions to shipping through the Strait of Hormuz - a critical global energy transit route - contributed to a sharp rise in oil prices. At the same time, the absence of a definitive diplomatic resolution to the conflict prolonged uncertainty and heightened concerns over energy supplies. This, in turn, prompted investors to reassess monetary policy expectations, pushing bond yields higher amid renewed inflation concerns.

Against this backdrop, U.S. Treasury yields moved higher over the month as investors increasingly priced in a prolonged "higher-for-longer" policy stance from the Federal Reserve. In contrast, European sovereign bond yields generally declined as cautious optimism surrounding a potential U.S.-Iran agreement helped alleviate inflation concerns and supported demand for government bonds.

Investors also scrutinised the latest inflation data from Europe's largest economies for clues regarding the European Central Bank's policy trajectory. Germany's inflation rate moderated in May despite elevated energy prices. Meanwhile, inflation in France, Spain, and Italy accelerated, remaining above the ECB's 2% target and underscoring the uneven nature of price pressures across the region.

Corporate credit markets also remained resilient, generating positive returns during the month. Supported by stable corporate fundamentals and continued investor demand for yield, credit spreads tightened. Global high-yield credit returned 0.52%, reflecting sustained investor appetite for credit risk.

Market Environment and Performance

While data released earlier in the year pointed to continued economic resilience, the forward-looking outlook is becoming increasingly uncertain amid sustained tensions in the Middle East. The resulting rise in energy prices poses a potential headwind to growth, with higher costs likely to weigh on consumer spending.

Growth momentum in the U.S. sustained in Q1 2026, with GDP annualized growth expanding at an annualized 1.6%, up from 0.5% in Q4 but below 2% in the advance estimate, primarily reflecting downward revisions to investment and consumer spending. Meanwhile, net trade contributed negatively, as exports rose by 13.1% while imports jumped 21.1%. Government spending rose as activity resumed following the end of the government shutdown.

Headline U.S. inflation accelerated to 3.8% in April 2026, the highest level since May 2023, primarily driven by higher energy prices. Despite softer growth, labour market conditions remained resilient. Unemployment held steady at 4.3% while nonfarm payrolls increased by 115K in April, above forecasts.

On the policy front, minutes from the Federal Open Market Committee (FOMC) meeting in April 2026 revealed that a majority of policymakers viewed further policy tightening as potentially necessary should inflation remain persistently above the Federal Reserve's 2% target. To address the possibility of rate hikes, many participants preferred removing language from the post-meeting statement that suggested an easing bias.

In the Eurozone, economic activity weakened amid spillover effects from Middle East tensions. Q1 2026 growth slowed to its weakest pace since Q2 2024, while the S&P Global Eurozone Composite PMI fell into contraction territory. Forward-looking indicators also pointed to a weakening outlook, with the S&P Global Eurozone Composite PMI declining to 47.5 in May from 48.8, marking the sharpest contraction in private-sector activity since October 2023. The decline was driven by services, which fell at their fastest rate in over five years, while manufacturing remained relatively resilient despite slowing. Input costs rose at the fastest pace in three years, prompting firms to raise prices, eroding purchasing power. As a result, employment fell for a fifth consecutive month and business sentiment weakened further.

Consumer price inflation rose to 3.2% in May, up from 3.0% in April and matching market expectations, according to a preliminary estimate. This marked the highest reading since September 2023 and the third consecutive month in which inflation has exceeded the ECB's 2% target, as energy costs soared 10.9%.

Fund Performance

The CC High Income Bond Fund posted a gain of 0.50% in May. The portfolio manager maintained an active strategy, continuing to gradually enhance the fund's income profile by selectively capturing emerging opportunities while maintaining a close focus on duration.

During the month, a new position in Molins, a global leader in construction materials, was initiated using cash proceeds. In addition, the fund switched into new bond issues from existing issuers that had come to market at more attractive yields, thereby enhancing overall portfolio income. These included CCO Holdings, Ineos, Tenet Healthcare, Millicom, and Occidental Petroleum.

Market and Investment Outlook

While the conflict raises serious humanitarian concerns for civilians in the affected areas, it has also prompted a sharp rise in oil prices, pushing bond yields overall higher. The broader economic implications (particularly from an inflationary standpoint) will largely depend on how prolonged and extensive the conflict becomes, though it has so far remained persistent. Disruptions around the Strait of Hormuz, while not absolute, have been sufficient to materially affect oil flows, sustaining upward pressure on energy prices and complicating the inflation outlook, with potential implications for the path of monetary policy.

In this environment, a cautious yet proactive investment approach is warranted. While heightened uncertainty may limit the pace of new bond issuance, it could also create pockets of opportunity. At the time of writing, we maintain our view that fixed income returns are likely to be increasingly driven by income rather than capital appreciation, underscoring the importance of securing attractive coupons from issuers with strong credit fundamentals.

Disclaimer

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