

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
Ongoing Charges 1.03%
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

1 2 3 4 5 6 7

Portfolio Statistics

Total Net Assets (in €mns) 17.70
Month end NAV in EUR 97.78
Number of Holdings 37
% of Top 10 Holdings 67.8

Current Yields

Underlying Yield (%) 4.02

Country Allocation¹ %

Malta	84.3
Portugal	2.4
Italy	2.1
Slovenia	1.3
Hungary	1.3
Belgium	1.3
Croatia	1.2
Poland	1.2
Germany	1.1
France	1.1

By Issuer¹ %

Government of Malta	84.3
Kingdom of Spain	8.2
Government of Portugal	4.5
US Treasury	1.2
Government of Italy	0.8
Lyxor Euro	0.3

Top 10 Exposures %

5.25% MGS 2030	13.5
4.45% MGS 2032	9.7
4.50% MGS 2028	9.4
5.20% MGS 2031	6.3
4.30% MGS 2033	6.2
5.10% MGS 2029	6.0
4.65% MGS 2032	5.2
4.10% MGS 2034	4.1
4.00% MGS 2033	4.1
3.40% MGS 2035	3.4

¹ including exposures to CIS

Currency Allocation %

EUR	98.7
USD	1.3

Asset Allocation %

Cash	0.7
Bonds	99.0
CIS/ETFs	0.3

Maturity Buckets² %

0 - 5 years	33.1
5 - 10 years	60.0
10 years +	5.9

² based on the Next Call Date (also includes cash)

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Regional Allocation^{1,3} %

Malta	85.0
Europe (excl. Malta)	13.8
North America	1.2

³ Malta exposure includes Cash Holdings

By Credit Rating %

AAA-A	92.2
BBB	4.1
BB	0.0
B	0.0
Less than B	0.0
Not Rated	3.0

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2025	2024	2023	2022	2021	Annualised Since Inception***
Share Class A - Total Return**	0.04	-0.17	3.82	2.72	-14.04	-3.04	-0.25

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	0.70	-1.36	-0.83	-0.50	-0.54

* 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.

Introduction

Malta's economy expanded by 3.9% year-on-year in the first quarter of 2026, slowing from an upwardly revised 6.5% in the previous quarter. Despite this moderation, growth continued to significantly outperform the Eurozone, where GDP rose by just 0.8% year-on-year. The region's largest economy, Germany, grew by 0.3%, down from 0.4% in the prior period, while growth also slowed in France, Italy, the Netherlands, and Belgium. Among major economies, growth accelerated in Spain and Portugal.

Meanwhile, Malta's annual inflation rate rose to 3.2% in May from 3.0% in the previous month, marking the highest level since September 2023. The increase was driven by supply constraints linked to the Middle East conflict. Prices also accelerated in services and non-energy industrial goods, while inflation eased for food, alcohol, and tobacco.

Market Environment and Performance

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%.

On the policy front, a number of ECB members viewed the April decision to keep rates unchanged as a close call and indicated they would have supported a rate hike had it been proposed, according to the latest ECB meeting minutes. Policymakers cautioned that the energy-led supply shock was proving more persistent than initially anticipated, heightening the risk of broader and more entrenched inflationary pressures. At the same time, the conflict in the Middle East was identified as a significant source of uncertainty for both inflation and growth. Members also highlighted the increasingly difficult policy trade-off, with slowing economic activity and weakening confidence occurring alongside elevated inflation risks.

The CC Malta Government Bond Fund saw a 0.70% gain in the month of May.

Fund Performance

Benchmark yields were in recent months driven by developments in the Middle East, alongside economic data releases and central bank policy signals. Inflation accelerated notably, while leading indicators pointed to a sustained contraction in business activity, reflecting the impact of higher energy costs and ongoing supply disruptions on the real economy.

However, cautious optimism surrounding a potential U.S.-Iran agreement helped alleviate inflation concerns and supported demand for government bonds in May. As a result, European sovereign yields generally moved lower, with the German 10-year Bund ending the month at 2.94%, down 10bps from previous month-end. Yields in France, Italy, Spain, and Portugal also declined, with the tightening exceeding that observed in Germany.

Looking ahead, the outlook remains uncertain. While diplomatic efforts have gained momentum, energy prices - although off their recent highs - remain volatile and elevated relative to pre-conflict levels, as energy flows through the Strait of Hormuz continue to face constraints. The broader economic impact will depend largely on the duration and evolution of the conflict. A return to normalised energy markets remains particularly important for Europe, given its reliance on imported energy. Persistently elevated energy prices could continue to fuel inflationary pressures and weigh on consumer spending and broader economic activity.

Against this backdrop, maintaining a vigilant and flexible approach will be essential at fund level. Close monitoring of geopolitical developments, their implications for Europe's economic outlook, and the ECB's forthcoming policy decisions will be key in determining the appropriate duration positioning within the portfolio. In addition, we intend to retain exposure to European sovereign bonds, making use of the permitted 15% allocation.

Market and Investment Outlook

Disclaimer

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