

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
Total Expense Ratio 1.20%
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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Portfolio Statistics

Total Net Assets (in €mns) 27.80
Month end NAV in EUR 97.16
Number of Holdings 37
% of Top 10 Holdings 58.8

Current Yields

Underlying Yield (%) 3.37

Country Allocation¹ % | **By Issuer¹ %** | **Top 10 Exposures %**

Country Allocation ¹	%	By Issuer ¹	%	Top 10 Exposures	%
Malta	83.6	Government of Malta	83.6	1.00% MGS 2031	11.1
Germany	2.9	Kingdom of Spain	8.4	5.25% MGS 2030	8.9
Belgium	2.4	Government of Portugal	3.4	4.50% MGS 2028	8.5
Portugal	1.6	Lyxor Euro	1.7	4.45% MGS 2032	6.4
France	1.1	US Treasury	0.9	4.00% MGS 2033	4.6
Slovenia	0.9	Government of Italy	0.5	4.30% MGS 2033	4.4
Poland	0.8			5.20% MGS 2031	4.2
Croatia	0.8			5.10% MGS 2029	4.0
Hungary	0.8			4.10% MGS 2034	3.5
Italy	0.8			4.65% MGS 2032	3.3

¹ including exposures to CIS

Currency Allocation % | **Asset Allocation %** | **Maturity Buckets² %**

Currency Allocation	%	Asset Allocation	%	Maturity Buckets ²	%
EUR	98.8	Cash	1.6	0 - 5 years	17.5
USD	1.2	Bonds	96.7	5 - 10 years	64.5
		CIS/ETFs	1.7	10 years +	14.7

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

Historical Performance to Date



Source: Calamatta Cuschieri Investment Management Ltd.

Regional Allocation^{1,3} %

Region	%
Malta	85.1
Europe (excl. Malta)	14.0
North America	0.9

³ Malta exposure includes Cash Holdings

By Credit Rating %

Credit Rating	%
AAA-A	93.9
BBB	2.6
BB	0.0
B	0.0
Less than B	0.0
Not Rated	1.9

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception***
Share Class A - Total Return**	-0.77	3.82	2.72	-14.04	-3.04	1.31	-0.37

Total Return	1-month	3-month	6-month	9-month	12-month
Share Class A - Total Return**	-0.77	0.08	2.09	3.60	3.69

* 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

In 2024, Malta's economy sustained its growth trajectory, driven by strong domestic demand and solid export performance. Tourism arrivals to Malta remained on the rise, while employment stayed robust, with unemployment falling to 3.1%.

Malta's economy grew by 4.9% (annualized) in the third quarter of 2024, following an upwardly revised 8% increase in the previous quarter. This marked the slowest growth rate since the fourth quarter of 2022, influenced by a slowdown in household consumption. At the same time, imports grew at a faster pace than exports. However, both government spending and gross fixed capital formation showed stronger growth.

Inflation pressures on consumers also eased, with the annual inflation rate dropping to 1.8% in December from 2.1% in the previous month. This was the lowest inflation rate in nearly three years, as prices for food & non-alcoholic beverages, alcoholic beverages & tobacco, and transport all moderated.

The US economy maintains a steady growth trajectory, bolstered by positive leading indicators, particularly the recent Purchasing Managers' Index (PMI) figures.

In Europe, the economic picture is brightening after stagnation in Q4 2024. Eurozone private sector activity expanded for the first time since August 2024, driven by a resurgent services sector that offset continued weakness in manufacturing. Despite this improvement, growth remains uneven, concentrated outside the Eurozone's largest economies, which continue to struggle. Overall demand remains soft.

Inflation, previously noting a substantial decline due to base effects (particularly on energy), rose for a fourth straight month to 2.5% in January 2025, the highest since July. Core inflation remained steady at 2.7% while services inflation edged lower to 3.9% from 4.0% in the previous month.

The labour market, a beacon of hope for the Eurozone, remained healthy, with the unemployment rate revolving at notable lows (6.3% in December), and significantly below a 20-year average of 9.3%.

The CC Malta Government Bond Fund headed lower in January (-0.77%), in line with moves observed amongst European sovereigns which, overall, saw yields widen.

The credit market narrative at the start of the year remained largely unchanged, with investor attention focused on the dynamic political landscape, central bank policies, and economic data.

Economic indicators, both leading and lagging, continue to emphasize a regional divergence. Despite the Federal Reserve's "higher for longer" approach, the US maintains broad-based strength, with consumer demand staying robust. In mainland Europe, growth appears stagnant overall. However, this does mask stark regional divergences. As Spain continues to out-grow its regional peers, the German economy remains an underperformer with its labour market on the verge of deteriorating. As a result, there is clearly scope for the ECB to ease policy further.

Locally, we expect Malta's economy to continue performing well. Recent data has been promising, with easing price pressures and tax cuts set to be implemented in 2025, which should support domestic consumer spending. Additionally, the strong influx of tourists in 2024 is a positive sign. Optimism within the tourism sector is expected to grow, benefiting the economy further if this upward trend continues.

In line with recent portfolio adjustments, we will continue to modify the portfolio's duration as deemed necessary and appropriate. Additionally, we aim to maintain the fund's exposure to other European sovereigns, utilizing the permitted 15% maximum allocation.

Market Environment and Performance

Fund Performance

Market and Investment Outlook

Disclaimer

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