

**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



**Portfolio Statistics**

Total Net Assets (in €mns) 27.14  
Month end NAV in EUR 97.66  
Number of Holdings 36  
% of Top 10 Holdings 60.6

**Current Yields**

Underlying Yield (%) 3.33

**Country Allocation<sup>1</sup>** %

Malta	83.3
Belgium	2.5
Germany	1.9
Portugal	1.6
France	1.1
Slovenia	0.9
Poland	0.9
Hungary	0.8
Croatia	0.8
Italy	0.8

<sup>1</sup> including exposures to CIS

**Currency Allocation** %

EUR	99.1
USD	0.9

**By Issuer<sup>1</sup>** %

Government of Malta	83.3
Kingdom of Spain	8.6
Government of Portugal	2.4
Lyxor Euro	1.8
US Treasury	0.9
Government of Italy	0.5

**Asset Allocation** %

Cash	2.4
Bonds	95.8
CIS/ETFs	1.8

**Top 10 Exposures** %

1.00% MGS 2031	11.6
5.25% MGS 2030	9.2
4.50% MGS 2028	8.7
4.45% MGS 2032	6.4
4.00% MGS 2033	4.8
4.30% MGS 2033	4.6
5.20% MGS 2031	4.2
5.10% MGS 2029	4.1
4.10% MGS 2034	3.6
4.65% MGS 2032	3.5

**Maturity Buckets<sup>2</sup>** %

0 - 5 years	18.0
5 - 10 years	66.5
10 years +	11.3

<sup>2</sup> based on the Next Call Date (also includes cash)

**Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

**Regional Allocation<sup>1,3</sup>** %

Malta	85.7
Europe (excl. Malta)	13.4
North America	0.9

<sup>3</sup> Malta exposure includes Cash Holdings

**By Credit Rating** %

AAA-A	92.8
BBB	2.7
BB	0.0
B	0.0
Less than B	0.0
Not Rated	2.0

**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**	-0.26	3.82	2.72	-14.04	-3.04	1.31	-0.30
Total Return	1-month	3-month	6-month	9-month	12-month		
Share Class A - Total Return**	0.51	-0.25	1.68	4.35	5.14		

\* 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 2.8% (annualized) in the fourth quarter of 2024, slowing from a 4.9% gain in the previous three-month period. This marked the weakest expansion since Q1 of 2021, influenced by a slowdown in household consumption. At the same time, government spending (2.2% vs 1.4%) increased at a faster pace. On net external demand, exports remained unchanged while imports ticked lower.

Inflation pressures on consumers also eased, with the annual inflation holding steady at 1.8% in January from 2.1% in the previous month. This was the lowest inflation rate in over three years, as prices for food & non-alcoholic beverages, housing & utilities, and recreation all moderated.

### Market Environment and Performance

In Europe, the economic picture is brightening after stagnation in Q4 2024. February's PMI reading remaining steady at 50.2, unchanged from the previous month, and indicating a marginal economic growth in the bloc. Spain led the expansion with a strong and accelerating rise in business activity, while Ireland also saw faster growth, and Italy returned to expansion for the first time in four months. In contrast, Germany experienced only modest growth, and France's activity continued to decline.

On the price front, inflation eased to 2.4%, down from a six-month high of 2.5% but slightly above market expectations of 2.3%, as price growth slowed for services and energy. Core inflation which excludes volatile energy, food, alcohol & tobacco prices, fell to 2.6% in February, the lowest since January 2022.

The labour market, remained healthy, with the unemployment rate revolving at notable lows (6.2% in January), and significantly below the 20-year average.

### Fund Performance

The CC Malta Government Bond Fund rose by 0.51% in February, mirroring the trend of decreasing yields in European government bonds. This resulted in an 18bps gain over its internally compared benchmark.

### Market and Investment Outlook

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. The US, despite the Federal Reserve's "higher for longer" stance, continues to demonstrate resilient broad-based strength, underpinned by a robust labour market that has thus far supported consumer spending. Meanwhile, Europe has shown tentative signs of growth acceleration following a Q4 2024 stagnation, with private sector activity in expansionary territory for the second consecutive month.

Locally, we expect Malta's economy to continue performing well. The sustained decline in inflation, coupled with recent tax cuts, shall bolster 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.

### Disclaimer

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