

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

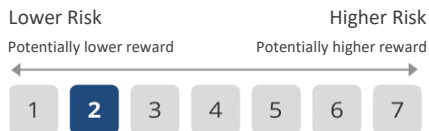
ISIN MT7000022281
Bloomberg Ticker CCMIFAB MV

Charges

Entry Charge Up to 2.5%
Exit Charge None
Total Expense Ratio 2.03%
Currency fluctuations may increase/decrease costs.

Risk and Reward Profile

This section should be read in conjunction with the KID



Portfolio Statistics

Total Net Assets (in €mns) 16.96
Month end NAV in EUR 83.02
Number of Holdings 73
% of Top 10 Holdings 43.4

Current Yields

Underlying Yield (%) 3.16
Distribution Yield (%) 4.25

Country Allocation¹ %

Malta	94.5
Other	5.5

Currency Allocation %

EUR	99.9
-----	------

Top 10 Issuers² %

GO plc	5.8
Central Business Centres	4.8
Bank of Valletta plc	3.5
SD Finance plc	3.2
Stivala Group Finance plc	2.5
PG plc	2.1
Malta International Airport plc	2.0
Hili Properties plc	1.8
Malita Investments plc	1.8
JD Capital plc	1.6

Asset Allocation³ %

Cash	0.0
Bonds	80.4
Equities	19.5

¹ including exposures to CIS and Cash

² including exposures to CIS, excluding Cash

³ including exposures to CIS

Top 10 Exposures %

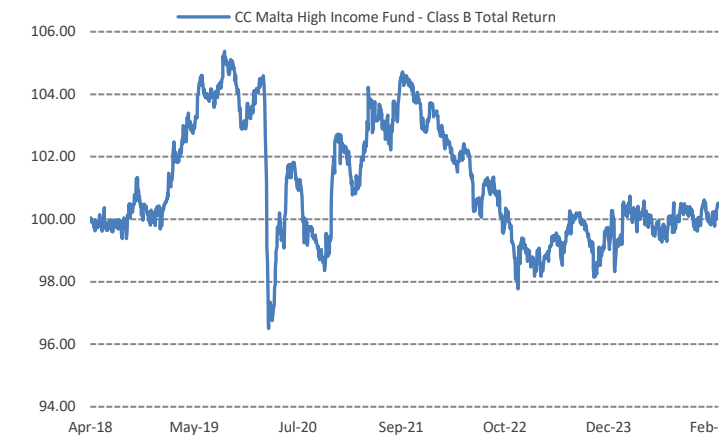
4.00% Central Business Centres 2033	4.0
3.90% Browns Pharma 2031	3.5
4.65% Smartcare Finance plc 2031	3.3
4.35% SD Finance plc 2027	3.2
3.50% GO plc 2031	3.2
4.50% Endo Finance plc 2029	3.0
3.75% Tum Finance plc 2029	3.0
5.90% Together Gaming Solution 2026	2.7
GO plc	2.7
Harvest Technology plc	2.6

Maturity Buckets⁴ %

0 - 5 years	40.6
5 - 10 years	36.2
10 years +	0.6

⁴ based on the Next Call Date

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation³ %

Financial	55.2
Consumer, Non-Cyclical	9.6
Consumer, Cyclical	9.4
Communications	8.2
Industrial	7.0
Technology	4.7
Funds	2.9
Government	1.9
Energy	1.1

Performance History

Past performance does not predict future returns

Calendar Year Performance	YTD	2024	2023	2022	2021	2020	Annualised Since Inception **
Total Return***	0.00	0.23	1.03	-4.30	1.07	-1.05	0.07

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	0.65	0.73	0.73	0.42	0.43

*The Distributor Share Class (Class B) 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

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

In February, the Malta High Income Fund registered a gain of 0.65% for the month, underperforming its internally compared benchmark which saw a gain of 1.49%. This underperformance was primarily due to the equity market's strong 4.18% return.

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

This document has been prepared for information purposes and should not be interpreted as investment advice nor to constitute an offer or an invitation by Calamatta Cuschieri Investment Management Limited ("CCIM") to any person to buy or sell units in the UCITS fund. Please refer to the Prospectus of the UCITS and any Offering Supplement thereto and to the Key Investor Information Document before making any final investment decisions which may be obtained from www.ccfunds.com.mt or from the below address. Investors are advised that an investment in the fund relates to the acquisition of units in the UCITS fund, and not in any of the underlying assets owned by the UCITS. CC Funds SICAV p.l.c. is licensed as a Collective Investment Scheme by the Malta Financial Services Authority under the Investment Services Act and qualifies as a 'Maltese' UCITS. CCIM is licensed to conduct Investment Services in Malta by the Malta Financial Services Authority under the Investment Services Act.

This document may not be reproduced either in whole, or in part, without the written permission of CCIM. CCIM does not accept liability for any actions, proceedings, costs, demands, expenses, loss or damage arising from the use of all or part of this document.

Address: Calamatta Cuschieri Investment Management Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034.