

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

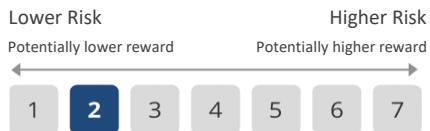
ISIN MT7000022281
Bloomberg Ticker CCMIFAB MV

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) 16.71
Month end NAV in EUR 82.87
Number of Holdings 72
% of Top 10 Holdings 44.2

Current Yields

Underlying Yield (%) 3.13
Distribution Yield (%) 4.25

Country Allocation¹ %

Malta	95.5
Other	4.5

Currency Allocation %

EUR	99.9
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Top 10 Issuers² %

GO plc	6.1
Central Business Centres	5.1
Bank of Valletta plc	3.7
SD Finance plc	3.3
Stivala Group Finance plc	2.7
PG plc	2.2
Malta International Airport plc	2.0
Hili Properties plc	1.9
Malita Investments plc	1.8
JD Capital plc	1.7

Asset Allocation³ %

Cash	0.1
Bonds	79.7
Equities	20.1

¹ including exposures to CIS and Cash

² including exposures to CIS, excluding Cash

³ including exposures to CIS

Top 10 Exposures %

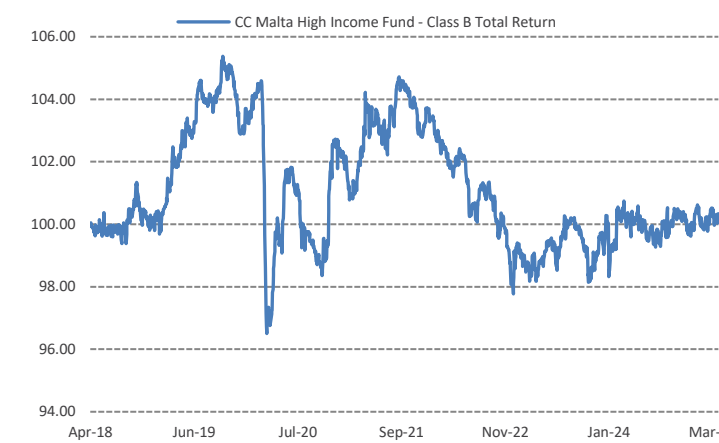
4.00% Central Business Centres 2033	4.3
3.90% Browns Pharma 2031	3.7
4.65% Smartcare Finance plc 2031	3.4
3.50% GO plc 2031	3.3
4.35% SD Finance plc 2027	3.3
3.75% Tum Finance plc 2029	3.2
4.50% Endo Finance plc 2029	3.0
Harvest Technology plc	2.8
GO plc	2.7
4.00% Stivala Group Finance plc 2027	2.7

Maturity Buckets⁴ %

0 - 5 years	39.4
5 - 10 years	38.0
10 years +	0.6

⁴ based on the Next Call Date

Historical Performance to Date**



Source: Calamatta Cuschieri Investment Management Ltd.

Sector Allocation³ %

Financial	57.7
Consumer, Non-Cyclical	9.9
Consumer, Cyclical	9.7
Communications	8.6
Industrial	7.2
Technology	2.1
Government	2.0
Funds	1.7
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***	-0.18	0.23	1.03	-4.30	1.07	-1.05	0.05

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	-0.18	-0.18	-0.08	0.47	0.06

*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 2.9%.

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 rose, with the annual inflation rising to 2.0% in February from 1.8% in the previous month. This marked the highest reading since November 2024, as prices accelerated for food and non-alcoholic beverages, recreation and culture, and restaurants and hotels.

Market Environment and Performance

In Europe, the economic outlook improved after stagnation in Q4 2024. PMI readings remained in expansionary territory since the start of the year. March's Composite PMI edged up to 50.9 from 50.2 in January and February, pointing to a modest expansion across the euro area. Spain led the recovery with strong and accelerating business activity throughout the quarter. In Germany, March data signaled the strongest private sector expansion in ten months, as the manufacturing slump eased and production rose for the first time in nearly two years. France, however, remained an outlier, recording a seventh consecutive month of contraction in private sector activity.

On the price front, inflation continued to decline, reinforcing confidence that the disinflation process is on track and converging toward the ECB's medium-term target of 2%. In March, annual inflation fell to 2.2%, the lowest level since November 2024. Services inflation also eased to a 33-month low, falling to 3.4% from 3.7% in February.

The labour market, remained healthy, with the unemployment rate revolving at notable lows (6.1% in February), and significantly below the 20-year average.

Fund Performance

In March, the Malta High Income Fund registered a loss of 0.19% for the month, marginally underperforming its internally compared benchmark which saw a loss of 0.10%. The underperformance was mainly driven by the equity market's positive performance, which contrasted with the negative returns seen in fixed income.

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 displayed early signs of a pickup in growth following stagnation in Q4 2024, with private sector activity remaining in expansionary territory throughout the first quarter.

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 increase the fund's exposure to non-Maltese assets, utilizing the permitted 15% maximum allocation.

Disclaimer

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