JAMIESON COOTE BONDS

Fund Update as at 30 June 2025
CC JCB Global Bond Fund - Hedged Class (APIR: CHN4711AU)

Fund Benefits

Active Management
JCB is a specialist fixed income manager with significant global investment management experience and expertise.

Access
The Fund provides access to investment knowledge, markets, opportunities and risk management systems that individual investors may not be able to obtain on their own.

Diversification and Income
When bonds are held as part of a broader portfolio of different asset classes, diversification may assist in managing market volatility. Bond securities in general are considered a defensive asset class.The income generated by bond securities is consistent and regular (usually semi-annual).

Fund Facts

Investment Manager	Channel Investment Management Ltd
Underlying Fund Investment Manager	JamiesonCooteBonds Pty Ltd or JCB (Portfolio Manager: Charles Jamieson)
Structure / Underlying Fund	The Fund invests into the CC JCB Active International Bond SP (in USD)
Inception Date^	25 February 2019
Benchmark	Bloomberg Global G7 TRI Value Hedged AUD
Management Fee#	0.15% p.a.
Administration Fee#	0.10% p.a.
Indirect Costs#	0.34% p.a.
Buy / Sell Spread	0.05% / 0.05%
Distributions	Semi-annual
Fund Size+	AUD $42.5 million

Fund Performance

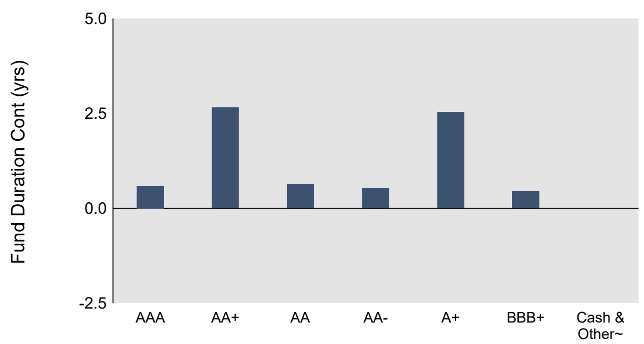
Returns (After fees)	Fund*	Benchmark**
1 Month	0.88%	0.86%
3 Months	1.20%	1.12%
1 Year	4.98%	3.90%
2 Years p.a.	2.88%	2.23%
3 Years p.a.	1.13%	0.62%
5 Years p.a.	-1.44%	-1.65%
Inception p.a.	0.40%	0.14%

Fund Overview

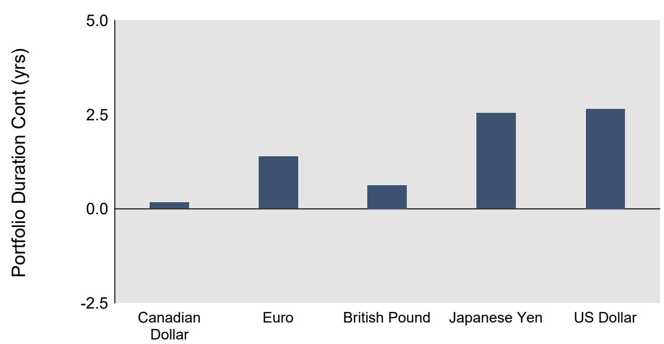
Characteristics	Fund	Benchmark
Modified Duration (yrs)***	7.37	7.05
YTM + Hedging Effect^^	4.63	4.06
Weighted Ave. Credit Rating***	AA-	AA

^^ Data refers to CC JCB Global Bond Fund - Hedged Class (APIR: CHN4711AU) and Bloomberg Global G7 TRI Value Hedged AUD.
Source: JamiesonCooteBonds Pty Ltd.
See Definition of Terms.

Asset Allocation by Credit Rating (Duration Contribution)***



Asset Allocation by Currency (Duration Contribution)***



Platform Availabilty

Asgard	Ausmaq	Aust Money Market
BT Panorama	HUB24	Implemented Portfolios
Mason Stevens	Netwealth	Powerwrap
Praemium	uXchange	Xplore Wealth

Further Information

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All figures disclosed include the net effect of GST and RITC. ^ Inception Date for performance calculation purposes. + Fund size refers to the CC JCB Global Bond Fund ARSN 631 235 553. * Performance is for the CC JCB Global Bond Fund - Hedged Class (APIR: CHN4711AU), also referred to as Class A units, and is based on month end unit prices before tax in Australian Dollars. Net performance is calculated after management fees and operating costs. Individual Investor level taxes are not taken into account when calculating returns.This is historical performance data. It should be noted the value of an investment can rise and fall and past performance is not indicative of future performance. ** Benchmark refers to the Bloomberg Global G7 TRI Value Hedged AUD. *** Data refers to Underlying Fund, CC JCB Active International Bond Segregated Portfolio (in USD); and where applicable, Underlying Benchmark, Bloomberg Global G7 TRI Value Hedged USD. ~ Cash & Other includes cash at bank, outstanding settlements and futures margin accounts.

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Market Review & Outlook

Global yields drifted lower through June, led by moves in U.S. Treasuries, as softer inflation readings and dovish signals from central banks buoyed expectations of earlier policy easing. Despite sporadic geopolitical flare-ups, particularly the brief kinetic conflict between Iran and Israel, investor focus remained firmly on macroeconomic data and monetary policy outlooks.

In the U.S., the 10-year Treasury yield moved within a range of 4.22% to 4.52%, ultimately settling near the lows at 4.23%, 19 basis points lower than levels seen at the end of May. This decline came amid mixed data in early June, including a weak ISM services print contrasted by stronger-than-expected payrolls. However, subsequent releases of core CPI and PPI—both rising only 0.1% month-on-month—reinforced the case for policy easing, pushing yields lower and lifting market-implied rate cut expectations.

Australian bond markets followed the global lead but underperformed slightly in relative terms. The 10-year Australian Commonwealth Government Bonds futures implied yield traded between 4.10% and 4.35%, closing at 4.19%—a modest 5 basis point (bp) decline from the prior month. The 3-year futures yield similarly eased by 7bp to finish at 3.26%. Domestically, the softer-than-anticipated Q1 GDP and May monthly CPI contributed to a repricing in the OIS curve, with markets now pricing 80bp of interest rate cuts—an increase of 5bp over the month. Notably, temporary factors such as Cyclone Alfred and the Easter/ANZAC holiday timing likely distorted some of this data.

Geopolitical risks were a short-term influence, with U.S. Treasury yields briefly falling during Asian trading hours in response to the 12-day Iran–Israel conflict. However, these moves were typically reversed once U.S. trading resumed, and ultimately, bond and oil markets ended the month largely unmoved by the developments.

The US Federal Reserve (US Fed) left policy unchanged at 4.25–4.50%, as widely expected, but the updated dot plot now indicates only one interest rate cut in 2026 instead of two. US Fed Chairman Jerome Powell struck a cautious tone regarding trade tariffs, although his later testimony before Congress acknowledged that the data was leaning in favor of faster cuts. Other US Fed officials, including Governors Bowman and Waller, similarly argued for an accelerated pace of easing. Consequently, the market is now pricing 60bp of cuts in 2025, up from 45bp just a month earlier.

On a cross-market basis, Australian rates underperformed the U.S., resulting in a wider 10 year AU–U.S. bond spread, now at -12bp. Furthermore, the market-implied RBA terminal rate fell to 2.9%, under our 3.1% forecast, reflecting an increasingly dovish domestic outlook.

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Fund Review

For the month ending June, the CC JCB Global Bond Fund - Hedged Class returned 0.88% (after fees), outperforming the Bloomberg Global G7 Total Return Index Value Hedged AUD.

June delivered a mix of subdued economic signals and geopolitical turbulence. While inflation and growth indicators softened across Australia and the US, central banks held steady, signalling patience. Meanwhile, markets absorbed a brief but intense conflict between Iran and Israel with surprising resilience, as risk sentiment remained intact and volatility proved short-lived. The month closed with investors recalibrating expectations around policy easing and global stability.

The mid-June conflict between Iran and Israel prompted a swift but ultimately contained market reaction. Oil prices initially surged by approximately 7% on the day of escalation, reflecting concerns over potential supply disruptions. However, prices quickly reversed, falling over 2% the following session as de-escalation signals emerged from Tehran. This rapid normalisation in commodity markets helped anchor broader risk sentiment. US Federal Reserve (US Fed) Chairman Jerome Powell noted that while current data "make a good argument" for interest rates being at neutral, the US Fed is not yet convinced due to inflation forecasts. He specifically referenced tariff-related inflation, stating that the US Fed expects it "to show up more" but remains uncertain about the extent of pass-through to consumers. Powell also indicated that if inflation pressures remain contained, the US Fed could cut interest rates "sooner rather than later". Officials acknowledged the risks but emphasized the need for clear evidence before adjusting policy. This reinforces a constructive backdrop for bond markets, where geopolitical volatility is being absorbed without triggering a shift in the US Fed's core policy trajectory.

The Underlying Fund benefited from Italian and Japanese positions through the month which continue to offer compelling returns on an FX hedged basis and this should continue to remain in the foreseeable future – the Italian market continues to be supported from offshore and domestic investors. Japan reduced the issuance in the 20-year tenor going forward which will alleviate the supply concerns that have plagued the long end for the majority of the year. The Underlying Fund had an overweight bias for the majority of the month in US Treasuries along with tactical positioning in that market was additive to alpha. The Underlying Fund was positioned with a steepening bias which was under question early in the month, however softening inflation numbers and dovish comments from potential US Fed Chairman Powell replacements – Governors Waller and Bowman, gave the front end a bid into month end.

Definition of Terms:

Modified Duration - is a systematic risk or volatility measure for bonds. It measures the bond portfolio's sensitivity to changes in interest rates.
YTM + Hedging Effect - is the total return anticipated on the portfolio if the bond holdings were held until their maturity, including the cost or benefit associated with the currency hedge.
Weighted Average Credit Rating - is a measure of credit risk. It refers to the weighted average of all the bond credit ratings in a bond portfolio.
Duration Contribution - refers to the portion of the overall duration attributable to the segment (i.e. credit rating or sector) in years. Contribution to duration is calculated by multiplying an instruments duration by the percentage weight of the instrument in the portfolio. This calculation includes the contribution to duration by holding futures contracts.

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Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML') is the Responsible Entity and issuer of units in the CC JCB Global Bond Fund ARSN 631 235 553 ('the Fund'). The appointed Investment Manager is JamiesonCooteBonds Pty Ltd ACN 165 890 282 AFSL 459018 ('JCB'). The Fund invests into the CC JCB Active International Bond Segregated Portfolio ('Underlying Fund'). Neither CIML or JCB, their officers, or employees make any representations or warranties, express or implied as to the accuracy, reliability or completeness of the information contained in this report and nothing contained in this report is or shall be relied upon as a promise or representation, whether as to the past or the future. Past performance is not a reliable indication of future performance. This information is given in summary form and does not purport to be complete. Information in this report, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling units in the Fund and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. Readers are cautioned not to place undue reliance on forward looking statements. Neither CIML nor JCB have any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date of this report. For further information and before investing, please read the Product Disclosure Statement available at www.channelcapital.com.au. A Target Market Determination for the Fund is available at www.channelcapital.com.au

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