JCB

JAMIESON COOTE BONDS

Fund Update as at 30 June 2025
CC JCB Active Bond Fund (APIR: CHN0005AU)

Fund Performance

Returns	1 month	3 months	FYTD	1 year	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a. (03-Aug-2016)
Fund Net Return[1]	0.83%	2.49%	5.67%	5.67%	2.98%	-1.06%	1.29%	1.31%
Benchmark Return[2]	0.78%	2.63%	6.23%	6.23%	3.28%	-0.73%	1.56%	1.40%

Fund Benefits

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

Superior Liquidity and Credit Quality
A domestic high grade bond strategy that invests in Australian Government, semi-Government and supranational bonds (AAA or AA rated securities), providing investors with superior liquidity and credit quality.

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

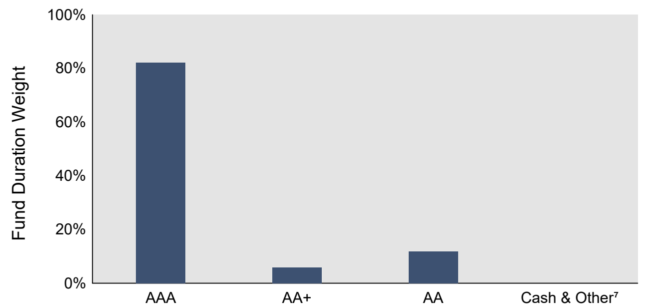
Investment Manager	JamiesonCooteBonds Pty Ltd
Structure	AAA or AA rated bond securities issued in Australian dollars
Inception Date	03 Aug 2016 [3]
Benchmark	Bloomberg AusBond Treasury 0+ Yr Index
Management Fee	0.45% p.a.[4]
Administration Fee	0.10% p.a.[4]
Buy / Sell Spread	0.05% / 0.05%
Distributions	Semi-annual
Fund Size	AUD $1,139 million [5]

Fund Characteristics

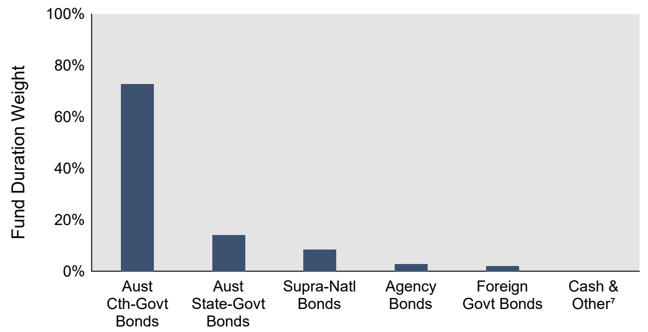
Characteristics[6]	Fund	Benchmark[2]
Modified Duration (yrs)	5.71	5.23
Yield to Maturity (%)	3.89	3.67
Weighted Ave. Credit Rating	AAA	AAA
Cash Weighting (%)	0.24	n/a

Source: JamiesonCooteBonds Pty Ltd.

Allocation by Rating (Duration Weight)[6]



Allocation by Sector (Duration Weight)[6]



Platform Availabilty

AMP MyNorth	Asgard	Ausmaq
Aust Money Market	BT Panorama	Colonial First Wrap
HUB24	Implemented Portfol	Macquarie Wrap
Mason Stevens	MLC Navigator	MLC Wrap
Netwealth	PowerWrap	Praemium
uXchange	Xplore Wealth	

Further Information

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[1] Performance is for the CC JCB Active Bond Fund (APIR: CHN0005AU), 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. [2] Benchmark refers to the Bloomberg AusBond Treasury 0+ Yr Index. [3] Inception Date for performance calculation purposes. [4] All figures disclosed include the net effect of GST and RITC. [5] Fund size refers to the CC JCB Active Bond Fund ARSN 610 435 302. [6] Refer to Definition of Terms. [7] Cash & Other includes cash at bank, outstanding settlements and futures margin accounts.

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Jamieson Coote Bonds

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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 Active Bond Fund - Class A units (the Fund) returned 0.83% (after fees), outperforming the Bloomberg AusBond Treasury (0+Yr) Index.

Q2 2025 proved to be one of the most turbulent quarters in recent memory, though asset performance suggested otherwise. Markets were shaken early in April by the announcement of sweeping reciprocal U.S. tariffs, which triggered the S&P 500's fifth-largest two-day decline since World War II. The sell-off extended to bond markets, with long-end Treasury yields briefly breaching 5%. However, sentiment quickly recovered following President Donald Trump's decision to delay the tariffs for 90 days, prompting a powerful relief rally that saw the S&P 500 post a +10.9% total return for the quarter and close at a fresh all-time high.

June was marked by a convergence of softening macroeconomic indicators, measured central bank communication, and transient geopolitical volatility. Inflation data in both Australia and the United States continued to moderate, while growth remained subdued. Central banks maintained a cautious stance, acknowledging risks but refraining from premature policy shifts. Geopolitical risk flared in June as Israel launched airstrikes against Iran's nuclear facilities, provoking retaliatory strikes. Oil prices spiked, with Brent crude surging +7% in a single session, the biggest one-day move since 2022. However, a ceasefire agreement swiftly cooled tensions, leading to a retracement in energy prices. Despite the severity of the conflict, markets ultimately viewed the flare-up as contained. Bond markets finished the quarter with a solid month of performance, in what has been a solid financial year of performance, playing their part within investment portfolios.

The portfolio held a core overweight to the belly of the curve through the month, acknowledging that central bank easing cycles are well priced and front ends (the 0-3 year part of the curve) may struggle to continue to rally, while the longer end of the curve is at the mercy of global fears of fiscal deficits worsening. The 10 year Australian Commonwealth Government Bonds traded a fairly tight range over the month, which was traded dynamically on the back of technical indicators and supply events. The portfolio added semi-government risk over the month via the South Australian Financial Authority 2033 syndication and also Treasury Corporation of Victoria 2033s, which provide attractive entry levels for carry and roll.

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.
Yield to Maturity - is the total return anticipated on the portfolio if the bond holdings were held until their maturity.
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 Weight - refers to the portion of the overall duration attributable to the segment (i.e. credit rating or sector), as a percentage of overall portfolio duration. 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