JAMIESON COOTE BONDS

CC JCB Dynamic Alpha Fund (APIR: CHN8607AU)
Fund Update as at 31 July 2025

Fund Performance

Returns	1 month	3 months	6 months	FYTD	1 year	3 years p.a.	5 years p.a.	Since inception p.a. (30-Dec-2019)
Fund Net Return[1]	0.47%	0.99%	2.09%	0.47%	3.97%	3.82%	2.66%	3.10%
Benchmark Return[2]	0.33%	0.99%	2.01%	0.33%	4.27%	3.94%	2.40%	2.18%

Fund Benefits

Active Management

The CC JCB Dynamic Alpha Fund is designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. JCB applies a range of hand-picked risk-controlled investment strategies to a universe of global high grade sovereign bonds (i.e. anchored by G7 nations, as well as Australia). It offers a high level of liquidity in Government issued instruments, without corporate credit exposure.

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

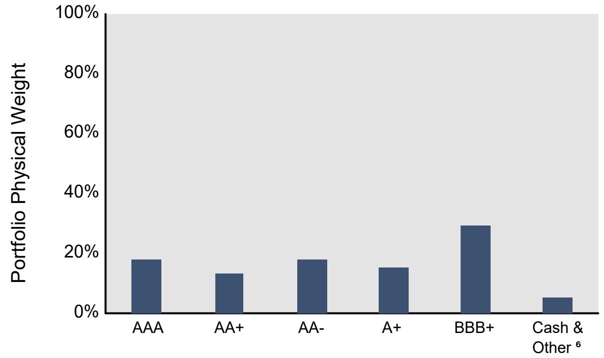
Investment Manager	JamiesonCooteBonds Pty Ltd
Portfolio Managers	Charles Jamieson & Chris Manuell
Style	Global absolute return bond fund - concentrating on actively managing global high grade sovereign bonds
Objective	Outperform the RBA Cash Rate by 2.50% p.a. (after fees) over rolling 3 year periods
Inception Date	30 Dec 2019 [3]
Benchmark	RBA Cash Rate
Management Fee	0.58% p.a.[4]
Administration Fee	0.10% p.a.[4]
Buy / Sell Spread	0.05% / 0.05%
Distributions	Quarterly
Fund Size	AUD $105 million [5]

Fund Characteristics

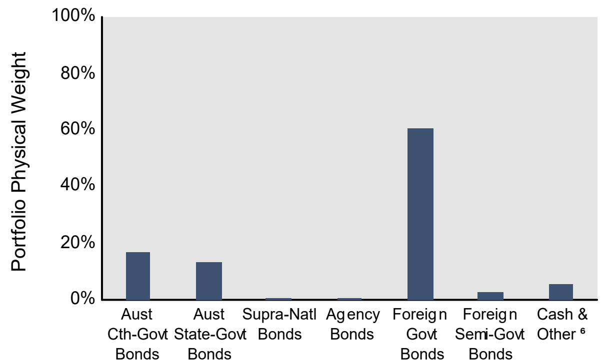
Characteristics	Fund
Modified Duration (yrs)	0.74
YTM + Hedging Effect	4.44
Weighted Ave. Credit Rating	AA-

Source: JamiesonCooteBonds Pty Ltd.
See Definition of Terms.

Asset Allocation by Credit Rating (Physical Weight)



Asset Allocation by Sector (Physical Weight)



[1] Performance is for the CC JCB Dynamic Alpha Fund (APIR: CHN8607AU), also referred to as Class A units, and is based on month end unit prices in Australian Dollars. Net performance is calculated after management fees and operating costs. Individual investor level taxes are not taken into account when calculating net 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 RBA Cash Rate Total Return Index. The comparison to the RBA Cash Rate is displayed as a reference to the target return for the Fund and is not intended to compare an investment in the Fund to a cash holding. [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 Dynamic Alpha Fund ARSN 637 628 918. [6] Cash & Other includes cash at bank, outstanding settlements and futures margin accounts.

Jamieson Coote Bonds

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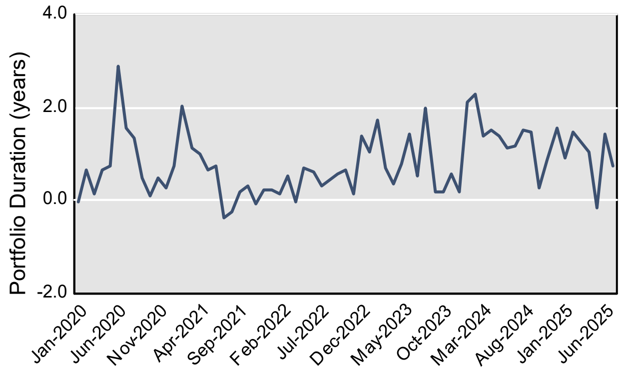
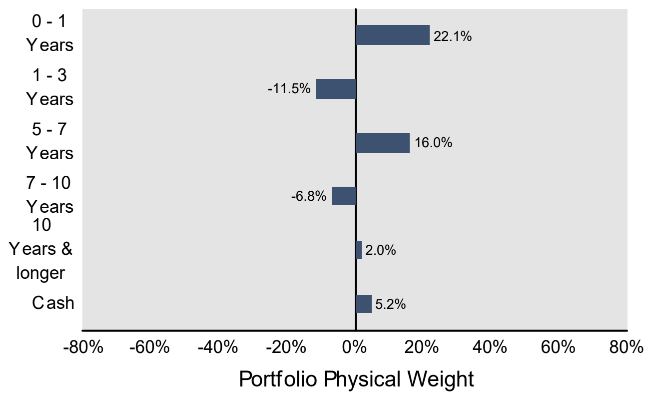
Historic Portfolio Duration#



Asset Allocation by Duration (Physical Weight)*



Data shown is for underlying assets of the CC JCB Dynamic Alpha Fund

*Asset allocation totals (Duration Band) are the net position of physical bond and bond futures exposure and will be positive or negative depending on the portfolio positioning as selected by JCB.

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Fund Review

For the month ending July, the CC JCB Dynamic Alpha Fund – Class A units (the Fund) returned 0.47% (after fees), outperforming the RBA Cash Rate Total Return Index.

Global bond markets experienced notable volatility in July, with yield curves across major developed markets reflecting a mix of macroeconomic uncertainty, central bank policy signals, and geopolitical developments.

The portfolio benefited from European positions, which remain a core part of the overall portfolio, while US Treasuries and the Australian Dollar were a slight drag during the month. Anticipated price action from domestic supply in both the Australian Commonwealth Government Bonds (ACGB) and semi-government markets did not deliver the historical performance that had been expected.

Yields across the US Treasury curve ended the month higher. Early July saw curve steepening driven by uncertainty around tariffs and the US Federal Reserve (US Fed) Chair Jerome Powell's future. The front-end remained resilient, while 30-year yields briefly rose above 5%. Sentiment improved mid-month following trade agreements with the EU and Japan, leading to long-end outperformance.

The US Treasury's quarterly refunding maintained issuance sizes for the sixth consecutive time while increasing long-dated buybacks to support liquidity. The month concluded with a relatively hawkish Federal Open Market Committee meeting, prompting a bear flattening of the curve. Two-year yields rose 7 bps on the day, and market-implied odds of a September interest rate cut fell from 66% to 40%.

German Bund yields steepened early in the month, led by the long-end amid concerns over German tax cuts and increased issuance. The European Central Bank's (ECB) 24 July meeting delivered a hawkish hold, emphasizing economic resilience and the potential for rate hikes if trade tensions ease. This shifted front-end yields higher and flattened the 2-10-year spread by 12 bps to 73 bps. Meanwhile, Italian BTP-German Bund spreads continued to tighten, now around 80 bps at the 10-year point.

Domestically, monetary policy took a surprising turn as the Reserve Bank of Australia (RBA) held the cash rate at 3.85% on 8 July, defying market expectations of a 25 bps cut. RBA Governor Michele Bullock maintained a hawkish tone, emphasizing the need for caution despite soft CPI data. However, market pricing now reflects near certainty of an interest rate cut in August, with terminal rate expectations rising to 3.1% from 2.9% through the month.

Portfolio positioning has adapted, favouring mid-curve duration domestically and tactical cross-market trades globally, as investors navigate a landscape of policy inflection, rising volatility, and evolving risk correlations.

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Market Review & Outlook

The latest US employment report has sent tremors through financial markets and political circles alike, but not for the usual reasons. While the Bureau of Labor Statistics (BLS) routinely revises its data, this month's downward adjustment to the three-month average became a flashpoint when President Donald Trump abruptly fired BLS Commissioner Erika McEntarfer, alleging—without evidence—that the figures were manipulated for "political purposes."

The backlash was swift and fierce. Former BLS head Robert Reich labelled the move "treasonous," underscoring the gravity of undermining a statistical institution long regarded as apolitical and sacrosanct. Yet, the implications of this episode extend far beyond the BLS. They strike at the heart of the US Federal Reserve's independence and foreshadow a potential structural overhaul of the central bank itself.

Ironically, the revised jobs data may offer President Trump the monetary easing he has long demanded. Softer employment figures could embolden dovish voices within the Federal Open Market Committee (FOMC), potentially justifying rate cuts that Trump has been urging since January. But the real story lies in how Trump's actions—and his latest nominee to the Fed Board—could reshape the institution's very foundations.

Enter Stephen Miran, a former Treasury official and vocal advocate for aggressive monetary easing. Though his confirmation may not be completed in time for the September FOMC meeting, Miran's appointment signals a shift in the ongoing tug-of-war between the Fed and the White House. His presence on the Board, even if brief—his term ends in January—injects a reformist agenda into the Fed's deliberations, one that could redefine its relationship with the executive branch.

Miran co-authored a 2024 paper proposing sweeping changes to the Fed's governance model. His concept of "monetary federalism" aims to insulate monetary policy from short-term political pressures. Yet paradoxically, the reforms he advocates would dramatically increase presidential influence over the Fed. These include granting the president at-will authority to dismiss Board members and Reserve Bank presidents, shifting regulatory oversight to the Treasury, and placing the Fed's operating budget under congressional control.

Such reforms would mark a seismic shift in the balance of power. The Fed, traditionally shielded from political interference, could become a tool of executive policy. While Miran frames these changes as enhancing accountability, critics warn they would erode the Fed's independence and politicise monetary policy.

The broader context amplifies these concerns. Trump's erratic tariff policies, the lingering Epstein scandal, and a cabinet often accused of turning a blind eye to institutional norms have already shaken investor confidence. The sanctity of economic "truths"—like employment data—is under threat, and markets are responding with heightened volatility and risk aversion.

Despite these headwinds, US assets have rallied in recent months, defying expectations of a "sell America" trade. Equities, bonds, and the dollar have all surged, buoyed by hopes of monetary easing and resilient corporate earnings. But this optimism may be fragile. With inflationary pressures expected to remain sticky due to tariff-related cash flows, economists caution against premature pricing of further Fed rate cuts. The next employment report and inflation data will be pivotal ahead of the September meeting.

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In Washington, the real battle may soon shift from interest rates to institutional reform. While Miran's proposals face steep hurdles—Senate support for the Fed remains strong, and 60 votes are needed to legislate changes—the threat is existential. The administration appears poised to target the Federal Reserve Act itself, seeking permanent alterations to the Fed's mandate and structure.

The Fed is not blind to these risks. As a political institution, it will likely respond with strategic concessions to preserve its autonomy. This could mean a dovish tilt in policy or regulatory leniency to appease a Republican-led Congress and White House. While dramatic changes are not imminent, the pressure is mounting, already 2 Governors have voted for rates cuts, Julys weaker employment report will see a further collective shift towards support for September rate cuts.

For Australia, these developments warrant close attention. The Fed's decisions ripple across global markets, influencing everything from commodity prices to exchange rates. More importantly, the erosion of central bank independence in the world's largest economy sets a troubling precedent. As Canberra navigates its own economic challenges, the US experience serves as a cautionary tale about the delicate balance between politics and policy.

In the months ahead, the Fed's response to these pressures will be critical. Whether it bends or holds firm will shape not only America's monetary future but also the credibility of central banking worldwide.

Further Information

Phone: 1800 940 599
Email: distribution@channelcapital.com.au
Web: www.channelcapital.com.au

Platform Availabilty

AMP MyNorth	Ausmaq	Aust Money Market
BT Panorama	Colonial First Wrap	HUB24
Implemented Portfolios	Macquarie Wrap	Mason Stevens
Netwealth	Powerwrap	Praemium
Xplore Wealth		

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.