JCB

JAMIESON COOTE BONDS

# Fund Update as at 30 November 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 $7.2 million |

## Fund Performance

| Returns (After fees) | Fund* | Benchmark** |
|---|---|---|
| 1 Month | 0.13% | 0.11% |
| 3 Months | 1.86% | 1.60% |
| 1 Year | 3.06% | 2.35% |
| 2 Years p.a. | 4.05% | 3.29% |
| 3 Years p.a. | 2.49% | 2.01% |
| 5 Years p.a. | -1.14% | -1.44% |
| Inception p.a. | 0.63% | 0.34% |

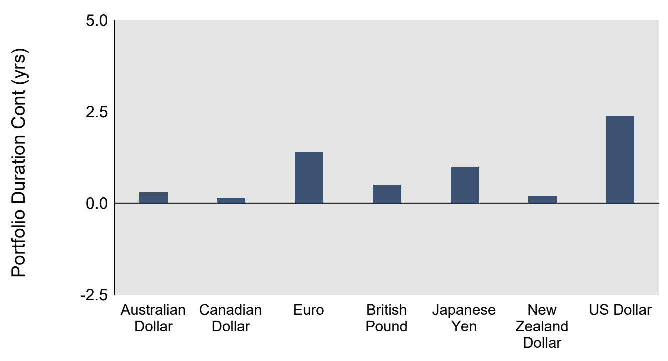
## Fund Overview

| Characteristics | Fund | Benchmark |
|---|---|---|
| Modified Duration (yrs)*** | 5.9 | 6.92 |
| YTM + Hedging Effect^^ | 5.15 | 4.24 |
| Weighted Ave. Credit Rating*** | A+ | 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

The latest inflation surprises have reignited debate over Australia's policy trajectory, creating a sharp disconnect between market expectations and economist forecasts. Investors are now pricing in the possibility of rate hikes in 2026, while some analysts argue the recent CPI spike is temporary and consistent with a path toward eventual easing. This tension is typical of late-cycle dynamics: headline data stirs volatility, but underlying trends—such as a cooling labour market and moderating demand - still point toward disinflation over time. For bond investors, the message is clear: stay flexible and avoid leaning too heavily into either extreme.

Globally, 2025 is closing with an unusual calm across markets, despite intermittent shocks ranging from tariff uncertainty to surging AI-driven investment and the longest U.S. government shutdown on record. The absence of timely U.S. data muted directional moves, reinforcing a theme of stability. Yet as we look ahead, the backdrop is more nuanced. Strong asset performance and policy patience coexist with structural imbalances and latent risks that could quickly disrupt the calm.

What could break this equilibrium in 2026? Several factors stand out. Data disruptions - as seen during the U.S. shutdown - can leave markets flying blind, amplifying uncertainty around central bank responses. Fiscal pressures remain a global theme, with persistent deficits and infrastructure spending likely to push term premia higher and steepen curves. AI-driven capex and leverage introduce tail risks if monetisation lags, raising the potential for credit stress. And geopolitical flashpoints, from trade tensions to commodity volatility and China's growth trajectory, remain unpredictable catalysts.

Another structural theme is the deepening "K-shaped" economy. Wealthier households continue to drive services demand and asset prices, while lower-income cohorts struggle with real wage erosion and tighter credit conditions. This divergence complicates policy transmission and underscores the need for selectivity in credit exposure.

For fixed income investors, 2026 is about balance. Carry remains attractive, but duration should be managed with care as curve dynamics evolve. A constructive stance on bonds is justified: slowing growth and peaking inflation provide an anchor, even as fiscal supply and volatility risks argue for caution. Liquidity and hedging strategies will be essential to navigate a world where stability can quickly give way to turbulence. For fixed income investors, 2026 is about harvesting carry, managing duration and monitoring the risks of the new frontier in AI and Private credit which dominated headlines in 2025.

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## Fund Review

For the month ending November, the CC JCB Global Bond Fund - Hedged Class returned 0.13% (after fees), outperforming the Bloomberg Global G7 Total Return Index Value Hedged AUD.

Central bank signals and political headlines mattered more than data this month. The U.S. Federal Reserve and European Central Bank (ECB) lean toward easing, while the Bank of Japan (BOJ) edges toward tightening. US Treasuries and UK gilts swung sharply, offering tactical entry points. Government shutdown delayed data, but U.S. Federal Reserve officials' comments revived expectations of a December interest rate cut. Kevin Hassett as frontrunner for U.S. Federal Reserve Chair sparked a rally in short dated bonds, given his dovish leanings.

The UK remained volatile as political uncertainty pushed yields higher mid month, but the budget's fiscal headroom and reduced issuance drove a sharp rally back down. Bund yields rose approximately 10bps as ECB rate cut expectations faded. The European curve continued to steepen into the year-end transition that is occurring with regards to Dutch pension funds, as funds unwind long-dated hedges and reduce demand for ultra-long maturities, removing a structural bid that has anchored the long end for decades. Within Europe, Italy continued to outperform as spreads tightened to their lowest since 2021. BOJ stayed cautious, but hawkish rhetoric late in the month nudged 2-year JGB yields up 5bps. Looking forward, focus will be on the December U.S. Federal Reserve meeting with an expected rate cut and the outlook for next year to provide direction into year end.

The portfolio benefited from curve steepening positions, a tactical long end Japan position, and hawkish short end European trade. Detractive into month end was positions in New Zealand and the belly of the Australian curve.

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.