

Fund Update as at 31 December 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	-0.82%	-1.45%	-1.38%	2.23%	2.71%	-1.41%	0.71%	1.09%
Benchmark Return ²	-0.76%	-1.35%	-1.26%	2.51%	3.01%	-1.02%	0.92%	1.19%

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 \$918 million ⁵

Platform Availability

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	

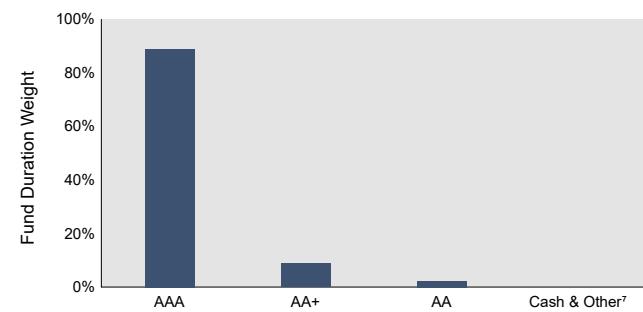
¹ Performance is for the CC JCB Active Bond Fund (APIR: CHN0005AU), also referred to as Class A units, and is based on month end unit prices before tax in Australian Dollars. Net performance is calculated after management fees and operating costs. Individual Investor level taxes are not taken into account 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.

Fund Characteristics

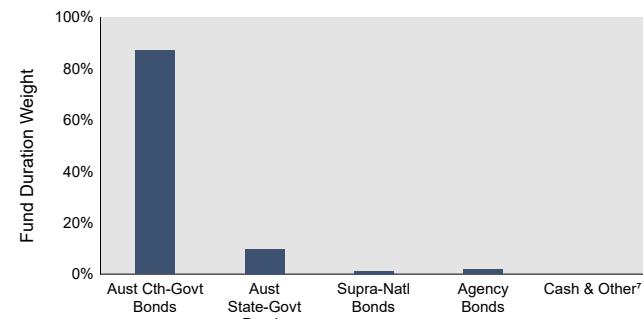
Characteristics ⁶	Fund	Benchmark ²
Modified Duration (yrs)	5.86	5.15
Yield to Maturity (%)	4.54	4.37
Weighted Ave. Credit Rating	AAA	AAA
Cash Weighting (%)	0.81	n/a

Source: JamiesonCooteBonds Pty Ltd.

Allocation by Rating (Duration Weight)⁶



Allocation by Sector (Duration Weight)⁶



Further Information

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Market Review & Outlook

Global markets cast aside the lingering doubts of recent months and commenced the new year with cautious optimism following a remarkable stretch of performance across all asset classes in 2025.

As the U.S. macro data gap concluded in December, there are signs of renewed confidence in growth prospects and the ability of policymakers to rein in inflationary pressures. Labour markets, while showing some signs of weakness, remain remarkably resilient given the disruptions of the past year.

Against the global macro backdrop, investor sentiment has emerged intact from the geopolitical and tariff-related travails of the past year. There is heightened confidence that the policy uncertainty that once shrouded the U.S. Administration is being progressively resolved.

However, several risks continue to weigh on the outlook.

First, central banks continue to grapple with persistent inflationary pressures - accordingly policy accommodation is likely to be gradually withdrawn not only in Australia but also in the euro area and Japan, while in Canada and the UK concerns around growth necessitate further easing.

Second, the geopolitical landscape remains fragile, given the U.S.' actions in Venezuela recently (which while justified in terms of the war on illicit drugs, nonetheless involved regime change and the replacement of a sovereign and elected leader), and continued unrest across hotspots in the Middle East and Ukraine.

Third, public sector balance sheets have been stretched by the significant run-up in public debt over recent years and successive crises. The rising trajectory of debt has been amplified by fiscal stimulus programs across many advanced economies. While focal points have varied from one jurisdiction to the next (e.g. defence, health and aging populations, carbon transition, urban infrastructure, technological innovation), the common denominator remains: at some point in the future, the next generations will need to repay the real value of this debt through either higher taxes or inflation.

As such, looking to the year ahead in 2026, despite the ever-changing vicissitudes of financial markets and macroeconomic developments: bonds as an asset class can be relied upon to deliver stable, consistent returns indeed, as reminiscent of past years - in other words providing the "ballast" for diversified portfolios.

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Fund Review

For the month ending December, the CC JCB Active Bond Fund - Class A units (the Fund) returned -0.82% (after fees), underperforming the Bloomberg AusBond Treasury (0+Yr) Index.

The portfolio entered year-end with an overweight stance, supported by favourable technical conditions with limited supply, stretched short positioning, and fully priced RBA expectations. This positioning reflects our constructive view on Australian rates as we move into January. Barring a materially higher CPI print, we anticipate a rally in domestic duration and expect Australian bonds to outperform. Looking ahead, we plan to actively participate in the upcoming Supra issuance, which should present compelling opportunities to generate alpha.

The themes for the month was a contest between softer inflation prints and cautious central bank communication. Global bond markets in December were shaped by disinflation, measured central bank communication and year end positioning. In the United States, the 10-year Treasury yield traded within a narrow range of 4.02% to 4.21% and closed at 4.17%. Rate volatility continued to decline, with the MOVE Index (a widely used measure of expected volatility in the US Treasury market) reaching its lowest level since late 2021, reflecting improved policy visibility and a calmer backdrop for duration risk. Australia diverged as persistent selling pressure pushed the 10-year government bond yield to 4.80%, 26 bps higher than late November, marking eight consecutive weeks of underperformance.

In the US, inflation surprised to the downside with headline CPI at 2.7% compared to a 3.1% consensus and core CPI easing to 2.6%. In Australia, a hawkish policy tone and momentum-driven short positions outweighed weakening activity indicators, pushing yields higher even as domestic demand slowed.

US macro data suggested steady cooling. Manufacturing contracted again with ISM Manufacturing Index at 48.2, while services remained in expansion at 54.1. Labour market indicators were mixed but overall disinflationary, helping anchor the curve. The Federal Reserve delivered a 25 bps cut to 3.50%, its third reduction of 2025, and signalled only one more cut next year.

Australia's rates story was more hawkish. The RBA held the cash rate at 3.60% and ruled out near-term cuts, citing firm domestic data even as GDP slowed to 0.4% quarter on quarter and unemployment held at 4.3%. Futures now price nearly two hikes for 2026, yet weakening PMIs and softer growth suggest scope for repricing toward cuts later in the year and a potential catch-up rally in Australian duration.

Overall, global fixed income ended the year with cooling inflation, lower volatility, and central banks signalling flexibility on rate adjustment with a data dependent approach. US treasuries appear anchored by cautious easing and strong operational backstops, while Australian bonds face near term hawkish repricing despite weakening fundamentals.

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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

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