

CC JCB Dynamic Alpha Fund (APIR: CHN8607AU)

Fund Update as at 31 December 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	0.35%	0.92%	1.75%	1.75%	3.89%	3.94%	2.71%	3.10%
Benchmark Return ²	0.33%	0.91%	1.86%	1.86%	3.95%	4.10%	2.70%	2.29%

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 \$91 million ⁵

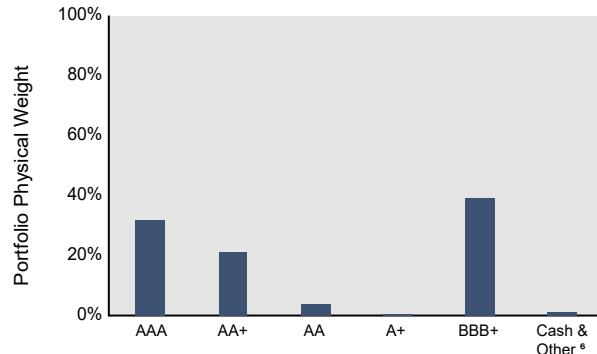
Fund Characteristics

Characteristics	Fund
Modified Duration (yrs)	1.75
YTM + Hedging Effect	4.42
Weighted Ave. Credit Rating	AA-

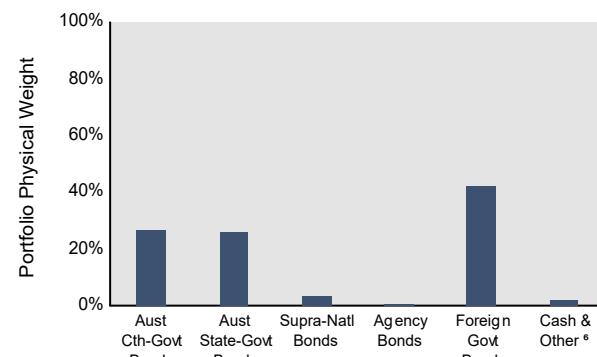
Source: JamiesonCooteBonds Pty Ltd.

See Definition of Terms.

Asset Allocation by Credit Rating (Physical Weight)



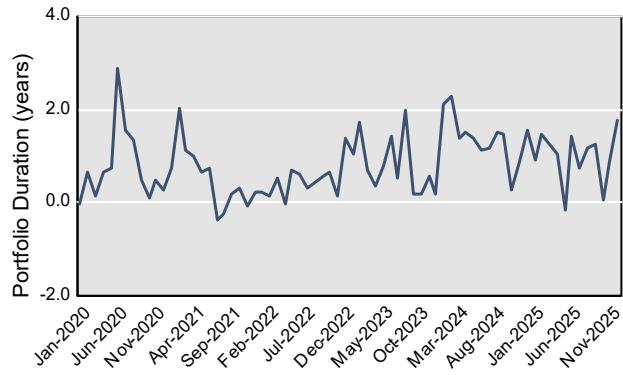
Asset Allocation by Sector (Physical Weight)



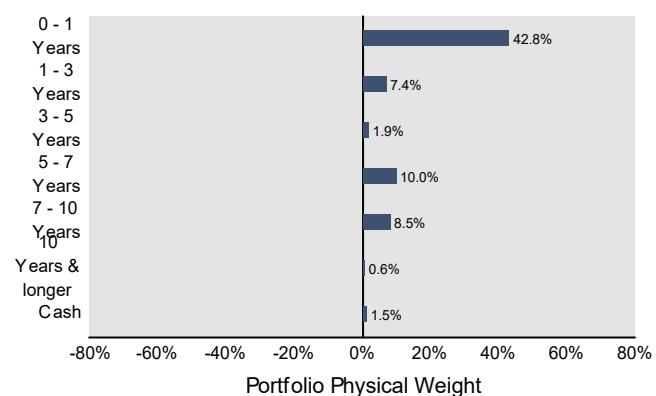
¹ Performance is for the CC JCB Dynamic Alpha Fund (APIR: CHN8607AU), also referred to as Class A units, and is based on month end unit prices in Australian Dollars. Net performance is calculated after management fees and operating costs. Individual investor level taxes are not taken into account when 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.

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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 December, the CC JCB Dynamic Alpha Fund – Class A units (the Fund) returned 0.35% (after fees), outperforming the RBA Cash Rate Total Return 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.

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%. 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. 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.

Europe also weakened as investors reassessed the path for the ECB. Isabel Schnabel said she was comfortable with the next move being a hike, and the ECB upgraded growth and core inflation forecasts at its December meeting. 10-year bund yields briefly surpassed their March peaks before ending at 2.85%. Euro area CPI rose to 2.2% year over year in November, core held at 2.4 % and German factory orders and industrial production beat consensus.

Japan saw firmer domestic yields and lingering policy uncertainty. Household spending fell 3% year over year in October yet reports indicated the BoJ was ready to raise rates in December, with overnight index swaps pricing a high probability of a 25 bp move.

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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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.

Further Information

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Platform Availability

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

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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.

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.

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