



JAMIESON COOTE BONDS

Fund Update as at 31 December 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 \$6.9 million

Fund Performance

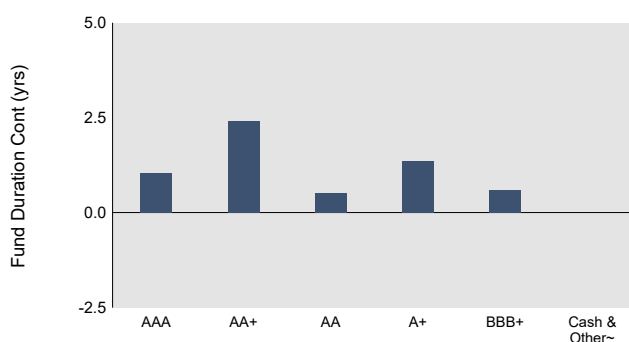
Returns (After fees)	Fund [*]	Benchmark ^{**}
1 Month	-0.37%	-0.46%
3 Months	0.86%	0.50%
1 Year	3.81%	3.07%
2 Years p.a.	2.43%	1.64%
3 Years p.a.	2.98%	2.48%
5 Years p.a.	-1.22%	-1.56%
Inception p.a.	0.57%	0.27%

Fund Overview

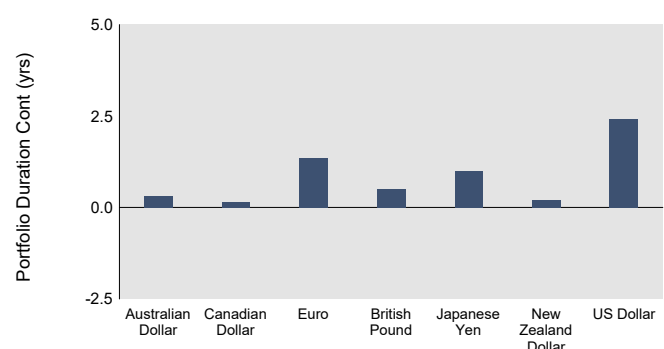
Characteristics	Fund	Benchmark
Modified Duration (yrs) ^{***}	5.95	6.84
YTM + Hedging Effect ^{^^}	5.21	4.2
Weighted Ave. Credit Rating ^{***}	A+	AA

^{^^} 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 Availability

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

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 Global Bond Fund - Hedged Class returned -0.37% (after fees), outperforming the Bloomberg Global G7 Total Return Index Value Hedged AUD.

Global performance benefited from an underweight in Japan as domestic yields rose on policy uncertainty, while curve steepening trades added value amid fading volatility in the US. An overweight in Italian bonds supported returns as European markets repriced hawkishly following the ECB's upgraded growth and inflation forecasts, even as broader disinflation trends anchored global duration.

December's bond markets were shaped by disinflation, policy recalibration, and positioning into year end. In the US, the 10 year Treasury yield held a tight 4.02%–4.21% range and closed at 4.17%, while rate volatility continued to fade with the MOVE Index (a widely used measure of expected volatility in the US Treasury market) slipping below 60, the lowest since late 2021. The big picture for the month was a tug of war between softer inflation prints and cautious central bank communication.

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. 2-year JGB yields reached the highest level since 2007.

Canada posted a strong November jobs gain of 53,600 and a lower unemployment rate at 6.5%, the Canadian dollar rallied, and the Bank of Canada held at 2.25% while core CPI cooled to 2.8% year over year, even as the breadth of inflation widened. In the UK, monthly GDP contracted in October, CPI fell to 3.2% for both headline and core, and the Bank of England cut by 25 bps in a narrow five to four vote, with the gilt curve bear flattening as Governor Bailey guided toward gradual reductions.

Overall, global fixed income balanced cooling inflation against pockets of hawkish repricing and geopolitical risk. With US policy easing cautiously and market plumbing well supported, and with European and Japanese curves facing upward pressure, duration opportunities remain selective and path dependent. Global fixed income ended the year balancing disinflationary trends against residual policy and geopolitical risks.



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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.

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 instrument's duration by the percentage weight of the instrument in the portfolio. This calculation includes the contribution to duration by holding futures contracts.

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML') is the Responsible Entity and issuer of units in the CC JCB Global Bond Fund ARSN 631 235 553 ('the Fund'). The appointed Investment Manager is JamiesonCooteBonds Pty Ltd ACN 165 890 282 AFSL 459018 ('JCB'). The Fund invests into the CC JCB Active International Bond Segregated Portfolio ('Underlying Fund'). Neither CIML or JCB, their officers, or employees make any representations or warranties, express or implied as to the accuracy, reliability or completeness of the information contained in this report and nothing contained in this report is or shall be relied upon as a promise or representation, whether as to the past or the future. Past performance is not a reliable indication of future performance. This information is given in summary form and does not purport to be complete. Information in this report, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling units in the Fund and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. Readers are cautioned not to place undue reliance on forward looking statements. Neither CIML nor JCB have any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date of this report. For further information and before investing, please read the Product Disclosure Statement available at www.channelcapital.com.au. A Target Market Determination for the Fund is available at www.channelcapital.com.au.

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