JAMIESON COOTE BONDS

Fund Update as at 31 October 2026
CC JCB Active Bond Fund (APIR: CHN0005AU)

Fund Performance

Returns	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a. (03-Aug-2016)
Fund Net Return[1]	1.39%	0.22%	-0.20%	3.76%	0.15%	-0.31%	1.27%	1.16%
Benchmark Return[2]	1.41%	0.18%	0.07%	4.17%	0.46%	-0.08%	1.46%	1.26%

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

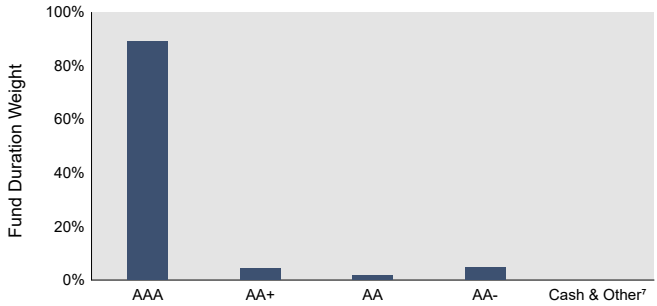
Investment Manager	JamiesonCooteBonds Pty Ltd
Structure	AAA or AA rated bond securities issued in Australian dollars
Inception Date	03 Aug 2016 [3]
Benchmark	Bloomberg AusBond Treasury 0+ Yr Index
Management Fee	0.45% p.a.[4]
Administration Fee	0.10% p.a.[4]
Buy / Sell Spread	0.05% / 0.05%
Distributions	Semi-annual
Fund Size	AUD $420 million [5]

Fund Characteristics

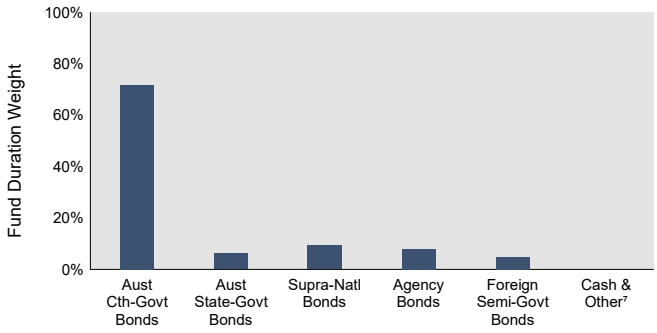
Characteristics[6]	Fund	Benchmark[2]
Modified Duration (yrs)	5.28	5.15
Yield to Maturity (%)	4.95	4.96
Weighted Ave. Credit Rating	AAA	AAA
Cash Weighting (%)	0.94	n/a

Source: JamiesonCooteBonds Pty Ltd.

Allocation by Rating (Duration Weight)[6]



Allocation by Sector (Duration Weight)[6]



Platform Availabilty

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	

Further Information

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[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.

JCB

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Market Review & Outlook

October reinforced just how finely balanced the outlook for global bond markets has become. Central banks are still confronting inflation that is proving more persistent than they would like, but the consequences of restrictive monetary policy are becoming increasingly visible. In Australia, weaker activity, softer housing and a gradually loosening labour market are beginning to emerge just as policymakers have become more concerned about domestic capacity constraints. Globally, the inflation picture has also been complicated by the Middle East conflict, higher energy prices and the extraordinary capital expenditure associated with artificial intelligence.

In Australia, the RBA's tone shifted noticeably through October. The relatively dovish interpretation that followed September's rate increase was progressively replaced by a greater emphasis on upside inflation risks. The concern is increasingly about the economy's capacity to grow without generating further inflation.

Structural forces including weak productivity, energy disruption, changing supply chains and the global investment boom are keeping inflation and neutral rates higher. At the same time, elevated borrowing costs are steadily restraining household demand, housing and employment. The question for the RBA is increasingly whether that cyclical slowdown will ultimately prove powerful enough to overwhelm those structural inflation pressures.

Corporate credit also weakened during October as investors became more cautious about the amount of debt being raised to finance AI infrastructure. The debate increasingly shifted from enthusiasm around AI itself towards the financing required to deliver it, particularly whether the enormous capital expenditure being undertaken by hyperscalers and infrastructure providers can ultimately generate sufficient returns .

Concerns around France's fiscal and political outlook drove a significant repricing of French sovereign risk, with its spread to Germany reaching levels not seen since the European sovereign debt crisis. Pressure subsequently extended into European credit and parts of the peripheral sovereign market.

October therefore provided an interesting reminder of the value of starting yields. Persistent inflation, higher oil prices and structural investment requirements mean it is difficult to make the case for an uninterrupted rally in duration. Importantly, as risk appetite weakened during the month, high-quality government bonds again demonstrated their capacity to provide diversification against stress elsewhere in portfolios.

If inflation remains sticky, that income provides an important component of returns. If slower growth ultimately brings inflation under control, today's elevated yields also leave greater scope for capital appreciation. That combination continues to make high-quality government bonds increasingly relevant in a world that remains uncertain.

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Fund Update as at 31 October 2026
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Fund Review

For the month ending October, the CC JCB Active Bond Fund - Class A units (the Fund) returned 1.39% (after fees), underperforming the Bloomberg AusBond Treasury (0+Yr) Index.

Global fixed income markets experienced a volatile month in October, with attention extending beyond monetary policy towards a broader set of macro and market risks. Political and fiscal uncertainty in France placed pressure on European sovereign markets, while renewed tensions in the Middle East pushed oil prices sharply higher. The rise in energy prices added to inflation concerns, at times placing upward pressure on longer-dated yields and weighing on credit sentiment. However, during periods of more pronounced risk aversion, demand for high-quality government bonds proved the stronger influence, allowing duration to perform despite the less favourable inflation backdrop. At the same time, investors became more cautious around the scale of capital required to support the AI infrastructure build-out and the growing reliance on debt to finance that investment. Taken together, these developments softened risk appetite and reinforced the role of high-quality government bonds as a source of diversification when stress emerged elsewhere in financial markets.

The US Federal Reserve maintained the federal funds target range at 3.75-4.00% in October, following September's 25 basis point increase. Fed Chair Kevin Warsh continued to characterise inflation as too high but pointed to an economy that remained fundamentally resilient, supported by firm household spending, productivity gains and strong capital investment. Meanwhile, heightened uncertainty around technology investment, European sovereign risk and the Middle East supported demand for US Treasuries. This safe-haven demand was notable given that higher oil prices would ordinarily add to inflation concerns and place upward pressure on longer-dated yields.

Domestic September employment fell and the unemployment rate increased to 4.7%, pointing to some moderation in labour-market conditions. Inflation, however, remained the more immediate policy concern. RBA Deputy Governor Andrew Hauser described the inflation outlook as having become “materially worse”, reinforcing expectations that further monetary tightening remained possible. September CPI subsequently rose 4.3% over the year, while quarterly trimmed mean inflation increased by 1.0%, leaving underlying inflation uncomfortably elevated ahead of the November RBA meeting. As US Treasury yields benefited more strongly from the global risk-off move, the Australian-US 10-year yield differential widened. The combination of elevated domestic inflation and renewed tightening expectations left Australian yields relatively well supported.

Given the broad-based bond market rally during October, the fund outperformed the benchmark index due to the combined effects of moderately long duration positioning, and the resilience of credit spreads after rotating into high-quality semi government and supranational names at shorter tenors.

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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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