JCB

Jamieson Coote Bonds

CC JCB Dynamic Alpha Fund (APIR: CHN8607AU)
Fund Update as at 28 February 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]	0.46%	1.18%	1.90%	2.81%	4.95%	3.30%	2.82%	3.03%
Benchmark Return[2]	0.33%	1.08%	2.18%	2.95%	4.42%	3.42%	2.07%	2.03%

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

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

Fund Facts

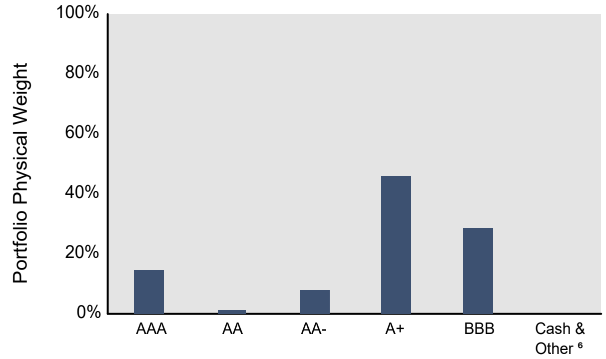
Investment Manager	JamiesonCooteBonds Pty Ltd
Portfolio Managers	Charles Jamieson & Chris Manuell
Style	Global absolute return bond fund - concentrating on actively managing global high grade sovereign bonds
Objective	Outperform the RBA Cash Rate by 2.50% p.a. (after fees) over rolling 3 year periods
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 $125 million [5]

Fund Characteristics

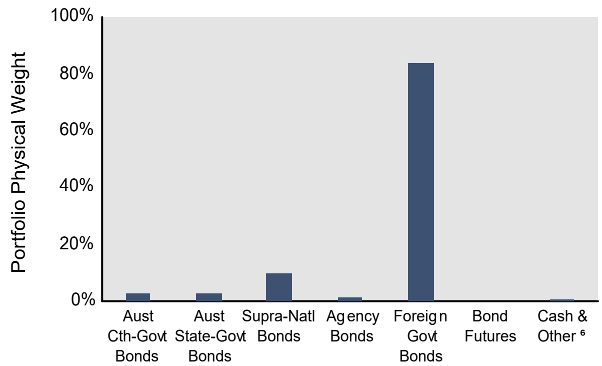
Characteristics	Fund
Modified Duration (yrs)	1.29
YTM + Hedging Effect	4.5
Weighted Ave. Credit Rating	A+

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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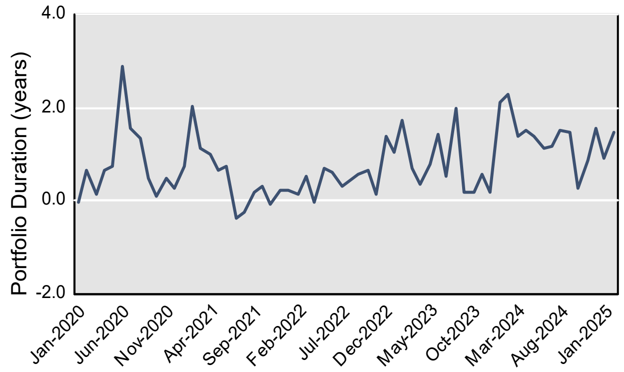
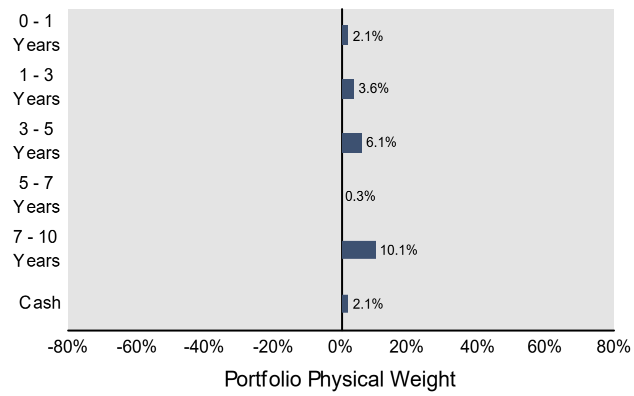
Historic Portfolio Duration#



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.

Fund Review

For the month ending February, the CC JCB Dynamic Alpha Fund – Class A units (the Fund) returned 0.46% (after fees), outperforming the RBA Cash Rate Total Return Index.

In a tale of two halves in February for global bond markets the US economic exceptionalism narrative came under question as the month wore on. Early in the month the US employment data surprised to the upside with upwards revisions and a fall in the unemployment rate. Consumption and manufacturing data deteriorated into month end which allowed US Treasuries to outperform handsomely, along with the stated desire from Treasury Secretary Scott Bessent that the administration is interested in bringing down the yields on 10-year Treasury bonds. Through the month the Bank of England (BoE), the Reserve Bank of Australia (RBA) and the Reserve Bank of New Zealand (RBNZ) all reduced their bank rates which underscored the concerns on the economy and the contentment with their respective inflation trajectories. European rates were subject to election concerns on the German election – which in the end was not that market moving. Tariff concerns kept volatility at elevated levels which provided a rich opportunity to benefit from any market pricing dislocations. Throughout the month, the tightening of French spreads contributed positively to alpha, as the previous underperformance of French assets corrected due to overextended positioning. Long duration in New Zealand Government Bonds (NZGB) and US Treasuries was rewarded, particularly in the second half of the month. A modest overweight in Japan and overweight Euro against US Treasuries were mild drags on performance.

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Market Review & Outlook

Global markets have spent the first full month of the Trump 2.0 era adjusting to his new policies, and as anticipated, the administration has come out swinging, causing significant disruption in both global markets and international political circles. During his first term (Trump 1.0), the focus was firmly on equity market performance, and many policy decisions reflected this priority. Ironically, Trump entered the White House in a period of economic strength—thanks largely to Democratic fiscal policies—and with US equities at record highs, trading at lofty multiples. Meanwhile, global economic conditions remained fragile, and crude oil demand remained subdued, keeping prices lower for US consumers. Effectively, Trump inherited an economy that was already in good shape.

However, February served as a stark reminder of the volatility created by economic and policy uncertainty, which investors strongly dislike. This uncertainty could provide a preview of the next four years under this administration and the broader implications for global markets. As uncertainty rises, risk premiums will likely increase, influencing asset allocation decisions across the board. February's trading was particularly volatile, driven by fluctuating tariff headlines. The month began with optimism after the 25% tariffs on Mexico and China were postponed, but as tariffs resurfaced and US economic data weakened, the mood shifted. The result was a sharp pullback in equity markets, particularly for the US technology sector, which saw its worst month since 2022. This shift pushed large allocations into sovereign bonds and other safe-haven assets, signaling potential future trends.

It appears the Trump administration's focus has pivoted from Wall Street to the bond market, signaling a potential shift in policy priorities. The increasing risk and uncertainty may mean that markets will be less reliant on the bond vigilantes, and the Treasury could become the primary barometer of policy, with equity markets needing more scrutiny. Even Bitcoin, often seen as the ultimate risk asset, has seen a 23% drop since inauguration, reflecting broader market concerns.

Furthermore, cracks are beginning to show in the US exceptionalism narrative. Soft data has started to turn negative, with both business and consumer confidence declining. This could eventually translate into a sharp slowdown as the shift from fiscal easing to fiscal tightening takes effect. The rally in bonds, driven by a global economic slowdown, reduced Treasury bond supply, and lower energy prices, aligns with the White House's objective to lower US bond yields. Treasury Secretary Scott Bessent has made it clear that the administration is focused on the 10-year Treasury yield, underscoring the growing importance of the bond market in their policy framework. This environment sets the stage for a strong fixed income market, supported by geopolitical uncertainty, a slowing economy, and disinflationary pressures from lower energy prices. The old market adage of "don't fight the Fed" may now need to be adjusted to "don't fight the Treasury."

Looking ahead, the geopolitical and economic landscape suggests continued volatility and an increased focus on fixed income markets, as risk assets remain under pressure and the US government seeks lower bond yields to support its economic objectives.

Further Information

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Platform Availabilty

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.