



JAMIESON COOTE BONDS

# Fund Update as at 28 February 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 <sup>^</sup>	25 February 2019
Benchmark	Bloomberg Global G7 TRI Value Hedged AUD
Management Fee <sup>#</sup>	0.15% p.a.
Administration Fee <sup>#</sup>	0.10% p.a.
Indirect Costs <sup>#</sup>	0.34% p.a.
Buy / Sell Spread	0.05% / 0.05%
Distributions	Semi-annual
Fund Size <sup>+</sup>	AUD \$34.9 million

### Fund Performance

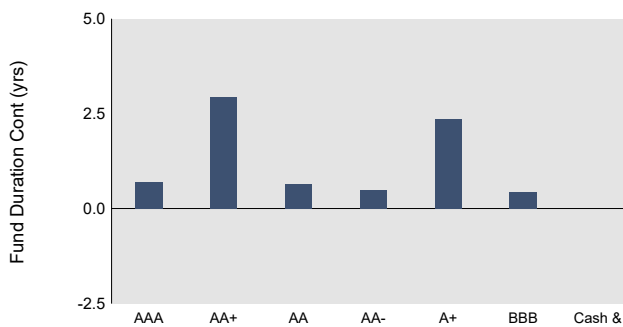
Returns (After fees)	Fund*	Benchmark**
1 Month	1.09%	1.18%
3 Months	0.44%	0.26%
1 Year	4.11%	3.10%
2 Years p.a.	3.26%	2.78%
3 Years p.a.	-1.17%	-1.65%
5 Years p.a.	-1.61%	-1.61%
Inception p.a.	0.28%	0.04%

### Fund Overview

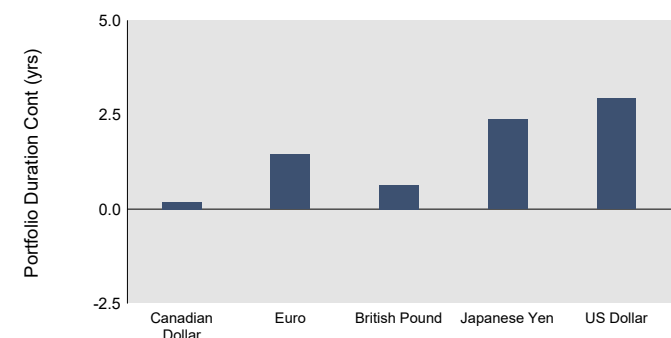
Characteristics	Fund	Benchmark
Modified Duration (yrs)***	7.58	7.15
YTM + Hedging Effect^^	4.94	4.37
Weighted Ave. Credit Rating***	A+	AA

^^ 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

Phone:	1800 940 599
Email:	distribution@channelcapital.com.au
Web:	www.channelcapital.com.au

# 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.



JAMIESON COOTE BONDS

---

## Fund Update as at 28 February 2025

### CC JCB Global Bond Fund - Hedged Class (APIR: CHN4711AU)

---

#### 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.



JAMIESON COOTE BONDS

## Fund Update as at 28 February 2025

### CC JCB Global Bond Fund - Hedged Class (APIR: CHN4711AU)

#### Fund Review

For the month ending February, the CC JCB Global Bond Fund - Hedged Class returned 1.09% (after fees), underperforming the Bloomberg Global G7 Total Return Index Value Hedged AUD.

The Underlying Fund performed well in a generally bullish month for bonds as the US economic exceptionalism narrative came under question as February progressed. 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 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. The portfolio benefited from an overweight in New Zealand rates, tactical trading in US Treasuries and European rates. Positions in Italian and Japanese bonds were also alpha accretive.

#### 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](http://www.channelcapital.com.au). A Target Market Determination for the Fund is available at [www.channelcapital.com.au](http://www.channelcapital.com.au)

"Bloomberg®" and Bloomberg Global G7 TRI Value Hedged AUD and Bloomberg Global G7 TRI Value Hedged USD are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Channel Capital Pty Ltd. Bloomberg is not affiliated with Channel Capital Pty Ltd, and Bloomberg does not approve, endorse, review, or recommend the CC JCB Global Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to CC JCB Global Bond Fund.