



JAMIESON COOTE BONDS

ADDITIONAL INFORMATION

CC JCB GLOBAL BOND FUND

CLASS A UNITS - HEDGED

ARSN: 631 235 553 APIR CHN4711AU

30 SEPTEMBER 2022

CONTACT

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The information in this document forms part of the Product Disclosure Statement ('PDS') dated 30 September 2022 issued by Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('RE') about the CC JCB Global Bond Fund (ARSN 631 235 553) ('the Fund').

You should read this information together with the PDS before making a decision to invest in the Fund.

The information is general information only and does not take into consideration your personal financial situation, objectives or needs. You should obtain financial advice tailored to your personal circumstances. Defined terms used in this document are defined in the PDS unless otherwise stated.

Updated Information

Information in this Additional Information document may change. Any updates to information that are not materially adverse to investors will be provided at www.channelcapital.com.au. Please check the website or call us or your financial adviser for any updates prior to investing. A paper copy of any updates will be provided free of charge upon request.

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JAMIESON COOTE BONDS

CC JCB Global Bond Fund
Class A Units - Hedged
ARSN: 631 235 553 APIR CHN4711AU

ADDITIONAL INFORMATION

1. How the CC JCB Global Bond Fund works

Additional investments

Additional investments can be made at any time by sending a completed additional unit application form, together with your electronic funds transfer (EFT) confirmation to Channel Client Services. It is not necessary for you to complete another Application Form. You can obtain an additional unit application form by contacting Channel Client Services. Additional investments are made on the basis of the PDS current at the time of investment. The latest PDS is available at www.channelcapital.com.au or by calling **1800 940 599**.

How to withdraw

You can withdraw from your investment by sending us a completed withdrawal request form, subject to our withdrawal processes described below. You can obtain a withdrawal request form by contacting Channel Client Services on **1800 940 599**.

Withdrawal requests must be signed by the appropriate authorised signatories.

Bank accounts must be in the name/s of the investor/s as specified in the Application Form or as otherwise notified to the RE.

Partial withdrawals are subject to you maintaining a minimum balance of \$100,000. Proceeds will be paid in Australian Dollars.

Restrictions on withdrawals

The RE endeavours to ensure that proceeds are paid within 7 Business Days from the date of receipt of the withdrawal request, although the Fund constitution permits up to 21 days to pay withdrawal proceeds after a withdrawal request is accepted.

Alternate withdrawal procedures will apply if the Fund is determined not to be liquid. The Fund is considered non-liquid if less than 80% of its assets are cash, marketable securities or assets which can be realised at market value within the period specified in the constitution.

If the Fund becomes non-liquid the withdrawal procedures set out in the Corporations Act will apply.

Processing application and withdrawal requests

If we receive an application or withdrawal request by 12 noon (Sydney time) on a Business Day you will receive the Unit price for that Business Day. An application or withdrawal request received after 12 noon (Sydney time) or on a non-Business Day, will be processed using the Unit price for the following Business Day. Any interest earned on application monies will form part of the Fund. Units will not be issued as a result of any interest earned.

In circumstances where we receive an incomplete application or withdrawal request you will receive the Unit price applicable on the Business Day we receive the completed documentation and, for applications, cleared application funds. The RE may accept or reject applications to participate in the Fund at its discretion.

Unit pricing

A Unit price for each class of unit is usually calculated each Business Day by dividing the Net Asset Value of the Fund's assets apportioned to each applicable unit class by the number of units on issue in that class. The Fund's assets are valued in accordance with the Fund's constitution, based on market values of securities and other assets such as cash. Unit prices will vary as the market value of the Fund's assets rise or fall. An allowance for transaction costs incurred in buying and selling the Fund assets is added to, or subtracted from, the Unit price to determine an application price and a withdrawal price for each class of units (see section 3 under the heading 'Transaction Costs').

The RE has a policy for unit pricing discretions we use in relation to the Fund for the purposes of Class Order 13/657. The unit pricing policy and discretions exercised by the RE are available from us free of charge upon request.

Reinvestment of distributions

You can choose to reinvest some or all of your distributions. Distribution reinvestment is generally effective the first day following the end of the distribution period. No buy/sell transaction cost will apply to distribution reinvestments.

For tax purposes certain components of a distribution are included as assessable income regardless of whether the distribution is reinvested.

Transfers

You can request a transfer of some or all of your Units to a third party by completing and signing a transfer form and providing us with any other documentation required by us or any law. You can obtain a transfer form by contacting Client Services on **1800 940 599**. The RE reserves the right to refuse to register a transfer of Units.

Custodian

A custodian has been appointed to hold the assets of the Fund on our behalf. Any fees we pay to the custodian are paid out of the Administration Fee referred to in section 3 and are not an additional charge to you.

2. Risks of Managed Investment Schemes

Fraud Risk

The Fund may be exposed to the risk of fraud by third party service providers to, or the directors, officers or agents of, the Underlying Fund. These risks include fraud or bad faith relating to dealings with, or on behalf of, the Underlying Fund where such officers, agents and third parties may receive direct or indirect benefits from dealings with or for that entity or where fees are received or cash flows handled in respect of that entity. We intend to seek to obtain transparency and monitor the activities of service providers and other agents of the Underlying Fund. However, there is no guarantee that the measures taken will be effective in eliminating the risk of fraud or other bad faith acts or practices.

Terrorist Action

There is a risk of terrorist attacks causing significant loss of life and property and damage and disruptions in global markets. Economic and diplomatic sanctions may be in

place or imposed on certain states and military action may be commenced.

The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity which may in turn adversely affect the Underlying Fund and its investments, and consequently, the Fund and its unitholders.

Climate Change Risk

The value of some investments may be adversely affected by climate change as a result of the transition or shift to a lower carbon economy. This may be impacted by how governments choose to regulate, how businesses operate and/or how individuals consume. Comparably, physical impacts of climate change from extreme weather (floods, storms, droughts and bushfires) and the related damage associated with such events, may also impact assets values.

3. Additional explanation of fees and costs

Set out below is additional information about Management fees and costs of the Fund, Performance fees, Transaction costs, and other information about fees and other costs in relation to the Fund.

Management fees and costs

Management fees and costs are expressed as a percentage of the Fund's NAV relating to Class A Units. The Management fees and costs of the Fund include the Management fee, the Administration fee, expenses and indirect costs, if any. These costs are reflected in the unit price and are not an additional cost to you. These costs are reflected in the unit price and are not an additional cost to you. Management fees and costs do not include Transaction costs (i.e. costs associated with investing the underlying assets of the Fund, some of which may be recovered through buy-sell spreads)

Management fee

CIML is entitled to a fee for managing and operating the Fund. Under the Investment Management Agreement, JCB has been appointed to invest and manage the assets of the Fund and is entitled to a fee for doing so. The Management fee in this PDS refers to both CIML's and JCB's Management fee. The Management fee is calculated and accrued daily based on the NAV of the Fund relating to Class A Units and is reflected in the Fund's unit price. The Management fee is payable monthly in arrears out of the assets of the Fund. For the purposes of the table set out in section 6 of this PDS, the Management fee is expressed as a percentage of the Fund's net assets relating to Class A Units, and include GST less reduced input tax credits ('RITC').

Administration fee

CIML is entitled to a monthly Administration fee of 0.10% per annum (inclusive of GST less any RITC) of the NAV of the Fund relating to Class A Units. This fee is calculated and accrued daily and is reflected in the fund's unit price. It is paid monthly in arrears out of the Fund's assets for administering the Fund.

CIML pays the expenses incurred in administering the Fund (other than extraordinary expenses and Transaction costs) from this Administration fee. Some of these expenses include:

- compliance and administration costs for the Fund (e.g. audit, fund administration, legal and taxation services);

- custody fees; and
- fees and expenses in relation to tasks outsourced by CIML.

Extraordinary expenses

Generally, expenses incurred in managing the Fund will be paid from the Administration fee referred to above. However, if extraordinary expenses are incurred, CIML has the right under the Fund's constitution to recover extraordinary expenses out of the assets of the Fund. Extraordinary expenses are expected to occur infrequently and may include (without limitation):

- convening of an investors' meeting;
- termination of the Fund;
- amending the Fund's constitution;
- defending or bringing of litigation proceedings; and
- replacement of CIML as the responsible entity of the Fund.

The Management fees and costs disclosed in this PDS do not include any amount of extraordinary expenses, as based on the costs for the previous financial year (ending 30 June 2022), no extraordinary expenses were incurred.

Indirect costs

The Management fees and costs disclosed in this PDS do not include any amount of extraordinary expenses, as based on the costs for the previous financial year (ending 30 June 2022), no extraordinary expenses were incurred.

What are the transaction costs?

In managing the assets of the fund, the Fund may incur transaction costs which may include, but are not limited to, brokerage (for example, securities lending fees on short sold stock as well as the transaction costs associated with Derivatives), buy-sell spread, settlement costs, clearing costs, and stamp duty custody transaction costs on investment transactions.

Transaction costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transaction costs not covered by the buy-sell spread. Transaction costs which are incurred, where it has not already been recovered by the buy-sell spread charged by CIML, are reflected in the Fund's Unit price. As these costs are factored into the asset value of the Fund's assets and reflected in the Unit price, they are an additional cost to

you and are not a fee paid to CIML. Transaction costs are not included in the management fees and costs. Instead they are recovered from the assets of the Fund as and when they are incurred and therefore are an additional cost to you.

The total gross transaction costs incurred by the Fund for the financial year ending 30 June 2022 were approximately 0.06% per annum as a percentage of the Fund's average NAV relating to Class A Units for that period.

The transaction costs incurred in the previous financial year ending 30 June 2022 as set out in the 'Fees and costs summary' are shown net of any amount recovered by way of the buy-sell spread, and as a percentage of the Fund's average NAV relating to Class A Units in that period. These costs were approximately 0.00% per annum of the Fund's average NAV relating to Class A Units in that period.

Please note, the Fund's historical transaction costs may not provide an accurate indicator of the actual transaction costs that you may incur in the future.

Buy-sell spreads

A buy-sell spread is an amount deducted from the value of a Unitholder's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or withdrawal.

The buy-sell spread as at the date of this PDS is 0.05% of the application amount on application and 0.05% of the withdrawal amount on withdrawal. The buy-sell spread cost to you is based on the transaction value. For example, if you made an application of \$150,000 into the Fund the buy-spread amount deducted from your application money would be \$75 ($\$150,000 \times 0.05\%$).

The application of a buy-sell spread means that transaction costs for transactions initiated by you are allocated to you when initiating the transaction, rather than being spread across the whole Fund.

The buy-sell spread is reviewed on an annual basis to ensure it reflects up-to-date costs of acting on transactions initiated by you.

There is no buy-sell spread on distributions from the Fund that are re-invested. CIML may vary the buy-sell spread from time to time and prior notice will not normally be provided to you. Updated information will be posted on CIML's website (www.channelcapital.com.au).

If buy and sell spreads are charged and represent only a portion of the Fund's Transaction costs incurred during a financial year, the balance of the Fund's Transaction costs will be borne by the Fund from the Fund's assets without any recovery from you. If buy and sell spreads charged exceed the Fund's Transaction costs during a financial year, the balance of the buy and sell spreads will be retained by the Fund.

Changes to fees

The Fund's constitution sets out the fees and expenses payable by the Fund. All fees in this PDS can change without the consent of the Unitholders. Reasons for a change may include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Fund. You will be given written notice of any variation of fees charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in Management fees, Performance fees, or charges, you will be notified 30 days before the increase takes effect). Changes to expenses, indirect costs, Transaction costs and the buy-sell spread do not require prior notice to you.

Any fees and costs stated in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time.

The Fund's constitution sets the maximum amount CIML can charge for all fees. If CIML wishes to raise fees above the amounts allowed for in the Fund's constitution, CIML will need to amend the Fund's constitution in accordance with the Corporations Act and the relevant provisions in the Fund's constitution.

CIML may in its absolute and unfettered discretion waive, reduce, refund or defer any part of the fees and expenses that CIML is entitled to receive under the Fund's constitution.

Maximum fees

Please note that the fees set out below represent the maximum amounts payable under the Fund's constitution and are not the actual amounts charged. The Fund's constitution provides that the following fees may be payable to CIML:

- a) Management fee – the Fund's constitution permits CIML to charge a Management fee of up to 3.30% per annum (including GST) of the gross asset value of the Fund; and
- b) Administration fee – the Fund's constitution permits CIML to charge an Administration fee of up to 0.275% per annum (including GST) of the gross asset value of the Fund; and
- c) Performance fee – the Fund's constitution allows a performance fee of up to 38.50% (including GST) of the amount by which the Fund's performance outperforms the Fund benchmark. The RE does not currently charge a Performance fee; and
- d) removal fee – the Fund's constitution allows a removal fee of up to 5.50% (including GST) of the gross asset value of the Fund if CIML is removed as the responsible entity of the Fund (other than as a result of a determination by ASIC or an Australian Court, or on acknowledgement by CIML of its gross negligence in the management of the Fund or a material fiduciary breach). For example, if the Fund's gross asset value was \$5 million; CIML would be entitled to receive a removal fee of up to \$275,000 if removed as responsible entity of the Fund. The Management fee amount stated in the 'Fees and costs summary' in section 6 of the PDS does not include any removal fee.

Remuneration of financial advisers

Your financial adviser (if you use one) may receive fees for services they provide to you. These fees and benefits will be directly paid by you and, depending on your adviser, may be deducted from your initial investment in the Fund by your adviser prior to you being allocated Units.

CIML does not pay commissions to financial advisers.

Payment to platforms

Payments may be made to a platform where they include one or more funds operated by CIML on their menu. Any platform payments are deducted from the Management fee and are not a separate charge to you.

Differential fees

There may be differing fee arrangements for you in different classes. Rebates of management fees and costs may be negotiated between JCB and / or CIML and certain wholesale clients as defined by the Corporations Act. These arrangements reflect terms privately agreed with each wholesale client. Neither JCB nor CIML (contact details can be found on the cover page of this additional

information booklet) are under any obligation to make arrangements on these terms available to all other investors (including other wholesale clients).

Tax and Duties

In addition to the fees and costs described in this Section, you should also consider the government taxes and other duties that may apply to an investment in the Fund.

All fees and expenses referred to in the PDS and this Section are quoted on a GST inclusive basis less any RITC available to the Fund, unless otherwise specified (refer to Section 6 of the PDS). The benefits of any tax deductions are not passed on to Unitholders.

See further information on taxation at Section 7.

4. Other Information

Keeping you informed

As an investor in the Fund you will receive:

- confirmation of your investments, withdrawals and switches;
- an annual tax statement;
- a periodic statement detailing the transactions during the period and the balance of your investment;
- a distribution statement, following each distribution; and
- the annual accounts for the Fund.

Availability of documents

If the Fund becomes a disclosing entity for Corporations Act purposes and subject to regular reporting and disclosure obligations, copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

A copy of the annual financial report for the Fund most recently lodged with ASIC can be obtained free of charge from us upon request. If the Fund becomes a disclosing entity, we will satisfy our continuous disclosure obligations for the Fund by publishing material information on our website at www.channelcapital.com.au. Accordingly, given the disclosure of material information will be made on our website, we will not be required to lodge continuous disclosure notices for the Fund with ASIC.

Consent

JCB has consented to the inclusion of the statements about JCB provided in sections 1, 3 and 5 in the form and context in which those statements are included.

Terms used in this PDS

Administration Fee means the fee payable to the RE from which the RE pays the expenses of the Fund (other than extraordinary expenses) as described in section 6.

Benchmark means Bloomberg Global G7 Total Return Index Value Hedged in AUD.

Business Day means a day other than a Saturday, Sunday or a public holiday in Sydney, New South Wales or in Cayman Islands.

Channel Capital means Channel Capital Pty Ltd ACN 162 591 568.

Class A Unit/s means a unit/s in the Fund.

Fund means the CC JCB Global Bond Fund ARSN 631 235 553.

IDPS means Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody service (collectively known as master trusts or wrap accounts).

JCB means JamiesonCooteBonds Pty Ltd ACN 165 890 282 AFSL 459018.

Indirect Costs means the estimated management costs of the Underlying Fund indirectly incurred by the Fund as described in section 6.

Management Fee means the fee payable to the RE for managing the Fund's investments as described in section 6.

Net Asset Value or **NAV** means Fund assets less Fund liabilities

RE or **CIML** means the responsible entity of the Fund, Channel Investment Management Limited ACN 163 234 240 AFSL 439007.

Shares means the shares the Fund invests in via the Underlying Fund.

Underlying Fund or **JCB SP** means the CC JCB Active International Bonds Segregated Portfolio.

Unit/s means a Class A unit/s in the Fund.