



CC RWC Global Emerging Markets Fund (APIR: CHN8850AU)

30 June 2019

Fund Benefits

Exclusive Australian Access:

Access to a proven global fund manager not otherwise available to Australian investors.

Investment Team Expertise:

RWC has an experienced investment team drawing on knowledge and global information networks to uncover growth opportunities across more than 60 markets globally.

Overseas Opportunities and Diversification:

Investing in Emerging Markets and Frontier Markets may provide long-term capital appreciation of companies situated in countries with growing economies, and may provide a useful source of portfolio diversification.

Fund Facts

Investment Manager	Channel Investment Management Ltd
Underlying Fund Investment Manager	RWC Asset Advisors (US) LLC ("RWC") (Portfolio Manager: John Malloy)
Structure / Underlying Fund	The Fund invests into the RWC Global Emerging Markets Fund Class F Shares
Inception Date [^]	19 February 2019
Management Fee #	1.23% p.a.
Distributions	Annually
Fund Size ⁺	AUD \$17 million

Performance (Australian Dollars)

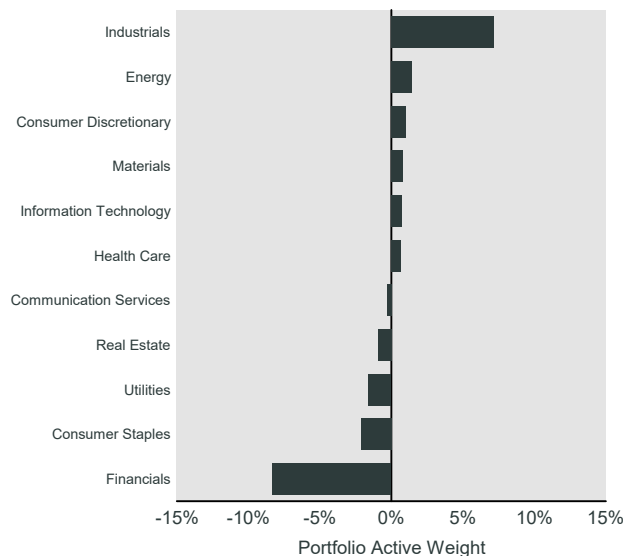
Returns (after fees)	Fund [*]
1 Month	5.76%
3 Months	0.87%
FYTD	-
1 Year	-
2 Years p.a.	-
3 Years p.a.	-
Inception	4.69%

Top 5 Holdings

Stock Name	Sector
Sberbank Russia OJSC	Financials
First Quantum Minerals Ltd.	Materials
Yandex NV Class A	Communication Services
MediaTek Inc	Information Technology
Petroleo Brasileiro SA	Energy

Source: RWC Asset Advisors (US) LLC

Relative Sector Breakdown**



Relative Geographic Breakdown**



Platform Availability

HUB24

PowerWrap

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 RWC Global Emerging Markets Fund ARSN 630 341 249. * Performance is for the CC RWC Global Emerging Markets Fund (APIR: CHN8850AU), and is based on month end unit prices before tax in Australian Dollars. Net performance is calculated after management fees and operating costs, excluding taxation. 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. ** Relative Sector Breakdown and Relative Geographic Breakdown refer to the Underlying Fund and show portfolio weights relative to the MSCI Emerging Markets Index Net AUD. Data provided by RWC.



Fund and Market Review

Emerging market equities recovered during June after falling significantly in the previous month. The MSCI Emerging Markets Index NR in AUD rose +4.9% while the CC RWC Global Emerging Markets Fund rose +5.8%. The Federal Reserve's dovish tone and expectations of a resumption in trade negotiations between the US and China were partially responsible for the rally. North Asian markets were up considerably with China, South Korea and Taiwan rising +8.0%, +8.5% and +5.5%, respectively. While Chinese manufacturing conditions and exports remains relatively weak, foreign exchange reserves rose by \$6.1 billion and are well supported at \$3.1 trillion. Industrial profits also bounced back and the Government is set to continue its path of more accommodative monetary and fiscal policy. In Latin America, Brazil rose +6.2% as confidence surrounding the approval of pension reform continues and inflation expectations remain well-anchored. Russia was up +9.1% as the Central Bank lowered interest rates by 25 basis points to 7.5% and the oil price rose by c.3% to \$67 per barrel due to Middle Eastern tensions and positive expectations regarding continued OPEC production cuts.

Russia was a significant contributor to performance during the month. Sberbank rose +12.8% as the bank continues to benefit from an improvement in net interest margins, the expected sale of Denizbank to Emirates NBD and a strong macroeconomic backdrop. Brazilian healthcare provider, Hapvida, rose +9.5% as the company announced another value-accretive acquisition. The company has agreed to acquire a portfolio of health insurance companies from the America Group which serves Brazil's Central-West region. Rumo and Petrobras also rose +9.4% and +7.9%, respectively. China was an absolute contributor to performance. Baozun and Bilibili, rose +27.1% and +20.5%. The former continues to benefit from rising e-commerce penetration in China while the latter will profit from increased usage in online entertainment from the country's younger generations. The fund's copper exposure was also a contributor to performance during the month as the copper price rallied +3.3% to \$2.7 per pound.

India was a detractor during the month. Gail India declined -12.8% as the regulator announced an anticipated increase in pipeline tariffs for the company's key transmission pipelines which was slightly below expectations. However, gas consumption is a structural growth story in the country. The Government plans to more than double the share of natural gas in the total fuel mix from 6% to 15% by 2030 and the company has a dominant position with 62% pipeline network and 72% gas transmission volume share in India. ACC fell -6.5% during the month but the outlook for the company remains positive. Demand growth should outpace supply, energy costs continue to ease and price hikes should be sustained.

The information contained in this report is provided by the Underlying Fund Investment Manager, RWC Asset Advisors (US) LLC ('RWC'). Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('Channel') is the Responsible Entity and issuer of units in the CC RWC Global Emerging Markets Fund ARSN 630 341 249 ('the Fund'). Neither Channel nor RWC, 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. A reference to quarters is a reference to a calendar quarter. 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 Channel nor RWC 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 on request.