

Fund Update as at 31 August 2020 CC Marsico Global Fund (APIR: CHN0002AU)

Fund Benefits

Exclusive Australian Access:

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

Experienced Investment Team:

Over 18 years managing global growth equity portfolios.

Differentiated, Diversified Global Investment Opportunities:

Marsico evaluates companies in industries around the world to uncover quality investments.

Time-Honoured Philosophy & Process:

Renowned for fundamental, intensive, hands-on research, Marsico combine “top-down” macroeconomic analysis with “bottom-up” security selection.

Fund Facts

Investment Manager	Marsico Capital Management, LLC. ("Marsico")
Portfolio Managers	Tom Marsico, Brandon Geisler & Robert Susman
Structure	Global Equity Fund, unhedged in Australian Dollars
Inception Date [^]	23 February 2016
Benchmark	MSCI All Country World Index, Net in AUD
Management Fee [#]	Base Fee of 1.25% p.a.
Performance Fee [#]	Performance Fee of 10% p.a. outperformance of the Benchmark (net of the Base Fee)
Buy / Sell Spread	0.10% / 0.10%
Distributions	Semi-annual
Fund Size ⁺	AUD \$35 million

Performance (Australian Dollars)

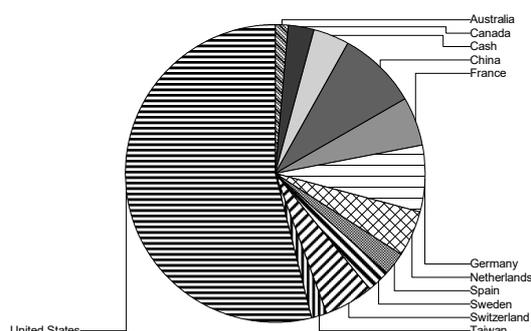
Returns	Fund*	Benchmark**	Active
1 Month	3.99%	2.91%	1.09%
3 Months	10.47%	3.49%	6.98%
FYTD	7.39%	4.02%	3.37%
1 Year	30.06%	6.16%	23.90%
2 Years p.a.	15.74%	6.60%	9.14%
3 Years p.a.	23.40%	11.56%	11.84%
Inception p.a.	20.32%	12.24%	8.07%

Top 5 Holdings

Stock Name	Sector
Amazon.com Inc	Consumer Discretionary
Microsoft Corporation	Information Technology
Alibaba Group Holding Limited	Consumer Discretionary
Facebook Inc	Communication Services
Apple Inc	Information Technology

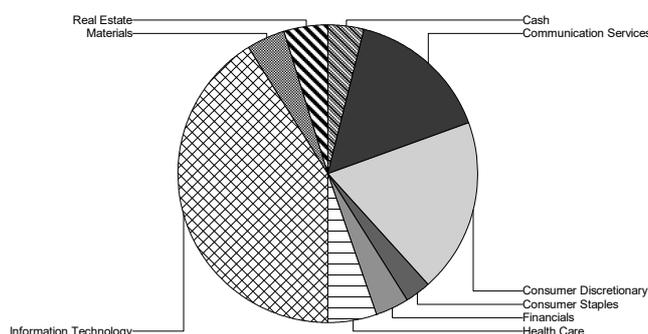
Source: Marsico Capital Management, LLC.

Country Allocation



Source: Marsico Capital Management, LLC.

Sector Allocation



Source: Marsico Capital Management, LLC.

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 Marsico Global Fund ARSN 610 434 896, which is comprised of both Class A and Class B Units. * Performance is for the CC Marsico Global Fund (APIR: CHN0002AU), also referred to as Class B 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 MSCI All Country World Index Net AUD. All data is the property of MSCI. No use or distribution is permitted without written consent. Data provided “as is” without any warranties. MSCI assumes no liability for or in connection with the data.

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Market Review

Equity markets rallied strongly in August, with the S&P 500 Index gaining +3.94%, notching its fifth consecutive monthly advance and its strongest August performance since 1986. The NASDAQ Composite Index followed suit, gaining +6.38% for the month. Overseas, the MSCI Euro Index gained +1.32% and the MSCI China Index rose +2.47%. The strength of the markets was underpinned by a general decline of new COVID-19 case numbers across the globe, as well as positive news regarding the rush to create better COVID-19 testing, more effective medical treatments, and ultimately a vaccine against the virus. In addition, Marsico witnessed continued strength in the U.S. housing market as well as other improving economic indicators during the month.

On the healthcare front, the FDA granted emergency use authorisation for a rapid COVID-19 antigen test produced by Abbot Laboratories and the company plans to ship tens of millions of tests in September, which may prove to be a crucial step in containing infections as schools and businesses re-open. In addition, both Moderna, Inc. and Pfizer Inc. continue to make progress with their vaccine development, which optimistically may be ready for mass distribution in an early-2021 timeframe.

On the monetary policy side, Federal Reserve Chair Jerome Powell announced a major policy shift by the Fed, indicating a willingness to allow inflation to run moderately higher than the Fed's traditional 2% target before raising interest rates. He also placed a heightened emphasis on the employment picture, highlighting the Fed's view that a robust job market can be sustained without triggering an outbreak of inflation. Investors took this message as a sign that interest rates are likely to remain low for the long-term.

In fiscal policy news, Democrats and Republicans continue to wrangle over a stalled fifth COVID-19-related stimulus bill. A deal doesn't appear likely until at least late September, when both sides may be motivated to combine stimulus relief with a funding measure to prevent a government shutdown on October 1. Although the two sides appear to remain far apart when it comes to the size and scope of a proposed bill, Marsico expects an eventual compromise on a package worth approximately \$1.5 Trillion, including another round of stimulus checks. Meanwhile, President Trump is implementing certain temporary stimulus measures by executive order, including a payroll tax holiday and the continuation of limited federal unemployment aid checks.

On a portfolio level, the strong outperformance of the portfolio during August was driven by stock selection in various sectors, and by an overweight allocation to the Information Technology sector, which was one of the best performing sectors during the month. The top performing stock in your portfolio was NVIDIA Corp, which rose +22% during the period on the back of its launch of a new graphics processing chip used for both video gaming graphics cards and the company's datacenter products. Additionally, NVIDIA made a successful acquisition earlier in the year of Mellanox Technologies, a supplier of computer networking products, and NVIDIA is exploring acquisitions of other datacenter assets to bolster its offerings in artificial intelligence.

In terms of market capitalisation, growth equities strongly outperformed value in August, as the MSCI ACWI Growth Index and the MSCI ACWI Value Index posted returns of +4.61% and -0.99%, respectively.

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Market Outlook

After another month of strong performance, Marsico have no discernible change to their outlook. As with July, growth assets continued their stretch of outperformance during the month of August. As mentioned last month, Marsico will continue to spend their time focusing on high-quality, large-capitalisation growth assets which are the focus of the Fund. During and prior to the COVID-19 pandemic and throughout MCM's history, they have chosen to focus on companies with quality balance sheets and low leverage that possess innovative technologies and are leaders in their respective industries. During the pandemic, these companies have continued to thrive as shifting consumer behaviors support their various business lines (e.g., e-commerce, cloud computing, mobile business, etc.).

Marsico didn't make any major portfolio changes during the month of August, as they like how the portfolio is positioned given the current market environment. However, looking forward, Marsico continue to stress-test positions in the portfolio across various scenarios, and remain cognisant of how exogenous factors can effect performance and valuation of individual stocks. As evidenced by the rapidly changing political and macroeconomic backdrop, Marsico continues to focus their research process and portfolio allocation on positions that they believe can grow earnings and cash flow in various economic environments. They also maintain their belief in generally skewing the Fund toward companies that benefit from secular tailwinds around demographics and digital transformation.

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