

Fund Update as at 31 May 2021  
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 <sup>^</sup>	23 February 2016
Benchmark	MSCI All Country World Index, Net in AUD
Management Fee <sup>#</sup>	Base Fee of 1.25% p.a.
Performance Fee <sup>#</sup>	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 <sup>+</sup>	AUD \$42 million

## Performance (Australian Dollars)

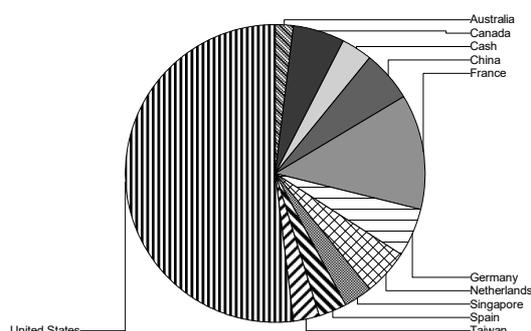
Returns	Fund*	Benchmark**	Active
1 Month	-1.36%	1.35%	-2.71%
3 Months	3.52%	8.85%	-5.33%
FYTD	14.04%	22.26%	-8.22%
1 Year	17.31%	21.64%	-4.33%
2 Years p.a.	21.96%	15.70%	6.26%
3 Years p.a.	16.54%	13.00%	3.54%
Inception p.a.	18.54%	13.86%	4.68%

## Top 5 Holdings

Stock Name	Sector
Amazon.com Inc	Consumer Discretionary
Microsoft Corporation	Information Technology
Facebook Inc	Communication Services
Walt Disney Corporation	Communication Services
LVMH MOET HENNESSY	Consumer Discretionary

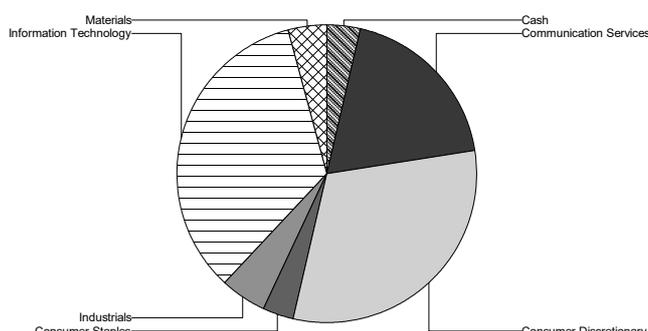
Source: Marsico Capital Management, LLC.

## 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

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Stocks rose broadly in May as COVID-19 cases in the U.S. continued to decline and the number of people receiving vaccinations rose. In a major milestone, more than half the U.S. population has now received at least one dose of a COVID-19 vaccination, according to data posted by the Centers for Disease Control and Prevention.

Similar to April, Marsico witnessed positive gains across many asset classes and geographies in May. A relative outlier was the tech-heavy NASDAQ Composite Index, which dropped -1.65% during the month. Diving deeper into equity performance, they saw “value” stocks generally outpace “growth” stocks during the month, as the Russell 1000 Value Index rose +2.12% while the Russell 1000 Growth Index dropped 1.59%. Overseas markets were also generally positive, with the MSCI Euro Index rising +4.02%. The yield on the U.S. 10-year Treasury Note dropped a negligible 3 basis points to end the month at 1.59%. Commodities generally remained elevated or paused after the broad rally in commodities witnessed during April.

Despite the positive coronavirus-related news, investors continue to focus on inflation concerns, as supply shortages and recovering demand could potentially motivate the Federal Reserve to hike interest rates and curb asset purchases sooner. A key inflation gauge — the core personal consumption expenditures index — rose +3.6% in April from a year earlier, faster than the forecasted +2.9% increase.

Investors are also awaiting the results of the Federal Reserve’s meeting scheduled for June 15-16. Key for the markets is whether the Fed begins to indicate that inflation is higher than it expected or that the economy is strengthening enough to progress without as much monetary support. May’s employment report also provided a key reading of the economy. Non-farm payrolls came in at 559,000 added jobs, slightly lower than economists’ estimate of 675,000. The number was well-received by the markets after the much fewer-than-expected 278,000 jobs added in April.

On a Fund level, Canadian Pacific Inc. (CP) was an outperformer in May on commentary around strong performance in its chemicals and other cyclical businesses, in addition to the removal of the risk of an elevated bid for Kansas City Southern (KSU), another railroad company. CP made an original bid for KSU before railroad competitor Canadian National came over the top with a far more expensive bid. There was originally fear that CP would try to top the Canadian National bid, but CP announced that it wouldn’t be increasing its original offer, alleviating some investor fear of CP potentially over-paying for KSU.

On the negative side, Square Inc. (Square) struggled during the period and was sold from the Fund. During the COVID-19 pandemic, many financial services were forced to utilise the cloud for delivery, which directly benefited the company through increased adoption of Square’s Cash App. This led to material growth in revenue and gross profit, and to significant share price appreciation. As we move back to some degree of normality and in-person service delivery, Marsico expect growth rates for Square to slow, which motivated them to sell the position in favor of other ideas they believe will benefit from a global re-opening.

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### Market Outlook

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Similar to April, May presented a generally positive month across asset classes and geographies, with the exception of the NASDAQ Composite Index, and as such, Marsico doesn't have any discernible changes on their outlook and views on global markets.

Although the U.S. continues to battle new variants and different strains of COVID-19 across many parts of the country, significant advances with the vaccination of the U.S. population continue to be made. By the end of the second quarter, its anticipated that approximately 50% of the U.S. adult population will have received a vaccine, which should have a meaningful and cumulative impact on the economy in the latter half of the year.

These advances should enable a compelling reacceleration in the economy over the course of the year, and in particular positively impact the travel, leisure and entertainment industries. In this environment, Marsico anticipates somewhat of a normalisation of interest rates, but longer-term factors, such as demographics, global debt and continued productivity increases, should moderate rates over time.

While many parts of the world economy seem likely to continue to lag the U.S. in both vaccination rates and economic momentum, many global stock markets are climbing and Marsico expects positive economic trends to also eventually emerge over roughly the next 18 months in Europe, Asia and Latin America. These trends, in combination with continued fiscal and monetary support, appear likely lead to a period of elongated growth which should support asset prices. On a Fund level, Marsico is attempting to position for these trends while remaining committed to the further development and build-out of the internet and the 'digitisation' of the economy. They feel these trends will continue as we progress through 2021.

While the first piece of major legislation for the Biden administration, a \$1.9 trillion relief package, was passed on party lines, we hope that initial post-election discord will subside and both parties will engage on additional significant pieces of legislation addressing infrastructure, taxation and immigration. Marsico believes these decisions will ultimately shape confidence in the investing environment. Marsico maintains their view that a portfolio of appropriately-valued, high-quality, innovative growth franchises will navigate the market and drive disproportionate outperformance over time.

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