

Fund Update as at 31 July 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 [^]	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 \$47 million

Performance (Australian Dollars)

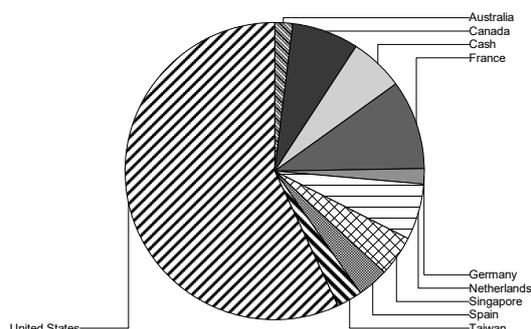
Returns	Fund*	Benchmark**	Active
1 Month	3.63%	2.84%	0.79%
3 Months	9.76%	8.87%	0.89%
FYTD	3.63%	2.84%	0.79%
1 Year	22.87%	29.94%	-7.07%
2 Years p.a.	23.83%	15.70%	8.13%
3 Years p.a.	19.78%	14.13%	5.65%
Inception p.a.	20.27%	14.91%	5.36%

Top 5 Holdings

Stock Name	Sector
Microsoft Corporation	Information Technology
Amazon.com Inc	Consumer Discretionary
Apple Inc	Information Technology
PayPal Holdings Inc	Information Technology
Facebook Inc	Communication Services

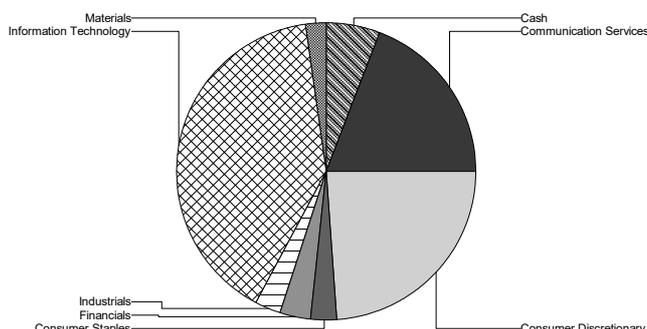
Source: Marsico Capital Management, LLC.

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

Stocks rose broadly in July, in spite of growing concerns about the spread of the Delta variant of COVID -19 and lingering inflation fears. While inflation remains higher year-over-year, it appears to be led primarily by tightness in global supply chains and the rapid rise of certain commodity prices, which seem to have peaked in some cases. For example, lumber prices have declined dramatically from their May highs, and used car prices have shown recent signs of leveling off, although gasoline and food prices continue to climb. Some tentative slowdowns in price increases led to a better environment for stocks during the month.

After bottoming at an average of approximately 10,000 new COVID-19 cases a day, the case count in the U.S. has risen to an average of almost 80,000/day as of July 31, 2021. This rise in cases is being driven by the proliferation of the Delta variant, which has led to a significant increase in case counts globally. While hospitalisations have also risen along with the rising case counts, hospitalisation rates are far less than in the past, largely due to higher vaccination rates.

On the political front, the U.S Senate's bipartisan infrastructure deal may have moved a few steps forward in late July after weeks of grueling negotiations, handing a group of centrist lawmakers and President Biden a potential victory. Although the legislation remains unfinished, more than a dozen Republicans took the significant step of voting to break an initial filibuster of the bill. However, even as the U.S Senate agreed to begin considering the bipartisan framework, final passage remains uncertain as the bill will once again face a 60-vote hurdle to close debate.

In late July, the U.S Federal Reserve reiterated that its monthly purchases of \$120 billion in bonds would continue until the U.S. economy achieves substantial further progress toward the Fed's dual goals of low unemployment and inflation of around 2%. While the Fed said that "the economy has made progress toward these goals," Fed Chairman Powell added that the U.S. economy is still a good deal away from making 'substantial further progress' toward stable prices and maximum employment. Investors looking for clues as to the Fed's timetable for scaling back purchases took Chairman Powell's comments to indicate the Fed is seeking to buy more time before it makes any major policy adjustments.

Regarding the Fund, ASML Holding N.V. (ASML) outperformed in the month as major chip makers (Intel, Samsung, TSMC, etc.) have had to spend on ASML's chip-making tools in order to keep up with higher demand for chips for PCs, smartphones, servers, and other devices we are using remotely, at the office, and on-the-go. Marsico expects this trend to continue throughout 2021, as the 5G cycle is still gaining steam, server capex budgets are implying strong continued growth, and as cyclical chip-consuming industries like auto have improved quicker-than-expected and have experienced a shortage of key chips. Further, Marsico has gotten a longer look into ASML's customers' spend plans than they have in the past, notably TSMC indicating that they will spend \$100 billion on chip-making capacity in 2021-2023. All of these factors mean that ASML has had a continually strengthening backlog, and the company's tools will be in short supply for the foreseeable future.

In terms of the underlying dynamics of equity market performance, growth equities outperformed value equities in July as the MSCI ACWI Growth Index and the MSCI ACWI Value Index posted returns of +3.60% and +2.05%, respectively.

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Market Outlook

As the Northern Hemisphere progresses through the summer, Marsico continues to focus on several important events, including continued progress on vaccination efforts, the impact of the Delta variant of COVID-19, and the policies of the Biden administration. All of these factors have potential impacts on the trajectory of the U.S economic growth going forward and in turn, on the Fund. While the first piece of major legislation under the Biden administration, a \$1.9 trillion COVID-19 relief package, passed on party lines, there are other spending initiatives in the pipeline. There remains support for phase one of a significant infrastructure package, as well as other more partisan agendas addressing issues such as taxation, including capital gains adjustments. The growing list of priorities for constituents also includes public safety and policing, among other issues. Given the current climate in both the House and Senate, we think any policies that are ultimately enacted will likely be more moderate in nature.

Another development that Marsico is watching intently is the impact of what appears to be another level of deglobalisation, as countries such as China increasingly impose restrictions on their tech companies, and isolationism across other industry groups becomes increasingly evident. Understanding whether this is a short-term trend or a major sea change will be crucial, as a significant change in this backdrop will likely have powerful implications for capital markets.

Looking ahead, the extended impact of COVID-19 continues to influence other geopolitical issues. Interest rates have fluctuated between increases reflecting a pattern of normalisation and occasional reversion to lower levels. In light of the other issues Marsico has described, they expect interest rates to remain well-anchored over the medium-term. Broadly speaking, the markets are searching for post-pandemic footing, which has been boosted by large stimulus injections. While Marsico expects to inevitably revert to a more normal economic trend, they also expect to see continued volatility as this process plays out, which they believe is an inevitable part of the economic cycle as the U.S transitions out of the pandemic back to a more normalised economy.

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 continue to invest in dynamic companies that lead others in creating innovative products and services with the potential to disrupt established markets. Marsico looks for businesses that are healthy and growing, and that attract motivated employees and have the financial resources to reinvest. They maintain their view that a portfolio of appropriately -valued, high-quality, innovative growth franchises will navigate the market effectively and drive disproportionate outperformance over time.

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