

Fund Performance

Returns ¹	1 month	3 months	6 months	CYTD	FYTD	1 year	3 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	-1.59%	3.10%	15.20%	5.32%	9.07%	8.50%	10.04%	11.83%
Benchmark Return ²	-2.94%	1.04%	15.17%	2.24%	9.97%	9.07%	7.30%	7.48%
Active Return (After fees)	1.35%	2.06%	0.03%	3.08%	-0.90%	-0.57%	2.74%	4.35%

About Sage Capital

As an Australian equities long short manager, Sage Capital views the market through eight unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of the market environment.

The Sage Capital investment team owns 100% of the firm and invests alongside its clients.

About the Fund

The CC Sage Capital Equity Plus Fund aims to achieve positive returns in excess of the S&P/ASX 200 Accumulation Index, after fees and expenses, over the long term by taking both long and short positions in selected Australian shares.

Fund Facts

Investment Style	An Australian equity active extension long short strategy
Net Asset Value	\$517.9 million ³
Inception Date	20 Aug 2019
Benchmark	S&P/ASX 200 Accumulation Index
Management Fee	0.79% p.a. ⁴
Administration Fee	0.10% p.a. ⁴
Performance Fee	20.5% p.a. ⁵
High Water Mark	Yes
Distributions	Semi-annually at 31 December and 30 June

Portfolio Metrics

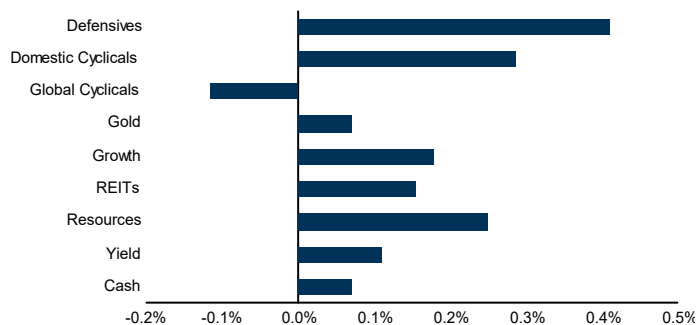
As at end of month

Long exposure	131%
Short exposure	-32%
Gross exposure	163%
Net exposure	99%
Number of long positions	122
Number of short positions	56

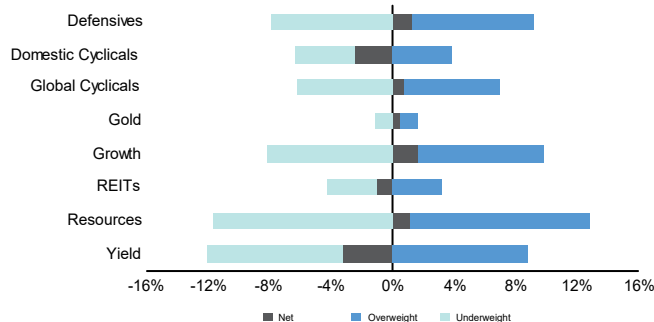
Since Inception

Information Ratio ⁶	1.3
Tracking Error ⁶	3.5%

Contributors to Fund Performance*



Allocation Weights*



Platform Availability

AMP MyNorth	ANZ Grow Wrap	Ausmaq
BT Panorama	Colonial First Wrap	Colonial FirstChoice
HUB24	IOOF eXpand	IOOF Pursuit
Macquarie Wrap	Mason Stevens	Netwealth
Praemium	Xplore Wealth	

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¹ Performance is for the CC Sage Capital Equity Plus Fund ('the Fund') - Class A, and is based on month end unit prices in Australian Dollars. Net return is calculated after management fees and operating costs. Individual investor level taxes are not taken into account when calculating net returns. This is historical performance data. The value of an investment can rise and fall and past performance is not indicative of future performance. ² Benchmark refers to the S&P/ASX 200 Accumulation Index. ³ Net Asset Value is calculated as Fund assets less Fund liabilities. ⁴ All figures disclosed include the net effect of GST and RITC. ⁵ Performance Fee of 20.5% (including the net effect of GST and RITC) based on outperformance of the Fund Benchmark, net of the Management Fee. ⁶ Refer to Definition of Terms at the end of the report.

Performance Review

The CC Sage Capital Equity Plus Fund outperformed the benchmark in April by +1.35% returning -1.59% versus the S&P/ASX 200 Accumulation Index return of -2.94%.

The strongest contributors to performance were Sage Groups* Defensives, Domestic Cyclical and Resources with Global Cyclical being a detractor. Key drivers within Defensives were an overweight position in AGL Energy (ASX: AGL +13%) which rose on the back of higher forward electricity prices and a short position in Ramsay Health Care (ASX: RHC -8%) which fell as the outlook for the private hospital sector continues to look very challenged. An overweight position in Qantas Airways (ASX: QAN +8%) was the key driver in Domestic Cyclical which rallied after giving a much-anticipated update on changes to its loyalty program which should be accretive to earnings longer term and recommencing its share buyback program.

In Resources, key drivers of performance were overweight positions in South32 (ASX: S32 +20%) which rallied with strong aluminium and copper prices during the month. Pilbara Minerals (ASX: PLS +6%) which printed a strong, clean quarterly result highlighting its future expansion options at its flagship Pilgangoora project and IGO (ASX: IGO +12%) which sold and cleared excess lithium stock that had built up at the end of last year when partners deferred shipments. On the negative side, an overweight position in James Hardie Industries (ASX: JHX -12%) impacted performance in Global Cyclical due to fears regarding the impact of higher bond yields on the demand for US housing.

Market Review

The S&P/ASX 200 Accumulation Index fell -2.94% in April driven by a rise in bond yields as inflation indicators surprised to the upside. The US Consumer Price Index (CPI) came in higher than expected driving the 10-year bond yield up 50 basis points (bp), while US March GDP growth was lower than expected at 1.6% reviving fears of stagflation. In Australia, the trimmed mean CPI came in higher than expected at 4% Annualised, leading to futures market repricing interest rate expectations from multiple cuts to a possible rate hike instead. All Sage Groups* fell in absolute terms in April except for Gold which remains in demand due to its safe-haven status. Weakest areas of the market were the Sage Groups* REITs, due to the sensitivity of their valuations to higher bond yields, and Global Cyclical on the back of lower-than-expected US GDP growth.

Portfolio Positioning and Market Outlook

After several months of inflation surprising to the upside, market expectations around interest rate cuts have shifted significantly. The market has now largely priced out interest rate cuts which have been pushed out to later this year in the US, and in Australia the market is pricing in the possibility of another interest rate hike. The market has pulled back from its highs given the recent rise in bond yields, although there still seems to be a large disconnect with some of the lofty valuations in the equity market. Positive sentiment to equities has been supported by strong profit results from US tech companies and this has helped to keep valuations resilient across growth stocks.

Sage Capital continues to prefer companies with pricing power and those that can continue to grow regardless of the economic cycle as the lagged impact of rising costs and slower demand continues to play out. Sage Capital remains positive on insurers over banks given insurer's pricing power and the belief that the insurance margin cycle has further to run. By comparison, bank valuations are looking stretched given that there is no bad debt cycle to recover from and intense mortgage competition is unlikely to disappear in a market with low top line growth.

Within resources, Sage Capital remains positive on base metals as Chinese supply moderates and the market has begun to position for the increased demand from electrification in the next few years. However, Sage Capital continues to be more cautious on iron ore given the weakness in the Chinese property sector, although manufacturing and exports have grown to fill some of this slack. Lithium continues to exhibit high volatility due to a slowdown in electric vehicle (EV) demand. Currently, Sage Capital remains neutral in this sector.

Sage Capital has become increasingly cautious of the consumer discretionary sector. The stocks rallied strongly with interest rate cut expectations but have been pushed out as concerns grow of financial stress and pressure on hours worked, with their valuations now hard to justify. Sage Capital continues to remain more positive on the travel industry as the ageing demographic supports the demand for leisure travel.

Sage Capital continues to maintain low net exposure to the Sage Groups* to limit the impact of unpredictable macro risks, with the portfolios being well diversified and liquid.

Fund Disclosures

Key service provider changes	Nil
Key individual changes	Nil
Risk profile or investment strategy material changes	Nil

*Sage Capital uses a custom grouping system for long short positions (Defensives, Domestic Cyclical, Global Cyclical, Gold, Growth, REITs, Resources and Yield). With a focus on the principal macro earnings drivers for each stock, Sage Groups allow for comparisons to GICS for selecting stocks within a sector. Contributors to Active Performance is Gross of Fees.



CC Sage Capital Equity Plus Fund (APIR: CHN8862AU)

April 2024

Class A

Definition of Terms:

Tracking Error - The standard deviation of excess returns (net of fees).

Information Ratio - The excess return of the Fund (net of fees), divided by the tracking error.

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