SAGE CAPITAL

CC Sage Capital Absolute Return Fund (APIR: CHN5843AU)

Class A

October 2024

Fund Performance

Returns[1]	1 month	3 months	CYTD	FYTD	1 year	3 years p.a.	5 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	-1.80%	0.70%	9.78%	-1.64%	4.35%	5.97%	8.56%	8.22%
Benchmark Return[2]	0.37%	1.10%	3.71%	1.50%	4.43%	2.94%	1.83%	1.80%
Active Return (After fees)	**-2.17%**	**-0.40%**	**6.07%**	**-3.14%**	**-0.08%**	**3.03%**	**6.73%**	**6.42%**

About Sage Capital

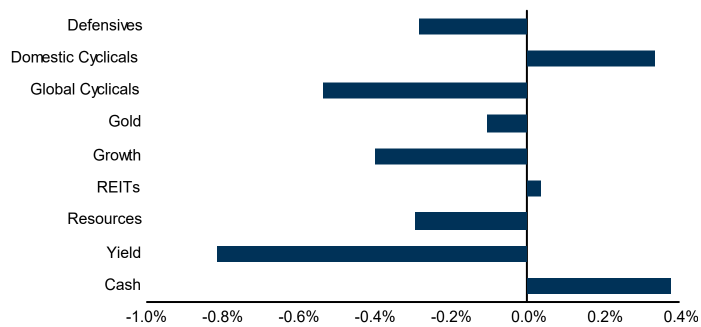
As an Australian equities long short manager, Sage Capital views the market through eight unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of 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 Absolute Return Fund aims to provide an uncorrelated source of returns whilst eliminating equity market exposure, where long and short positions offset each other.

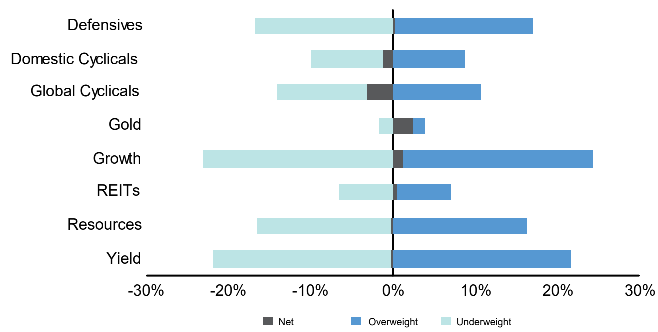
Contributors to Fund Performance*



Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	$625.7 million [3]
Inception Date	20 Aug 2019
Benchmark	RBA Cash Rate
Management Fee	1.29% 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

Allocation Weights*



Portfolio Metrics

As at end of month

Long exposure	111%
Short exposure	-111%
Gross exposure	221%
Net exposure	0%
Number of long positions	54
Number of short positions	73

Since Inception

Platform Availabilty

AMP MyNorth	ANZ Grow Wrap	Ausmaq
BT Panorama	Colonial First Wrap	HUB24
IOOF	Macquarie Wrap	Mason Stevens
MLC Wrap/Navigator	Netwealth	Powerwrap
Praemium	Xplore Wealth	

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[1] Performance is for the CC Sage Capital Absolute Return 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 RBA Cash Rate Total Return Index. The comparison to the RBA Cash Rate is displayed as a reference to the target return for the Fund and is not intended to compare an investment in the Fund to a cash holding. Securities held by the Fund may be exposed to a higher degree of risk than an investment in cash as the value of securities can rise and fall. [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.

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Performance Review

The CC Sage Capital Absolute Return Fund returned -1.80% in October, underperforming the RBA Cash Rate which returned 0.37%.

The strongest contributors to performance were Sage Groups, Domestic Cyclicals, while REITs was a small positive, and detractors were spread amongst the other groups with Yield the weakest group.

In the strongest group, Domestic Cyclicals, Qantas (ASX: QAN +9%) was a standout performer, whose share price has been recovering in a stable competitive environment and falling fuel costs which have boosted profits. However, travel was broadly weaker with long positions in Flight Centre (ASX: FLT -29%) and WEB Travel Group (ASX: WEB -45%) impacting performance with Flight Centre expressing cautious guidance with top line revenue being impacted by lower airfares. WEB for instance, having only recently demerged its online travel booking business, issued a poorly communicated and unexpected profit warning citing weak margins in Europe due to the Olympics and competitor discounting. While this dragged on the Global Cyclicals group, an offset came from a short position in Reece (ASX: REH -19%) which reported weaker than expected 1Q sales and provided guidance that was lower than market expectations due to softer renovation activity in the US and softening prices. In the weakest group, Yield, banks outperformed insurers and drove a low success rate across the group.

There was a bout of corporate scandal in the month. The Fund was boosted by a short in Mineral Resources (ASX: MIN -24%) which sold off sharply amidst newspaper articles alleging tax avoidance and related party transactions at inflated prices by Chris Ellison and other founding executives. There was also a wind down of optimism around China stimulus, which was partially offset by a long position in WiseTech Global (ASX: WTC -13%). As founder Richard White was forced to step into a consulting role after allegations of conflicts of interest in his relationship with some employees.

Market Review

The S&P/ASX 200 Accumulation Index returned -1.31% in October as bond yields moved higher in response to the increased likelihood of a Trump U.S. presidency with tax cuts driving larger budget deficits and tariffs keeping inflation higher. The Gold group was up strongly (+9.6%) along with Yield (+3.3%), while Resources was the weakest group (-6.6%) giving back the strong performance in September with last month's optimism on China's policy stimulus fading. Higher bond yields also weighed on Global Cyclicals (-5.4%), Defensives (-4.1%) and REITs (-2.5%), although the Growth (-0.6%) group was largely immune from the valuation implications.

Portfolio Positioning and Market Outlook

There have been some significant developments on the macroeconomic front in recent months. Firstly, there has been a material move up in U.S. bond yields, presumably in response to higher U.S. fiscal deficits while the U.S. Federal Reserve is no longer buying government debt. Indeed, as the likelihood of a Trump presidency and a possible Republican sweep of the houses increased, so did the pace of the sell-off in bonds.

The U.S. equity market has continued to move higher as the prospect of corporate tax cuts and a lighter regulatory touch have boosted optimism around the earnings outlook. However, there has been some rotation in the market with cyclicals, small cap banks and big tech having performed well, while more interest rate sensitive sectors such as utilities, REITs and residential construction have begun to suffer. There have been similar dynamics in Australia although some of our markets segments, and growth stocks in particular, look expensive given the likely sustained move higher in the risk-free rate.

The other key shift recently has been the policy pivot by China to draw a line under falling property and equity prices. This is largely designed to boost confidence and wealth effects with the household sector rather than drive a lift in commodity intensive fixed asset investment, but the success of this pivot has been cast into doubt with the election of Trump and his proposed 60% tariff on Chinese imports. This is likely to prompt a further policy shift by China, but whether its more direct stimulus or further reform to stimulate household spending is unclear. In any case, the policy path of U.S. tariffs, trade wars and actual conflict in the Middle East and Ukraine are likely to drive greater commodity volatility.

Sage Capital continues to favour new energy metals such as copper and aluminium rather than iron ore which appears to have peaked structurally with Chinese steel production. Domestically, hopes around rapid interest rate cuts have also been dashed. Stronger than expected employment growth and more persistent underlying inflation are likely to keep the RBA on hold well into next year. As the impact of tax cuts fade, the run-up in the valuations of many retail stocks appears unsustainable.

As always, portfolio tilts are minor, with the portfolio constructed using Sage Groups to minimise macro volatility with a focus on individual companies within these groups.

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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 Cyclicals, Global Cyclicals, 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.

Definition of Terms:

Sharpe Ratio - Annualised average monthly excess Fund return (net of fees) divided by Fund volatility. Excess return is the Fund return minus the risk free rate, which is the RBA Cash Rate.

Volatility - Annualised standard deviation of monthly returns (net of fees) since inception.