SAGE CAPITAL

CC Sage Capital Absolute Return Fund (APIR: CHN5843AU)

Class A

February 2025

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	0.63%	4.52%	3.43%	4.04%	13.67%	5.65%	9.51%	8.81%
Benchmark Return[2]	0.33%	1.08%	0.70%	2.95%	4.42%	3.42%	2.07%	1.95%
Active Return (After fees)	**0.30%**	**3.44%**	**2.73%**	**1.09%**	**9.25%**	**2.23%**	**7.44%**	**6.86%**

About Sage Capital

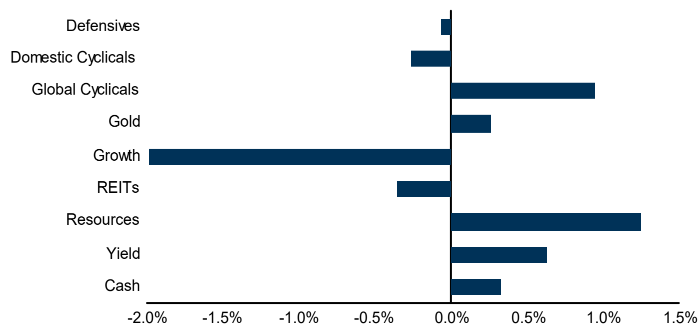
As an Australian equities long short manager, Sage Capital views the market through eight unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of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

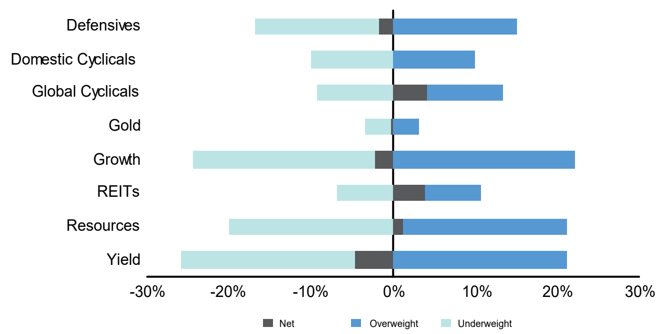
Contributors to Fund Performance*



Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	$686.1 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	117%
Short exposure	-116%
Gross exposure	234%
Net exposure	1%
Number of long positions	57
Number of short positions	75
Since Inception	
Sharpe Ratio [6]	1.4
Volatility [6]	6.3%
Maximum monthly drawdown	-5.4%

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 0.63% in February, outperforming the RBA Cash Rate which returned 0.33%.

During the February reporting period, most companies released their half-yearly updates and earnings, with a handful announcing their full-year annual financial results. Share price reactions were extremely volatile with large moves on relatively small beats and misses, particularly on the downside. Amidst this, the fund had a small positive month with some outsized winners and losers. The biggest net contributors to performance came from the Sage Groups Resources and Global Cyclicals, while Growth was a negative.

Performance in Resources was aided by an underweight position in Mineral Resources (ASX: MIN -35%), which faced challenges due to weather disruptions in the West Pilbara region of Western Australia. These disruptions have delayed the ramp-up of the Onslow iron project, that requires a 150km long haul road to be resurfaced, and exacerbated issues with high company debt levels. Additionally, within the Resources group, Sage Capital benefited from an overweight position in South32 (ASX: S32 +5%), where improving aluminium and copper prices, as well as better production performance lifted profits.

The Global Cyclicals group's performance was largely due to an underweight position in Reece (ASX: REH -28%). Reece, a relatively high P/E stock in the plumbing supplies sector, faced challenges due to margins pressure in Australia, along with a new competitor taking market share in the US.

On the negative side, the Growth group was impacted by overweight positions in Block (ASX: XYZ -32%), which missed expectations of accelerating growth in gross merchandise value (GMV) in the US. Additionally, WiseTech Global (ASX: WTC -28%) declined following a tumultuous period that included a trading halt, while majority owner Richard White spilled the board. A downgrade to full year earnings guidance as new product rollouts were delayed also weighed on the WiseTech Global share price. An underweight position in Seek (ASX: SEK +4%) also dragged as investors looked through a weak result to a potential cyclical upswing in employment classifieds.

Market Review

The S&P/ASX 200 Accumulation Index experienced a rough month, posting a return of -3.79%. This decline was partly influenced by global risk assets, as concerns over US tariffs and the Trump Presidency dampened market optimism. February was also the start of the 2025 reporting season in Australia, where more companies missed rather than met expectations, leading to severe punishment for underperformers. Several stocks fell more than 30% during the month, while a handful of short squeezes saw some big upside moves too. Among the Sage Groups, Gold (+0.4%) and Defensives (+0.3%) were up slightly, while all other Sage Groups were down, particularly Growth (-9.2%), REITs (-6.4%) and Yield (-4.1%).

Locally, the Australian dollar and bond yields finished roughly where they started, while globally, risk assets like Bitcoin and developed market indices in Japan and the US also declined.

Portfolio Positioning and Market Outlook

After a brief respite in January, the global bull market of 2024 appears to be faltering. At the forefront of the news cycle is geopolitical uncertainty with US President Trump threatening tariffs and then delaying them, but also withdrawing support for Ukraine against Russia. This policy uncertainty has been unsettling markets and volatility has been rising. In the background though, fundamental market forces have also become stretched. Sage Capital has been highlighting the disconnect between bonds and equities for some time and the excessive valuation multiples being paid for certain stocks. The odds of a sharp valuation correction are rising, although economic fundamentals and company profitability remain reasonably robust, so a more protracted bear market appears less likely.

In China, policy settings have moved to a more stimulatory basis to combat deflationary pressures. A re-embracing of private enterprise is seeing fund flows begin to move out of developed markets, including Australia, and into China. While more aggressive growth targets would generally help Australian equities through stronger commodity prices, China's current policy focus is centred on stimulating domestic consumption rather than export-driven growth. In fact, policy is focusing on cutting excess industrial capacity, including in the steel industry, as increased anti-dumping actions are being taken by its trading partners. This is generally negative for bulk commodities such as iron ore, particularly as supply begins to tick higher. Additionally, oil prices appear somewhat capped as US producers continue to increase output and the Organisation of the Petroleum Exporting Countries (OPEC) begins returning barrels to the market. In contrast, base metals such as copper and aluminium could be set for upside due to their greater exposure to consumer goods and electrification trends.

The recent interest rate cut by the RBA has helped to boost sentiment around economic growth in Australia, but the RBA was at pains to point out that further interest rate cuts will be limited due to sustained elevated inflation and tight labour markets. As we go into a federal election cycle, we are not expecting too much from the domestic consumer in the short term, reflecting broader economic caution and uncertainty.

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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.