

Fund Performance

Returns ¹	1 month	3 months	6 months	FYTD	1 year	2 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	2.32%	4.40%	10.39%	14.24%	16.25%	15.56%	12.69%
Benchmark Return ²	0.00%	0.01%	0.02%	0.02%	0.03%	0.08%	0.23%
Active Return (After fees)	2.32%	4.39%	10.37%	14.22%	16.22%	15.48%	12.46%

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.

Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	\$246.6 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

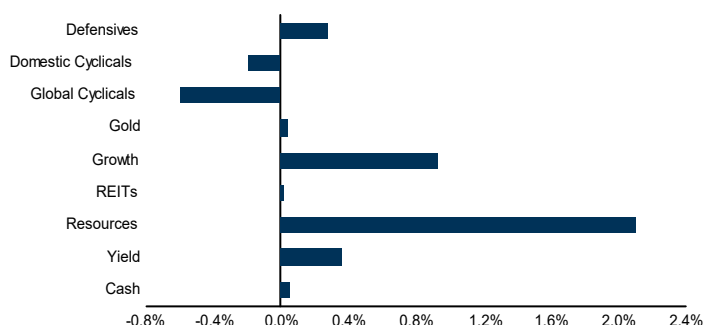
Platform Availability

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	

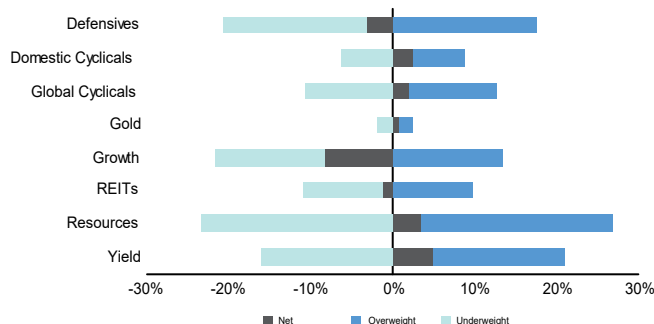
Contact Details

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Sage Group Contributors to Fund Performance (Gross of Fees)



Sage Group Allocation Weights



Portfolio Metrics

As at end of month

Long exposure	113%
Short exposure	-112%
Gross exposure	225%
Net exposure	1%
Number of long positions	55
Number of short positions	66

Since Inception

Sharpe Ratio ⁶	2.4
Volatility ⁶	5.2%
Maximum monthly drawdown	-2%

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. 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 Absolute Return Fund returned 2.32% in February versus the RBA Cash Rate of 0.00%, resulting in outperformance of 2.32%.

Key contributors to performance by Sage Groups* were Resources, Growth and Yield. Performance in the Resources Sage Group was driven by a long position in South32 (S32 +25%) which rallied following a strong result and completing the acquisition of a 45% stake in the Sierra Gorda Copper Mine in Chile and a short position in Mineral Resources (MIN -18%) after delivering a disappointing profit result due to rising costs. Performance in the Growth Sage Group was driven by a short position in loss making Novonix (NVX -33%) and a range of short positions in stocks that for the most part delivered a solid profit result but were trading on very high valuation multiples such as Dominos Pizza Enterprises (DMP -23%), Xero Limited (XRO -17%), REA Group (REA -9%) and Reece Limited (REH -11%). The Yield Sage Group was driven by a long position in Computershare (CPU +12%) as it is a beneficiary of higher cash rates.

On the negative side, the Global Cyclical Sage Group was the primary detractor, driven by a long position in Incitec Pivot (IPL -6%) which experienced an outage at its Louisiana ammonia plant.

Market Review

The S&P/ASX 200 Accumulation Index rose 2.14% in February. February news flow and share price moves are usually dominated by company profit announcements, however this month an added driver was conflict between Russia and Ukraine. From a bottom-up perspective, companies generally reported healthy results with more beats than misses in earnings versus market expectations, however in many cases cashflows disappointed as companies intentionally built up inventory levels due to concerns of continued supply chain issues. Commentary on inflation and higher costs was a common theme highlighting the importance of pricing power as were share buyback announcements from companies sitting on excess cash. Russia invading the Ukraine drove a large spike in oil and gas prices and investors globally positioned for increased uncertainty.

The strongest performing Sage Groups were Gold (+21%) which tends to perform well in times of rising geopolitical risk, Resources (+5%) driven in large part by energy stocks as the oil price rallied a further 11% and Yield (+3%) as bond yields continued to rise. The weakest Sage Group was Growth (-4%) driven by the de-rating of expensive and unprofitable companies.

Portfolio Positioning and Market Outlook

In a short space of time the world has moved from dealing with a global pandemic to high inflation and monetary tightening, which is now being accelerated by Russia's invasion of Ukraine. For the first time in many decades, central banks have to consider supply constraints in their policy formulations. These constraints are apparent across labour markets with many economies reaching full employment, supply chains and commodities. Disruption in Eastern Europe is accelerating inflationary pressures, particularly across the energy complex. This means that policy is likely to be tightened into a slowing growth environment to manage escalating inflationary pressures. This is reminiscent of the stagflation of the 1970's and increases the risk that we are heading into a secular bear market.

The portfolio is well positioned for this environment with solid positioning across the Resources Sage Group with energy stocks in particular offering a good risk reward outlook. Sage Capital have become more concerned with the outlook for consumer discretionary stocks and Sage Capital have taken some profits on financials that have done well with the expectation of rate rises. The portfolio is well diversified and positioned to weather the myriad of unknowns. Utilising Sage Groups allows systematic macro risks to be minimised as much as possible whilst benefiting from bottom-up stock selection.

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.

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.



CC Sage Capital Absolute Return Fund (APIR: CHN5843AU)

February 2022

Class A

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