

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	5.91%	7.00%	11.00%	5.91%	14.68%	14.53%	12.18%	13.53%
Benchmark Return ²	6.23%	9.59%	10.32%	6.23%	16.66%	12.21%	5.96%	7.82%
Active Return (After fees)	-0.32%	-2.59%	0.68%	-0.32%	-1.98%	2.32%	6.22%	5.71%

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.

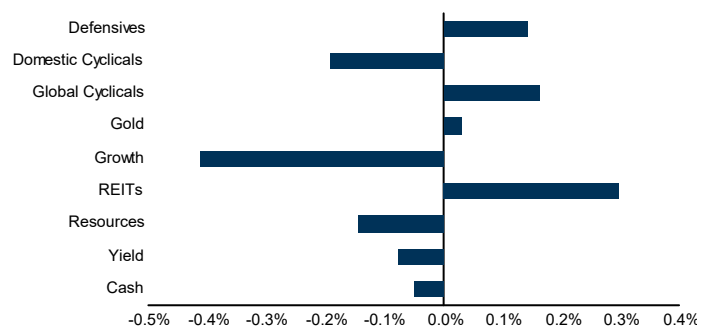
Fund Facts

Investment Style	An Australian equity active extension long short strategy
Net Asset Value	\$308.2 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

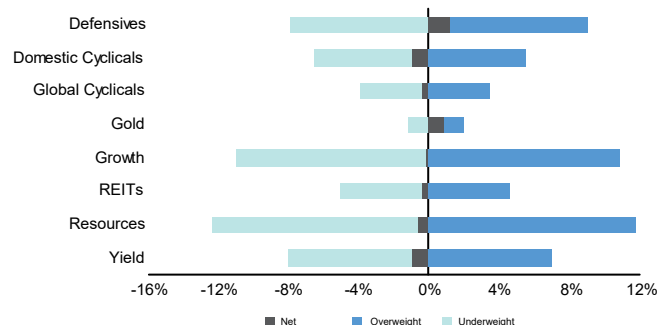
Portfolio Metrics

As at end of month	
Long exposure	127%
Short exposure	-29%
Gross exposure	156%
Net exposure	99%
Number of long positions	119
Number of short positions	64
Since Inception	
Information Ratio ⁶	1.7
Tracking Error ⁶	3.4%

Contributors to Fund Performance*



Allocation Weights*



Platform Availability

AMP MyNorth	ANZ Grow Wrap	Ausmaq
BT Panorama	Colonial First Wrap	HUB24
IOOF eXpand	IOOF Pursuit	Macquarie Wrap
Mason Stevens	MLC Wrap/Navigator	Netwealth
Powerwrap	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 returned 5.91% in January versus the S&P/ASX 200 Accumulation Index return of 6.23%.

The REITs and Global Cyclical Sage Groups* were the strongest contributors to performance, with Growth and Resources Sage Groups being detractors. REITs performance was driven by long positions in Charter Hall Group (ASX: CHC +15%) and Goodman Group (ASX: GMG +15%) which rose due to combination of falling bond rates and strong results from Prologis, an overseas competitor, which cited continued high rental growth for industrial property. Global Cyclical was driven by a short position in Amcor (ASX: AMC -5%) which fell on uncertainties about the outlook for consumer packaging volumes and a long position in Corporate Travel Management (ASX: CTD +25%) which was strong on the back of an expected pick-up in activity following China's reopening.

On the negative side, Growth Sage Group performance was impacted by short positions in Pro Medicus (ASX: PME +21%) which announced several new client wins, and Breville Group (ASX: BRG +23%) which rallied on a short squeeze as industry data indicated trading over the Christmas period was stronger than expected. The Resources Sage Group performance was impacted by a long position in Santos (ASX: STO 0%) which gave guidance for lower than expected production due to the temporary shut down of the John Brookes platform in Western Australia and a short position in Sims Limited (ASX: SGM +17%) which bounced on perceived improvements in the scrap metal market since the last weak trading update.

Market Review

The S&P/ASX 200 Accumulation Index finished January up 6.23%, the strongest start since 1986 and in stark contrast to January 2022 which recorded a -6.4% decline. The market was driven higher as bond yields fell on expectations of global inflation peaking, hopes of a soft landing in the US, and China reopening. All Sage Groups were up for the month, the strongest being Gold, driven by a rise in the gold price as real interest rates fell, REITs which rallied as valuations were supported by 10-year bond yields falling, and Domestic Cyclical driven by a series of strong Christmas trading updates from cyclical retailers such as JB Hi-Fi (ASX: JBH) and Super Retail Group (ASX: SUL). The weakest Sage Group was Global Cyclical driven in large part by a fall in Incitec Pivot (ASX: IPL -9%) due to a sharp fall in the benchmark ammonia price, from which IPL's products are priced, as warmer weather in Europe saw gas prices recede.

Portfolio Positioning and Market Outlook

The outlook for equities remains heavily influenced by actions of the central banks. In the US, inflation looks to have peaked, forward indicators of growth have weakened and consumer spending is starting to slow, all signs that the recent aggressive rate hikes are working. However, there is still work to be done in fighting inflation with services and wage inflation remaining high. While future rate hikes are expected to be in smaller increments, the jury is still out on how long this rate hike cycle will continue and whether inflation can genuinely be tamed without a material contraction in activity and a drop in earnings. The tightening cycle may last longer than markets are currently pricing in with the January rally resulting in the market forward multiple reverting to its long-term average.

Within Australia's February reporting season, Sage Capital expects companies to generally report robust results, however attention will be on the outlook statements especially with regards to demand and managing cost inflation. There are still plenty of positives for Australian companies with real interest rates still negative, China's economic activity picking up coming out of lockdown and companies generally having strong balance sheets. However, Sage Capital expects interest rates hikes to become increasingly evident in the second half of this calendar year with a potential recession to follow. Hence, Sage Capital remains cautious on companies directly exposed to discretionary consumer spending and lower house prices and prefer those with resilient earnings streams and pricing power in industries such as healthcare, insurance and telecommunications.

Sage Capital continues to focus on individual company earnings to drive stock selection and maintains low net exposure to the Sage Groups to limit exposure to unpredictable macro risks. The portfolio is as always, well diversified, liquid and positioned to weather the myriad of unknowns.

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.

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.



CC Sage Capital Equity Plus Fund (APIR: CHN8862AU)

January 2023

Class A

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