

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	-0.28%	2.92%	4.42%	4.42%	2.56%	2.56%	9.66%	10.07%
Benchmark Return ²	0.33%	0.95%	1.78%	1.78%	2.93%	2.93%	1.03%	0.93%
Active Return (After fees)	-0.61%	1.97%	2.64%	2.64%	-0.37%	-0.37%	8.63%	9.14%

About Sage Capital

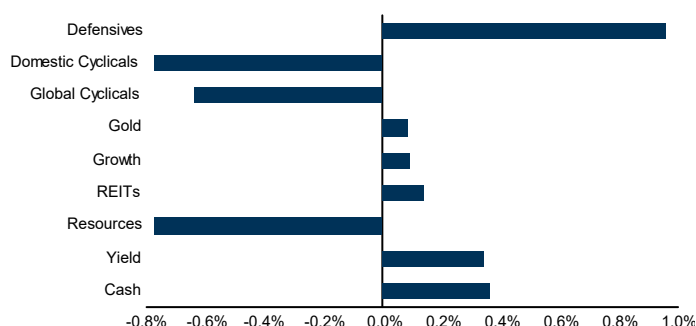
As an Australian equities long short manager, Sage Capital views the market through eight unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of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

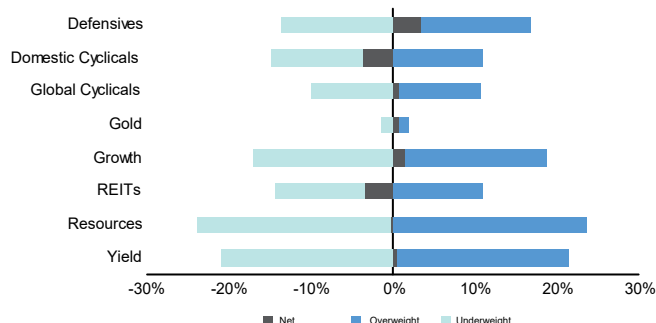
Contributors to Fund Performance*



Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	\$717.5 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	116%
Short exposure	-116%
Gross exposure	232%
Net exposure	0%
Number of long positions	52
Number of short positions	77
Since Inception	
Sharpe Ratio ⁶	1.6
Volatility ⁶	5.9%
Maximum monthly drawdown	-4.1%

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

Phone: 1800 940 599
Email: clientservices@channelcapital.com.au
Web: www.sagecap.com.au

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.

Performance Review

The CC Sage Capital Absolute Return Fund returned -0.28% in June versus the RBA Cash Rate of 0.33%.

The Sage Groups* that were the strongest contributors to performance were Defensives and Yield, with Domestic Cyclical and Resources Groups being detractors. The key drivers of performance in Defensives included a long position in AGL Energy (ASX: AGL +15%), which rose after providing strong FY24 guidance - well ahead of consensus expectations driven by sustained higher wholesale electricity prices. Within Defensives, a short position in ASX (ASX -6%) contributed strongly as the market digested its investor day which outlined double digit cost growth over the next two years as it works to replace the archaic CHESSE settlements system and meet regulatory commitments.

Within the Yield Sage Group, performance was aided by long positions in Insurance Australia Group (ASX: IAG +10%), following its investor day during the month which highlighted margin expansion into FY24 driven by strong insurance premium growth and slowing claims inflation. Another strong contributor in Yield was a long position in QBE Insurance (ASX: QBE +7%). It rallied on the back of broker research highlighting several halves of conservative claims reserving across its US insurance business leading to increased confidence in the company's earnings outlook. On the negative side, Domestic Cyclical was impacted by a long position in Qantas (ASX: QAN -7%), which fell on profit taking post its investor day at the end of May, and concerns around slowing consumer spending domestically. Within Resources, a short position in Fortescue Metal Group (ASX: FMG +15%) turned unfavourable as the market anticipated possible Chinese stimulus support for housing during key policy meetings in July.

Market Review

The S&P/ASX 200 Accumulation Index rose by 1.76% in June despite a further 25 basis point increase in interest rates by the RBA at the beginning of the month with strong retail sales numbers fuelling expectations of more to come in the second half of the year. The strongest Sage Groups in the ASX 200 during the month were Resources (+5%) and Yield (+3%) with laggards being Gold (-3%) and Growth (-3%). Resources were driven by speculation that China would offer further support for its flagging property sector and more incentives for electric vehicles at its upcoming economic policy meetings in July. Yield performed well during the month principally due to positive updates from large insurers and higher yields with Australian 2-year bond rates - increasing more than 40 basis points throughout the month. Similar to the previous month, the Gold sector was weaker as real interest rates swung further into positive territory putting pressure on gold prices, which have been on a downward since early May. The Sage Group Growth sector was mixed across stocks but was dragged down by large cap CSL which gave weaker than expected FY24 earnings guidance.

Portfolio Positioning and Market Outlook

Australian and Global equities had a strong finish to the year with the S&P/ASX 200 up 15% and the Nasdaq up 23%. Headline inflation softened across most major markets over the 12-month period and there was an emerging belief central bankers could defeat inflation without causing significant financial and consumer stress. We do not share this view. Looking through previous cycles, the impact of monetary policy lags typically take anywhere from 9 to 24 months to affect the economy. Currently, we are only nine months on from when policy became modestly restrictive in most developed markets, while Japan and Europe still have further to go. By the end of the year, we should have a much better idea how the Australian and global economy is dealing with tighter monetary policy. Core inflation remains sticky, well above central bank target ranges and market expectations for rate cuts continue to be pushed out. Sage Capital believes these cuts can only occur once consumption data has significantly weakened, rather than prior to that, and until then, we expect monetary policy to maintain its restrictive stance.

In Australia, the RBA is treading cautiously by raising rates slowly, clearly cognisant of our more delicate circumstances -with a combination of higher household debt levels and elevated fixed rate mortgage roll-offs occurring over the next six months. The elevated level of low fixed rate mortgages - a legacy of the Covid-19 monetary support, and intense bank front book competition have so far masked much of the impact on most indebted households from variable rate increases. Consequently, domestic economic data such as retail sales and wages growth has proven more resilient than expectations which will keep the RBA with a tightening bias into the end of the year. With core goods and services like rents, mortgage bills, energy and insurance weighing more heavily on the consumer in the second half, Sage Capital remains underweight in consumer discretionary stocks that are cycling elevated sales and margins. Within domestic cyclical, Sage Capital prefers travel stocks to retailers given their skew towards older customers which are less impacted by rents and variable mortgage rates. With strong insurance prices growth and the weather shifting away from La Nina likely to result in lower insurance claims, Sage Capital continues to see opportunities within the Australian insurance market, however maintains a cautious position towards Banks due to competition and deposit switching. Turning to resources, the combination of weak manufacturing PMIs globally and a stalling Chinese property recovery make us cautious on iron ore. Feedback suggests any forthcoming stimulus measures in China next month will be focused on revitalising consumption and electric vehicle penetration, which further supports our stance on lithium and copper.

Overall, across the portfolio, Sage Capital retains a preference for stocks with strong pricing power able to drive their own growth independent of the economic cycle. Sage Capital continues to maintain low net exposure to the Sage Groups to limit exposure to unpredictable macro risks. The portfolios are 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:

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.

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