

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	4.14%	-1.28%	0.07%	4.48%	-1.40%	0.55%	10.54%	10.42%
Benchmark Return ²	5.03%	-1.80%	2.05%	4.81%	0.29%	1.45%	7.15%	5.93%
Active Return (After fees)	-0.89%	0.52%	-1.98%	-0.33%	-1.69%	-0.90%	3.39%	4.49%

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.

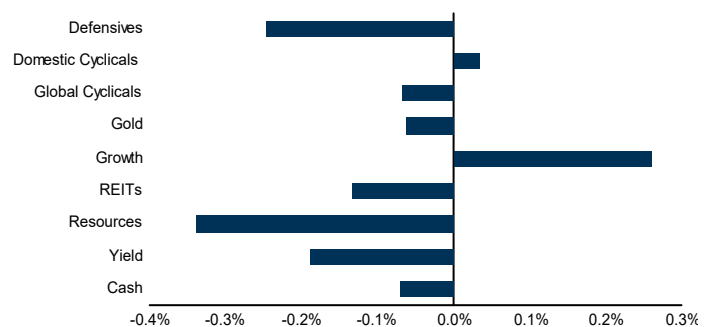
Fund Facts

Investment Style	An Australian equity active extension long short strategy
Net Asset Value	\$430.5 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

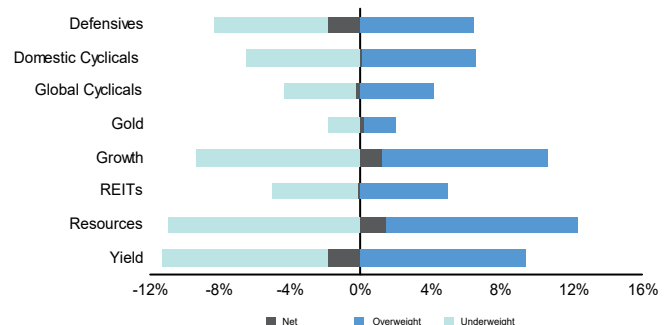
Portfolio Metrics

As at end of month	
Long exposure	128%
Short exposure	-29%
Gross exposure	157%
Net exposure	99%
Number of long positions	118
Number of short positions	58
Since Inception	
Information Ratio ⁶	1.3
Tracking Error ⁶	3.4%

Contributors to Fund Performance*



Allocation Weights*



Platform Availability

AMP MyNorth	ANZ Grow Wrap	Ausmaq
BT Panorama	Colonial First Wrap	Colonial FirstChoice
HUB24	IOOF eXpand	IOOF Pursuit
Macquarie Wrap	Mason Stevens	Netwealth
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 4.14% in November underperforming the S&P/ASX 200 Accumulation Index by -0.89% which returned 5.03%.

The Sage Group* that was the strongest contributor to performance was Growth, with Resources and Defensives being detractors. Performance of Growth was driven by long positions in Resmed (ASX: RMD +12%) and CSL Limited (ASX: CSL +13%), with both stocks experiencing a rebound as some of the hype around the impact of GLP-1 drugs subsided. A short position in Xero Limited (ASX: XRO -3%) declined following the release of its half-yearly results, which fell short of market expectations. On the negative side, the performance of Resources was impacted by a long positions in Karoon Energy (ASX: KAR -19%) which raised equity to acquire a 30% stake in an oil and gas asset in the US Gulf of Mexico and Santos (ASX: STO -10%) which fell driven by a lower oil price and delays with its Barossa gas export pipeline project, and a short position in Fortescue Ltd (ASX: FMG +12%) which rose on the back of higher iron ore prices. Defensives was impacted by a long position in AGL Energy (ASX: AGL -12%) which fell on concerns of lower demand for electricity following an announcement by the government to increase renewables.

Market Review

The S&P/ASX 200 Accumulation Index rallied 5% in November driven by a 50 basis point (bp) fall in long term bond yields despite the Reserve Bank of Australia lifting rates by another 25bp. US equities were even stronger with the S&P500 up 9% on the back of more benign inflation and commentary from US Federal Reserve Chairman, Powell indicating the possibility of rate cuts in 2024. Commodities were mixed with oil falling 5% on weaker Chinese PMI and inventory data and iron ore rose 8% as China's crude steel production remains robust. Quarterly results and commentary at AGMs were mixed with the banking and financial side of the economy weak, but companies in the real economy such as building still benefiting from a backlog of work. All Sage Groups* ended in positive territory for the month with Growth and REITs being the strongest performers driven by lower bond yields, and Resources being the weakest, dragged down by energy stocks as prices for oil and gas declined.

Portfolio Positioning and Market Outlook

The US and Australian central banks have so far been successful in slowing inflation while not pushing the economy into a full-blown recession. Australian wage and jobs data continues to be strong with the unemployment rate at a very low 3.7% and house prices back up to near record highs, despite 13 interest rate rises. This, combined with migration driving population growth of over 2% this year and the boom in superannuation and interest benefits being received by senior Australians, is helping to prevent a collapse in consumption. At 5.3% trimmed mean inflation has come down from its highs, but is still above target, prompting Reserve Bank of Australia Governor, Bullock to maintain a hawkish rhetoric indicating further rate hikes in 2024 are possible if the decline doesn't continue. In the US, inflation has continued to moderate, with core Personal Consumption Expenditures (PCE) inflation sitting at 3.5%, although this is still substantially above target. With the easy gains of normalising goods inflation having been made and still tight labour markets, expectations of rate cuts next year may prove to be premature. Nevertheless, we expect significant volatility around the global inflation trajectory as markets attempt to price the relative likelihood of soft versus hard landings.

After several years of earnings being distorted by the lockdowns associated with Covid-19, the outlook is returning to a semblance of normalcy. Winners and losers among retailers, healthcare and travel are washing through. However, the lingering effects of inflation and higher interest rates are still being felt acutely in poor housing affordability. Despite strong population growth and tight rental markets, the outlook for housing construction and associated retailing looks challenged at best. Similarly, across consumption sectors there are clear divergences between younger highly geared households cutting back and older wealthier ones spending more on leisure and travel. Associated dynamics are occurring in the banking sector where low book growth, competitive pressure on net interest margins and increasing compliance and technology costs are weighing on profit growth.

In commodities, Sage Capital remains cautious on lithium stocks in the short term as supply appears to have been coming on faster than demand growth and supply chains still appear overstocked. Sage Capital is more neutral on iron ore as Chinese steel production has remained reasonably robust with the aid of exports and policy easing measures. Oil and gas have been weaker across the year, mainly as stronger onshore US production has offset the impact of Saudi cuts, but with ongoing geopolitical tensions and prices having pulled back, it remains an attractive area for risk diversification.

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 and continues to maintain low net exposure to the Sage Groups to limit exposure to unpredictable macro risks. As always 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.



CC Sage Capital Equity Plus Fund (APIR: CHN8862AU)

November 2023

Class A

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.

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