

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	-3.96%	-3.18%	-5.18%	-0.99%	-5.18%	-0.99%	6.57%	7.54%
Benchmark Return ²	0.34%	1.06%	2.09%	3.90%	2.09%	3.90%	1.71%	1.30%
Active Return (After fees)	-4.30%	-4.24%	-7.27%	-4.89%	-7.27%	-4.89%	4.86%	6.24%

About Sage Capital

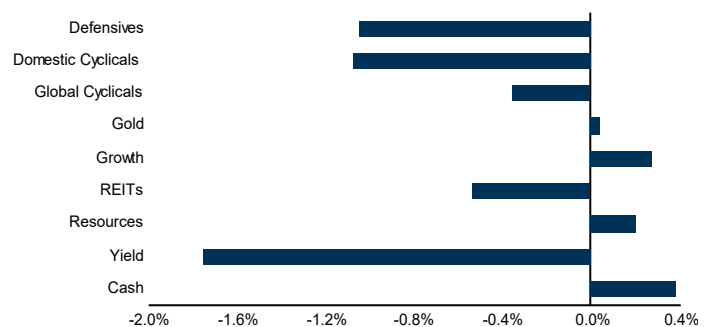
As an Australian equities long short manager, Sage Capital views the market through eight unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of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

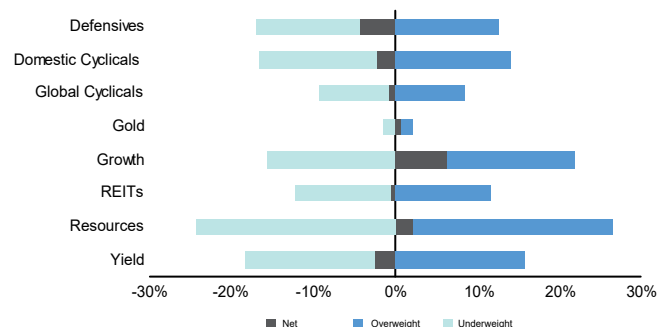
Contributors to Fund Performance*



Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	\$706.3 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	114%
Short exposure	-115%
Gross exposure	229%
Net exposure	-1%
Number of long positions	54
Number of short positions	64
Since Inception	
Sharpe Ratio ⁶	1.1
Volatility ⁶	6.4%
Maximum monthly drawdown	-5.4%

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	

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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.

Performance Review

The CC Sage Capital Absolute Return Fund returned -3.96% in December versus the RBA Cash Rate of 0.34%.

The Sage Group* which was the strongest contributor to performance was Resources, with Yield and Defensives being detractors. Performance of Resources was driven by short positions in Woodside Energy Group (ASX: WDS 0%) which underperformed as investors questioned the rationale of the confirmed merger talks with Santos and Iluka Resources (ASX: ILU -4%), which announced a larger than expected capital costs for a large project. On the negative side, the performance in Yield was impacted by long positions in QBE Insurance Group (ASX: QBE -4%), Insurance Australia Group (ASX: IAG -5%) and Suncorp (ASX: SUN -1%), which all declined following a drop in bond yields in the wake of weaker US inflation. Additionally, Suncorp and Insurance Australia Group experienced an increase in insurance claims as severe storms over the Christmas period looks likely to eat into excess natural catastrophe allowances. Defensives was impacted by a long position in AGL Energy (ASX: AGL +1%) which underperformed with weaker forward electricity prices, and Telstra (ASX: TLS +4%) which also underperformed in a very strong market.

Market Review

The S&P/ASX 200 Accumulation Index rallied 7.3% in December closing on its highs for the year and delivering a return of +12.4% for 2023, as bond yields fell 10% from 4.4% to 4% during the month on the back of a more dovish Reserve Bank of Australia. US equities were also strong with the S&P 500 up 4.4% on the back of more benign inflation and commentary from US Federal Reserve Chairman, Powell that led to bond markets pricing in close to 150 basis points of interest rate cuts in 2024. Commodities were mixed with notable moves being Brent Oil down -7% as non-OPEC production was higher than expected, and iron ore up +7% on the back of China's increased crude steel production. All Sage Groups* ended in positive territory for the month with Growth and REITs being the strongest performers driven by lower bond yields, and Gold being the weakest performer, as the narrative around lower inflation and soft-landing dampened demand.

Portfolio Positioning and Market Outlook

The macro environment has been a key driver of Australian equities over the past year with the inflation outlook, interest rates and bond yields influencing the varying performance of sectors during the year. With inflation continuing to slow there is a plausible scenario that central banks could cut rates in 2024. The market is pricing this in which has been a key driver of the strong performance of equities.

During the recent high inflation environment companies have generally been successful in passing on price increases which has helped to protect margins. However, maintaining margins from here is likely to be more difficult as the cost of doing business for many companies continues to rise at elevated levels (especially wages and rent-) with company pricing power diminishing as consumers become increasingly challenged with the higher cost of living and increased interest costs.

The recent rally in the stockmarket has the S&P/ASX200 entering 2024 at its 12-month high PE ratio, however market expectations for company earnings growth for 2024 are not demanding, and could even surprise on the upside due to buffers such as the impact from the spike in migration and big spending baby boomers. As the year progresses and it gets closer to the point of the first rate cut, share prices are likely to look through any economic softness which could set the stage for another constructive year for the equity market overall.

From a sector perspective, Sage Capital continues to prefer insurers over banks given the insurers' superior earnings profile and remains cautious on consumer discretionary names as Sage Capital believes a better-than-expected Christmas trading period has been priced in.

On the resources front, there are positive signs for iron ore as China steel production remains robust and various stimulatory measures continue such as the recommencement of the Pledge Supplemental Lending operation. Last month this injected nearly \$50 billion of low-cost funds into policy orientated banks to support projects such as affordable housing and infrastructure. However, given the strong rally in iron ore exposed names, Sage Capital is currently broadly neutral this space.

Across the portfolio, Sage Capital remains negative on lithium names given short term oversupply issues, however the recent falls may provide buying opportunities as Sage Capital remains positive on the sector on a longer-term view. Overall, Sage Capital continues to maintain low net exposure to the Sage Groups* to limit exposure to unpredictable macro risks. As always, the portfolio is 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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