

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	-0.45%	1.46%	-1.00%	1.46%	-0.34%	3.74%	9.39%	9.93%
Benchmark Return ²	0.30%	0.82%	1.52%	0.82%	1.96%	2.04%	0.72%	0.73%
Active Return (After fees)	-0.75%	0.64%	-2.52%	0.64%	-2.30%	1.70%	8.67%	9.20%

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.

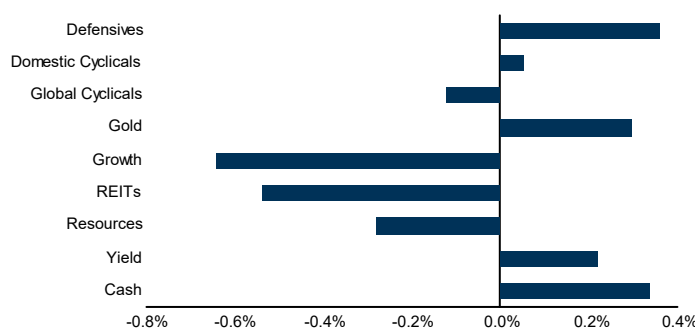
Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	\$640.8 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

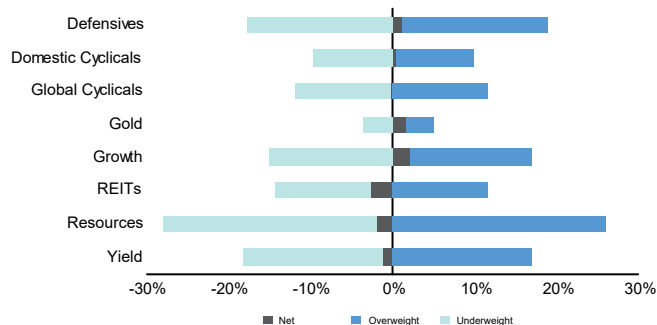
Portfolio Metrics

As at end of month	
Long exposure	118%
Short exposure	-119%
Gross exposure	237%
Net exposure	0%
Number of long positions	55
Number of short positions	80
Since Inception	
Sharpe Ratio ⁶	1.6
Volatility ⁶	6%
Maximum monthly drawdown	-4.1%

Contributors to Fund Performance*



Allocation Weights*



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 -0.45% in March versus the RBA Cash Rate of 0.30%.

The Yield and Defensives Sage Groups* were the strongest contributors with the weakest being the Growth and REITs Sage Groups. In Yield, performance was driven by a short position in Computershare (ASX: CPU -13%) which fell with declining US interest rate expectations and short positions in Westpac Banking Corporation (ASX: WBC -4%) and Commonwealth Bank of Australia (ASX: CBA -2%) which underperformed as competition for deposits and home loans intensified. Defensives outperformance was driven by a short position in A2 Milk Company (ASX: A2M -12%) following a profit warning from milk supplier Synlait and a long position in Sonic Healthcare (ASX: SHL +10%) which continued its strong momentum from its result last month.

On the negative side, key detractors in the Growth Sage Group were short positions in REA Group (ASX: REA +13%) which rallied on proposed price increases and a stabilisation in property prices and Cochlear (ASX: COH +7%) which benefited from a market preference for quality defensive earnings. The REITs Sage Group were also a detractor this month with long positions in Charter Hall (ASX: CHC -17%) and Dexus (ASX: DXS -8%) underperforming with unlisted market valuation fears following the collapse of Silicon Valley Bank in the US.

Market Review

The S&P/ASX 200 Accumulation Index finished down -0.16% in March. The strongest Sage Groups were Gold and Resources with the weakest being REITs and Yield. With company reporting season just behind us, most of the Sage Group movements this month can be viewed as knock-on effects from the collapse of Silicon Valley Bank and later Credit Suisse. Gold was strong driven by a weaker USD and flight to safety effects as people withdrew deposits from US banks. Relative strength in Resources was driven by a weaker USD and continued optimism about the Chinese economic recovery and a boost from corporate activity in the lithium space at the end of the month.

Weakness in REITs was driven by debt contagion fears as regional banks were large lenders in the US commercial real estate space. The Yield Sage Group underperformance was driven by both the reduction in interest rates globally with lower investment yields and increased discounting by banks on mortgages who are competing aggressively to re-sign customers as their fixed rates loans expire over the next six months.

Portfolio Positioning and Market Outlook

Sage Capital believes that current market expectations for interest rate cuts later this year, juxtaposed with strong company earnings growth, is a very unlikely outcome for equity markets. The lagged and blunt impact of monetary policy makes a soft-landing scenario such as this a high impossible balancing act for central bankers to manage towards. Overall, the outlook for the global economy became less clear during the month of March. The collapse of Silicon Valley Bank and later Credit Suisse, led to significant changes in global interest rate expectations as people withdrew bank deposit and rushed to safe havens in US treasuries and gold. Ironically, despite the significant increase in interest rates, this was not a credit event, but an old-fashioned duration mismatch caused by a combination of lending long and borrowing short, and deficient regulation. The reaction from the US Federal Reserve officials was lightning fast and reopened the all-important bond market after a two week impasse. However, some caution is warranted as it will take time to determine the full impact these events have had on credit availability and flow on effects to the real economy. Headline inflation continues to weaken globally with lower goods, logistics and energy prices but core inflation remains stubbornly high and well above target. Sage Capital believes central bankers, wary of the mistakes of the past, are unlikely to change their tightening bias but will tread more carefully as signs of weakening growth and economic stress will likely become more obvious over the next six months. Recent moves by OPEC to put a floor under oil prices with production cuts and the inability of the US to respond through further releases from their Strategic Petroleum Reserve, increase the risk of a rebound in headline inflation as well.

In Australia, consumer spending remains resilient, but the combination of higher rents, higher mortgage costs and lower savings buffers makes Sage Capital cautious on the outlook in the second half of the year. Increased migration offers some hope to ease the tightness in labour markets, but in the short term is likely to exacerbate inflationary pressures through increased consumption and by adding pressure to an already very tight housing rental market. The Reserve Bank of Australia has recently paused in its tightening path, to observe the impacts of recent volatility and the roll-off of fixed to variable mortgages. This likely raises the risk of more work to be done later if inflationary pressures become more embedded.

Overall, Sage Capital continues to prefer companies with resilient earnings streams and pricing power in industries such as healthcare, insurance and telecommunications. Sage Capital is cautious on banks as aggressive competition for deposits and loans will reduce margins going forward. Sage Capital continues to focus on individual company earnings to drive stock selection and maintain 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.



CC Sage Capital Absolute Return Fund (APIR: CHN5843AU)

March 2023

Class A

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.

The information contained in this report is provided by the Investment Manager, Sage Capital Pty Ltd ACN 632 839 877 AR No. 001276472 ('Sage Capital'). Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('CIML') is the Responsible Entity and issuer of units in the CC Sage Capital Absolute Return Fund ARSN 634 149 287 ('the Fund'). Neither CIML nor Sage Capital, their officers, or employees make any representations or warranties, express or implied as to the accuracy, reliability or completeness of the information contained in this report and nothing contained in this report is or shall be relied upon as a promise or representation, whether as to the past or the future. Past performance is not a reliable indication of future performance. This information is given in summary form and does not purport to be complete. Information in this report, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling units in the Fund and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. Readers are cautioned not to place undue reliance on forward looking statements. Neither CIML nor Sage Capital have any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date of this report. For further information and before investing, please read the Product Disclosure Statement available from www.sagecap.com.au and www.channelcapital.com.au. A Target Market Determination for the Fund is available at www.channelcapital.com.au.