

Fund Performance

Returns ¹	1 month	3 months	6 months	FYTD	1 year	2 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	3.80%	6.67%	17.83%	5.34%	32.73%	16.97%	17.50%
Benchmark Return ²	2.50%	5.97%	14.96%	3.63%	28.15%	10.29%	10.79%
Active Return (After fees)	1.30%	0.70%	2.87%	1.71%	4.58%	6.68%	6.71%

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	\$77.5 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

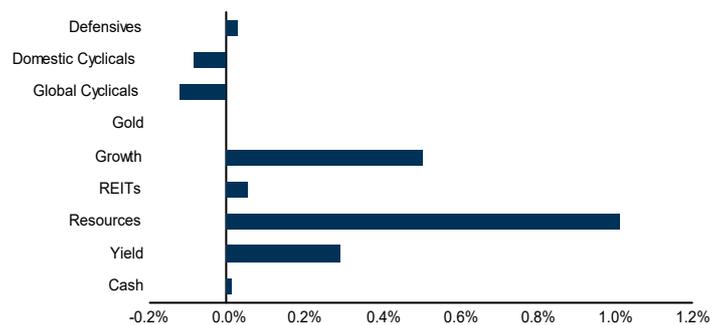
Platform Availability

AMP MyNorth	Ausmaq
BT Panorama	BT Wrap
Colonial First Wrap	HUB 24
IOOF eXpand	IOOF Pursuit
Macquarie Wrap	Mason Stevens
Netwealth	Powerwrap
Praemium IDPS	Xplore Wealth

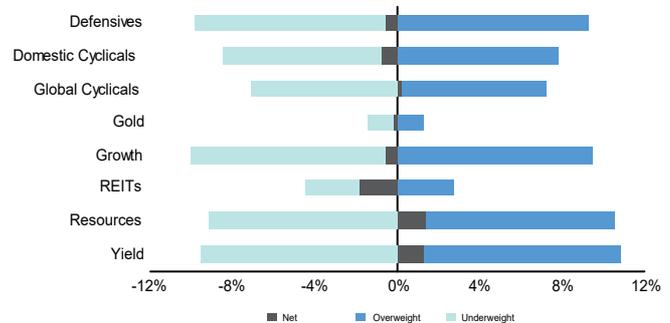
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Sage Group Contributors to Active Performance (Gross of Fees)



Sage Group Allocation Weights



Portfolio Metrics

Since Inception	
Information Ratio ⁶	2.2
Tracking Error ⁶	3.1%

As at end of month	
Long exposure	132%
Short exposure	-33%
Gross exposure	165%
Net exposure	99%
Number of long positions	119
Number of short positions	45

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 delivered a return of 3.80% in August versus the S&P/ASX 200 Accumulation Index which was up 2.50% resulting in outperformance of 1.30%. Top positive contributors to performance by Sage Groups* were Resources, Growth and Yield and detractors were Domestic Cyclical and Global Cyclical. In the Resources Sage Group, short positions in iron ore exposed stocks BHP Group (BHP -15%), Mineral Resources (MIN -15%) and Rio Tinto (RIO -11%) were positive contributors as the iron ore price fell on the back of softening demand from China. In the Growth Sage Group, performance came from a broad range of stocks including a short position in plumbing company Reece (REH -11%) which Sage Capital views as vastly overvalued, and long positions in James Hardie (JHX +16%) which continued to take market share and benefit from the strong US housing market and Domino's Pizza (DMP +35%) which reported a strong result and upgraded its global store rollout target. Performance in the Growth Sage Group was tempered by the short squeezing Sage Capital saw across a range of stocks that were heavily shorted that reported a not so bad result such as Blackmores (BKL +25%) and Nanosonics (NAN +37%) but as always, the Sage Capital portfolios are well diversified and risk controlled with a broad range of long and short positions.

The main theme of the key detractors for the month was a sell off of Covid winners following strong results and a bounce in Covid losers. In the Global Cyclical Sage Group, these were a long position in Ansell (ANN -8%) and a short position in Flight Centre (FLT +9%) and in Domestic Cyclical long positions in Bapcor (BAP -10%), Accent Group (AX1 -21%) and Harvey Norman (HVN -5%).

Market Review

The S&P/ASX 200 Accumulation Index finished up 2.50% in August with company results dominating news flow. Profit growth overall was strong and outlook statements were generally cautious. Key business and consumer confidence indicators weakened due to uncertainty over the impact of the Covid-19 Delta strain and recent lockdowns. Consumer discretionary and insurance companies delivered stronger than expected results however share price moves generally reflected a sell off in Covid winners and a rebound in Covid recovery stocks. M&A featured strongly, notable being Afterpay (APT +39%) being taken over by US payments company, Square for \$39 billion, Australia's largest ever M&A deal. Global bond yields retraced on moderating inflation expectations with the US bond yield falling 21 bps though the Australian 10-year bond yield was flat, likely due to recent lockdowns. Growth (+10%) was the strongest performing Sage Group followed by REITs (+6%) and Defensives (+5%) with Resources (-9%) driven by the lower iron ore price and Gold (-5%) as inflation expectations eased.

Portfolio Positioning and Market Outlook

The Australian economy continues to be impacted by lockdowns and with the consumer more supported than stimulated by government spending in this round of lockdowns, consumer discretionary company earnings will suffer for the first half of fiscal 2022. More broadly, reporting season provided further evidence of inflationary pressures coming through in the form of increased costs of freight, insurance premiums, labour and raw materials. Sage Capital believes these issues will persist in the near term and continue to favour companies with strong pricing power. In this context, Sage Capital remains long insurers with the pricing power to drive premiums higher. Sage Capital remains comfortable with the portfolio's short positions in iron ore stocks as Chinese demand softens due to curbing its steel production and remain long lithium exposed stocks as the transition to the green economy accelerates as evidenced by US President Joe Biden's target to have 50% of new vehicles electric by 2030.

Overall equity returns and the economic outlook continue to be inextricably linked to the trajectory of covid, vaccination rollout and the resulting direction of bond yields. Sage Capital are confident in the outlook for company earnings however it is likely that in Sage Capital's view that we have seen most of the economic rebound now and with the Covid-19 Delta strain looking to have peaked globally. Sage Capital believes the US Federal Reserve may begin tapering its bond purchases later in the year which may put pressure on valuations in some sectors of the market.

As always, Sage Capital remains relatively neutral across the Sage Groups which allows the portfolio to be well insulated from unexpected systematic macro risks while benefiting from stock selection.

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.

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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