

## CC Sage Capital Absolute Return Fund

A market neutral long/short strategy

### CC SAGE CAPITAL ABSOLUTE RETURN FUND

CC Sage Capital Absolute Return Fund (the Fund) is a market neutral or absolute return strategy where short positions and long positions offset each other, giving investors exposure to Sage Capital's stock selection skills while eliminating exposure to the underlying equity market.

### INVESTMENT OBJECTIVE

The Fund aims to achieve positive returns in excess of the RBA Cash Rate, after fees and expenses, over the long term by taking both long and short positions in selected Australian shares. The Fund will typically hold between 100-120 positions.

### INVESTMENT PROCESS

The investment team utilises a style and cycle neutral investment process that combines two complementary sources of return derived from:

- 1. Fundamental research** – using deep insights to generate high conviction views; and
- 2. Quantitative process** – exploiting behavioural biases that exist within the market.

The aim of this unique process is to provide an improved risk/return trade-off and more consistent returns to investors over time.

### INVESTMENT GUIDELINES

- Aust. equities (long) 0% – 200%
- Aust. equities (short) 0% – 200%
- Aust. equities (net) -15% – 15%

The Fund provides a source of uncorrelated returns to equity markets – where short positions and long positions offset each other.

### FUND FACTS

Inception date	1 August 2019
APIR Code	CHN5843AU
Benchmark	RBA Cash Rate
Distributions	Semi-annually
Pricing	Daily
Management Fee	1.29% pa*
Administration Fee	0.10% pa*
Performance Fee	20.5% pa**
Buy/sell spread	0.3%

### PORTFOLIO MANAGERS

A highly credentialed investment team with 70+ years of joint experience managing Australian and global equities.



Sean Fenton  
Portfolio Manager



Kelli Meagher, CFA  
Portfolio Manager



James Delaney, CFA  
Portfolio Manager



Peter Moore, PHD  
Portfolio Manager

### PLATFORM AVAILABILITY

AMP MyNorth, Ausmaq, BT Wrap, BT Panorama, Colonial First Wrap, HUB24, Mason Stevens, Netwealth, Praemium, Powerwrap.

### RESEARCH RATINGS

'Recommended' by Zenith and Lonsec.  
Reports available on request.

\* Including the net effect of GST/RITC, accrued daily, paid monthly based on the net portfolio asset value.

\*\* Including the net effect of GST/RITC, based on Outperformance of the Fund Benchmark, based on net asset value, net of the Management Fee, paid semi-annually. Refer to the Fund PDS for more information.

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### BENEFITS

**Active returns** – by gaining exposure to Sage Capital's stock selection expertise. The long/short structure enables Sage Capital to fully utilise its investment process by selecting portfolio weights for stocks that are independent of the index weight, subject only to liquidity constraints.

**Provides a source of uncorrelated returns** to traditional asset classes. Short positions and long positions offset each other, providing the potential for income and growth while eliminating exposure to the underlying equity market.

**Lower levels of volatility** – variation of returns tend to be less than the broader equity market. The portfolio is well diversified and is constructed in a style and cycle neutral fashion.

### RISKS

**Short selling risk** – there is higher risk in creating a short position than creating a long position in relation to a security.

**Market risk** – movements in financial markets due to economic, environmental or political conditions, or general market sentiment will result in the valuation of the Fund moving up or down.

**Company specific investment risk** – investments in shares of a company can fall in value for many reasons and these factors may not be predictable or identifiable prior to their impact on the market value of shares.

Refer to the Fund PDS for further detail on the risks.

### WHERE DOES IT FIT WITHIN A BALANCED PORTFOLIO?

The Fund offers a unique source of returns that are uncorrelated with other asset classes. It will generally sit alongside other alternative style investments.

It may suit investors who are seeking income and growth but want to protect their capital from the volatility of the broader equity market. Suggested investment timeframe is at least five years.

### WHY INVEST WITH SAGE CAPITAL?

■ Sage Capital's stock selection process utilises two complementary sources of return, combining fundamental research with quantitative analysis. This style and cycle neutral investment process is designed to deliver consistent returns across most market environments.

■ The Fund is managed by one of the most experienced long/short investment managers in Australia.

### MORE INFORMATION

To learn more about the Fund, speak to your Financial Adviser or Sage Capital's investment manager partner, Channel Capital.

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