

### Fund Performance

Returns <sup>1</sup>	1 month	3 months	6 months	FYTD	1 year	3 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	4.30%	9.65%	23.27%	27.35%	36.96%	-	15.09%
Benchmark Return <sup>2</sup>	3.47%	7.54%	20.33%	22.12%	30.76%	-	7.78%
Active Return (After fees)	0.83%	2.11%	2.94%	5.23%	6.20%	-	7.31%

### 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

<b>Investment Style</b>	An Australian equity active extension long short strategy
<b>Net Asset Value</b>	\$46.3 million <sup>3</sup>
<b>Inception Date</b>	20 Aug 2019
<b>Benchmark</b>	S&P/ASX 200 Accumulation Index
<b>Management Fee</b>	0.79% p.a. <sup>4</sup>
<b>Administration Fee</b>	0.10% p.a. <sup>4</sup>
<b>Performance Fee</b>	20.5% p.a. <sup>5</sup>
<b>High Water Mark</b>	Yes
<b>Distributions</b>	Semi-annually at 31 December and 30 June

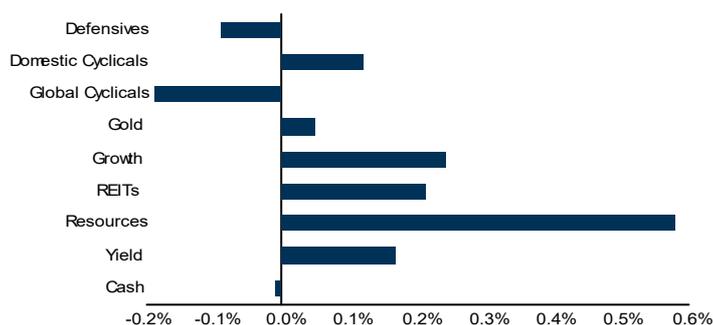
### Platform Availability

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

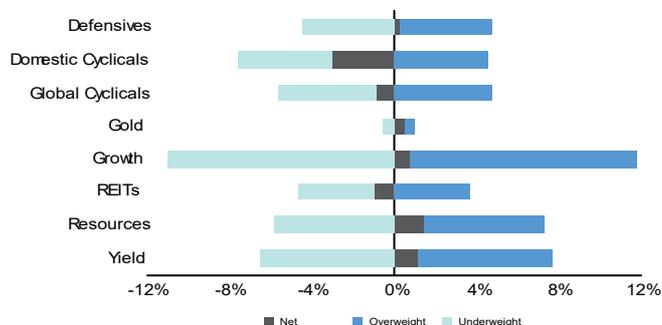
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### Sage Group Contributors to Active Performance (Gross of Fees)



### Sage Group Allocation Weights



### Portfolio Metrics

<b>Since Inception</b>	
Information Ratio <sup>6</sup>	2.3
Tracking Error <sup>6</sup>	3.1%
<b>As at end of month</b>	
Long exposure	127%
Short exposure	-28%
Gross exposure	155%
Net exposure	99%
Number of long positions	123
Number of short positions	42

<sup>1</sup> 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. <sup>2</sup> Benchmark refers to the S&P/ASX 200 Accumulation Index. <sup>3</sup> Net Asset Value is calculated as Fund assets less Fund liabilities. <sup>4</sup> All figures disclosed include the net effect of GST and RITC. <sup>5</sup> 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. <sup>6</sup> Refer to Definition of Terms at the end of the report.

## Performance Review

The CC Sage Capital Equity Plus Fund delivered a return of 4.30% in April versus the S&P/ASX 200 Accumulation Index which rose 3.47%, resulting in outperformance of 0.83%.

The Resources Sage Group\* was the best area for stock selection in April with long positions in Independence Group (IGO), BlueScope Steel (BSL) and Karoon Energy (KAR) all adding value. IGO was re-rated as the market focused on its lithium joint venture with Tianqi Lithium and the sale of its Tropicana gold interest, BSL upgraded earnings on the back of surging US and Asian steel spreads while KAR benefitted from a stronger oil price as well as its transformation into a significant oil producer with the acquisition of the Bauna field offshore Brasil. A short position in Beach Petroleum (BPT) added value after it materially cut production and reserves for its Western Flank asset while a funding short in Mineral Resources (MIN) was the major detractor as it moved higher with stronger iron ore and lithium prices.

The Yield group was also positive with a long position in Pandal Group (PDL) benefitting from improved performance and fund flows while a short in Challenger (CGF) added value as it fell after an earnings guidance downgrade on the compression of investment spreads. Charter Hall (CHC) added value in REITs after yet another earnings upgrade while short positions in Reece (REH), Boral (BLD) and Seek (SEK) all detracted value as they rose on the cyclical rebound in building and employment activity.

## Market Review

The S&P/ASX200 Accumulation Index finished up 3.47% in April as easy liquidity conditions and improving economic momentum drove markets. The bond yield rallied a little and the yield curve stopped steepening so rather than rotation the market saw broad strength right across the market. Resources were the strongest performing Sage Group with stocks ripping higher on the back of strong iron ore and base metal prices. Copper was a real standout for gains along with iron ore. With a little bond relief, the Growth Sage Group also rebounded with a broad-based move higher across the space and the Yield Sage Group was also an outperformer. Solid gains across fund managers, banks and insurers helped to drive the Yield group. Not surprisingly in a strong market, the more defensive groups such as REITs, Gold and Defensives were the laggards.

## Portfolio Positioning and Market Outlook

The global economic recovery is continuing in line with the increased vaccine rollout, although the recent surge in cases in India has highlighted the uneven nature of this improvement. A slower vaccine rollout in Australia and the Indian surge means that Australia's international borders are likely to remain closed for longer than expected. This has implications for spending patterns across the retail sector, travel demand (particularly domestic vs international) and companies reliant on inbound migration. The lack of skilled immigration is already resulting in anecdotes of skilled labour shortages, particularly across the mining sector in the west. Sage Capital also have greater conviction that a significant portion of the work from home changes will be permanent as many large corporates announce more flexible working practices and look to downsize CBD office space.

One of the major drivers for market and sector performance will be the path of inflation and how long it persists. Sage Capital are seeing clear inflationary pressures build right across the commodity space from steel to lumber and food which along with cycling shutdown effects will see inflation print higher in the short term. Central banks are expecting this to be transitory, but Sage Capital are seeing the psychology around inflation shift with consumers more willing to take price rises and businesses easily able to pass through price rises. Central banks have made it clear they are prepared to tolerate higher inflation so real yields are likely to be anchored or even move lower while inflation and nominal yields push higher. This is broadly positive for markets but would likely favour cyclicals with pricing power. While this has import stock selection implications, Sage Capital remain broadly neutral across the Sage Groups and continue to believe a style neutral approach to portfolio management will deliver the best returns through time.

## 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 Cyclicals, Global Cyclicals, 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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