CC Sage Capital Absolute Return Fund (APIR: CHN5843AU)

Class A

October 2026

Fund Performance

Returns[1]	1 month	3 months	6 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a. (20-Aug-2019)
Fund Net Return	-0.98%	1.85%	1.27%	-1.01%	0.50%	2.97%	5.63%	5.46%
Benchmark Return[2]	0.38%	1.11%	2.22%	4.15%	4.22%	3.41%	2.48%	2.44%
Active Return (After fees)	**-1.36%**	**0.74%**	**-0.95%**	**-5.16%**	**-3.72%**	**-0.44%**	**3.15%**	**3.02%**

About Sage Capital

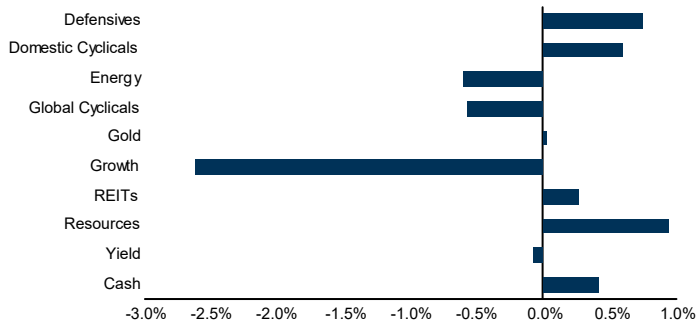
As an Australian equities long short manager, Sage Capital views the market through nine unique Sage Groups enabling the team to focus on individual stock drivers and hedge systematic market risks. This style and cycle neutral investment process is designed to deliver consistent returns regardless of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

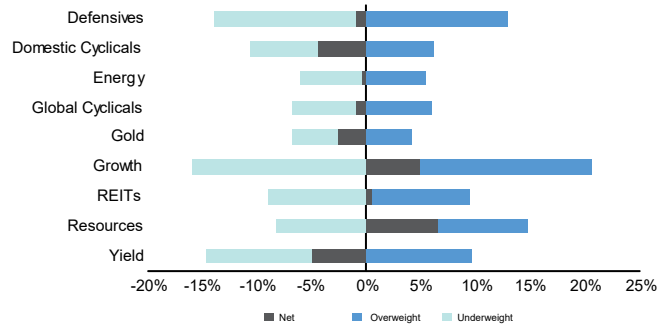
Contributors to Fund Performance*



Fund Facts

Investment Style	An Australian equity market neutral long short strategy
Net Asset Value	A$124m [3]
Inception Date	20-Aug-2019
Benchmark	RBA Cash Rate Total Return Index
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	90%
Short Exposure	-92%
Gross Exposure	182%
Net Exposure	-2%
Number of Long Positions	58
Number of Short Positions	67
Since Inception	
Sharpe Ratio [6]	0.8
Volatility [6]	6.6%
Maximum Drawdown [6]	-11.7%

Platform Availabilty

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.

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Performance Review

The CC Sage Capital Absolute Return Fund returned -0.98% in October versus the RBA Cash Rate of +0.38%, an active return of -1.36%.

The portfolio underperformed its benchmark in October against a backdrop of rising markets, with some heavy defensive market rotation at the end of the month.

Heavy selling hit AI exposures, data centres, and resources, driven by funding concerns, Meta's capex announcement, and the withdrawal of the Firmus and AirTrunk IPOs. Meanwhile, falling bond yields boosted infrastructure and staples. Sage Capital's style neutrality controlled for this, however a stock specific impact from a long position in NextDC (ASX: NXT -46%) dragged on performance, while the rest of the portfolio was positive in aggregate.

From 1 October 2026, Sage Capital has added a ninth Sage Group^, Energy, covering oil, gas, coal and uranium producers and fuel refiners. Energy prices often move independently of metals, as they did during Covid-19, the post-Covid recovery, and geopolitical events like the Russian-Ukraine and Middle East conflicts, so a separate group gives a clearer view of the portfolio's positioning and risk.

Resources group was the largest positive contributor to performance

The Resources group contribution was driven by a short position in the iron ore miners as the Resources group fell 9%. Fortescue (ASX: FMG -13%) was weighed down by weak September quarter production and uncertainty over its contract negotiations with China Mineral Resources Group, China's state-backed iron ore buyer. Sage Capital's long positions in copper and rare earths gave back some ground as copper prices fell on concerns about the return on AI spending and electrification demand.

Defensives group added value

The Defensive group also added value to portfolio performance, led by a long position in ResMed (ASX: RMD +11%) which delivered a strong September quarter. The company's gross margin rose 50 basis points on productivity gains, earnings per share grew 14% and the company returned more than US$1 billion to shareholders, partly funded by the sale of its MatrixCare software business. A long position in The Lottery Corporation (ASX: TLC +11%) was also a winner for the month as Powerball jackpotted to A$100 million.

Growth and Energy were the largest detractors to performance

During October, the Growth group detracted from performance, primarily driven by a long position in NextDC (ASX: NXT -46%). The company cut its outlook and pulled back on capex after Jemena, the electric utility connecting power for its M3 data centre expansion, was blocked by council from running power down a residential street in West Footscray, Victoria. Whilst this highlights the risks to its model of contracting capacity to secure debt funding where it may wear penalties for late delivery, the market reaction seemed excessive, particularly for a stock that was already trading well below intrinsic value. Sage Capital's investment thesis appears to have been supported by subsequent market activity, with a joint venture between Goodman Group (ASX: GMG) and Digital Realty acquiring a significant position in NextDC, helping drive the share price back towards its pre-downgrade level. Short positions in software stocks were also a drag on performance, as bond yields fell and the market rotated into perceived AI losers.

The Energy group also detracted from performance. Although Brent crude rose 14% over the month, a long position in Ampol (ASX: ALD -13%) fell after the company brought forward maintenance at its Lytton refinery and cut its fourth quarter output forecast. The market had been looking for an upgrade however it fell short.

^ Sage Groups: Sage Capital uses a custom grouping system for long and short positions (Defensives, Domestic Cyclicals, Energy, Global Cyclicals, Gold, Growth, REITs, Resources and Yield). With a focus on the principal macro earnings drivers for each stock, Sage Groups complement traditional GICS sectors when comparing and selecting stocks within a sector. The Energy group was added on 1 October 2026.

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Market Review

October saw a return of +1.4% for the S&P/ASX 200 Accumulation Index, although this concealed a wide gap between sectors. The Yield and Defensives Sage Groups^ rose 7% and 5% while the Resources and Gold groups fell 9% and 8% respectively, a spread of more than 15%.

Offshore, oil was the dominant theme. Brent crude rose 14% to close to US$118 a barrel as a tanker was attacked in the Strait of Hormuz, the Houthis claimed strikes on Saudi oil facilities and talks between the US and Iran stalled. More interesting than the oil price itself was the reaction in gold. Rather than acting as a safe haven for investors, it fell more than 6% in US dollar terms with most of the decline coming in the second half of the month alongside an 18% fall in silver and weaker US equities, suggesting investors were selling liquid assets to raise cash. The selling spread to base metals late in the month also led investors into the major banks and other large defensives.

The AI capital cycle also faced its first real test. Sage Capital has noted that hyperscaler capital expenditure is running ahead of the cash flows that fund it, and October brought the first signs that the market is questioning returns. Copper prices fell on AI spending concerns, the Firmus IPO float failed to clear at its target price, and NextDC (ASX: NXT) showed that the constraint locally is power and community acceptance, not demand.

Domestically, inflation moved the wrong way again. September CPI rose to 4.3% on a 9.4% jump in petrol prices and the trimmed mean rose to 3.7%, well above the RBA's 3.4% forecast. The inflation print led all four major banks to forecast a fifth interest rate rise this year.

Fund Disclosures

Key service provider changes	Nil
Key individual changes	Nil
Risk profile or investment strategy material changes	Nil

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.

Maximum Drawdown - Measures the largest percentage drop in an investment or Fund from a peak to a trough before a new peak is achieved. It is calculated

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