

Entitlement Offer and Shortfall Offer

Offer Information Statement

**This Offer opens on 22 October 2020 and closes at 5:00pm
(Sydney time) on 30 November 2020 (unless extended)**

This document is important and requires your immediate attention.

You should read this document (including the Company's Annual Financial Report for the financial year ending 30 June 2020, a copy of which has been included in the Appendix) and any accompanying Entitlement and Acceptance Form or Application Form in their entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

This Offer Information Statement is not a prospectus under the *Corporations Act 2001* (Cth) and it has a lower level of disclosure requirements than a prospectus.

Important information

This Offer Information Statement is dated 14 October 2020 and was lodged with ASIC on that date. Neither ASIC nor its officers take any responsibility for the content of this Offer Information Statement or for the merits of the investment to which this Offer relates.

This Offer Information Statement has been prepared and issued by Cadence Opportunities Fund Limited (**Company**). It contains an offer by the Company to apply for New Shares in order for the Company to raise up to a maximum of \$10,000,000.

No Shares will be issued on the basis of this Offer Information Statement after the expiry date of this Offer Information Statement, being the date 13 months after the date of this Offer Information Statement.

This Offer Information Statement is not a prospectus

This Offer Information Statement is issued pursuant to section 709(4) of the Corporations Act. It is not a prospectus and it has a lower level of disclosure requirements than a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Information Statement.

Professional advice

You should obtain professional investment advice before accepting the offer made under this Offer Information Statement.

The information in this Offer Information Statement and any accompanying Entitlement and Acceptance Form or Application Form is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer Information Statement in its entirety before deciding whether or not to apply for New Shares. In particular, you should consider the risk factors that could affect the performance of the Company, some of which are outlined in Section 7. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to apply for New Shares. If you have any questions you should seek professional advice from your stockbroker, accountant or other professional adviser.

Exposure Period

Pursuant to the Corporations Act, this Offer Information Statement is subject to an exposure period of 7 days after the date of this Offer Information Statement (**Exposure Period**). The Exposure Period may be extended by ASIC by a further period of up to 7 days. The purpose of the Exposure Period is to enable the Offer Information Statement to be examined by market participants prior to the raising of funds.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Intermediary Authorisation

The Company does not hold an Australian Financial Services Licence. Accordingly, offers under this Offer Information Statement will be made under an arrangement between the Company and the Authorised Intermediary under section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under this Offer Information Statement and the Company will only issue Shares in accordance with such offers if they are accepted.

The Authorised Intermediary's functions should not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Authorised Intermediary does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. The Authorised Intermediary is not responsible for, and has not caused the issue of, this Offer Information Statement.

Foreign jurisdictions

This Offer Information Statement has been prepared to comply with Australian disclosure requirements.

The distribution of this Offer in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer does not constitute an offer or invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of the New Shares outside Australia.

No Guarantee

Neither the Company nor any other party makes any representation or gives any guarantee or assurance:

- (a) as to the performance or success of the Company;
- (b) as to the rate of income or capital growth from the Company; or
- (c) that there will be no capital loss or particular taxation consequence of investing in the Company.

An investment in the Company does not represent a deposit or any other type of liability of the above parties. An investment in the Company is subject to investment risk. These risks are discussed in Section 7.

Investors should note that the past investment performance of the Company provides no guidance as to its future share price and investment performance.

Forward Looking Statements

This Offer Information Statement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While the Company believes that the expectations reflected in the forward looking statements in this Offer Information Statement are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in Section 7, as well as other matters as yet unknown to the Company or not currently considered material by the Company, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this Offer Information Statement is qualified by this cautionary statement.

Electronic Offer Information Statement

An electronic version of this Offer Information Statement (**Electronic Offer Information Statement**) can be downloaded from <https://www.cadencecapital.com.au/offer-information-statement/>. The Offer or invitation to which the Electronic Offer Information Statement relates is only available to persons receiving the Electronic Offer Information Statement in Australia.

The Company will also send a copy of the paper Offer Information Statement and paper Application Form free of charge if the person asks during the application period.

If you download the Electronic Offer Information Statement, please ensure that you have received the entire Offer Information Statement accompanied by a copy of the Application Form. The Shares to which the Electronic Offer Information Statement relates will only be issued to you if you complete the Application Form accompanying the Offer Information Statement and submit that form to the Company together with Application Monies.

Defined terms and conditions

Certain terms and abbreviations used in this Offer Information Statement are defined in the Glossary in Section 9.

References to **Australian dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Offer Information Statement are due to rounding.

All times and dates are a reference to Sydney time.

Important dates

Event	Date
ASIC Lodgement Date	Wednesday, 14 October 2020
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer (7:00pm Sydney time)	Wednesday, 14 October 2020
Offer opens	Thursday, 22 October 2020
October Cut-Off Date (5:00pm Sydney time)	Saturday, 31 October 2020
October Issue Date – issue of New Shares to participating Eligible Shareholders applying before the October Cut-Off Date completed	Monday, 16 November 2020
November Cut-Off Date (5:00pm Sydney time)	Monday, 30 November 2020
November Issue Date – issue of balance of New Shares completed	Wednesday, 16 December 2020

The above dates and times are indicative only and subject to change.

The Company reserves the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Offer, to accept late applications either generally or in particular cases or to withdraw the Offer without prior notice.

Key Offer statistics

Maximum gross proceeds of the Offer (before expenses of the Offer)	\$10,000,000	
Issue Price per New Share	The mid-point of the Pre and Post Tax NTA per Share as at 31 October 2020 (for successful Applications received prior to the October Cut-Off Date) or 30 November 2020 (for other for successful Applications)	
Example Issue Price per New Share ¹	\$2.0655 ²	\$2.1100
Estimated total number of New Shares available under the Offer ³	4,841,443	4,739,336
Estimated maximum total Shares on issue following the Offer ³	10,049,857	9,947,750

¹ These are examples only. Actual Issue Prices will likely vary. See Section 3.3.

² This example Issue Price is the mid-point of the Pre and Post Tax NTA per Share as at 30 September 2020.

³ Estimates are based on the example Issue Prices listed above. Actual numbers will likely vary.

Corporate directory

Issuer

Cadence Opportunities Fund Limited
Level 11, 131 Macquarie Street
Sydney NSW 2000
Telephone: +61 2 8298 2450
Facsimile: +61 2 8298 2499
Website:
<https://www.cadencecapital.com.au/cadence-opportunities-fund>

Directors

Karl Siegling
Wayne Davies
Susan Oakes

Company Secretary

Wayne Davies

Manager

Cadence Asset Management Pty Limited
Level 11, 131 Macquarie Street
Sydney NSW 2000
AFSL Number: 252745
Telephone: +61 2 8298 2450
Facsimile: +61 2 8298 2499

Share Registry

Boardroom Pty Limited
Grosvenor Place
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 1300 737 760 (toll free within Australia)
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

Solicitors to the Offer

Watson Mangioni Lawyers Pty Limited
Level 23, 85 Castlereagh Street
Sydney NSW 2000
Telephone: +61 2 9262 6666
Facsimile: +61 2 9262 2626
Website: www.wmlaw.com.au

Auditor

Pitcher Partners
Level 16, Tower 2, Darling Park
201 Sussex Street
Sydney NSW 2000
Telephone: +61 2 9221 2099
Facsimile: +61 2 9223 1762
Website: www.pitcher.com.au

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1. Chairman's letter



14 October 2020

Dear Investor

On behalf of the Company, I am pleased to offer you the opportunity to participate in the Offer outlined in this document. This Offer reflects the continued success of your company as well as continued existing and new shareholder interest in the Company.

Under the Offer, the Company is seeking to raise a maximum of \$10,000,000 before expenses of the Offer. The Offer is being made by way of an Entitlement Offer to Eligible Shareholders along with a Shortfall Offer to existing and potential new shareholders.

Cadence Opportunities Fund Limited is approaching its second anniversary. A review of the structure of the Company was required as the Supplementary Prospectus indicated that if the Company had not determined to proceed with a listing by December 2020 it would pursue opportunities for returning capital to Shareholders. As a result of this review, the Board has determined to keep the Company unlisted for at least a further two years and is currently proposing to pursue a buy-back of Shares towards the end of December 2020 to give Shareholders who want to participate in a return of capital the opportunity to do so. Due to the strong performance of the Company since its inception the Board has decided to give its existing investors the opportunity to purchase more shares in the Company. In addition, as the Company has had significant new investor interest, new investors will also be given a limited opportunity to invest into the Company.

The net proceeds from the Offer will be used by the Company for further investments consistent with the Company's investment strategy. Cadence Opportunities Fund Limited is a long biased, long-short Fund that invests both domestically and internationally using Cadence's proprietary fundamental and technical research. The Company looks to utilise shorter duration trends in producing its alpha generation opportunities.

Eligible Shareholders may apply to subscribe for New Shares with an aggregate issue price up to or equal to their Entitlement under the Entitlement Offer and may also apply for additional New Shares under the Shortfall Offer.¹ The Shortfall Offer will also be open to eligible investors who are not already Shareholders.

Successful applications under the Entitlement Offer from Eligible Shareholders received before 5:00pm on the October Cut-Off Date will have New Shares issued at the October Issue Price. Successful applications under the Entitlement Offer from Eligible Shareholders received after 5:00pm on the October Cut-Off Date and before 5:00pm on the November Cut-Off Date will have New Shares issued at the November Issue Price.

If there is a shortfall in applications for New Shares under the Entitlement Offer, Eligible Shareholders who have applied for New Shares with an aggregate issue price in excess of their Entitlement will be allocated additional New Shares in the Shortfall Offer.¹ If there are New Shares available in the Shortfall Offer that are not taken up by Eligible Shareholders, these New Shares may then be allocated to new investors. Within these categories, if any further scaling back of Applications is required, this will be done on a pro-rata basis where there is excess demand from Eligible Shareholders¹ and otherwise as determined by the Company. See Section 3.6 for details.

The Directors and investment management team (and their associated entities) have indicated their intention to invest, at least, an additional \$2,000,000 into the Company.¹

The Offer closes at 5:00pm (Sydney time) on Monday, 30 November 2020 (unless extended). To participate, you need to ensure that you have lodged your Application with your Application Monies so that they are received before this time.

¹ Subject to any restrictions on the issue of such New Shares under applicable law.

The Board urges you to read this Offer Information Statement carefully before making a decision to invest. You should consult your stockbroker, accountant, or other professional adviser for advice in relation to the Offer.

As a Board and management team, and large investors in Cadence Opportunities Fund Limited (CDO), we have been pleased with the performance and operation of CDO to date and look forward to communicating our future plans for your company over the coming weeks. As always please do not hesitate to contact any of our team with additional enquiries.

I commend this Offer to you and thank you for your continued support of the Company.

Yours sincerely

Karl Siegling
Chairman
Cadence Opportunities Fund Limited

2. Frequently asked questions

Question	Answer	Where to find more information
Who is the issuer?	Cadence Opportunities Fund Limited	Section 3.1
What is the Offer?	<p>An Entitlement Offer and Shortfall Offer to raise up to \$10,000,000 (before expenses of the Offer).</p> <p>Eligible Shareholders may apply for New Shares with an aggregate issue price up to or equal to their Entitlement under the Entitlement Offer and may also apply for additional New Shares under the Shortfall Offer, subject to any restrictions on the issue of such New Shares under applicable law.</p> <p>Other applicants may also apply for New Shares under the Shortfall Offer.</p> <p>There is no broker to the Offer.</p>	Section 3.2
What are the terms of the Entitlement Offer?	<p>Eligible Shareholders may apply for New Shares with an aggregate issue price up to or equal to their Entitlement under the Entitlement Offer by completing the Entitlement and Acceptance Form and paying the relevant Application Monies.</p> <p>Successful Eligible Shareholders who apply before 5:00pm on the October Cut-Off Date will be issued New Shares at the October Issue Price on the October Issue Date.</p> <p>Successful Eligible Shareholders who apply after 5:00pm on the October Cut-Off Date will be issued New Shares at the November Issue Price on the November Issue Date.</p> <p>As the issue is non-renounceable, Eligible Shareholders do not have the right to sell their Entitlements. Eligible Shareholders who do not apply for New Shares under the Entitlement Offer will not receive any value in respect of the Entitlements that they do not take up.</p>	Sections 3.2, 3.4
What are the terms of the Shortfall Offer?	<p>Eligible Shareholders who apply for New Shares with an aggregate issue price equal to their Entitlement also have the ability to apply for Shortfall Shares, by completing the relevant box in the Entitlement and Acceptance Form and paying the additional Application Monies.</p> <p>Other eligible applicants may also apply for additional New Shares under the Shortfall Offer by completing an Application Form and paying the Application Monies.</p> <p>Successful Eligible Shareholders and other eligible applicants under the Shortfall Offer will be issued New Shares at the November Issue Price on the November Issue Date.</p> <p>If applications under the Shortfall Offer exceed the Shortfall, Applications from Eligible Shareholders will be fulfilled first, followed by Applications from new investors, subject to any restrictions under applicable law. Within these categories, if any further scaling back of Applications is required, this will be done on a pro-rata basis where there is excess demand from Eligible Shareholders (subject to any restrictions under applicable law) and otherwise as determined by the Company.</p> <p>There can be no certainty that there will be a Shortfall or that you will receive the number of New Shares applied for under the Shortfall Offer. The Company's decision on the number of New Shares to be allocated under the Shortfall Offer will be final.</p>	Section 3.6
How will the proceeds be applied?	Net proceeds of the Offer will be used for further investments consistent with the Company's investment strategy.	Section 5.2
What are the rights of New Shares?	New Shares rank equally in all respects with Existing Shares from their date of issue.	Section 6.1
What are the potential significant risks?	Shareholders are exposed to a number of risks in acquiring and holding Shares. See Section 7 for an overview of some of these risks.	Section 7
What are the expenses payable by the Company?	The total expenses of the Offer are expected to be approximately \$55,000 (exclusive of GST).	Section 8.1

Question	Answer	Where to find more information
<p>What are my alternatives?</p>	<p>If you are an Eligible Shareholder, you may either:</p> <ul style="list-style-type: none"> • apply for New Shares with an aggregate issue price up to or equal to your Entitlement under the Entitlement Offer; • apply for New Shares with an aggregate issue price equal to your Entitlement under the Entitlement Offer and apply for additional New Shares under the Shortfall Offer; or • do nothing and allow the rights to acquire New Shares under the Entitlement Offer to lapse. <p>You should note that if you do not apply for New Shares with an aggregate issue price equal to your Entitlement, your percentage shareholding in the Company may be diluted.</p> <p>If you are not an Eligible Shareholder and you wish to participate in the Offer, you may apply for New Shares under the Shortfall Offer.</p>	<p>Section 4</p>
<p>How can further information be obtained?</p>	<p>If you require advice as to whether to accept your Entitlement, you should seek professional advice from your stockbroker, accountant or other professional adviser.</p>	<p>Section 3.11</p>

3. Details of the Offer

3.1 Description of the issuer

The Company is the issuer of New Shares under the Offer.

3.2 Description of the Offer

The Company is seeking to raise up to \$10,000,000 (before expenses of the Offer) by way of the Entitlement Offer to Eligible Shareholders as well as a Shortfall Offer. The Offer is explained in more detail in this Section 3.

There is no broker to the Offer.

3.3 Issue Prices

Successful Eligible Shareholders who apply before 5:00pm on the October Cut-Off Date will be issued New Shares at the October Issue Price. Successful Eligible Shareholders who apply after 5:00pm on the October Cut-Off Date and other successful applicants will be issued New Shares at the November Issue Price.

The Issue Prices for New Shares under the Offer will be calculated as follows:

- (a) October Issue Price: This will be calculated as the mid-point of the pre and post tax net tangible assets per Share as at 31 October 2020 (rounded to the closest hundredth of a cent).
- (b) November Issue Price: This will be calculated as the mid-point of the pre and post tax net tangible assets per Share as at 30 November 2020 (rounded to the closest hundredth of a cent).

3.4 Entitlement Offer

Eligible Shareholders are being offered an opportunity to subscribe for New Shares with an aggregate issue price up to or equal to their Entitlement under the Entitlement Offer, subject to any restrictions on the issue of these New Shares under applicable law. New Shares will be issued for the relevant Issue Price on a fully paid basis and will rank equally with Existing Shares. The Issue Price for the New Shares will be calculated in accordance with Section 3.3.

The Entitlements are non-renounceable, meaning the entitlements to participate in the Entitlement Offer are not transferable. Eligible Shareholders who do not apply for New Shares under the Entitlement Offer will not receive any value in respect of the Entitlement that they do not take up.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. If the result is not a whole number your Entitlement will be rounded down to the nearest whole dollar. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

3.5 Eligible Shareholders

Eligible Shareholders are those Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date (being 7:00pm Sydney time on 14 October 2020);
- (b) as at the Record Date, have a registered address in Australia;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Offer.

3.6 Shortfall Offer

The Company has determined that it will make an additional offer of the New Shares that may be comprised in any Shortfall.

Accordingly, in addition to applying for New Shares with an aggregate issue price up to or equal to their Entitlement under the Entitlement Offer, Eligible Shareholders who apply for New Shares with an aggregate issue equal to their Entitlement may apply for additional New Shares out of any Shortfall, subject to any restrictions on the issue of these New Shares under applicable law. Applications may be made for these New Shares at the same time as applying for Entitlements under the Entitlement Offer by completing the relevant box in the Entitlement and Acceptance Form and including the appropriate Application Monies.

Eligible new investors may also apply for New Shares out of any Shortfall by lodging an Application Form and including the appropriate Application Monies.

The Shortfall Offer has the same closing date as the Entitlement Offer.

There can be no certainty that there will be a Shortfall or that applicants will receive the number of New Shares applied for under the Shortfall Offer.

If there is no Shortfall, the Application Monies relating to the Shortfall will be returned to applicants as soon as practicable following the Closing Date without interest.

If there is a Shortfall, Eligible Shareholders who have applied for New Shares with an aggregate issue price in excess of their Entitlement will be allocated additional New Shares in the Shortfall Offer, subject to any restrictions under applicable law. If there are New Shares available in the Shortfall Offer that are not taken up by Eligible Shareholders, these New Shares may then be allocated to new investors. Within these categories, if any further scaling back of Applications is required, this will be done on a pro-rata basis where there is excess demand from Eligible Shareholders (subject to any restrictions under applicable law) and otherwise as determined by the Company, and the number of New Shares produced from that scaling back will be issued. If scaling back occurs, Application Monies relating to New Shares applied for but not issued under the Shortfall Offer will be returned to Shareholders as soon as practicable following the Closing Date without any interest.

3.7 Allotment

The Company expects to allot New Shares successfully applied for by Eligible Shareholders under the Entitlement Offer before 5:00 pm on the October Cut-Off Date by 16 November 2020.

The Company expects to allot all other New Shares successfully applied for under the Offer by 16 December 2020.

Holding statements will be despatched in accordance with the Corporations Act. It is the responsibility of each applicant to confirm their holding before dealing in New Shares.

3.8 Application Monies

Until the time of allotment of New Shares, the Company will hold all Application Monies in relation to those New Shares in a purpose specific bank account. Interest earned on any Application Monies (whether or not allotment takes place) will remain the property of the Company.

If you are an Eligible Shareholder, amounts received by the Company in excess of your Entitlement may be treated as an Application to apply for as many additional New Shares as your excess amount will pay for in full under the Shortfall Offer.

In all circumstances, any excess Application Monies of less than \$2.00 will be retained by the Company.

3.9 No minimum subscription

There is no minimum subscription for the Offer.

3.10 Taxation

The taxation consequences of investing in the New Shares will depend on your particular circumstances. It is your responsibility, as a potential investor, to make your own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the consequences of an investment, you should consult with your taxation or other professional adviser before investing.

3.11 Enquiries

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your stockbroker, accountant or other professional adviser.

4. Action required

4.1 Your Entitlement

If you are an Eligible Shareholder, your entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Information Statement in its entirety and seek professional advice from your accountant, stockbroker or other professional adviser.

You may (subject to any restrictions under applicable law):

- take up all or part of your Entitlement, either before 5:00pm on the October Cut-Off Date or after then but before 5:00pm on the November Cut-Off Date;
- take up all of your Entitlement and apply for additional New Shares under the Shortfall Offer; or
- do nothing and allow the rights to acquire all of the New Shares representing your Entitlement to lapse.

4.2 What happens if I accept my full Entitlement?

If you take up your full Entitlement under the Entitlement Offer, you will not have your shareholding in the Company diluted by the Offer.

4.3 What happens if I do not accept my full Entitlement?

If you do not take up your full Entitlement, your proportional shareholding in the Company may be diluted.

As the Entitlements are non-renounceable, if you decide not to take up all or part of your Entitlement, it will lapse on the Closing Date to the extent not taken up. Any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be sold under the Shortfall Offer.

4.4 How do I accept all, or part, of my Entitlement?

If you decide to take up all or part of your Entitlement, you must complete and return your Entitlement and Acceptance Form that accompanies this Offer Information Statement. Applications must be accompanied by payment in Australian currency, made in accordance with the instructions set out in the Entitlement and Acceptance Form.

If you are paying by cheque, the relevant Entitlement and Acceptance Form must be accompanied by cheque in Australian dollars drawn on an Australian branch of an Australian bank for the Issue Price of the New Shares for which application is made. All cheques must be made payable to "Cadence Opportunities Fund Limited – Offer Account" and crossed "Not Negotiable". Do not forward cash. Receipts for Application Monies will not be issued.

Completed Entitlement and Acceptance Forms must be returned by either e-mail to corporateactions@boardroomlimited.com.au, or in hard copy to the following address (with accompanying cheques if you are paying by cheque), and received by either the October Cut-Off Date or no later than 5:00 pm (Sydney time) on 30 November 2020, unless extended.

Mailing Address:

Cadence Opportunities Fund Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Hand Delivery:

Cadence Opportunities Fund Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

(Please do not use this address for mailing purposes)

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

It is your responsibility to ensure that your BPAY® or Electronic Funds Transfer (EFT) payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Shares (only where the amount is \$2.00 or greater) will be refunded as soon as practicable following the Closing Date. No interest will be paid on any Application Monies received or refunded.

4.5 How do I accept the Shortfall Offer?

(a) *Eligible Shareholders*

If you wish to participate in the Shortfall Offer as an Eligible Shareholder, you must accept your full Entitlement in the manner outlined in Section 4.4, and complete the relevant section on the Entitlement and Acceptance Form and pay the Application Monies in accordance with the instructions on the Entitlement and Acceptance Form.

(b) *Other investors*

If you wish to participate in the Shortfall Offer otherwise than as an Eligible Shareholder, you must complete an Application Form and pay the Application Monies in accordance with the instructions on the Application Form.

(c) *Unsuccessful applicants*

Your application for additional New Shares under the Shortfall Offer may not be successful (wholly or partially). The decision by the Directors in relation to the number of additional New Shares to be allocated to you under the Shortfall Offer will be final. If you are unsuccessful in the Shortfall Offer or your Application in respect of the Shortfall Offer is only part accepted, any excess Application Monies will be returned to you by cheque as soon as possible following the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by the Company.

4.6 Acceptance of applications under the Offer

Completing and lodging an Application and paying the Application Monies is an offer by you to the Company to subscribe for the number of New Shares calculated by dividing your Application Monies by the relevant Issue Price for the New Shares, at the relevant Issue Price on the terms and conditions set out in this Offer and the Application.

An Application may be accepted in respect of the full amount applied for, or any amount less than that amount, without further notice. Acceptance of an application will give rise to a binding contract.

4.7 Amounts payable in respect of the Shares

Except as set out in this Offer Information Statement, there are no other amounts payable by applicants in respect of the Shares. No stamp duty, brokerage or commission is payable by applicants.

5. Purpose and effect of the Offer

5.1 Overview

If the Offer is fully subscribed:

- the number of New Shares issued pursuant to the Offer will depend on the Issue Prices at which the New Shares are issued on the October Issue Date and the November Issue Date;
- assuming Issue Prices of \$2.0655*:
 - the New Shares will constitute approximately 48.2% of the total number of issued Shares immediately after the allotment of the New Shares; and
 - the total number of Shares on issue after the allotment will be 10,049,857; and
- assuming Issue Prices of \$2.1100:
 - the New Shares will constitute approximately 47.6% of the total number of issued Shares immediately after the allotment of the New Shares; and
 - the total number of Shares on issue after the allotment will be 9,947,750.

* This is the mid-point of the pre and post tax net tangible assets per Share as at 30 September 2020.

The Offer will provide the Company with net proceeds of up to approximately \$9,939,500 after issue expenses of approximately \$55,000 (exclusive of GST).

5.2 Use of funds

The proceeds raised from the Offer will be used for further investments consistent with the Company's investment strategy.

5.3 Impact on capital structure

The tables below show two estimated capital structures of the Company on completion of the Offer, based on indicative Issue Prices. These prices are indicative only and actual Issue Prices (and therefore capital structures) will differ:

Assumed Issue Price of \$2.0655*	Number of Shares	Percentage of post-Offer Shares
Existing Shares	5,208,414	51.8%
New Shares (if fully subscribed)	4,841,443	48.2%
Total immediately after Offer (if fully subscribed)	10,049,857	100%

Assumed Issue Price of \$2.1100	Number of Shares	Percentage of post-Offer Shares
Existing Shares	5,208,414	52.4%
New Shares (if fully subscribed)	4,739,336	47.6%
Total immediately after Offer (if fully subscribed)	9,947,750	100%

* This is the mid-point of the pre and post tax net tangible assets per Share as at 30 September 2020.

5.4 Impact on control

The issue of New Shares under the Offer is not expected to have a material effect on the control of the Company.

5.5 Pro forma balance sheet

Set out below is a pro forma balance sheet of the Company on successful completion of the Offer (assuming the Offer is fully subscribed). It is based upon the Company's balance sheet as at 30 June 2020 contained in the Annual Financial Report for the Company for the full-year ended 30 June 2020 as lodged with ASIC on 9 October 2020.

The balance sheet has been prepared in accordance with the Corporations Act, the Corporations Regulations 2001, accounting standards and other mandatory financial reporting requirements in Australia.

The pro forma balance sheet reflects the impact of the Offer and all transaction costs as if they had occurred on 30 June 2020 and is if the Offer was fully subscribed. It will not reflect the position of the Company on completion of the Offer.

	Actual June 2020	Pro Forma June 2020 (adjusted for Offer)
	\$	\$
ASSETS		
Cash and cash equivalents	2,679,294	12,618,794
Trade and other receivables	653,968	659,468
Financial assets at fair value through profit or loss	9,842,520	9,842,520
Deferred tax asset	6,303	22,803
	<hr/>	<hr/>
TOTAL ASSETS	13,182,085	23,143,585
	<hr/>	<hr/>
LIABILITIES		
Cash overdrafts	1,898,516	1,898,516
Trade and other payables	1,238,497	1,238,497
Financial liabilities at fair value through profit or loss	916,375	916,375
Current tax liability	296,948	296,948
Deferred tax liability	402,325	402,325
	<hr/>	<hr/>
TOTAL LIABILITIES	4,752,661	4,752,661
	<hr/>	<hr/>
NET ASSETS	8,429,424	18,390,924
	<hr/>	<hr/>
EQUITY		
Issued capital	6,595,050	16,556,550
Profits reserve	1,834,374	1,834,374
	<hr/>	<hr/>
TOTAL EQUITY	8,429,424	18,390,924
	<hr/>	<hr/>

6. Details of the Company and its business

6.1 Rights attaching to Shares

New Shares issued under the Offer will be fully paid and rank equally in all respects with Existing Shares from their date of issue.

The following information about the rights attaching to Shares is a summary of rights set out in the Constitution. You can acquire a copy of the Company Constitution, free of charge, from the Company until the expiry of this Offer Information Statement.

Each Share confers on its holder:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable), subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share; and
- the right to receive, in kind, the whole or any part of the Company's property in a winding up subject to the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution.

Shares are fully transferrable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

6.2 Description of the Company's business

Cadence Opportunities Fund Limited is a long biased, long-short fund that invests both domestically and internationally using Cadence's proprietary fundamental and technical research. The Company looks to utilise shorter duration trends in producing its alpha generation opportunities.

6.3 Proposed return of capital to Shareholders (buy-back)

The Supplementary Prospectus stated that, if the Board does not determine to proceed with a listing of the Company's Shares within 2 years of the date of the Supplementary Prospectus, the Board will pursue opportunities for returning capital to Shareholders.

The Board has determined that the Company will remain an unlisted company for at least a further 2 years. The Board is therefore pursuing opportunities to return capital to Shareholders. The Board does not believe there is significant interest from Shareholders in pursuing a winding up of the Company. As such, the Board is currently proposing to pursue a buy-back scheme for Shares later this year to give Shareholders who want to participate in a return of capital the opportunity to do so. The undertaking of any buy-back scheme will be subject to compliance with all requirements of the Constitution and the Corporations Act. Accordingly there can be no guarantee that the buy-back scheme will occur.

If the buy-back scheme occurs, then all Shareholders (including recipients of New Shares under the Offer) who hold shares when the buy-back occurs will be entitled to participate in the equal buy-back scheme.

7. Risk factors

7.1 Overview

There are a number of factors, both specific to the Company and of a general nature, which may affect the future performance of the Company and the outcome of an investment in the Company. There can be no guarantees that the Company will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This Section 7 describes certain, but not all, risks associated with an investment in the Company. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer Information Statement or of which they are otherwise aware. Directors emphasise that the risk factors set out in this Section are not the only risk factors that could affect the operations of the Company, its financial position and the value of Shares.

Investors are strongly advised to regard any investment in the Company as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. Additionally, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares. You should consider that an investment in the Company is speculative and consult your professional adviser before deciding whether to apply for the Shares.

7.2 Significant risks of investing in the Company

The following risks should be carefully evaluated before making an investment in the Company. Consideration must also be given to the speculative nature of the Company's investments. The following is not an exhaustive list of the risks of investing in the Company.

(a) *Investment in an unlisted company*

The Company is not listed on any stock exchange and the Shares are not quoted. As such, there will not be a ready market for the Shares and it may be difficult or even impossible to find a buyer if you wish to sell your Shares.

(b) *Limited track record*

The Company started operating in January 2019. As a result, it has a limited operating history and track record.

(c) *Manager risk*

The success and profitability of the Company depends almost entirely on the ability of the Manager to construct a Portfolio of investments in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments and that has the ability to increase in value over time. The past performance of the Manager is not necessarily a guide to future performance of the Company.

Should the Manager become unable to perform investment management services for the Company or become unable to execute its investment strategy or should there be significant key personnel changes at the Manager, the Company's investment activities may be disrupted and its performance negatively impacted. Even if the Company does not perform well, it may be difficult to remove the Manager.

(d) *Dilution risks*

If you do not take up all of the Shares offered to you under the Entitlement Offer (or in any future offer made by the Company), then your percentage shareholding in the Company may be diluted

7.3 Key investment risks

The Company's investment activities will expose it to a variety of risks. The Company has identified some of them as being particularly relevant to its investment strategy, namely:

(a) *Market risk*

Broad market risks include movements in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value. Certain events, including changes in economic, social, technological or political conditions as well as market sentiment, may have a negative effect on the price of all types of investments within a particular market. The Manager will seek to minimise market and economic risks but cannot eliminate them entirely.

In addition, exogenous shocks, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis or as a consequence of COVID-19) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Portfolio or value of the Shares.

(b) *Leverage risk*

The Manager is permitted to borrow on behalf of the Company and may use debt to increase the scale of the Portfolio of the Company. Leverage can magnify the gains and losses achieved in the Portfolio. Leverage gives rise to the possibility that parts of the Portfolio may have to be liquidated at a loss and not at a time of the Manager's choosing.

(c) *Derivative risk*

The Company may use Derivatives for risk and portfolio management purposes and to take opportunities to increase returns. Investments in Derivatives may cause losses associated with changes in market conditions (such as fluctuations in interest rates, equity prices or exchange rates) or losses associated with the value of the Derivative failing to move in line with the underlying Security or as expected. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Company to lose more than the amount of assets initially contributed to the transaction. It is the intention of the Manager to only employ relatively simple Derivatives (i.e. equity swaps, CFDs and currency forward contracts).

(d) *Short Selling risk*

There are inherent risks associated with short selling. Short selling involves borrowing Securities which are then sold. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a Security may appreciate. Additionally, there is a risk that the Securities lender may request return of the Securities. These risks may give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing. Short selling can be seen as a form of leverage and may magnify the gains and losses achieved in the Portfolio. While Short selling may be used to manage certain risk exposures in the Portfolio and increase returns, it may also have a significantly increased adverse impact on its returns.

(e) *Foreign issuer and market risk*

The Company's Investment Strategy is focused on investing in Securities both in Australia and overseas. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments. Investing in overseas positions (long and short) denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the Portfolio's investments measured in Australian dollars.

(f) *Portfolio liquidity risk*

The Company is exposed to liquidity risk in relation to the investments within its Portfolio. If a Security cannot be bought or sold quickly enough to minimise potential loss, the Company may have difficulty satisfying its commitments, including those associated with financial instruments. The Manager will seek to minimise liquidity risks by monitoring significant exposure to illiquid or thinly traded financial instruments and being aware of liquidity when constructing and managing the Portfolio.

(g) *Small cap investment risk*

Securities of smaller companies involve greater risk than those of larger, more established companies. This is because smaller companies may be in earlier stages of development, may be dependent on a small number of products or services, may lack substantial capital reserves and/or do not have proven track records. Small cap

companies may be more adversely affected by poor economic or market conditions, and may be traded in low volumes, which may increase volatility and liquidity risks.

(h) *Portfolio turnover risk*

The Manager may adjust the Portfolio as considered advisable in view of prevailing or anticipated market conditions and the Company's investment objective. There is no limitation on the length of time Securities must be held, directly or indirectly, by the Company prior to being sold. Portfolio turnover rate will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Company.

(i) *Compensation fee structure risk*

The Manager may receive compensation based on the Portfolio's performance. Performance fee arrangements may create an incentive for the Manager to make more speculative or higher risk investments than would be the case in the absence of a fee based on the performance of the Portfolio.

(j) *Prime broker and collateral risk*

The Company uses the services of a prime broker for its financing, derivative products and to facilitate the lending of Securities to short sell. The Company will be required to maintain assets with the prime broker as collateral for such services. As such, the Company may be exposed to certain risks in respect of that collateral. Risks include risk of loss resulting from the insolvency or bankruptcy of a prime broker.

When the Company enters into an arrangement that requires it to deliver collateral or other credit support to a counterparty, the Company will be exposed to the following additional risks in respect of that collateral. The Company:

- (i) may be required to post upfront margin/collateral with the counterparty (whether cash or other securities). The Company will need to have sufficient liquid assets to satisfy this obligation;
- (ii) may, from time-to-time if the value of the arrangements moves against it, be required to post additional collateral with the counterparty. The Company will need to have sufficient liquid assets to satisfy such calls, and in the event it fails to do so, the counterparty may have the right to terminate such arrangements; and
- (iii) will be subject to credit risk on the counterparty. In the event the counterparty becomes insolvent at a time it holds margin/collateral posted with it by the Company, the Company will be an unsecured creditor of the counterparty, and will rank behind other preferred creditors such as secured creditors and other creditors mandatorily preferred by law.

The Manager aims to keep this risk to a minimum by monitoring its prime broker.

(k) *Counterparty default risk*

The Company will use the services of prime brokers and outsource key operational functions including investment management, custody, execution, registry services, administration and accounting to a number of third party service providers. Use of third parties carries risk of default and failure to secure custody, or the insolvency or bankruptcy of a prime broker or counterparty used by the Manager. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Company or provide services below standards which are expected by the Company, causing loss to the Company. The Manager aims to keep this risk to a minimum by monitoring these counterparties.

8. Additional information

8.1 Expenses of the Offer

Expenses connected with the Offer are being borne by the Company. The approximate expenses of the Offer including legal fees, registry fees, printing fees and other general costs are estimated to be \$55,000 (exclusive of GST).

8.2 Disclosure

This Offer Information Statement is issued pursuant to section 709(4) of the Corporations Act. It is not a prospectus and it has a lower level of disclosure requirements than a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Information Statement.

You should obtain professional investment advice before accepting the offer made under this Offer Information Statement.

The information in this Offer Information Statement and the accompanying Entitlement and Acceptance Form or Application Form is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer Information Statement in its entirety before deciding whether or not to apply for New Shares. In particular, you should consider the risk factors that could affect the performance of the Company, some of which are outlined in Section 7. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to apply for New Shares. If you have any questions you should seek professional advice from your stockbroker, accountant or other professional adviser.

8.3 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Information Statement.

Any information or representation that is not in this Offer Information Statement may not be relied on as having been authorised by the Company or any of its related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required, none of the Company or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Information Statement.

8.4 Withdrawal of Offer

The Company reserves the right to withdraw all or part of the Offer and this Offer Information Statement at any time, subject to applicable laws, in which case the Company will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

8.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as offeror of the New Shares), the Directors and persons named in the Offer Information Statement with their consent as having made a statement in the Offer Information Statement involved in a contravention in relation to the Offer Information Statement with regard to misleading and deceptive statements made in the Offer Information Statement.

Although the Company bears primary responsibility for the Offer Information Statement, the other parties involved in the preparation of the Offer Information Statement can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 8.5:

- does not make, or purport to make, any statement in this Offer Information Statement other than those referred to in this Section; and
- in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Offer Information Statement other than a reference to its name and a statement included in this Offer Information Statement with the consent of the party named in this Section 8.5.

Cadence Asset Management Pty Limited has given its written consent to being named as the manager of the Portfolio and as the Authorised Intermediary to the Offer in this Offer Information Statement, in the form and context in which the information is included. Cadence Asset Management Pty Limited has not withdrawn its consent prior to the lodgement of this Offer Information Statement with ASIC.

Pitcher Partners has given its written consent to being named as auditor to the Company in this Offer Information Statement and for the inclusion of the audited financial information of the Company in the Appendix, in the form and context in which the information and the report are included. Pitcher Partners has not withdrawn its consent prior to the lodgement of this Offer Information Statement with ASIC.

Watson Mangioni Lawyers Pty Limited has given its written consent to being named as the solicitors to the Offer in this Offer Information Statement, in the form and context in which the information is included. Watson Mangioni Lawyers Pty Limited has not withdrawn its consent prior to the lodgement of this Offer Information Statement with ASIC.

Boardroom Pty Limited has given its written consent to being named as the Share Registry in this Offer Information Statement, in the form and context in which the information is included. Boardroom Pty Limited has not withdrawn its consent prior to the lodgement of this Offer Information Statement with ASIC.

8.6 Governing law

This Offer Information Statement, the Offer and the contracts formed on acceptance of the Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

8.7 Overseas investors

(a) Australian investors

The Offer is an offer to Australian investors. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

(b) United States residents

The Offer is not open to persons in the United States or persons with a registered address in the United States.

The New Shares being offered pursuant to this Offer Information Statement have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Offer Information Statement does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

(c) Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

8.8 Privacy

By applying for New Shares, you are providing information to the Company (directly and/or via the Share Registry) that may constitute personal information for the purposes of the *Privacy Act 1988* (Cth). The Company (and the Share Registry on its behalf) collects, holds and uses personal information provided to it to assess your application and administer your holding of Shares.

If you do not provide the information requested, the Company and the Share Registry may not be able to process or accept the form.

Access to your personal information may be provided to:

- third parties who carry out functions on behalf of the Company, including marketing and administration functions, on a confidential basis;
- third parties if that disclosure is required by law; and
- related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Company.

You have a right to request access to the personal information that the Company holds about you subject to certain exemptions under law. A fee may be charged for access. Applicants may request access to personal information by telephoning or writing to the Manager.

8.9 Directors' responsibility statement and consent

This Offer Information Statement is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to this Offer Information Statement being lodged with ASIC and has not withdrawn that consent.

9. Glossary

Application	a valid application by way of an Entitlement and Acceptance Form or Application Form made to subscribe for New Shares under the Offer
Application Form	the application form attached to or accompanying this Offer Information Statement
Application Monies	the monies received from applicants for New Shares in accordance with this Offer Information Statement
ASIC	the Australian Securities and Investments Commission
Authorised Intermediary	the Manager, in its capacity as authorised intermediary of the Offer
Board	the board of directors of the Company
Closing Date	5:00pm (Sydney time) on 30 November 2020, unless extended by the Company
Company	Cadence Opportunities Fund Limited (ACN 627 359 166)
Constitution	the constitution of the Company as amended from time to time
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Derivatives	a security, such as an equity swap, currency forward, contract for difference, option, or futures contract whose value depends on the performance of an underlying asset and includes exchange traded derivatives and over-the-counter derivatives
Directors	the directors of the Company
Eligible Shareholder	a person who is eligible to participate in the Offer and satisfies the requirements set out in Section 3.5.
Entitlement	in relation to an Eligible Shareholder, the amount equal to their Relevant Proportion of the Maximum Offer Size, as set out in the Entitlement and Acceptance Form
Entitlement Offer	the pro rata non-renounceable entitlement offer made to Eligible Shareholders to invest an amount up to or equal to their Entitlement in New Shares to be issued at the relevant Issue Price
Entitlement and Acceptance Form	the personalised form attached to or accompanying this Offer Information Statement
Existing Shares	Shares on issue immediately before the Record Date
GST	goods and services tax
Issue Price	(a) in the case of the Applications received under the Entitlement Offer before the October Cut-Off Date, the October Issue Price; and (b) in all other cases, the November Issue Price
Manager	Cadence Asset Management Pty Limited (ACN 106 551 062)
Maximum Offer Size	\$10,000,000
New Shares	the Shares offered under this Offer Information Statement

November Issue Date	16 December 2020
November Issue Price	the issue price for New Shares issued on the November Issue Date calculated in accordance with Section 3.3(b)
November Cut-Off Date	Monday, 30 November 2020
October Issue Date	16 November 2020
October Issue Price	the issue price for New Shares issued on the October Issue Date calculated in accordance with Section 3.3(a)
October Cut-Off Date	Saturday, 31 October 2020
Offer	the Entitlement Offer and the Shortfall Offer
Offer Information Statement	this document and any supplementary or replacement Offer Information Statement in relation to this document
Portfolio	the portfolio of investments constructed by the Manager
Record Date	the date for determining Entitlements under the Entitlement Offer, being 7:00pm (Sydney time) on 14 October 2020
Relevant Proportion	the proportion that an Eligible Shareholder's Shares on the Record Date bear to the total number of Shares on issue on the Record Date
Section	a section of this Offer Information Statement
Securities	has the meaning given in Section 92 of the Corporations Act
Shareholder	a registered holder of Shares
Share Registry	Boardroom Pty Limited (ACN 003 209 836)
Share	a fully paid ordinary share in the Company
Shortfall	the shortfall in applications for New Shares under the Entitlement Offer (if any)
Shortfall Offer	the facility described in Section 3.6 under which Eligible Shareholders and others may apply for New Shares
Shortfall Shares	the New Shares for which applications are not received under the Entitlement Offer prior to the Closing Date, if any
Supplementary Prospectus	the supplementary prospectus issued by the Company dated 7 December 2018 that supplemented the prospectus issued by the Company dated 2 November 2018
US Securities Act	the United States <i>Securities Act of 1933</i>

**CADENCE OPPORTUNITIES FUND
LIMITED**

A.B.N. 37 627 359 166

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

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CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

COMPANY PARTICULARS CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS:

Karl Siegling
Wayne Davies
Susan Oakes

SECRETARY:

Wayne Davies

MANAGER OF THE COMPANY:

Cadence Asset Management Pty Limited
ABN: 68 106 551 062

REGISTERED OFFICE:

Level 11, 131 Macquarie Street
Sydney, NSW 2000

CONTACT DETAILS:

Level 11, 131 Macquarie Street
Sydney, NSW 2000
Telephone: (02) 8298 2450
Fax: (02) 8298 2499
Email: info@cadencecapital.com.au
Website: www.cadencecapital.com.au

For enquiries regarding net asset backing refer to
cadencecapital.com.au or call (02) 8298 2450

PRIME BROKER:

Deutsche Bank AG
Winchester House, 1 Great Winchester Street
London EC2N 2DB

SHARE REGISTRAR:

Boardroom Pty Limited
Mail Address: GPO Box 3993, Sydney NSW 2001
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends
(including participation in the Dividend Reinvestment
Plan) and related matters, please contact the share
registrar.

AUDITORS:

Pitcher Partners
Level 16 Tower 2, Darling Park
201 Sussex St
Sydney, NSW 2000

COUNTRY OF INCORPORATION:

Australia

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

MANAGER'S REPORT

SUMMARY OF RESULTS

- Revenue from ordinary activities of \$3,000,327
- Profit before tax of \$2,194,677
- Profit after tax of \$1,540,980
- EPS of 31.5 cents
- Fund gross performance for the past year of +44.4%
- Fund gross performance since inception 1.5 years ago of +57.9%
- 6.0c fully franked Final Dividend payable on the 16 October 2020
- Yield of 3.1% fully franked (4.4% gross including franking)
- 30 June 2020 Post-tax NTA per share of \$1.6414

COMPANY PERFORMANCE

The Cadence Opportunities Fund completed the financial year up 44.4%, outperforming the All Ordinaries Accumulation Index by 51.6% over the same period. We are pleased that the fund has been able to achieve a 57.9% return, since its inception one and a half years ago, during a uniquely volatile period in the markets.

The fund's relatively small size and shorter-term scaling strategy has been well suited in this period where the economic environment facing businesses has changed rapidly, and where share prices have gyrated wildly. Equity markets fell approximately 35% over late February to mid- March 2020 as COVID-19 spread globally and economies were shut down. To give investors some context into this volatility, the fund saw exposure levels move from 90% long in late January, to 18% at the lows on 23rd March, and 110% net long as at the year end.

In terms of stock specific contributors, the best performers for the year were Zip Co, Opticomm, EML Payments, City Chic Collective, AP Eagers, The Reject Shop, Sezzle Inc, Pointsbet Holdings and Strike Energy. The largest detractors from performance were Ausnutria Dairy, Retail Food Group, Champion Iron and Twitter.

DIVIDENDS

The Company announced a 6.0 cents per share fully franked final dividend equating to a 3.1% annual fully franked yield, or a 4.4% gross yield (grossed up for franking credits) based on the Post-Tax NTA on the date of the dividend announcement. The Ex-Date for the dividend is the 30 September 2020 and the payment date for the dividend is the 16 October 2020.

MARKET OUTLOOK

We have seen volatility in global markets increase in the past 18 months as uncertainty around future economic growth has risen. Investors are grappling with the prospect of slowing economic growth and rising geopolitical risks on one hand, and the need to generate returns in an ultra-low interest rate world on the other. This environment is likely to continue with several central banks globally recently moving to cut interest rates further.

We are being very selective in our stock selection and continue to look for companies which are undervalued relative to their growth profiles. This currently tends to take the form of turnarounds, 'under the radar', or 'out of favour' opportunities. The increase in market volatility is also leading to an increased number of trading opportunities for the fund.

COMPANY FUTURE

As outlined in the Supplementary Prospectus, the Board is reconsidering an ASX listing before December 2020. The Board is also currently evaluating a number of other options for the Company's future, including remaining unlisted, giving investors the opportunity to invest further funds into the Company, giving new shareholders the opportunity to invest in the Company and giving existing shareholders the opportunity to redeem some or all of their shareholdings. The Board will be communicating these options to all Company shareholders over the coming weeks.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

MANAGER'S REPORT (Continued)

SHAREHOLDER COMMUNICATION

As managers of Cadence Opportunities Fund Limited, we aim to provide shareholders with clear and transparent communication. We do this through monthly investment updates, quarterly webcasts, investor presentations, market insights, as well as annual and half yearly profit announcements. We would encourage you to register to receive regular updates at www.cadencecapital.com.au/newsletter.

Please feel free to contact us at info@cadencecapital.com.au with any feedback to improve our communication and engagement with you.

I would like to take this opportunity to thank our investors for their continued support.



Karl Siegling
Managing Director
Cadence Asset Management Pty Limited

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

TOP 20 POSITIONS AS AT 30 JUNE 2020

LONG AND SHORT POSITIONS

Long Positions	Company Name	Exposure \$	% of Equity
CCX	City Chic Collective Ltd.	\$394,449	4.68%
UWL	Uniti Group Ltd.	\$388,283	4.61%
APE	AP Eagers Ltd.	\$368,550	4.37%
EML	EML Payments Ltd.	\$350,700	4.16%
PBH	Pointsbet Holdings Ltd.	\$345,311	4.10%
FPH	Fisher & Paykel Healthcare Corp.	\$335,789	3.98%
PRU	Perseus Mining Ltd.	\$299,876	3.56%
TRS	The Reject Shop Ltd.	\$295,680	3.51%
700 HK	Tencent Holdings Ltd.	\$288,857	3.43%
APX	Appen Ltd.	\$284,928	3.38%
CCP	Credit Corp Group Ltd.	\$280,440	3.33%
NVDA US	Nvidia Corporation.	\$275,138	3.26%
ARB	Arb Corporation Ltd.	\$269,250	3.19%
DTC	Damstra Holdings Ltd.	\$222,700	2.64%
CAR	Carsales.com Ltd.	\$221,750	2.63%
**	Deepgreen Metals Inc.	\$211,265	2.51%
OPC	Opticomm Ltd.	\$207,320	2.46%
CGC	Costa Group Holdings Ltd.	\$203,000	2.41%
RMC	Resimac Group Ltd.	\$202,000	2.40%
RMS	Ramelius Resources Ltd.	\$199,000	2.36%
Total Top 20 Long Positions		\$5,644,286	66.96%

** A Pre-IPO investment in the Materials sector

TOTAL PORTFOLIO POSITIONS:

Portfolio Net Exposure Long Positions	\$9,842,520	116.76%
Portfolio Net Exposure Short Positions	\$916,375	10.87%
Total Portfolio Net Exposure	\$8,926,145	105.89%

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2020

The Directors of Cadence Opportunities Fund Limited ("the Company") submit herewith their report together with the financial report of Cadence Opportunities Fund Limited for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company is investing primarily in securities listed both in Australia and internationally. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the financial period.

OPERATING RESULTS

Investment operations over the year resulted in an operating profit before tax of \$2,194,677 (2019: \$391,275) and an operating profit after tax of \$1,540,980 (2019: \$293,394).

There was significant volatility in the second half of the year with equity markets falling over 35% during late February and March, as many economies were shut down in response to the spread of COVID-19. Cadence Capital Limited scaled out of its positions as the market fell, with the Fund being less than 20% invested in late March. As markets recovered in April and May the Company re-deployed its cash and scaled back into both new and existing positions.

This correction provided an opportunity to initiate positions at compelling valuations in several domestic and international companies. Some of these stocks are now significant positive contributors to Company performance. The Portfolio has started the new financial year well, outperforming the All Ordinaries Accumulation Index.

REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the year ended 30 June 2020, net investments were valued at \$8,926,145 (2019: \$4,890,120). Further information regarding the performance of the entity during the reporting period is provided in the Manager's Report, which precedes this report.

FINANCIAL POSITION

The net asset value of the Company for the current financial period ended was \$8,429,424 (2019: \$5,853,444).

DIVIDENDS PAID OR RECOMMENDED

The Board have declared a 6.0 cent per share fully franked final dividend payable on 16 October 2020. The Ex-Date for the dividend is the 30 September 2020.

DIRECTORS

The names of the Directors of Cadence Opportunities Fund Limited who held office during or since the end of the financial period are:

Karl Siegling
Wayne Davies
Susan Oakes

The following persons were Directors of the Company during the financial year and up to the date of this report:

INFORMATION ON DIRECTORS

Karl Siegling (Chairman)

Karl Siegling has 27 years investment experience in the financial sector both in Australia and overseas. He holds a Bachelor of Commerce and a Law degree from the University of Melbourne and a MBA from INSEAD in France. Karl holds a Post Graduate Diploma in Finance with the Securities Institute of Australia (FINSIA). He commenced work in the Financial Services sector in Australia with Deutsche Morgan Grenfell, trading overnight currencies, bonds and bond options on the Sydney Futures Exchange. He then worked within the Equities Research Division of Deutsche Morgan Grenfell before studying a MBA at INSEAD and working as a Summer Associate within the equities division of Goldman Sachs in London.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2020

INFORMATION ON DIRECTORS (Continued)

Upon returning to Australia, Karl was the Managing Director of eFinancial Capital Limited (a subsidiary of Challenger international Limited) focused on investing in early stage and expansion capital for financial services and technology companies. Karl worked as a consultant for Wilson Asset Management, researching stocks, before setting up Cadence Asset Management Pty Limited.

Karl has been the Chairman and Managing Director of Cadence Asset Management Pty Limited (The Manager), for 16 and a half years. Karl is also a Director of Webcentral Group Limited (WCG) and Cadence Opportunities Fund Limited. Karl has been the Chairman and Managing Director of Cadence Capital Limited for 15 and a half years. Karl has been a Director of the Company for the past 2 years.

Wayne Davies (Non-Executive Director and Company Secretary)

Wayne Davies has over 18 years funds management experience in Equity Long/Short Funds both in Australia and overseas. He is both a member of the South African Institute of Chartered Accountants and the Chartered Institute of Management Accountants. Wayne Davies is a founding member of the Cadence Asset Management team and has been the Chief Operating Officer of Cadence Asset Management for the past 12 years. Wayne Davies previously worked with Theorema Asset Management in London and was a director of Theorema Europe Fund and Theorema Europe Fund Plus. Wayne has been a Director of Cadence Capital Limited for the past 6 and a half years. Wayne has been a Director of the Company for the past 2 years.

Susan Oakes (Non-executive Director)

Susan Oakes has over 30 years financial services industry experience. Susan has worked in trading room roles in Sydney, London and New York. Susan is a former director and business head at Merrill Lynch and has also worked as a risk consultant at the Commonwealth Bank of Australia.

Susan has worked in trading roles at Genesis Proprietary Trading, Phoenix Trading Group, Aliom Holdings Limited & TransMarket Group. Susan possesses extensive experience and knowledge in trading and portfolio management. Susan Oakes holds an MBA from the Australian Graduate School of Management, UNSW, specialising in business risk.

Susan has been a Director of the Company for the past one and a half years.

COMPANY SECRETARY

Wayne Davies held the position of Company Secretary at the end of the financial year.

DIRECTORS' MEETINGS

	No. eligible to attend	Attended
Karl Siegling	3	3
Wayne Davies	3	3
Susan Oakes	3	3

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director of Cadence Opportunities Fund Limited.

(a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited provides day to day management of the Company and is remunerated as outlined below.

	Cash Salary	Superannuation	Total
2020	\$	\$	\$
Short-term Employee Benefits - Directors Fees:			
Susan Oakes	13,698	1,302	15,000
Wayne Davies	6,850	650	7,500
	<u>20,548</u>	<u>1,952</u>	<u>22,500</u>

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT (Continued)

(a) Remuneration (Continued)

	Cash Salary	Superannuation	Total
2019	\$	\$	\$
Short-term Employee Benefits - Directors Fees:			
Susan Oakes	6,849	651	7,500
Wayne Davies	3,425	325	3,750
	<u>10,274</u>	<u>976</u>	<u>11,250</u>

(b) Director Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Karl Siegling is the sole Director and a beneficial owner of Cadence Asset Management Pty Limited, the entity appointed to manage the investment portfolio of Cadence Opportunities Fund Limited. In its capacity as Manager, Cadence Asset Management Pty Limited was paid a management fee of \$106,071 (inclusive of GST) (2019: \$36,604). This is equivalent to 0.125% of the value of the portfolio calculated on the last business day of each month. Over a full year, the monthly management fee will be comparable to a fee of 1.25% of the gross value of the portfolio per annum. This management fee is not paid to the Manager but instead is offset against the Loan to the Manager. As at 30 June 2020, outstanding Loan to the Manager was \$126,411. (2019: \$232,482).

The duties of the manager are to manage the portfolio and to manage and supervise all investments, maintain the corporate and statutory records of the Company, liaise with the ASX with respect to compliance with the ASX listing rules, liaise with ASIC with respect to compliance with the *Corporations Act* and liaise with the share registrar of the Company.

In addition, Cadence Asset Management Pty Limited is to be paid, annually in arrears, a performance fee, being 15% (plus GST) of the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period, where the portfolio has decreased in value over that period. For the period ended 30 June 2020, \$459,976 (inclusive of GST) (2019: \$89,188). was payable to Cadence Asset Management Pty Limited. As at 30 June 2020, the balance payable to the Manager was \$459,976 (2019: \$89,188).

Cadence Asset Management Pty Limited employs accounting personnel to provide accounting services to Cadence Opportunities Fund Limited. These services are provided on commercial terms and include a standard charge of \$550 (inclusive of GST) per month.

(c) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$100,000 per annum between the directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2020

REMUNERATION REPORT (Continued)

(d) Shareholdings

As at the date of this report, the Company's key management personnel indirectly held the following shares in the Company:

Shareholdings	Balance at 1 July 2019	Acquisitions	Disposals	Balance at 30 June 2020
Karl Siegling	1,600,001	-	-	1,600,001
Wayne Davies	100,000	-	-	100,000
Susan Oakes	24,000	-	-	24,000
	<u>1,724,001</u>	<u>-</u>	<u>-</u>	<u>1,724,001</u>

There has been no change to these shareholdings from 30 June 2020 to the date of this report.

End of Remuneration Report.

EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in this report, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

FUTURE DEVELOPMENTS

The Company will continue to pursue its policy of investment during the next financial year.

As outlined in the Supplementary Prospectus, the Board is reconsidering an ASX listing before December 2020. The Board is also currently evaluating a number of other options for the Company's future, including remaining unlisted, giving investors the opportunity to invest further funds into the Company, giving new shareholders the opportunity to invest in the Company and giving existing shareholders the opportunity to redeem some or all of their shareholdings. The Board will be communicating these options to all Company shareholders over the coming weeks.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*.

No indemnities have been given or insurance premiums paid during or since the end of the financial period, for any person who is or has been an auditor of the Company.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year Pitcher Partners, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company. Related entities of Pitcher Partners, performed taxation services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 2 to the financial statements.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2020

NON-AUDIT SERVICES (Continued)

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 2 did not compromise the external auditor's independence for the following reasons:

- all non-audit services do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 11 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors of the Company:



Karl Siegling
Director

Dated in Sydney, this 2nd October 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of Cadence Opportunities Fund Limited
A.B.N. 37 627 359 166**

In relation to the independent audit of the financial report of Cadence Opportunities Fund Limited for the year then ended 30 June 2020, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



C I Chandran
Partner

Pitcher Partners
Sydney

2 October 2020

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
INCOME			
Net realised and unrealised gain on investments		2,919,153	543,835
Dividends received		68,178	43,513
Interest received		8,904	12,392
Other income		4,092	3,399
Total Income		3,000,327	603,139
EXPENSES			
Finance costs		(29,038)	(8,772)
Management fees		(98,839)	(34,108)
Performance fees		(428,614)	(83,107)
Directors fees		(22,500)	(11,250)
Stock loan fees		(2,637)	(125)
Dividends on short positions		(6,705)	-
Brokerage expenses on share purchases		(115,743)	(30,921)
Registry fees		(4,127)	(551)
Legal fees		(1,886)	-
Custody fees		(57,148)	(14,884)
Audit and taxation fees	2	(29,473)	-
Other expenses from ordinary activities		(8,940)	(28,146)
Total Expenses		(805,650)	(211,864)
Profit before income tax		2,194,677	391,275
Income tax expense	3(a)	(653,697)	(97,881)
Profit attributable to members of the Company	11	1,540,980	293,394
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		1,540,980	293,394
Basic earnings per share	13	31.5 cents	6.6 cents
Diluted earnings per share	13	31.5 cents	6.6 cents

The accompanying notes form part of these financial statements.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Cash and cash equivalents	12(a)	2,679,294	1,641,849
Trade and other receivables	5	653,968	788,816
Financial assets at fair value through profit or loss	6	9,842,520	5,105,902
Deferred tax asset	3(b)	6,303	-
TOTAL ASSETS		13,182,085	7,536,567
LIABILITIES			
Cash overdrafts	12(a)	1,898,516	1,040,703
Trade and other payables	7	1,238,497	328,757
Financial liabilities at fair value through profit or loss	8	916,375	215,782
Current tax liability	3(d)	296,948	-
Deferred tax liability	3(c)	402,325	97,881
TOTAL LIABILITIES		4,752,661	1,683,123
NET ASSETS		8,429,424	5,853,444
EQUITY			
Issued capital	9	6,595,050	5,560,050
Profits reserve	10	1,834,374	293,394
TOTAL EQUITY		8,429,424	5,853,444

The accompanying notes form part of these financial statements.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 17 112 870 096

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 6 July 2018		-	-	-	-
Profit for the year	11	-	293,394	-	293,394
Transfer to profits reserve	10	-	(293,394)	293,394	-
Other comprehensive income for the year		-	-	-	-
Transactions with owners:					
Shares issued at placement	9	5,560,050	-	-	5,560,050
Balance at 30 June 2019		5,560,050	-	293,394	5,853,444
Profit for the year	11	-	1,540,980	-	1,540,980
Transfer to profits reserve	10	-	(1,540,980)	1,540,980	-
Other comprehensive income for the year		-	-	-	-
Transactions with owners:					
Shares issued	9	1,035,000	-	-	1,035,000
Balance at 30 June 2020		6,595,050	-	1,834,374	8,429,424

The accompanying notes form part of these financial statements.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from the sale of investments		55,632,421	8,595,821
Payments for the purchase of investments		(56,145,882)	(13,300,823)
Dividends received		71,188	37,263
Interest received		8,904	12,392
Other income received		4,092	3,399
Performance fees paid		(51,745)	-
Brokerage expenses on share purchases		(115,743)	(30,921)
Interest paid		(29,038)	(8,772)
Dividends paid on shorts		(6,705)	-
Payments for other expenses		(164,252)	(267,263)
Income tax paid		(58,608)	-
		(855,368)	(4,958,904)
NET USED IN OPERATING ACTIVITIES	12(b)	(855,368)	(4,958,904)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued		1,035,000	5,560,050
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,035,000	5,560,050
NET INCREASE IN CASH HELD		179,632	601,146
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR		601,146	-
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	12(a)	780,778	601,146

The accompanying notes form part of these financial statements.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared under the historical cost convention, except for, where applicable, cash flow information, "held-for-trading" financial assets and certain other financial assets and liabilities, which have been measured at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(k).

The financial report was authorised for issue on 2 October 2020 by the Board of Directors.

Accounting Policies

(a) Investments

i) Classification

Investments consist of shares in publicly listed and unlisted companies and fixed interest securities.

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through the profit or loss.

ii) Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Trade date is the date on which the Company commits to purchase or sell the assets.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the profit or loss immediately.

Financial assets are classified and measured at fair value with changes in value being recognised in the profit or loss.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(a) Investments (Continued)

iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

iv) Valuation

All investments are classified and measured at fair value, being market value, including the potential tax charges that may arise from the future sale of the investments. These fair value adjustments are recognised in the profit or loss. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

v) Investment Income

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

vi) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss.

vii) Financial Liabilities

Borrowed stock is classified as financial liabilities at fair value through the profit or loss. Realised and unrealised gains and losses arising from changes in fair value are included in the profit or loss in the year in which they arise.

(b) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(b) Income Tax (Continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable entity or different taxable entity's which intend to settle simultaneously.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within the current liabilities on the statement of financial position.

(d) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(e) Trade and Other Payables

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at nominal amounts and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amount of trade and other payables represent their fair value.

(f) Impairment

At each reporting date, the Company shall measure the loss allowance on financial assets at amortised cost (cash, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(i) Segment Reporting

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss, however the Company has foreign exposures as it invests in securities which are listed Internationally.

(j) Comparative Figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Accounting Policies (Continued)

(k) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Income tax

The entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Future taxable amounts are determined based on the historical performance of the Company. Deferred tax assets are reviewed at each reporting period.

There are no estimates or judgements that have a material impact on the Company's financial results for the period ended 30 June 2020 (2019: none). All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgements are required in respect of their valuation.

(l) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Profits Reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(n) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(o) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on or after 1 July 2019 that will have a material impact on the accounts recognised in the prior periods or will affect the current or future periods.

(p) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

CADENCE OPPORTUNITIES FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
2. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company for:		
Audit and review the financial report	23,621	13,500
Non-audit Services		
Other services provided by a related practice of the auditor:		
Taxation services	5,852	5,600
	<u>29,473</u>	<u>19,100</u>

3. TAXATION

(a) Current Income Tax (Benefit)/Expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax (benefit)/expense as follows:

Prima facie tax expense on profit from ordinary activities before income tax at 30% (2019: 27.5%)	658,403	107,601
Imputation credit gross up	(15,440)	3,035
Franked dividends receivable – prior year	1,875	-
Franked dividends receivable – current year	(389)	(1,719)
Franking credits on dividends received	-	(11,036)
Change in corporate tax rate	8,898	-
Other	350	-
	<u>653,697</u>	<u>97,881</u>
Effective tax rate	30.0%	25.0%

The effective tax rate for FY2020 is 30.0% reflecting the benefit to the Company of franking credits received on dividend income during the year.

Total income tax expense results in a:

Current tax (asset)/ liability	355,556	-
Movement in deferred tax assets/liabilities	298,141	97,881
	<u>653,697</u>	<u>97,881</u>

(b) Deferred Tax Asset

Provisions	6,303	-
	<u>6,303</u>	<u>-</u>

Movement in deferred tax asset

Balance at the beginning of the period	-	-
Credited to the profit or loss	6,303	-
	<u>6,303</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. TAXATION (Continued)

	2020	2019
	\$	\$
(c) Deferred Tax Liability		
Provisions	583	(6,837)
Fair value adjustments	401,742	169,982
Tax losses	-	(65,264)
	<u>402,325</u>	<u>97,881</u>
Movement in deferred tax liability		
Balance at the beginning of the period	97,881	-
Debited to the profit or loss	304,444	97,881
	<u>402,325</u>	<u>97,881</u>
(d) Current Tax Liability		
Movement in current tax liability		
Balance at the beginning of the period	-	-
Current year income tax on operating profit	355,556	-
Income tax paid	(58,608)	-
	<u>296,948</u>	<u>-</u>

4. DIVIDENDS

(a) Dividends paid or payable

The Board have declared a 6.0 cent per share fully franked final dividend payable on 16 October 2020. The Ex-Date for the dividend is the 30 September 2020. (2019: nil)

(b) Dividend franking account

Balance of franking account at period end adjusted for franking credits, arising from payment of provision for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial years.

<u>91,701</u>	<u>11,036</u>
---------------	---------------

Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in (a) above. The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax. The balance of the franking account does not include the tax to be paid on unrealised investment gains and accrued income currently recognised as a deferred tax liability of \$402,325. (2019: \$97,881)

5. TRADE AND OTHER RECEIVABLES

Trade debtors	473,605	539,048
Income receivable	3,240	6,250
GST receivable	50,711	11,036
Loan receivable	126,412	232,482
	<u>653,968</u>	<u>788,816</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5. TRADE AND OTHER RECEIVABLES (Continued)

Terms and Conditions

Trade debtors relate to outstanding settlements, are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 3 days of the purchase being executed. Income receivable relates to accrued income, it is non-interest bearing and is unsecured. The Loan Receivable is the outstanding loan recorded as a receivable from the Manager as a consequence of the Manager Loan which was provided to the Manager by the Company in accordance with a loan agreement entered into on or around the date of the Prospectus. Trade and other receivables are not past due or impaired and are of a good credit quality, therefore no expected credit loss has been recognised.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	\$	\$
Long positions - held for trading financial assets		
Listed Investments at fair value	9,631,255	4,956,932
Unlisted Investments at fair value	211,265	148,970
	<u>9,842,520</u>	<u>5,105,902</u>

7. TRADE AND OTHER PAYABLES

Trade creditors	751,476	213,508
Sundry creditors - other	487,021	115,249
	<u>1,238,497</u>	<u>328,757</u>

Trade creditors relate to outstanding settlements. They are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 3 days of the purchase being executed.

Sundry creditors – other, are settled within the terms of payment offered, which is usually within 30 days.

8. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Short positions – Listed Investments at fair value	916,375	215,782
	<u>916,375</u>	<u>215,782</u>

9. ISSUED CAPITAL

(a) Paid-up Capital

Ordinary shares fully paid	6,595,050	5,560,050
	<u>6,595,050</u>	<u>5,560,050</u>

2020

Date	Details of issue	Share Price \$	No. of Shares	Issue value \$
Balance at the beginning of the year			4,447,962	5,560,050
1 October 2019	Placement	\$1.490	3,356	5,000
1 November 2019	Placement	\$1.500	570,000	855,000
1 December 2019	Placement	\$1.535	100,977	155,000
1 January 2020	Placement	\$1.530	13,072	20,000
			<u>5,135,367</u>	<u>6,595,050</u>

CADENCE OPPORTUNITIES FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. ISSUED CAPITAL (Continued)

(a) Paid-up Capital (Continued)

2019

Date	Details of issue	Share Price \$	No. of Shares	Issue value \$
15 January 2019	Placement	\$1.25	4,438,041	5,547,550
1 March 2019	Placement	\$1.26	9,921	12,500
			4,447,962	5,560,050

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There has been no change in the strategy adopted by the Board to control the capital of the Company. The Company is not subject to any externally imposed capital requirements.

10. PROFITS RESERVE

	2020 \$	2019 \$
Profits Reserve	1,834,374	293,394
Movement in Profits Reserve		
Opening balance	293,394	-
Transfer from retained earnings	1,540,980	293,394
	1,834,374	293,394

The Profit Reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

11. RETAINED EARNINGS

Opening balance	-	-
Profit attributable to members of the Company	1,540,980	291,053
Transfer to profits reserve	(1,540,980)	(291,053)
	-	-

CADENCE OPPORTUNITIES FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. CASH FLOW INFORMATION

	2020 \$	2019 \$
(a) Reconciliation of cash		
Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	2,679,294	1,641,849
Cash overdrafts	<u>(1,898,516)</u>	<u>(1,040,703)</u>
	<u>780,778</u>	<u>601,146</u>

The weighted average interest rate for cash and cash equivalents as at June 2020 is 0.09% (June 2019: 0.75%). The weighted average interest rate for cash overdrafts as at June 2020 is 1.00% (June 2019: 3.26%). The Company has Prime Brokerage facilities, including lending, and Custody arrangements with Deutsche Bank AG. The Prime Brokerage facilities are secured by a first charge over the financial assets of the Company.

The Company has granted a charge over all of the Company's right, title and interest in the assets transferred to the Prime Broker. This includes those transferred to the Custodians and sub-custodians in accordance with Prime Brokerage Agreements, and any right which arises after the date of the charges to receive cash or return of property from the parties under the Prime Brokerage Agreement, as security for payments and performance by the Company of all of its obligations to the Prime Brokers under the Prime Brokerage Agreement.

(b) Reconciliation of Operating Profit after Income Tax

Operating profit after income tax	1,540,980	293,394
Movement in fair value on financial assets and liabilities	(4,036,424)	(4,890,120)

Changes in assets and liabilities:

Increase in trade and other receivables	(78,660)	(788,816)
Increase in trade and other payables	1,123,247	328,757
Increase in current tax liability	296,948	-
Increase in deferred tax asset	(6,303)	-
Increase in deferred tax liability	<u>304,444</u>	<u>97,881</u>
Net cash used in by Operating Activities	<u>(855,368)</u>	<u>(4,958,904)</u>

	2020 Cents per share	2019 Cents per share
13. EARNINGS PER SHARE		
Basic earnings per share	31.5	6.6
	2020	2019
	\$	\$
Profit after income tax used in the calculation of earnings per share	<u>1,540,980</u>	<u>293,394</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13. EARNINGS PER SHARE (Continued)	2020	2019
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	<u>4,893,522</u>	<u>4,419,433</u>
Weighted average number of ordinary shares and options outstanding during the year used in calculation of diluted earnings per share	<u>4,893,522</u>	<u>4,419,433</u>
<u>Reconciliation of weighted average number of shares:</u>		
Weighted average number of ordinary shares used in calculation of basic earnings per share	<u>4,893,522</u>	<u>4,419,433</u>
Add:		
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	<u>-</u>	<u>-</u>
Weighted average number of shares used in the calculation of diluted earnings per share	<u>4,893,522</u>	<u>4,419,433</u>

14. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist of money market instruments, short and long term investments, accounts receivable and payable.

(i) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk, foreign currency risk and market price risk.

(a) Terms, Conditions and Accounting Policies

The Company's accounting policies are included in Note 1, while the terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are included under the appropriate note for that instrument.

(b) Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty (prime broker, custodian, sub-custodian and broker) will be unable to pay amounts in full when due. The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

All transactions in listed securities are settled /paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

There are risks involved in dealing with custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Company's assets are pledged as collateral for leverage from a prime broker/custodian, or where the Company's assets are held at a prime broker, custodian or sub-custodian, the securities and assets deposited with the prime broker/custodian may be exposed to a credit risk with regards to such parties. In addition, there may be practical or timing problems associated with enforcing the Company's rights to its assets in case of an insolvency of any such party.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT(Continued)

(b) Credit Risk (Continued)

The Company maintains Prime Brokerage facilities, including lending, and Custody facilities with its prime broker and custodian Deutsche Bank AG. There is no guarantee that these or any sub-custodian that Deutsche Bank AG may use or any other prime broker or custodian that the Company may use from time to time, will not become insolvent. In the event of an insolvency or liquidation of a prime broker or custodian that is being used by the Company, there is no certainty that the Company would not incur losses due to its assets being unavailable for a period of time or ultimately less than full recovery of its assets, or both. As substantially all of the Company's assets may be held by a prime broker, custodian or sub-custodian and in some cases a major Australian bank, such losses could be significant and materially impair the ability of the Company to achieve its investment objective.

Any cash held by Deutsche Bank AG is not treated as client money, but rather held as collateral and is not subject to the client monies protections conferred by the Financial Conduct Authority rules relating to client money. As a consequence, the Company's money is held by the Prime Broker as banker and not as a trustee or agent and the Prime Broker will not be required to place the Fund's money in a segregated client account, and the Company will therefore rank equally with Deutsche Bank AG's other account holders in relation thereto.

(c) Liquidity Risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company. The Company's inward cash flows depend upon the level of sales of securities, dividends, interest received and any exercise of options that may be on issue.

The Company monitors its cashflow requirements daily by reference to known transactions to be paid or received. The Company may hold a portion of its portfolio in cash and short-term fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows or it can use its lending facility with its Prime Broker.

(d) Market Price Risk

Market price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. By its nature, as an investment company that invests in tradeable securities, the Company will always be subject to market price risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

The Company can seek to reduce market price risk by not being overly exposed to one company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

(e) Foreign Currency Risk

The Company undertakes certain transactions and holds assets and liabilities denominated in currencies other than Australian Dollar (AUD), the reporting currency of the Company. The Company is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarises the net amount of assets and liabilities which are denominated in currencies that the Company is significantly exposed to:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (Continued) (e) Foreign Currency Risk (Continued)

	2020	2019
<i>United States Dollar</i>		
Net Denominated Net Assets	<u>USD\$253,806</u>	<u>(USD\$75,817)</u>
AUD/USD Exchange Rate as at 30 June 2020: \$0.6904 (2019: 0.702)		

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Statement of Financial Position, is the carrying amount. The Company is not materially exposed to any individual credit risk.

(f) Interest Rate Risk

Any excess cash and cash equivalents of the Company are invested at short-term market interest rates. Floating rate instruments expose the Company to cash flow risk, whereas short term fixed rate instruments expose the Company to interest rate risk. Excess cash and cash equivalent balances are monitored closely and can be moved into short-term bank bills or fixed term deposits.

(g) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the Company's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

2020	Weighted Average Interest Rate	Interest Bearing		Non-interest bearing \$	Total \$
		Less than 90 days \$	More than 1 year \$		
Assets					
Financial assets	-	-	-	9,842,520	9,842,520
Cash and cash equivalents	0.09%	2,679,294	-	-	2,679,294
Trade Debtors(<90 days)	-	-	-	473,605	473,605
Other receivables	-	-	-	180,363	180,363
Total assets		<u>2,679,294</u>	<u>-</u>	<u>10,496,488</u>	<u>13,175,782</u>
Liabilities					
Financial liabilities	-	-	-	916,375	916,375
Cash overdrafts	1.00%	1,898,516	-	-	1,898,516
Trade Creditors(<90 days)	-	-	-	751,476	751,476
Other payables	-	-	-	487,021	487,021
Total liabilities		<u>1,898,516</u>	<u>-</u>	<u>2,154,872</u>	<u>4,053,388</u>

Other payables are expected to be paid as follows:	2020
	\$
- Less than 6 months	487,021
- 6 months to one year	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (Continued)

(g) Financial instrument composition and maturity analysis (Continued)

2019	Interest Bearing			Non-interest bearing	Total
	Weighted Average Interest Rate	Less than 90 days	More than 1 year		
		\$	\$	\$	\$
Assets					
Financial assets	-	-	-	5,105,902	5,105,902
Cash and cash equivalents	0.75%	1,641,849	-	-	1,641,849
Trade Debtors(<90 days)	-	-	-	539,049	539,049
Other receivables	-	-	-	249,767	249,767
Total assets		1,641,849	-	5,894,718	7,536,567
Liabilities					
Financial liabilities	-	-	-	215,782	215,782
Cash overdrafts	3.26%	1,040,703	-	-	1,040,703
Trade Creditors(<90 days)	-	-	-	213,508	213,508
Other payables	-	-	-	115,249	115,249
Total liabilities		1,040,703	-	544,539	1,585,242

Other payables are expected to be paid as follows:

	2019
	\$
- Less than 6 months	115,249
- 6 months to one year	-

(h) Financial Instruments Measured at Fair Value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Investments included in Level 2 of the hierarchy include amounts in relation to Contracts for Difference, Financial Liabilities, Initial Public Offerings and Placements in which the Company has subscribed to during the year. The fair value of Contracts for Difference and Financial Liabilities have been determined using market inputs of the underlying investments. Initial Public Offerings and Placements are investments that have not listed on the Australian Stock Exchange as at 30 June 2020 and therefore represent investments in an inactive market. In valuing unlisted investments, included in Level 2 of the hierarchy, the fair value has been determined using the valuation technique of the quoted subscription price and the amount of securities subscribed for by the Company under the relevant offers.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (Continued)

(h) Financial Instruments Measured at Fair Value

30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	9,631,255	-	211,265	9,842,520
Financial liabilities	(916,375)	-	-	(916,375)
Total	8,714,880	-	211,265	8,926,145

30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	4,956,932	-	148,970	5,105,902
Financial liabilities	(215,782)	-	-	(215,782)
Total	4,741,150	-	148,970	4,890,120

Level 3 asset class is made of a pre-IPO investment. DeepGreen Metals Inc is valued at the weighted average cost of purchases. Additional Purchases of DeepGreen Metals Inc were made during the year.

(i) Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and market price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2020 \$	2019 \$
Change in profit before tax		
- Increase in interest rate by 1%	(1,639)	4,993
- Decrease in interest rate by 1%	1,639	(4,993)
Change in equity		
- Increase in interest rate by 1%	(1,148)	3,620
- Decrease in interest rate by 1%	1,148	(3,620)

Foreign Currency Risk Sensitivity Analysis

At 30 June 2020, the effect on profit and equity as a result of changes in the foreign currency risk, with all other variables remaining constant would be as follows:

	2020 \$	2019 \$
Change in profit before tax		
- Depreciation of the AUD by 2%	3,601	(1,743)
- Appreciation of the AUD by 2%	(3,601)	1,743
Change in equity		
- Depreciation of the AUD by 2%	2,521	(1,263)
- Appreciation of the AUD by 2%	(2,521)	1,263

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. FINANCIAL RISK MANAGEMENT (Continued)

(i) Sensitivity Analysis (Continued)

Market Price Risk Sensitivity Analysis

At 30 June 2020, the effect on profit and equity as a result of changes in the market price risk, with all other variables remaining constant would be as follows:

	2020	2019
	\$	\$
Change in profit before tax		
- Increase in market price by 2%	178,523	97,802
- Decrease in market price by 2%	(178,523)	(97,802)
Change in equity		
- Increase in market price by 2%	124,966	70,906
- Decrease in market price by 2%	(124,966)	(70,906)

15. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

Karl Siegling	Chairman
Wayne Davies	Non-Executive Director and Company Secretary
Susan Oakes	Non-Executive Director

(a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited, the investment manager of the Company provides day to day management of the Company and is remunerated as outlined in Note 16 – Related Party Transactions.

	2020	2019
	\$	\$
Short-term Employee Benefits - Directors' Fees	20,548	10,274
Post-employment Benefits - Superannuation	1,952	976
	<u>22,500</u>	<u>11,250</u>

(b) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$100,000 per annum between the Directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

As at 30 June 2020, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2019	Acquisitions	Disposals	Balance at 30 June 2020
Karl Siegling	1,600,001	-	-	1,600,001
Wayne Davies	100,000	-	-	100,000
Susan Oakes	24,000	-	-	24,000
	<u>1,724,001</u>	<u>-</u>	<u>-</u>	<u>1,724,001</u>

As at 30 June 2019, the Company's key management personnel held the following shares in the Company:

	Balance at 6 July 2018	Acquisitions	Disposals	Balance at 30 June 2019
Karl Siegling	-	1,600,001	-	1,600,001
Wayne Davies	-	100,000	-	100,000
Susan Oakes	-	24,000	-	24,000
	<u>-</u>	<u>1,724,001</u>	<u>-</u>	<u>1,724,001</u>

16. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions.

Karl Siegling is the sole Director and a beneficial owner of Cadence Asset Management Pty Limited, the entity appointed to manage the investment portfolio of Cadence Opportunities Fund Limited. In its capacity as Manager, Cadence Asset Management Pty Limited was entitled to a management fee of \$106,071 (inclusive of GST) (2019: \$36,604). This is equivalent to 0.125% of the value of the portfolio calculated on the last business day of each month. Over a full year, the monthly management fee will be comparable to a fee of 1.25% of the gross value of the portfolio per annum. This management fee is not paid to the Manager but instead is offset against the Loan to the Manager. As at 30 June 2020, outstanding Loan to the Manager was \$126,411. (2019: \$232,482).

The duties of the Manager are to manage the portfolio and to manage and supervise all investments, maintain the corporate and statutory records of the Company, liaise with the ASX with respect to compliance with the ASX listing rules, liaise with ASIC with respect to compliance with the *Corporations Act* and liaise with the share registrar of the Company.

In addition, Cadence Asset Management Pty Limited is to be paid, annually in arrears, a performance fee, being 15% (plus GST) of the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period, where the portfolio has decreased in value over that period. For the period ended 30 June 2020 \$459,976 (inclusive of GST) (2019: \$89,188) was payable to Cadence Asset Management Pty Limited. As at 30 June 2020, the balance payable to the Manager was \$459,976 (2019: \$89,188).

Cadence Asset Management Pty Limited employs accounting personnel to provide accounting services to Cadence Opportunities Fund Limited. These services are provided on commercial terms and include a standard charge of \$550 (inclusive of GST) per month.

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

17. EVENTS AFTER THE REPORTING PERIOD

The Board have declared a 6.0 cent per share fully franked final dividend payable on 16 October 2020. The Ex-Date for the dividend is the 30 September 2020.

Other than the above there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

18. CONTINGENT LIABILITIES

There were no material contingencies as at 30 June 2020 (2019: nil).

19. CAPITAL COMMITMENTS

	2020	2019
	\$	\$
Capital commitments exist for placements entered into before 30 June 2020, which settle after year end.	<u>72,000</u>	<u>-</u>

CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

DIRECTORS' DECLARATION

The Directors of Cadence Opportunities Fund Limited declare that:

1. The financial statements and notes as set out on pages 12 to 32, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance for the period ended on that date;
2. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Karl Siegling
Director

Dated at Sydney, this 2nd October 2020

**Independent Auditor's Report
To the Members of Cadence Opportunities Fund Limited
A.B.N. 37 627 359 166**

Report on the Audit of the Financial Report

We have audited the financial report of Cadence Opportunities Fund Limited ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. In Note 1, the directors also state, in accordance with applicable Australian Accounting Standards and Interpretations that the financial statements comply with International Financial Reporting Standards. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**Independent Auditor's Report
To the Members of Cadence Opportunities Fund Limited
A.B.N. 37 627 359 166**



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read "C I Chandran".

C I Chandran
Partner

2 October 2020

A handwritten signature in black ink that reads "Pitcher Partners".

Pitcher Partners
Sydney

GUIDE TO THE APPLICATION FORM

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **AUD dollar Value** of shares you are applying for.
- B. Write your **full name**. Initials are not acceptable for first names.
- C. Enter your **postal address** for all correspondence. All communications to you from Horizon Oil Limited will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- D. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- E. Complete **cheque details** as requested. Make your cheque payable to 'Cadence Opportunities Fund Limited – Offer Account' in Australian currency, cross it and mark it "**Not Negotiable**". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- F. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- G. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.
- H. **If you are a new investor in Cadence Opportunities Fund Limited YOU MUST COMPLETE and return the accompanying Investor Identification Forms with this shortfall application form.**

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to Cadence Opportunities Fund Limited. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	Mr John Smith & Mrs Mary Smith <Smith Family Super Fund A/C>	John & Mary Smith Superannuation Fund

Lodgement

- A) If you are paying by cheque, bank draft or money order, you must **post your completed Application Form with cheque(s)** attached to the following address:

Delivery address:

Cadence Opportunities Fund Limited
C/- Boardroom Pty Limited
Level 12
225 George Street
SYDNEY NSW 2000

Mailing address:

Cadence Opportunities Fund Limited
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

- B) If you are paying by Electronic Funds Transfer (EFT) you need to **e-mail this completed Application Form together with the Investor Identification Forms and the receipt from the bank to corporateactions@boardroomlimited.com.au**.

It is not necessary to sign or otherwise execute the Application Form.

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<https://boardroomlimited.com.au/corp/privacy-policy/>).

Investor Identification Forms

In 2006 the Federal Government enacted the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF). The purpose of this legislation is to enable Australia’s financial sector to maintain international business relationships, detect and prevent money laundering and terrorism financing by meeting the needs of law enforcement agencies and to bring Australia in line with international standards.

13.1 Why does this legislation affect Cadence Opportunities Fund Limited

We have to meet stringent investor identification and verification requirements. This means that prior to shares being issued to new investors, we must be ‘reasonably satisfied’ that investors are who they claim to be.

13.2 What do you need to do?

If you invest in the Company through a financial adviser or an IDPS facility then they will request and collect any verification materials. If you are investing directly, you need to complete the identification form which relates to the type of entity making the investment:

Type of Entity Investing	Forms to be completed
Individual / Joint Investors (each applicant must complete a form)	IDENTIFICATION FORM 1: Individual & Sole Traders Form
Australian Companies	IDENTIFICATION FORM 2: Australian Companies Form
Trusts, Trustees and Self Managed Super Funds	IDENTIFICATION FORM 3: Trusts, Trustees & SMSFs Form

13.2.4 Not on the list?

If you are investing via a type of entity not listed above, please phone Boardroom on 1300 737 760 to discuss which form is appropriate for your needs.

We may request additional information from you where we reasonably consider it necessary to satisfy our obligations under the AML/CTF Act, and applications will not be processed until the necessary information is provided.

13.3 Who is allowed to certify AML/CTF Identification documents?

 a Justice of the Peace

a member of the Institution of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants

a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described)

a judge of a court or a magistrate

a permanent employee of Australia Post employed in an office supplying postal services to the public with 5 years continuous service

a full time teacher at a school or tertiary institution

a police officer

a person who, under a law in force in a State or Territory, is currently licenced or registered to practice one of the following occupations: Chiropractor, Dentist, Medical practitioner, Nurse, Optometrist, Pharmacist, Physiotherapist, Psychologist, Veterinary surgeon

an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees

any other persons mentioned in Part 1 and Part 2 of the Statutory Declarations Regulations 1993 – Schedule 2

**IDENTIFICATION FORM 1:
INDIVIDUALS & SOLE TRADERS**

GUIDE TO COMPLETING THIS FORM

- Complete one form for each individual nominated on your application form. Complete all applicable sections of this form in BLOCK LETTERS.

SECTION 1A: PERSONAL DETAILS / INDIVIDUAL 1

Surname Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

(Go to Section 2)

SECTION 2: IDENTIFICATION DOCUMENTS (CERTIFIED COPIES TO BE PROVIDED)

- Please complete Part I (if you do not own a document from Part I, then complete Part II or III.)

Tick ../	Select ONE valid option from this section only
<input type="radio"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="radio"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="radio"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="radio"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if you do not own a document from Part I

Tick ../ Select ONE valid option from this section

- Australian birth certificate
- Australian citizenship certificate
- Pension card issued by Centrelink
- Health card issued by Centrelink

Tick ../ **AND ONE** valid option from this section

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address.
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
- If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

Tick ../	BOTH documents from this section must be presented
<input type="radio"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
<input type="radio"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

IMPORTANT:

- Please attach a **certified**, legible copy of the ID documentation you are relying upon to confirm your identity (and any required translation).

IDENTIFICATION FORM 2: AUSTRALIAN COMPANIES



GUIDE TO COMPLETING THIS FORM

- Complete all applicable sections of this form in BLOCK LETTERS.
- Foreign Companies registered with ASIC are required to contact Boardroom on 1300 737 760 to obtain an Identification Form
- Only send the **completed sections** of this form with the application form.

SECTION 1A: AUSTRALIAN COMPANY DETAILS (to be completed if company is an Australian Company)

1.1 General Information

Full name as registered by ASIC

ACN

Registered office address (PO Box is NOT acceptable)

Street				
Suburb		State	Postcode	Country

Principal place of business (if any) (PO Box is NOT acceptable)

Street				
Suburb		State	Postcode	Country

1.2 Regulatory/ Listing Details (select ../ the following categories which apply to the company and provide the information requested)

- Regulated company** (licensed by an Australian Commonwealth, State or Territory statutory regulator)

Regulator name

Licence details

- Australian listed company**

Name of market / exchange

- Majority-owned subsidiary of an Australian listed company**

Australian listed company name

Name of market / exchange

1.3 Company Type (select ../ only ONE of the following categories)

- Public** **The form is now COMPLETE.**

- Proprietary** Go to Section 1.4 below.

1.4 Directors (only needs to be completed for proprietary companies)

This section does NOT need to be completed for public and listed companies.

How many directors are there? provide full name of each director

Full given name(s)

Surname

1

2

3

4

If there are more directors, provide details on a separate sheet

1.5 Shareholders (only needs to be completed for proprietary companies that are not regulated companies as selected in Section 1.2)

Provide details of **ALL individuals** who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital

Shareholder 1

Full given name(s) Surname

Residential address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Shareholder 2

Full given name(s) Surname

Residential address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Shareholder 3

Full given name(s) Surname

Residential address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

**IDENTIFICATION FORM 3:
TRUSTS, TRUSTEES & SMSFs**



GUIDE TO COMPLETING THIS FORM

- Complete the following in **BLOCK LETTERS**:
 - Section 1 (all parts) – all trusts.
- AND** select and complete one of the following sections for **ONLY ONE** of the trustees:
 - Section 2 (applicable parts) – selected trustee is an Individual.
 - Section 3 (applicable parts) – selected trustee is an Australian Company.
- Only send the **completed sections** of this form with the application form.

SECTION 1A: TRUST DETAILS

1.1 General Information

Full name of trust

Full business name (if any)

Country where trust established

1.2 Type of Trust (select only one of the following trust types and provide the information requested)

Registered managed investment scheme

Provide Australian Registered Scheme Number (ARSN)

(Go to Section 1B)

Regulated trust (e.g. an SMSF)

Provide name of the regulator (e.g. ASIC, APRA, ATO)

Provide the trust's ABN or registration / licensing details

(Go to Section 1B)

Government superannuation fund

Provide name of the legislation establishing the fund

(Go to Section 1B)

Other trust type

Trust description (e.g. Family, unit, charitable, estate)

(Complete Section 1.3 and 1.4)

1.3 Beneficiary Details (only complete if "Other trust type" is selected in section 1.2 above)

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

- Yes** Provide details of the membership class/es (e.g. unit holders, family members of named person, charitable purpose)

(Go to Section 1.4)

- No** How many beneficiaries are there?

provide full name of each beneficiary below

Full given name(s)

Surname

1

2

3

4

5

6

If there are more beneficiaries, provide details on a separate sheet

1.4 Trustee Details (only complete if "Other trust type" is selected in section 1.2 above)

DO NOT complete if the trust is a registered managed investment scheme, regulated trust (e.g. SMSF) or government superannuation fund.

How many trustees are there? *provide full name & address of each trustee below*

Trustee 1

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Trustee 2

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Trustee 3

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Trustee 4

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Trustee 5

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

Trustee 6

Full given name(s) or Company name Surname

Residential address if an individual trustee or company registered office address (PO Box is NOT acceptable)

Street				
Suburb	State	Postcode	Country	

If there are more trustees, provide details on a separate sheet

SECTION 1B: TRUST IDENTIFICATION DOCUMENTS (CERTIFIED COPIES TO BE PROVIDED)

For a registered managed investment scheme, regulated trust (eg SMSF) or government superannuation fund (as selected in 1.2 above) AND if the Trust has an Australian Business Number (ABN):

No Trust documentation is required.

If "other trust" (as selected in 1.2 above) OR the Trust does not have an Australian Business Number (ABN):

Tick ../	Acceptable Documents (use one of the following to verify the Unincorporated Association)
<input type="radio"/>	A certified copy or certified extract of the Trust Deed.
<input type="radio"/>	A notice issued by the Australian Taxation Office within the last 12 months (eg a Notice of Assessment)
<input type="radio"/>	A letter from a solicitor or qualified accountant that confirms the name of the trust.

Documents that are written in a language that is not English, must be accompanied by an English translation prepared by an accredited translator

IMPORTANT:

Please attach a **certified**, legible copy of the ID documentation used to verify the Trust.

Complete **ONLY ONE** of the following sections, as required, to collect the additional information about the identity of **ONLY ONE** of the trustees:

- Section 2 (applicable parts) – where the selected trustee is an individual.
- Section 3 (applicable parts) – where the selected trustee is an Australian Company

SECTION 2A: INDIVIDUAL DETAILS (to be completed if selected trustee is an Individual)

Full Given Name(s)

Surname

Date of Birth (dd/mm/yyyy)

Residential Address (PO Box is NOT acceptable) **Only provide address details if not provided in Section 1.4 above.**

Suburb

State

Postcode

Country

Complete Part I (or if the trustee does not own a document from Part I, then complete either Part II or III).

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS	
Tick ../	Select ONE valid option from this section only
<input type="radio"/>	Australian State / Territory driver's licence containing a photograph of the person.
<input type="radio"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable).
<input type="radio"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person.
<input type="radio"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*.

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ../ Select ONE valid option from this section

- Australian birth certificate.
- Australian citizenship certificate.
- Pension card issued by Centrelink.
- Health card issued by Centrelink.

Tick ../ **AND ONE** valid option from this section

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. *Block out the TFN Before scanning, copying or storing this document.*
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).

PART III – ACCEPTABLE FOREIGN ID DOCUMENTS – should only be completed if the individual does not own a document from Part I	
Tick ../	BOTH documents from this section must be presented
<input type="radio"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth.*
<input type="radio"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

IMPORTANT:

Please attach **certified**, legible copies of the ID documentation used to verify the individual trustee (and any required translation).

If the selected trustee is an individual, the form is now COMPLETE.

SECTION 3A: AUSTRALIAN COMPANY DETAILS (to be completed if selected trustee is an Australian Company)

3.1 General Information

Full name as registered by ASIC	
ACN	

Registered office address (PO Box is NOT acceptable)

Street							
Suburb		State		Postcode		Country	

Principal place of business (if any) (PO Box is NOT acceptable)

Street							
Suburb		State		Postcode		Country	

3.2 Regulatory/ Listing Details (select ../ the following categories which apply to the trustee company and provide the information requested)

Regulated company (licensed by an Australian Commonwealth, State or Territory statutory regulator)

Regulator name	
Licence details	

Australian listed company

Name of market / exchange

Majority-owned subsidiary of an Australian listed company

Australian listed company name	
Name of market / exchange	

3.3 Company Type (select ../ only ONE of the following categories)

- Public** *If the trust is a registered managed investment scheme, regulated trust (eg SMSF) or government superannuation fund, the form is now **COMPLETE**.
If 'Other trust type' is selected in Section 1.2 above, complete Sections 3B and 3C below.*
- Proprietary** *Continue to Section 3.4*

3.4 Directors (only needs to be completed for proprietary companies)

This section does NOT need to be completed for public and listed companies.

How many directors are there?		provide full name of each director below
-------------------------------	--	--

	Full given name(s)	Surname
1		
2		
3		
4		

If there are more directors, provide details on a separate sheet.

If the company is a regulated company (as selected in Section 3.2 above) AND the trust type selected in Section 1.2 above is:

- a registered managed investment scheme, regulated trust (eg SMSF) or government superannuation fund, the form is now COMPLETE.**

Otherwise, continue to Section 3.5 below.

3.5 Shareholders (only needs to be completed for proprietary companies that are not regulated companies as selected in Section 3.2)

Provide details of **ALL individuals** who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital

Shareholder 1

Full given name(s)		Surname	
Residential address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country

Shareholder 2

Full given name(s)		Surname	
Residential address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country

Shareholder 3

Full given name(s)		Surname	
Residential address (PO Box is NOT acceptable)			
Street			
Suburb	State	Postcode	Country