

Cadence Capital Limited returned a positive gross performance of 2.7% in the month of February, compared to the All Ordinaries Accumulation Index which was up 1.4% over the same period. The Company has had a strong year so far with the fund up 35.7% over the first eight months of FY21, outperforming the index by 18.0%. The largest contributors to performance during February were Sonos, Resimac Group, Uniti Group, Pinterest and Costa Group. The largest detractors from performance were Fastly and Redbubble.

On the 17th February the Company announced its [record half year results](#) and declared a 2.0 cents fully franked interim dividend. This 2.0c interim dividend equates to a 4.5% annual fully franked yield, or a 6.5% gross yield (grossed up for franking credits) based on the CDM share price on the day of the announcement. The Ex-Date for the interim dividend is the 29th April 2021 and the payment date is the 13th May 2021. The dividend re-investment plan (DRP) will not be in operation for the interim dividend as the Company's shares are currently trading at a large discount to the underlying NTA per share of the Company.

The company has recently released its [December 2020 Webcast](#). In this webcast, Karl Siegling gives an update on the company's performance and the portfolio's composition. Jackson Aldridge and Charlie Gray then discuss the portfolio's top 20 positions and current investment themes. Karl then gives an update on DeepGreen Metals and finishes with the outlook for 2021.

Deepgreen Metals Update:

On the 5th March the Company updated shareholders on its investment in DeepGreen Metals via an ASX announcement. DeepGreen Metals has recently announced that it intends to list through a merger with Sustainable Opportunities Acquisition Corporation (NYSE Code: SOAC). The combined company will be renamed The Metals Company and is expected to begin trading under the NYSE ticker code TMC.

Cadence Capital Limited (ASX Code: CDM) invested in DeepGreen Metals several years ago. DeepGreen Metals was to list on the Canadian stock exchange at that time. This listing was delayed for several reasons, but has now been replaced with a much larger intended listing on New York Stock Exchange.

The DeepGreen Metals investment is approximately 2.8% of the portfolio, and is valued at the weighted average cost of the most recent purchases made in FY2020. The proposed listing is at a valuation substantially higher than our current valuation. The transaction reflects a pro forma equity value for The Metals Company (TMC) of approximately US\$2.9 billion and enterprise value of US\$2.4 billion. The recent raising of US\$330 million was completed at a price of US\$10 per share. Our investment is currently valued at US\$1.38 per share. Upon listing this would equate to a substantial uplift in Pre and Post Tax NTA for CDM shares. This transaction is subject to shareholder and court approvals. Once the TMC shares are listed and trading freely we will value this investment at market price.

Importantly, the Company's weekly and monthly NTA announcements will not include the full value accretion of the DeepGreen transaction until the proposed TMC listing.

A summary of the proposed merger transaction is available on both the [DeepGreen Metals company website](#) or on the [SEC website](#). We will keep shareholders informed of the progress of this listing through ASX announcements and monthly newsletter announcements.

Fund NTA

Net Tangible Assets as at 28th February 2021	Amount (\$)
Pre Tax NTA*	\$1.060
Post Tax NTA*	\$1.170
Share price (ASX Code: CDM)	\$0.910

* NTA's do not include the accretion of the DeepGreen Metals transaction announced on 5th March 2021

Fund Gross Performance

Gross Performance* to 28th February 2021	CDM	All Ords Accum	Outperformance
1 Month	2.7%	1.4%	+1.3%
YTD	35.7%	17.7%	+18.0%
1 Year	35.6%	9.6%	+26.0%
3 Years (per annum)	2.1%	8.1%	-6.0%
5 Years (per annum)	6.7%	11.2%	-4.5%
8 Years (per annum)	6.0%	8.1%	-2.1%
10 Years (per annum)	8.9%	7.8%	+1.1%
Since Inception (15.4 years) (per annum)	12.8%	7.0%	+5.8%
Since Inception (15.4 years) (total return)	542.2%	185.1%	+357.1%

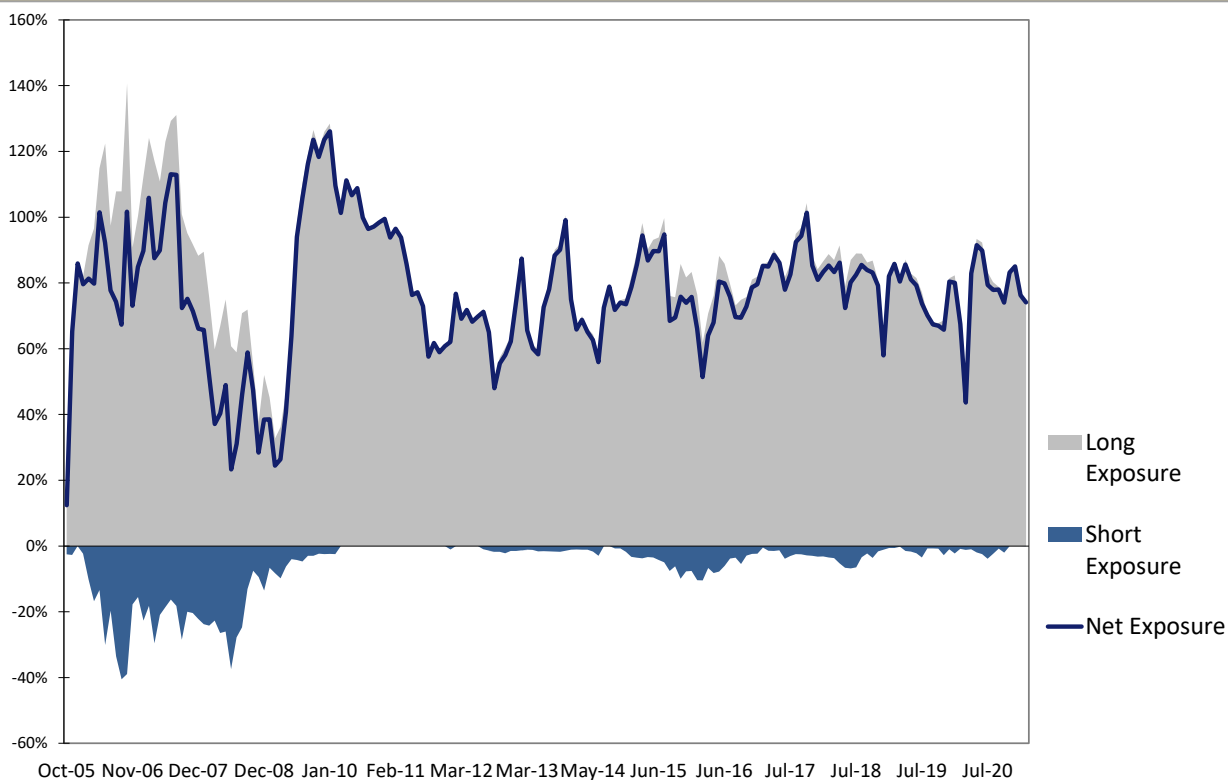
* Gross Performance: before Management and Performance Fees

Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2c*	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	4.0c	4.5c	12.5c	17.8c
2013	5.0c	5.0c	1.0c	11.0c	15.7c
2014	5.0c	5.0c	-	10.0c	14.3c
2015	5.0c	5.0c	1.0c	11.0c	15.7c
2016	5.0c	4.0c	-	9.0c	12.9c
2017	4.0c	4.0c	-	8.0c	11.4c
2018	4.0c	4.0c	-	8.0c	11.4c
2019	3.0c	2.0c	-	5.0c	7.1c
2020	2.0c	2.0c	-	4.0c	5.7c
2021	2.0c	-	-	2.0c	2.9c
TOTAL	48.5c	46.2c	11.5c	106.2c	150.8c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Communications	14.3%		14.3%
Consumer, Non-cyclical	14.1%		14.1%
Financial	11.8%		11.8%
Consumer, Cyclical	10.8%	-0.05%	10.8%
Industrial	8.7%		8.7%
Basic Materials	5.0%		5.0%
Energy	4.5%		4.5%
Technology	4.4%	-0.03%	4.4%
Materials	0.5%		0.5%
	74.0%	-0.1%	74.1%

Net Cash Holdings and Tax Asset **25.9%**

Top 20 Portfolio Positions

Code	Position*	Currency Exposure
GOOGL US	Alphabet Inc	AUD
ARB	ARB Corp Ltd	AUD
BBN	Baby Bunting Group Ltd	AUD
CHN	Chalice Gold Mines Ltd	AUD
CGC	Costa Group Holdings Ltd	AUD
CCP	Credit Corp Group Ltd	AUD
**	Deepgreen Metals	AUD
DKNG US	Draftkings Inc	AUD
EML	EML Payments Ltd	AUD
JLG	Johns Lyng Group	AUD
LYC	Lynas Corp Ltd	AUD
MNY	Money3 Corp Ltd	AUD
NTO	Nitro Software Ltd	AUD
PINS US	Pinterest Inc	AUD
PBH	Pointsbet Holdings Ltd	AUD
RDFN US	Redfin Corp	AUD
RMC	Resimac Group Ltd	AUD
SONO US	Sonos Inc	AUD
TME US	Tencent Music Entertainment	AUD
UWL	Uniti Group Limited	AUD

* In Alphabetical Order

** A Pre-IPO investment in the Materials sector

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	47.7%	-0.1%	47.8%
AUD 500 Mill - AUD 1 Billion	18.1%		18.1%
AUD 250 Mill - AUD 500 Mill	2.0%		2.0%
AUD 100 Mill - AUD 250 Mill	2.7%		2.7%
0 - AUD 100 Mill *	3.4%		3.4%
	74.0%	-0.1%	74.1%
Net Cash Holdings and Tax Asset			25.9%

* Includes a pre-IPO investment in the Materials sector

News

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