

## INVESTMENT UPDATE

July 2021

Cadence Capital Limited returned a gross negative performance of 0.6% in July, compared to the All Ordinaries Accumulation Index which was up 1.3% for the month. The largest detractors from performance during the month were Cettire, Maas Group Holdings, Pinterest and Resimac Group. The top contributors to performance were Life360, Alphabet, Appen, and Whitehaven Coal.

On the 10<sup>th</sup> August the Company announced its **full year results** to the ASX, announcing a record full year profit before tax of \$106.1m and a record full year profit after tax of \$75.0m. It also declared a 3.0 cents fully franked final dividend, which is a 50% increase on the 2020 final dividend. This brings the 2021 fully franked full year dividend up to 5.0 cents per share equating to a 4.5% annual fully franked yield, or an 6.4% gross yield (grossed up for franking credits) based on CDM's closing share price of \$1.12 on the date of the announcement. The Ex-Date for the dividend is the 18th October 2021. The payment date for the dividend is the 29th October 2021. The Dividend Re-Investment Plan ("DRP") is in operation for the final dividend. There will be no DRP discount applied.

In the coming weeks we will be releasing the June 2021 year end audiocast which will discuss the Company's year end results, portfolio composition, some current fund holdings, DeepGreen Metals and the outlook for the rest of the year.

## Fund NTA

Net Tangible Assets as at 31st July 2021	Amount (\$)
Pre Tax NTA *	\$1.101
Post Tax NTA *	\$1.194
Share Price (ASX Code: CDM)	\$1.115

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

## Fund Gross Performance

Gross Performance* to 31st July 2021	CDM	All Ords Accum	Outperformance
1 Month	-0.6%	1.3%	-1.9%
YTD	-0.6%	1.3%	-1.9%
1 Year	37.0%	30.7%	+6.3%
3 Years (per annum)	2.5%	10.3%	-7.8%
5 Years (per annum)	7.4%	10.5%	-3.1%
8 Years (per annum)	6.6%	9.7%	-3.1%
10 Years (per annum)	8.1%	9.9%	-1.8%
Since Inception (15.8 years) (per annum)	12.8%	7.6%	+5.2%
Since Inception (15.8 years) (total return)	573.5%	219.6%	+353.9%

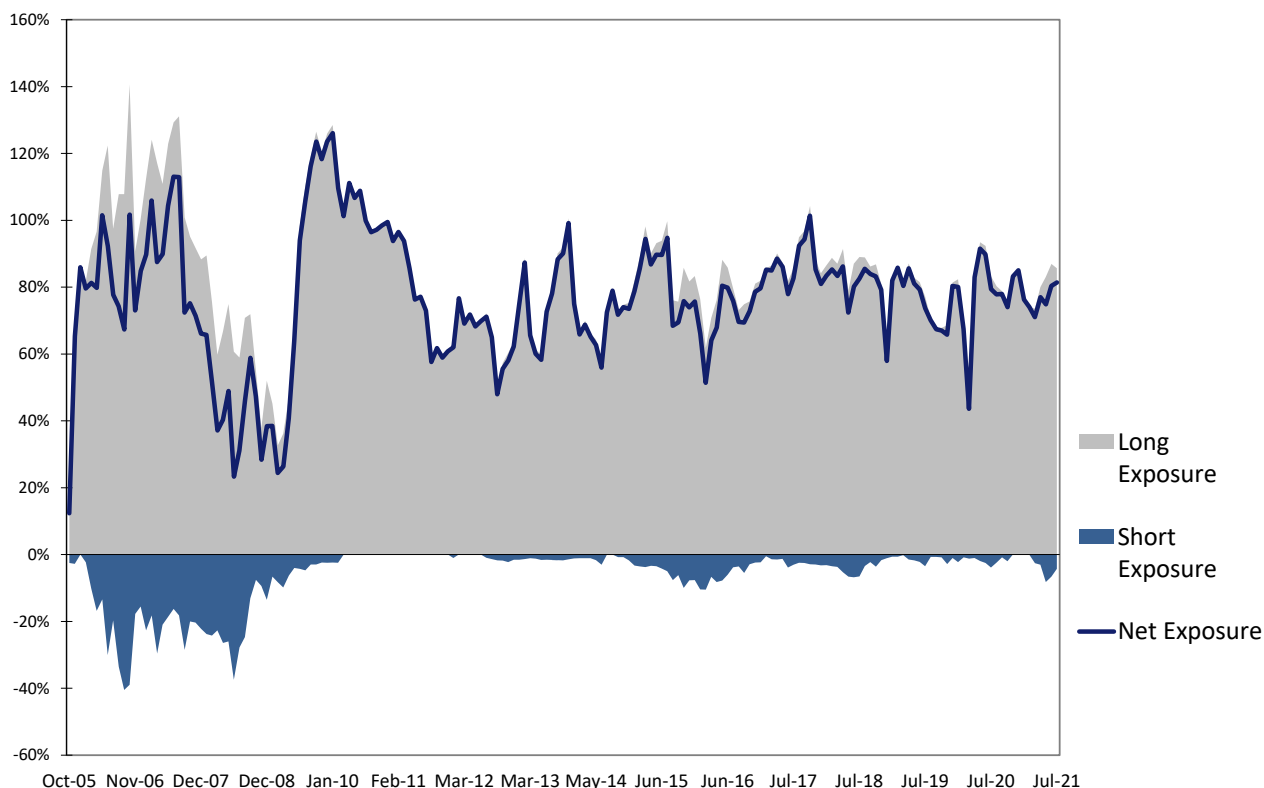
\* Gross Performance: before Management and Performance Fees

## 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	3.0c	-	5.0c	7.1c
<b>TOTAL</b>	<b>48.5c</b>	<b>49.2c</b>	<b>11.5c</b>	<b>109.2c</b>	<b>155.0c</b>

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Communications	18.3%		18.3%
Consumer, Cyclical	14.2%	-0.4%	13.7%
Technology	12.0%	-2.0%	10.1%
Energy	9.9%		9.9%
Financial	9.6%	-0.5%	9.2%
Industrial	6.8%		6.8%
Consumer, Non-cyclical	5.9%	-0.7%	5.1%
Basic Materials	4.8%	-0.7%	4.1%
Materials	2.4%		2.4%
Capital Goods	1.8%		1.8%
	<b>85.7%</b>	<b>-4.3%</b>	<b>81.4%</b>

**Net Cash Holdings and Tax Asset** **18.6%**

## Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
GOOGL US	Alphabet Inc	Long	AUD
ALQ	ALS Limited	Long	AUD
APX	Appen Ltd	Short	AUD
ARB	ARB Corp Ltd	Long	AUD
ASAN US	Asana Inc	Long	AUD
BET	Betmakers Technology Group Ltd	Long	AUD
BSL	Bluescope Steel Limited	Long	AUD
CAR	Carsales.com Ltd	Long	AUD
CHN	Chalice Gold Mines Ltd	Long	AUD
CROX US	Crocs Inc	Long	AUD
**	Deepgreen Metals	Long	AUD
JLG	Johns Lyng Group	Long	AUD
360	Life360 Inc	Long	AUD
MGH	Maas Group Holdings Ltd	Long	AUD
MNY	Money3 Corp Ltd	Long	AUD
NTO	Nitro Software Ltd	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
SHOP US	Shopify Inc	Long	AUD
UWL	Uniti Group Limited	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD

\* In Alphabetical Order

\*\* A Pre-IPO investment in the Materials sector

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	61.1%	-4.3%	56.8%
AUD 500 Mill - AUD 1 Billion	19.3%		19.3%
AUD 250 Mill - AUD 500 Mill	0.4%		0.4%
AUD 100 Mill - AUD 250 Mill	1.5%		1.5%
0 - AUD 100 Mill *	3.4%		3.4%
	<b>85.7%</b>	<b>-4.3%</b>	<b>81.4%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>18.6%</b>

\* Includes a pre-IPO investment in the Materials sector

## News

In late June [DeepGreen Metals shareholders approved the merger](#) of DeepGreen and Sustainable Opportunities Acquisition Corporation (SOAC). The British Columbia Supreme Court has also approved the plan of arrangement between DeepGreen and SOAC. The merger needs to be approved by SOAC's shareholders and needs to satisfy other customary closing conditions. The combined entity will be renamed The Metals Company and is expected to begin trading on the NASDAQ under the ticker symbol TMC. This is expected to occur in this current quarter.

In May the Company released its [March 2021 Quarterly Webcast](#). In this webcast, Karl Siegling firstly provided an update on the Company's performance, upcoming dividend payment and CDM's discount to NTA. Jackson Aldridge and Charlie Gray then discussed the Company's current investment themes and positioning. Karl Siegling finished with an update on DeepGreen Metals and the outlook for 2021.

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