

Cadence Opportunities Fund Limited (ASX: CDO) Half Year Results

Sydney, 23 February 2022: Cadence Opportunities Fund Limited (ASX: CDO) today announced a half year profit after tax of \$2.3m. Karl Siegling, Chairman, said “The Company had a strong 6 months to 31 December 2021 with the portfolio up 21.1% in 1H22, outperforming the All Ordinaries Accumulation Index by 16.5%. The top contributors to performance during the first half were Tuas, Upstart, TMC the Metals Co., DigitalOcean, Uniti Group, Johns Lyng, Life360, Asana, Cettire, Bluebet and Mineral Resources. The largest detractors from performance were Nitro Software, Bed Bath and Beyond and Betmakers Technology.”

Half Year Results to 31 December 2021:

- Half Year fund up 21.1%, outperforming All Ords. Accum. Index by 16.5%
- 7.5c fully franked Interim Dividend payable on the 14 April 2022
- 25% increase on last year’s annualised ordinary dividends
- Annualised Yield of 5.1% fully franked (7.3% gross including franking)
- DRP will be operating at 5% discount for the half year dividend
- Profit before tax of \$3.3m
- Profit after tax of \$2.3m

Karl added, “After almost 3 years trading as an unlisted fund, we are pleased that the company completed a successful IPO and listed on the ASX on 19th November 2021 under the ASX Code CDO. The Board and Investment Team of the company added to their investments in CDO in the IPO and continue to be the largest shareholders in the fund.”

Karl continued, “It has been pleasing to see the fund return 56% p.a. since inception for our investors, demonstrating the strength of our investment process that benefits in these times of increased volatility.”

Fully Franked Interim Dividend

On 14 January 2022 the Board announced a 7.5 cents per share fully franked interim dividend, being a 25% increase on last year’s annualised ordinary dividends. This equates to an 5.1% annual fully franked yield, or an 7.3% gross yield (grossed up for franking

credits) based on the share price on the date of the announcement of \$2.94 per share. After paying this dividend the Company still has more than 50 cents per share of profits reserves to pay future dividends. The Ex-Date for the dividend is the 31st March 2022. The payment date for the dividend is the 14 April 2022.

The dividend re-investment plan (DRP) will be in operation for this interim dividend. The issue price will be at a 5% discount to the weighted average of the prevailing share price over the relevant DRP pricing period. If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

Outlook

Karl Siegling continued, “The final quarter of 2021 saw a marked change in performance of markets globally. We have seen interest rates begin to increase and stimulus start to be removed after a period of very low or zero interest rates globally. The strong trends experienced in high-valuation growth-style stocks for much of the last two years in many cases have reversed. At the same time, trends across the resources and energy sectors have in many cases strengthened.”

Karl Siegling added, “The portfolio’s construction has changed significantly to align with these developments. A period of increasing interest rates and elevated inflation will lead to different stocks performing well compared to what we have seen in recent years. Shorting and high levels of cash will also play an important role going forward. Liquidity and cash levels in the portfolio are currently high and maintaining flexibility in this period of increased uncertainty and volatility.”

Karl Siegling
Chairman, Cadence Opportunities Fund Limited

Further information:
Cadence Opportunities Fund Limited
Telephone: +61 2 8298 2450
Email: info@cadencecapital.com.au
Web: www.cadencecapital.com.au