

## INVESTMENT UPDATE

October 2022

Cadence Capital Limited returned a gross positive performance of 1.1% in October, compared to the All Ordinaries Accumulation Index which was up 5.7% for the month. Year to date the fund is up 7.8%, outperforming the All Ordinaries Accumulation Index by 1.3%. The top contributors to performance during the month were Syrah Resources, Tietto Minerals, Stanmore Coal, AMP and Fortescue Metals Group. The largest detractors from performance were Terracom, AJ Lucas Group and Australian Pacific Coal.

The Australian market has performed poorly over the past six months as interest rates continued to rise. However, markets staged a strong recovery in October driven by large price increases in Financials (up 12%), Oil and Gas (up around 10%) and Real Estate (up around 9%). However, the thermal coal price fell significantly in October after a prolonged two-year rally. This affected Australian producers such as Whitehaven Coal, New Hope, Terracom and Stanmore to a lesser extent. These stocks have been major positive contributors to the fund's performance over the past two years. We have reduced the size of coal positions in the portfolio and will continue to do so if the coal price and coal producers' trend lower. Resource stocks performed well for the fund and were added to, whilst short positions also aided performance.

### Fully Franked Year-End Dividend

During the month the Company paid its 4.0 cents per share fully franked year-end dividend bringing the full year dividend to 8.0 cents per share fully franked. This full year dividend of 8.0 cents per share fully franked equates to an 8.3% fully franked yield or a 11.9% gross yield (grossed up for franking credits) based on the September month end share price of \$0.96 per share. After paying this dividend the Company still has around 25 cents per share of profits reserves to pay future dividends.

### Upcoming AGM and Investor Briefing

We would like to remind you that we are holding our AGM and Investor Briefing at the Museum of Sydney, Warrane Theatre, at 2:00pm (AEDT) on Wednesday 16th November 2022. A dial-in facility is available for those investors that are not able to attend the AGM and Investor Briefing in person. The numbers to dial are as follows:

- Toll Free Australia - 1800 809 971
- Toll Free Australia Back Up - 1800 558 698

A webcast of the Investor Briefing will also be made available online sometime after the meeting. If you have any questions that you would like answered at the AGM please can you email them to [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au).

### Fund NTA

Net Tangible Assets as at 31st Oct 2022	Amount (\$)
Pre Tax NTA*	\$1.005
Post Tax NTA*	\$1.135
Share Price (ASX Code: CDM)*	\$0.915

\*After the 4.0c fully franked final dividend paid on 28 Oct 2022

## Fund Gross Performance

Gross Performance* to 31st Oct 2022	CDM	All Ords Accum	Outperformance
1 Month	1.1%	5.7%	-4.6%
YTD	7.8%	6.5%	+1.3%
1 Year	-9.7%	-3.5%	-6.2%
2 Years (per annum)	13.5%	11.5%	+2.0%
3 Years (per annum)	12.7%	5.2%	+7.5%
5 Years (per annum)	4.0%	7.4%	-3.4%
10 Years (per annum)	6.7%	8.9%	-2.2%
Since Inception (17.1 years) (per annum)	12.1%	6.9%	+5.2%
Since Inception (17.1 years) (total return)	606.5%	211.1%	+395.4%

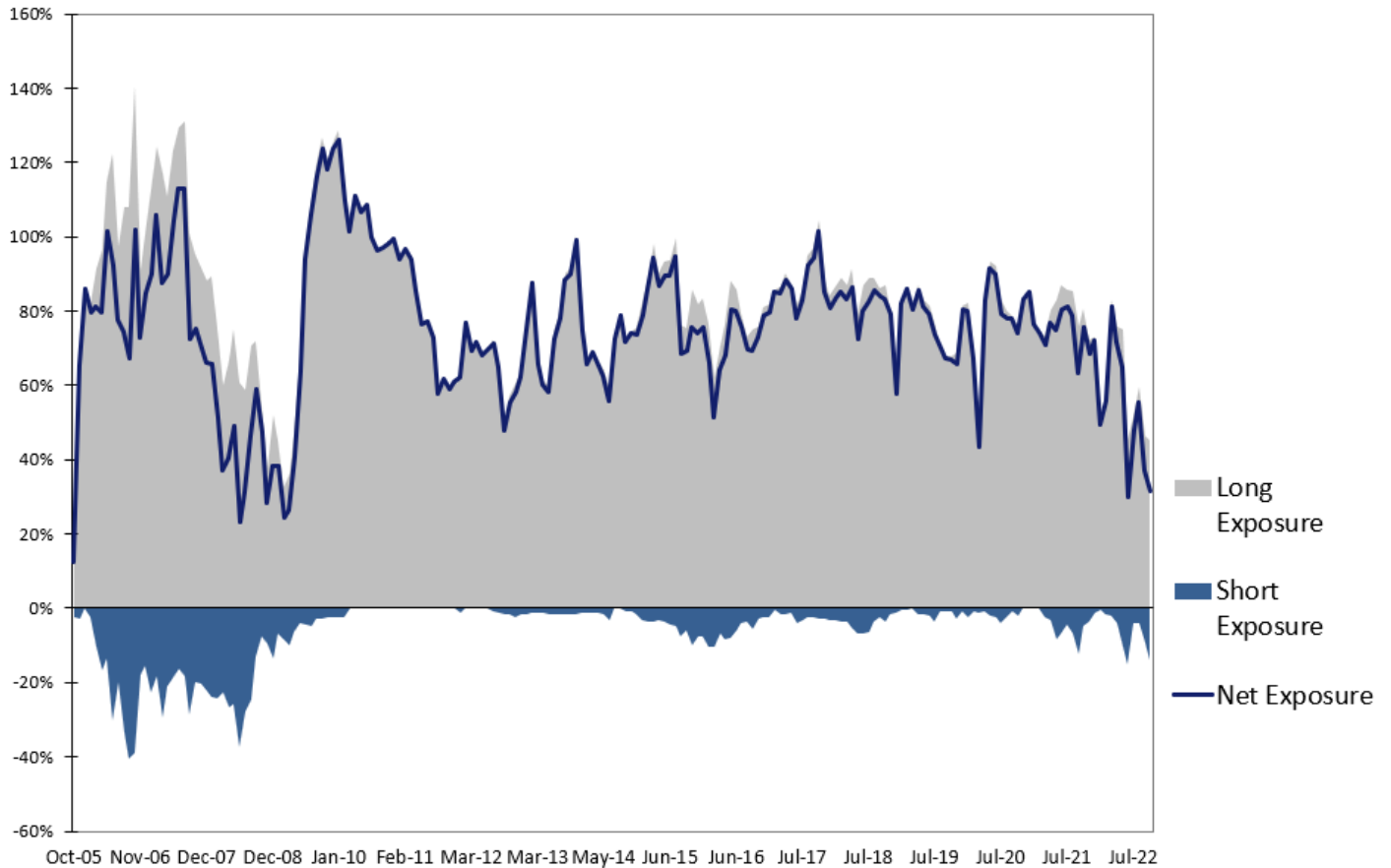
\* Gross Performance: before Management and Performance Fees

## 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
2022	4.0c	4.0c	-	8.0c	11.4c
<b>TOTAL</b>	<b>52.5c</b>	<b>53.2c</b>	<b>11.5c</b>	<b>117.2c</b>	<b>166.4c</b>

\* Off market Equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Energy	18.3%		18.3%
Basic Materials	11.7%	-6.2%	5.4%
Financial	4.5%	-0.4%	4.0%
Consumer, Cyclical	3.5%		3.5%
Consumer, Non-cyclical	3.5%	-1.8%	1.7%
Diversified	1.3%		1.3%
Communications	0.3%		0.3%
Industrial	1.8%	-2.5%	-0.7%
Technology	0.6%	-3.1%	-2.5%
	<b>45.4%</b>	<b>-14.0%</b>	<b>31.4%</b>

<b>Net Cash Holdings and Tax Asset</b>	<b>68.6%</b>
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## Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AMP	AMP Ltd	Long	AUD
ALL	Aristocrat Leisure Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
DAC US	Danaos Corp	Short	AUD
FMG	Fortescue Metals Group Ltd	Short	AUD
NHC	New Hope Corp Ltd	Long	AUD
NVDA US	NVIDIA Corp	Short	AUD
QAN	Qantas Airways Ltd	Long	AUD
RMD	Resmed Inc	Long	AUD
SYA	Sayona Mining Ltd	Short	AUD
SMR	Stanmore Coal Ltd	Long	AUD
SYR	Syrah Resources Ltd	Long	AUD
TSM US	Taiwan Semiconductor Manufacturing Co	Short	AUD
TER	Terracom Ltd	Long	AUD
TEVA US	Teva Pharmaceutical	Long	AUD
TGH US	Textainer Group Holdings Ltd	Short	AUD
TIE	Tietto Minerals Ltd	Long	AUD
TMC US	TMC The Metals Company Inc	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD
WDS	Woodside Energy Group Ltd	Long	AUD

\* In Alphabetical Order

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	35.7%	-14.0%	21.7%
AUD 500 Mill - AUD 1 Billion	4.3%		4.3%
AUD 250 Mill - AUD 500 Mill	2.7%		2.7%
AUD 100 Mill - AUD 250 Mill	0.8%		0.8%
0 - AUD 100 Mill	2.0%		2.0%
	<b>45.4%</b>	<b>-14.0%</b>	<b>31.4%</b>

<b>Net Cash Holdings and Tax Asset</b>	<b>68.6%</b>
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## News

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Karl Siegling has recently been interviewed on the following shows, all of which all can be watched or listened to:

- Alan Kohler Interviews Karl Siegling for Eureka Report ([Click here](#) to listen);
- James Whelan interviews Karl Siegling on the BIP show ([Click here](#) to listen); and
- Lelde Smits interviews Karl Siegling at TCN's Emerging ASX Gems Investment Conference ([Click here](#) to watch).

In July the Company released its [June 2022 Year end Audiocast](#). In this year-end audiocast, Karl Siegling firstly provides an update on the Company's year-end performance, the 4.0c per share fully franked year-end dividend, the portfolio's current composition and the increasing interest rate trend. Karl Siegling, Charlie Gray and Jackson Aldridge then discuss their long positions in Whitehaven Coal, New Hope and Resmed and their short positions in Graincorp and Textainer Group. Karl Siegling then finishes with an update on the outlook for 2023.

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