

INVESTMENT UPDATE

November 2022

Cadence Capital Limited returned a negative gross performance of 1.4% in November, compared to the All Ordinaries Accumulation Index which was up 6.4% for the month. Year to date the fund is up 6.3%, compared to the All Ordinaries Accumulation Index which is up 13.4% for the same period. The top contributors to performance during the month were BHP Group, AMP, Tietto Minerals, Syrah Resources, Bellevue Gold and Renascor Resources. The largest detractors from performance were Fortescue Metals Group, New Hope Corp, Taiwan Semiconductor Manufacturing, Whitehaven Coal and NVIDIA Corp.

Equity markets continued their rally into November on the back of lower-than-expected inflation data released in Australia and the US. While still at a historical high level, we saw the Australian Bureau of Statistics report CPI of 6.9% in October, down from 7.3% in September and below the expected reading of 7.4%. The fund's performance for November was impacted by a sell-off in thermal coal equities, short positions which rallied, and its high cash balances.

The funds exposure to coal over the past 12-18 months has led to good returns for the fund, however over the last month the thermal coal price has potentially broken trend, with an intra month fall from \$420 to \$300. Subsequently coal equities, such as Whitehaven Coal, fell nearly 30% from their peak, and in line with our process we reduced the size of these positions. While we have partially added to these positions as the thermal coal price has partly recovered, our exposure to these companies remains significantly lower than a month ago as we assess whether the longer-term trend remains intact or is broken. The main detractors across the fund's short positions were related to the earlier than anticipated re-opening of China, in particular iron ore equities which rallied strongly through the month. These positions have been reduced or exited.

There have been several new additions to the portfolio across both the resources and industrials sectors in recent weeks. We have added to our positions in copper and gold producers Capstone Copper and Bellevue Gold as well as investments in other specialty markets such as graphite and manganese. We are also finding opportunity in turnaround situations in consumer related sectors such as Domino's Pizza, A2 Milk and City Chic Collective.

CDM AGM Investor Briefing

Cadence Capital Limited held its AGM and Investor Briefing on the 16th November 2022. Karl Siegling started the Investor Briefing by giving an update on the performance of the funds, discussed the changes in the portfolio and talked about some important changes in market trends. Karl Siegling, Jackson Aldridge and Charlie Gray then discussed a number of current long and short positions in the funds. Karl Siegling closed with the outlook for 2023. [Click here to view this Investor Briefing.](#)

Fund NTA

Net Tangible Assets as at 30th Nov 2022	Amount (\$)
Pre Tax NTA*	\$0.993
Post Tax NTA*	\$1.127
Share Price (ASX Code: CDM)*	\$0.940

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

Fund Gross Performance

Gross Performance* to 30th Nov 2022	CDM	All Ords Accum	Outperformance
1 Month	-1.4%	6.4%	-7.8%
YTD	6.3%	13.4%	-7.1%
1 Year	-9.2%	3.0%	-12.2%
2 Years (per annum)	8.9%	9.6%	-0.7%
3 Years (per annum)	11.6%	6.3%	+5.3%
5 Years (per annum)	2.6%	8.4%	-5.8%
10 Years (per annum)	6.5%	9.5%	-3.0%
Since Inception (17.2 years) (per annum)	12.0%	7.2%	+4.8%
Since Inception (17.2 years) (total return)	597.0%	231.1%	+365.9%

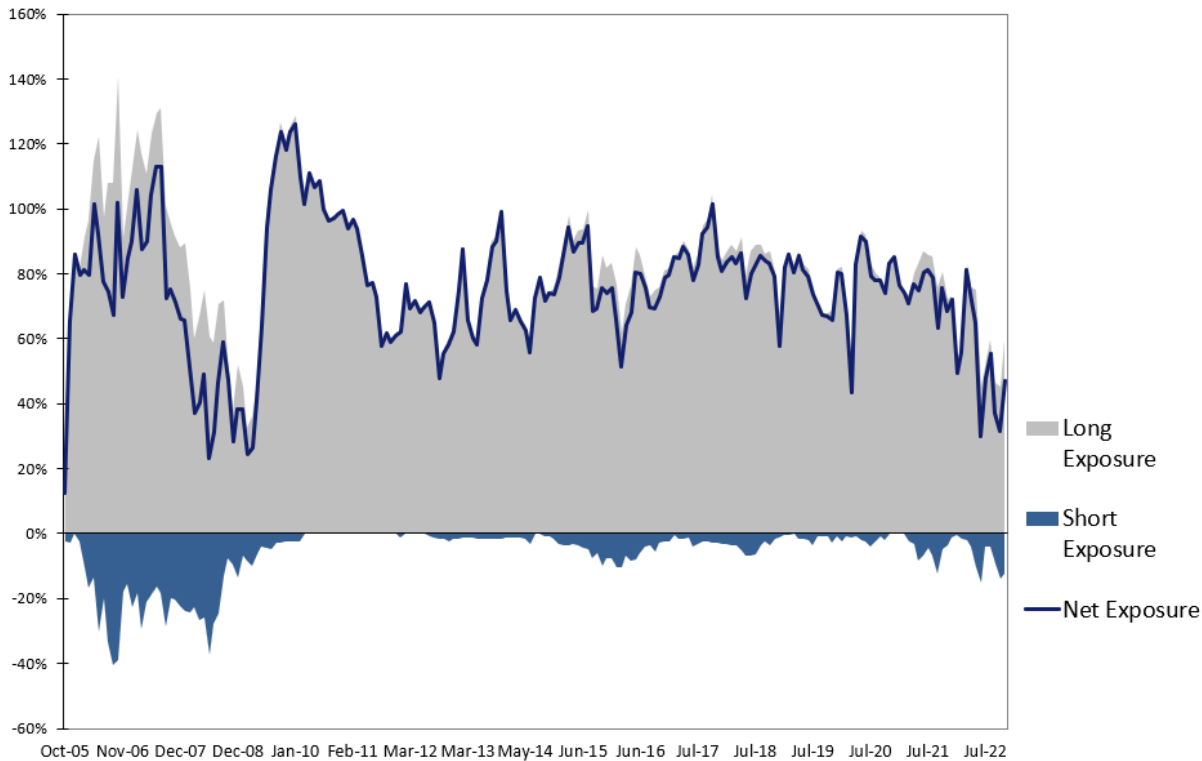
* Gross Performance: before Management and Performance Fees

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
2022	4.0c	4.0c	-	8.0c	11.4c
TOTAL	52.5c	53.2c	11.5c	117.2c	166.4c

* Off market Equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	22.7%	-2.9%	19.8%
Energy	15.6%		15.6%
Financial	6.5%	-0.9%	5.6%
Consumer, Cyclical	3.0%		3.0%
Consumer, Non-cyclical	4.2%	-1.6%	2.6%
Retailing	0.9%		0.9%
Insurance	0.9%		0.9%
Diversified	0.6%		0.6%
Communications	1.1%	-0.7%	0.4%
Technology	2.3%	-2.3%	0.0%
Industrial	1.9%	-2.2%	-0.3%
Commercial & Professional Services		-0.5%	-0.5%
Banks		-1.4%	-1.4%
	59.6%	-12.4%	47.2%
Net Cash Holdings and Tax Asset			52.8%

Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AMP	AMP Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
CS CN	Capstone Copper Corp	Long	AUD
CRN	Coronado Global Resources	Long	AUD
DAC US	Danaos Corp	Short	AUD
KAR	Karoon Energy Ltd	Long	AUD
360	Life360 Inc	Long	AUD
LYC	Lynas Corp Ltd	Long	AUD
MPL	Medibank Pvt Ltd	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
NVDA US	NVIDIA Corp	Short	AUD
QAN	Qantas Airways Ltd	Long	AUD
RNU	Renascor Resources Ltd	Long	AUD
SYR	Syrah Resources Ltd	Long	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
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	46.9%	-11.3%	35.6%
AUD 500 Mill - AUD 1 Billion	7.4%	-1.1%	6.3%
AUD 250 Mill - AUD 500 Mill	1.6%		1.6%
AUD 100 Mill - AUD 250 Mill	2.2%		2.2%
0 - AUD 100 Mill	1.6%		1.6%
	59.6%	-12.4%	47.2%

Net Cash Holdings and Tax Asset	52.8%
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News

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

- Andrew Geoghagen interviews Karl Siegling on Ausbiz 2 Dec 2022 ([Click here](#) to watch);
- Andrew Geoghagen interviews Karl Siegling on Ausbiz 18 Nov 2022 ([Click here](#) to watch);
- 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).

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