

INVESTMENT UPDATE

June 2024

Cadence Capital Limited returned a gross performance of -1.6% in June, compared to the All Ordinaries Accumulation Index which was up +0.7% for the month. For the 12 months year ended 30 June 2024 the fund was up +10.4% compared to the All Ordinaries Accumulation Index which was up +12.5%. The top contributors to performance during the year were Meta Platforms, Alumina, Netflix, Whitehaven Coal, Westgold Resources, Capstone Copper and Austin Engineering. The largest detractors from performance were Sierra Rutile, Zillow and Syrah Resources.

Meta Platforms shares were up over 75% during the last financial year. The benefits from Mark Zuckerberg's "year of efficiency" as well as improved revenue from advertisers drove net income of \$45.8b for the last 12 months, more than double the \$21.4b earned in the 12 months prior to that. Meta Platforms is currently investing heavily in AI and is well positioned to benefit from its integration into Facebook, Instagram, and WhatsApp.

During the last financial year Alumina agreed to a takeover from Alcoa. Alumina shares have recently traded in line with Alcoa shares due to the expectation that the takeover will be approved by shareholders at a Scheme Meeting to be held later this month. The takeover will consolidate the Alcoa and Alumina joint venture assets into a single entity, removing unnecessary complexity in the ownership structure.

Netflix continues to perform well. Over the past year Netflix has benefited from a focus on reducing password sharing, as well as the introduction of ad supported plans that are cheaper for subscribers but are expected to be just as profitable as ad free plans for Netflix. These initiatives have driven continued subscriber growth and the Netflix share price rose more than 50% over the last financial year.

Discount to NTA and On-Market Buy-Back

At the time of writing this newsletter, CDM is trading at a pre-tax NTA discount of around 15%. CDM has implemented an on-market buy-back to buy back the shares it has issued under the DRP. This buy-back will operate whilst the CDM share price is trading at a discount to the Pre-Tax NTA.

Fund NTA

Net Tangible Assets as at 30th June 2024	Amount (\$)
Pre Tax NTA	\$0.842
Post Tax NTA	\$1.020
Share Price (ASX Code: CDM)	\$0.705

Fund Gross Performance

Gross Performance* to 30th June 2024	CDM	All Ords Accum	Outperformance
1 Month	-1.6%	0.7%	-2.3%
YTD	10.4%	12.5%	-2.1%
3 Years (per annum)	0.8%	6.1%	-5.3%
5 Years (per annum)	6.9%	7.6%	-0.7%
10 Years (per annum)	4.1%	8.3%	-4.2%
Since Inception (18.8 years) (per annum)	10.9%	7.3%	+3.6%
Since Inception (18.8 years) (total return)	593.5%	277.0%	+316.5%

* Gross Performance: before Management and Performance Fees

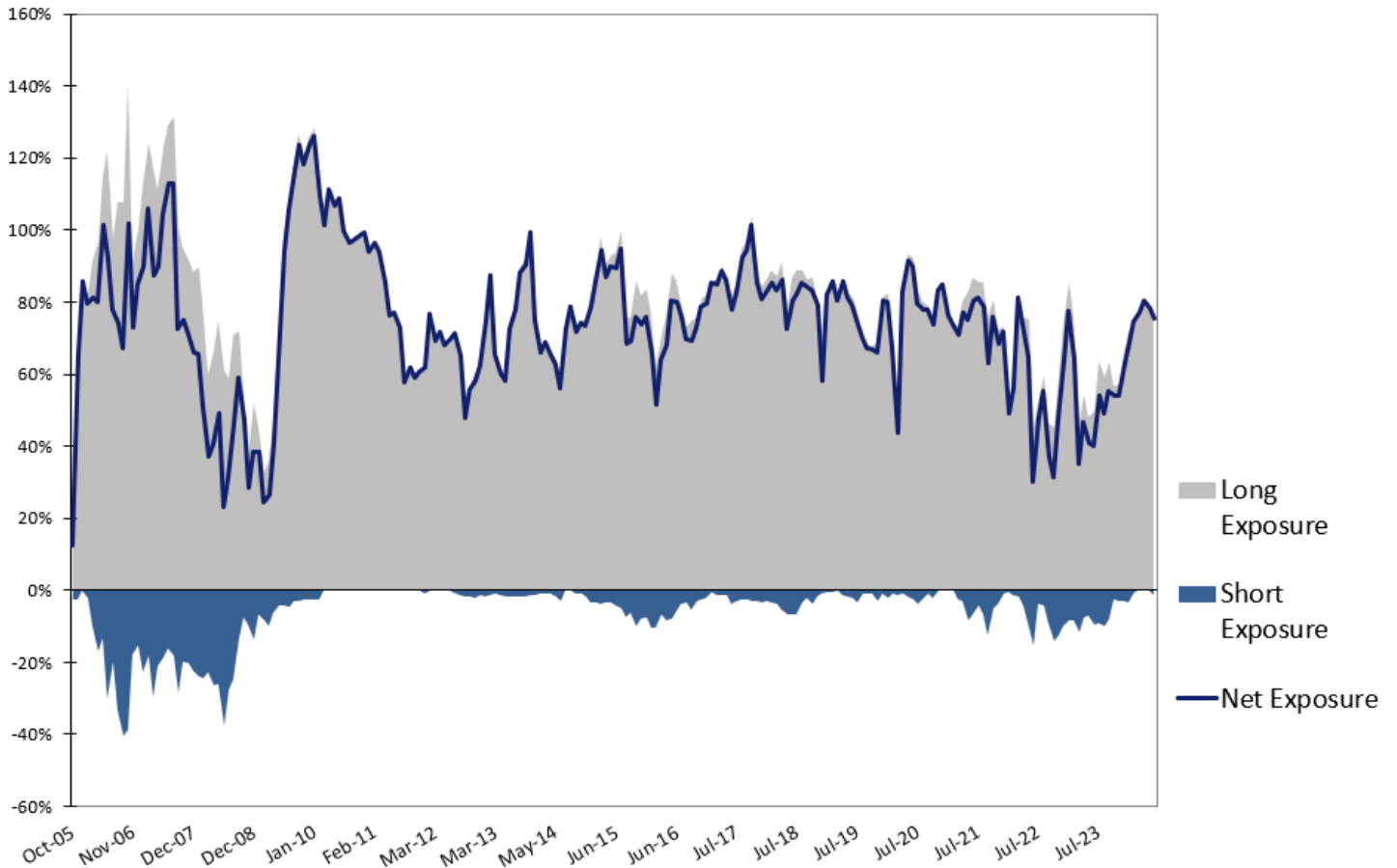
Franked Dividends Declared Since Listing

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
2023	4.0c	3.0c	-	7.0c	10c
2024	3.0c	-	-	3.0c	4.2c
TOTAL	59.5c	56.2c	11.5c	127.2c	180.6c

* Off market Equal access buy back

The Company has 15.5 cents per share of profits reserves to pay future dividends.

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	32.7%	-1.1%	31.6%
Energy	17.1%		17.1%
Communications	7.9%		7.9%
Insurance	6.1%		6.1%
Financial	5.2%		5.2%
Utilities	3.0%		3.0%
Industrial	1.6%		1.6%
Diversified	1.3%		1.3%
Technology	1.2%		1.2%
Consumer, Non-cyclical	0.7%		0.7%
	76.7%	-1.1%	75.6%
Net Cash Holdings and Tax Asset			24.4%

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	60.4%	-1.1%	59.2%
AUD 500 Mill - AUD 1 Billion	5.3%		5.3%
AUD 250 Mill - AUD 500 Mill	7.6%		7.6%
AUD 100 Mill - AUD 250 Mill	1.8%		1.8%
0 - AUD 100 Mill	1.6%		1.6%
	76.7%	-1.1%	75.6%
Net Cash Holdings and Tax Asset			24.4%

News

To watch CDM's March 2024 Quarterly Webcast please [click here](#). In this quarterly webcast, Karl Siegling first provides an update on the Company's performance, the 3.0c fully franked interim dividend recently paid and the composition of the portfolio. Karl Siegling and Chris Garrard then discuss four of the Company's current investments (Capstone Copper, Beach Energy, Cooper Energy and Origin Energy) and finish off with the outlook for the rest of the year.

To view all previous Cadence webcasts and interviews please visit the [Media Section](#) of the website.

We also encourage you to visit our [52 books you should read before buying your next stock](#) page on our website. We have compiled a list of books/ documentaries that have influenced our investment style or helped provide insight into the Cadence investment process.

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