

Cadence Capital Limited (ASX: CDM) Full Year Results & Final Dividend

Sydney, 23rd August 2019: Cadence Capital Limited (ASX: CDM) today announced a full year loss after tax of \$59.3m. Karl Siegling, Chairman, said “Our portfolio performed poorly during the past financial year, delivering one of its worst performances since the Company’s inception 13 years ago.”

Karl Siegling added, “There was significant volatility through the year with an 18% correction in global equities in the December quarter followed by a 21% rally back to previous highs by June 2019. More specifically for Cadence Capital Limited, a small number of stocks during the year

contributed large negative returns for the Company, most notable were ARQ Group, Emeco Holdings and Teva Pharmaceutical Industries. These stocks as well as other holdings will be discussed in the upcoming year-end webcast and investor presentations.”

Karl Siegling continued, “The correction in late 2018 did provide an opportunity to initiate positions at compelling valuations in several domestic and international companies. Some of these stocks are now becoming significant positive contributors to Company performance.”

Fully Franked Final Dividend

The Board is pleased to announce a 2.0 cents per share fully franked final dividend. This brings the 2019 fully franked full year dividend up to 5.0 cents per share equating to a

Full Year Results to 30 June 2019:

- Loss after tax of \$59.3m
- Fund gross performance of -20.6%
- 2.0c fully franked Final Dividend payable on the 30th October 2019
- Yield of 6.7% fully franked (9.5% gross including franking)
- In September 2019 the Company will be presenting in major cities around Australia
- CDM trading at a discount to NTA
- Ongoing on-market share buy-back for up to 10% of CDM shares

6.7% annual fully franked yield, or a 9.5% gross yield (grossed up for franking credits) based on the CDM share price today of \$0.75. The Ex-Date for the dividend is the 18th October 2019. The payment date for the dividend is the 30th October 2019. The dividend re-investment plan (DRP) will not be in operation for this final dividend as the Company's shares are currently trading at a large discount to the underlying NTA per share of the Company.

Investor Presentations

Over the coming weeks the Company will be releasing its year-end webcast and will be holding investor presentations in major cities around Australia. The webcast and investor presentations will give shareholders a detailed update on the Company's performance over the past year, the Company's current portfolio construction including the portfolio's top positions and its outlook for the year ahead. The dates and times of the investor presentations are as follows:

City	Date	Time	Venue
Perth	Tuesday 10 September 2019	10.30am - 11.30am	Cliftons Perth, Parmelia House, 191 St Georges Terrace, Perth
Adelaide	Wednesday 11 September 2019	10.30am - 11.30am	Adelaide Meeting Room Hire, Olympic Room, Level 5, 97 Pirie Street, Adelaide
Brisbane	Tuesday 17 September 2019	10.30am - 11.30am	Brisbane Square Library Theatrette, 266 George Street, Brisbane
Melbourne	Wednesday 18 September 2019	10.30am - 11.30am	Cliftons Melbourne, Level 1, 440 Collins Street, Melbourne
Sydney	Friday 20 September 2019	10.30am - 11.30am	History House, Ground Floor, 133 Macquarie Street, Sydney

We would strongly encourage you to register to attend these investor presentations. Please register online at <https://www.cadencecapital.com.au/cadence-capital-investor-roadshow-september-2019/>.

Discount to NTA

Cadence Capital Limited shares (ASX: CDM) are trading at a substantial discount to Pre-Tax and Post-Tax NTA per share. The Company implemented an on-market share buy-back of up to 10% of outstanding shares per annum, which is well timed post the 30th June tax loss selling. The share buy-back will increase the NTA per share for all existing Cadence Capital Limited shareholders. Board and management, who are the largest investors in the Company, continue their ongoing buying of CDM shares.

Karl Siegling said, “The largest factor affecting the CDM share price over recent times has been the move from trading at a premium to NTA to a discount to NTA. This move from premium to discount has been twice as large as the negative performance of the Company. A change in investor sentiment has resulted in a share price fall greater than actual losses incurred. We believe this presents an opportunity for investors to purchase a Listed Investment Company with a long-term track record and fully franked dividends at a discount to NTA.”

Outlook

Karl Siegling noted, “We have seen volatility in global markets increase in the past 18 months as uncertainty around future economic growth has risen. Investors are grappling with the prospect of slowing economic growth and rising geopolitical risks on one hand, and the need to generate returns in an ultra-low interest rate world on the other. This environment is likely to continue with several central banks globally recently moving to cut interest rates further.”

Karl Siegling continued, “We are being very selective in our stock selection and continue to look for companies which are undervalued relative to their growth profiles. In particular, we are looking for businesses where we can identify specific earnings drivers that are not highly reliant on certain external conditions.”

“Over the past 6 months the liquidity and concentration of the Company’s portfolio has improved significantly. This continues to be a focus for the investment team. We believe this has reduced risk and will deliver better risk-adjusted returns for our shareholders.”



Karl Siegling
Chairman, Cadence Capital Limited

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