

INVESTMENT UPDATE

August 2019

Cadence Capital Limited returned a gross negative performance of 0.7% during August 2019, outperforming the All Ordinaries Accumulation Index by 1.5%. For the month, the largest contributors to the Company's performance were Detour Gold, Eclipx Group, Shine Corporate and Strike Energy. The largest detractors from performance were Ausnutria Dairy, ARQ Group and Champion Iron.

At 31st August 2019, the Company was 70.1% invested.

During the month the Company announced its [full year results and a 2.0 cents fully franked final dividend](#). This brings the 2019 fully franked full year dividend up to 5.0 cents per share equating to a 6.7% annual fully franked yield, or a 9.5% gross yield based on the CDM share price on the announcement date. The Ex-Date for the dividend is the 18th October 2019 and 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.

The Company recently released its June 2019 Year End Webcast in two parts. In [Part I of the webcast](#), Karl Siegling discusses the fund's performance over FY19, the largest detractors and contributors for the year, and the Company's shares as an investment opportunity given the current material discount to NTA. In [Part II of the webcast](#), Karl Siegling discusses the current portfolio, investments in Eclipx (ECX), Bingo Industries (BIN), Alibaba (BABA US) and Resimac (RMC), and the outlook for the year ahead.

Fund NTA

Net Tangible Assets as at 31 August 2019	Amount (\$)
Pre Tax NTA*	\$0.907
Post Tax NTA*	\$1.054
Share price (ASX Code: CDM)*	\$0.745

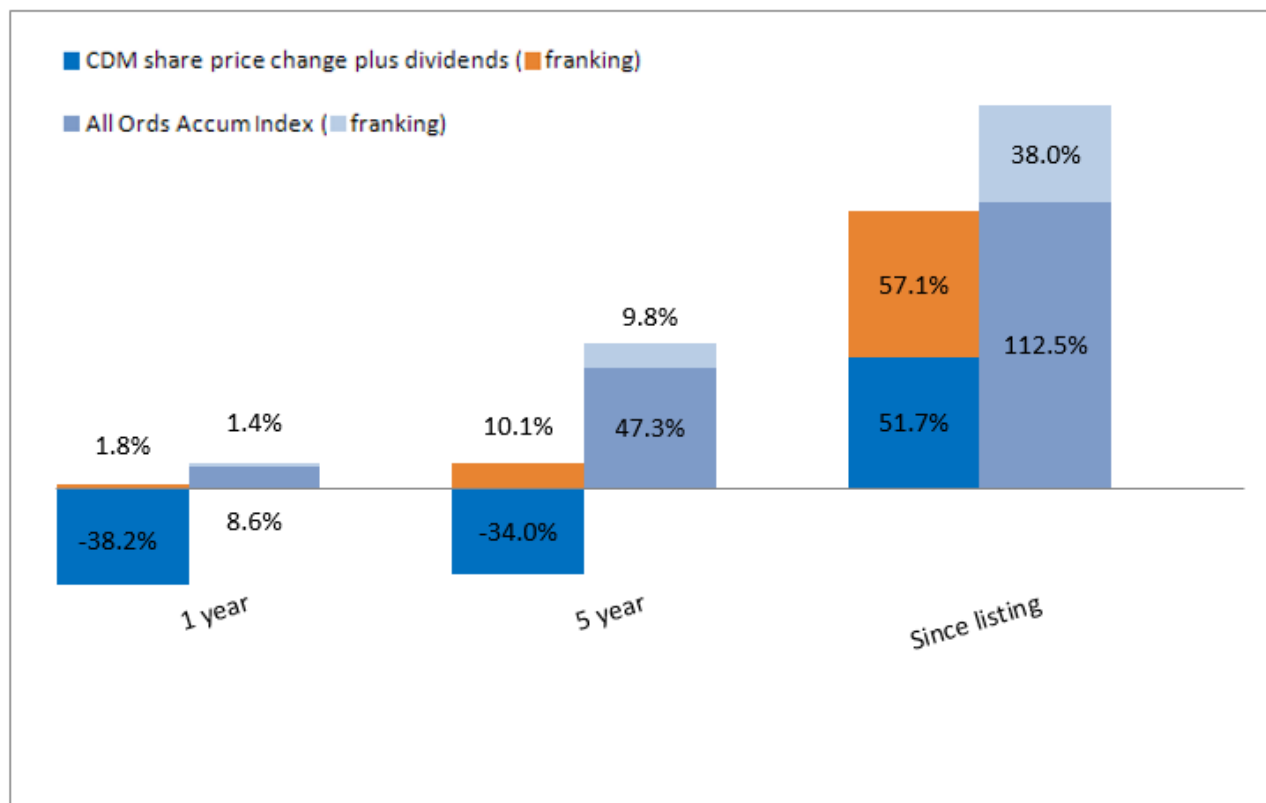
*Before the 2.0 c fully franked Final dividend being paid on 30th October 2019

Fund Gross Performance

Gross Performance* to 31st August 2019	CDM	All Ords Accum	Outperformance
1 Month	-0.7%	-2.2%	1.5%
YTD	1.6%	0.7%	0.9%
1 Year	-17.2%	8.6%	-25.8%
3 Years (per annum)	1.5%	11.1%	-9.6%
5 Years (per annum)	1.4%	8.1%	-6.7%
8 Years (per annum)	6.1%	10.1%	-4.0%
10 Years (per annum)	12.1%	8.6%	+3.5%
Since Inception (13.9 years) (per annum)	12.4%	7.2%	+5.2%
Since Inception (13.9 years) (total return)	405.6%	162.8%	+242.8%

* Gross Performance: before Management and Performance Fees

CDM Share Price Return Plus Dividends & Franking

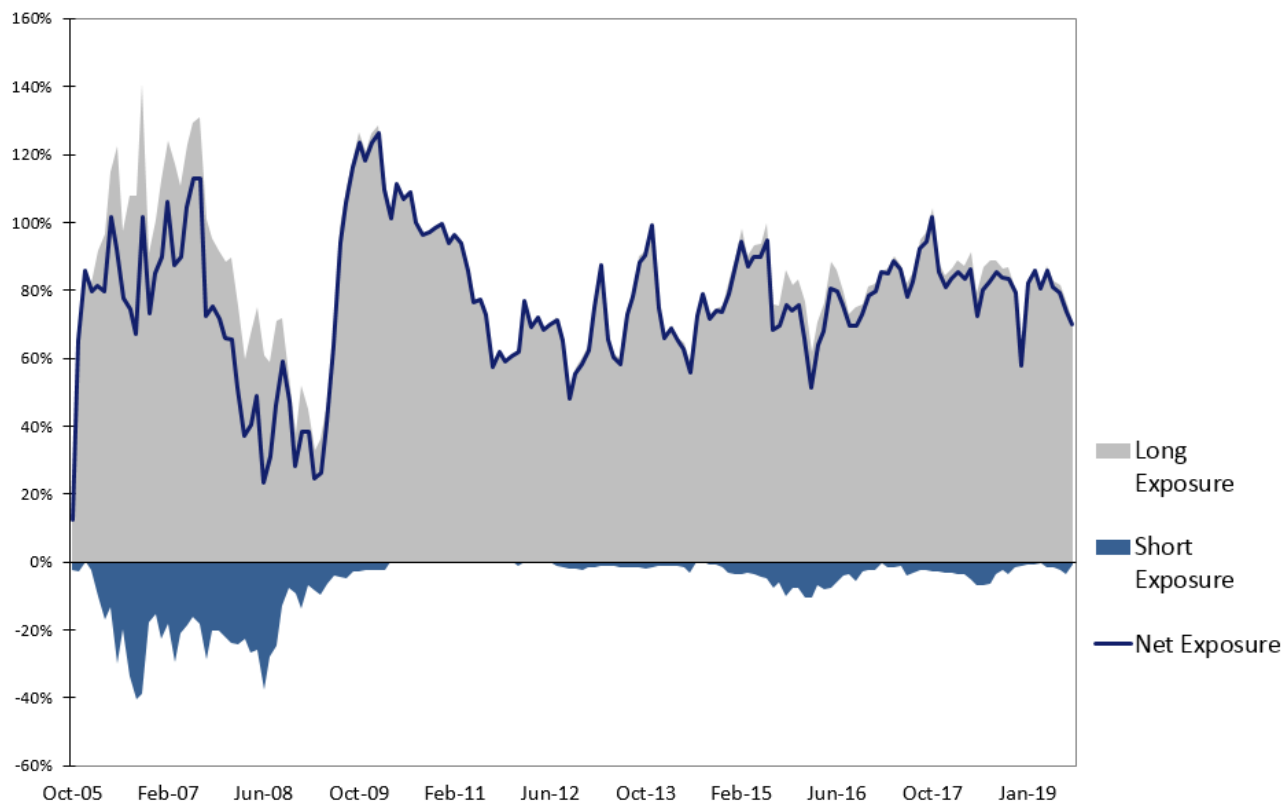


Franked Dividends Declared Since Listing

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
TOTAL	44.5c	44.2c	11.5c	100.2c	142.2c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	15.3%		15.3%
Energy	9.9%		9.9%
Technology	8.2%		8.2%
Basic Materials	8.7%	0.7%	8.0%
Consumer, Non-cyclical	7.8%		7.8%
Consumer, Cyclical	5.2%		5.2%
Diversified Financials	4.6%		4.6%
Industrial	4.3%		4.3%
Communications	3.9%		3.9%
Diversified	2.2%		2.2%
Materials	0.6%		0.6%
Health Care Equipment & Services	0.1%		0.1%
Exposure	70.8%	0.7%	70.1%

Cash Holdings and Tax Asset	29.9%
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Top Portfolio Positions

Code	Position	Direction	Currency	Holding
ECX	Eclixp Group Ltd	Long	AUD	5.6%
MNY	Money3 Corp Ltd	Long	AUD	4.8%
MQG	Macquarie Group Ltd	Long	AUD	4.5%
ARQ	ARQ Group Ltd	Long	AUD	3.6%
RMC	Resimac Group Ltd	Long	AUD	3.5%
STX	Strike Energy Ltd	Long	AUD	3.2%
BIN	Bingo Industries Ltd	Long	AUD	3.2%
SHJ	Shine Corporate Ltd	Long	AUD	3.1%
**	Deepgreen Metals	Long	AUD	3.0%
CIA	Champion Iron Ltd	Long	AUD	2.9%
DGC CN	Detour Gold Corp	Long	AUD	2.8%
QCOM US	Qualcomm Inc	Long	AUD	2.4%
TWE	Treasury Wine Estates Ltd	Long	AUD	2.3%
SVW	Seven Group Holdings Ltd	Long	AUD	2.2%
1717 HK	Ausnutria Dairy Corp Ltd	Long	AUD	2.1%
BABA US	Alibaba Group Holding-SP	Long	AUD	2.0%
NBL	Noni B Ltd	Long	AUD	2.0%
SMR	Stanmore Coal Ltd	Long	AUD	2.0%
ULTA US	Ulta Beauty Inc	Long	AUD	1.7%
GNW US	Genworth Financial	Long	AUD	1.5%
Top Portfolio Holdings Net Exposure				58.5%

** A Pre-IPO investment in the Materials sector

News

Over the coming weeks, the Company will be holding investor presentations in major cities around Australia. We would strongly encourage you to register to attend these investor presentations.

City	Date	Time	Venue
Perth	Tuesday 10 September	10.30am - 11.30am	Cliftons Perth, Parmelia House, 191 St Georges Terrace, Perth
Adelaide	Wednesday 11 September	10.30am - 11.30am	Adelaide Meeting Room Hire, Olympic Room, Level 5, 97 Pirie Street, Adelaide
Brisbane	Monday 16 September	10.30am - 11.30am	Brisbane Square Library Theatrette, 266 George Street, Brisbane
Melbourne	Wednesday 18 September	10.30am - 11.30am	Cliftons Melbourne, Level 1, 440 Collins Street, Melbourne
Sydney	Friday 20 September	10.30am - 11.30am	History House, Ground Floor, 133 Macquarie Street, Sydney

Please register online at <https://www.cadencecapital.com.au/cadence-capital-investor-roadshow-september-2019/>.

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

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