

INVESTMENT UPDATE

January 2020

Cadence Capital Limited returned a negative performance of 1.0% during the month of January 2020 compared to an increase in the All Ordinaries Accumulation Index of 4.7%. For the month, the largest detractors from the performance were Resimac Group, Webjet and Strike Energy, whilst the largest contributors to the performance were Money3 Corporation and Link Administration. For the financial year to date, the largest contributors to performance are Resimac Group, Shine Corporation, Money3 Corp and Macquarie Group whilst the largest detractors from performance are Arq Group, Champion Iron and Ausnutria Dairy Corporation.

In the upcoming weeks the Company will release its half year results along with its half year webcast. The half year webcast will give shareholders a detailed update on the fund's performance, the initiatives being undertaken to close CDM's discount to NTA, and the current top positions of the Company. We will also be holding investor presentations in all major cities around Australia. We will be sending investors the details of these presentations as soon as the dates of these presentations are finalised.

At 31st January 2020, the Company was 80.1% invested.

Fund NTA

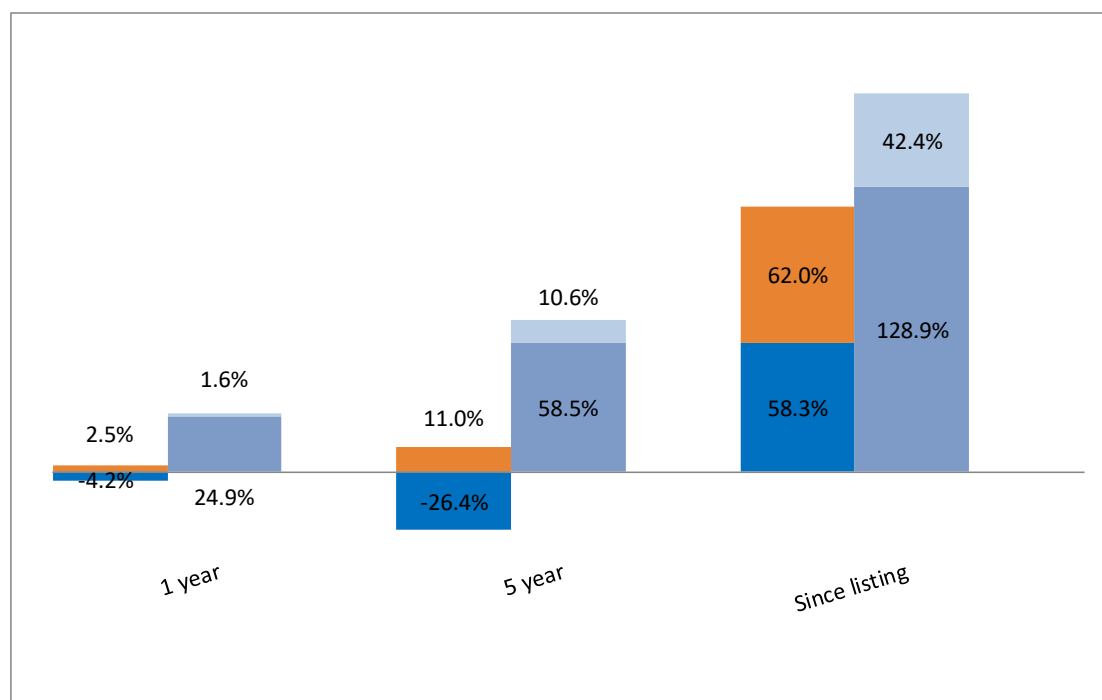
| Net Tangible Assets as at 31 January 2020 | Amount (\$) |
|---|-------------|
| Pre Tax NTA | \$0.883 |
| Post Tax NTA | \$1.037 |
| Share price (ASX Code: CDM) | \$0.757 |

Fund Gross Performance

| Gross Performance* to 31st January 2020 | CDM | All Ords Accum | Outperformance |
|---|--------|----------------|----------------|
| 1 Month | -1.0% | 4.7% | -5.7% |
| YTD | 1.3% | 8.4% | -7.1% |
| 1 Year | -0.2% | 24.9% | -25.1% |
| 3 Years (per annum) | 0.7% | 12.4% | -11.7% |
| 5 Years (per annum) | 1.1% | 9.6% | -8.5% |
| 8 Years (per annum) | 5.7% | 11.1% | -5.4% |
| 10 Years (per annum) | 11.0% | 9.0% | +2.0% |
| Since Inception (14.3 years) (per annum) | 11.9% | 7.5% | +4.4% |
| Since Inception (14.3 years) (total return) | 403.9% | 183.1% | +220.8% |

* Gross Performance: before Management and Performance Fees

CDM Share Price Return Plus Dividends & Franking

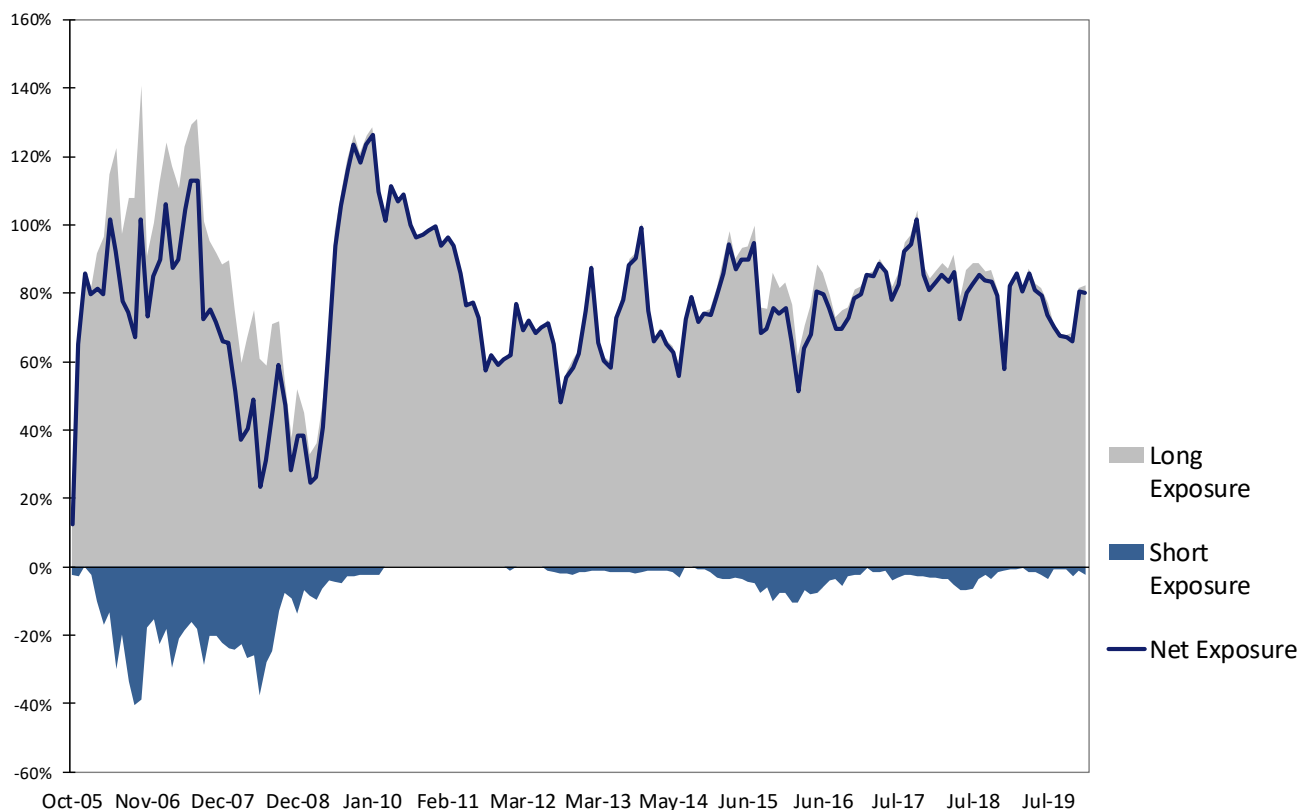


Franked Dividends Declared Since Listing

| 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 | 17.5% | | 17.5% |
| Energy | 13.5% | | 13.5% |
| Communications | 12.4% | 0.6% | 11.7% |
| Basic Materials | 9.1% | 0.5% | 8.7% |
| Technology | 8.3% | | 8.3% |
| Consumer, Non-cyclical | 6.3% | | 6.3% |
| Diversified Financials | 4.9% | | 4.9% |
| Materials | 3.8% | | 3.8% |
| Industrial | 3.0% | | 3.0% |
| Consumer Services | 1.8% | | 1.8% |
| Commercial & Professional Services | 0.5% | | 0.5% |
| Consumer, Cyclical | 1.4% | 1.2% | 0.2% |
| Exposure | 82.3% | 2.3% | 80.1% |

| | |
|------------------------------------|--------------|
| Cash Holdings and Tax Asset | 19.9% |
|------------------------------------|--------------|

Top Portfolio Positions

| Code | Position | Direction | Currency | Holding |
|--|------------------------------|-----------|----------|--------------|
| RMC | Resimac Group Ltd | Long | AUD | 6.2% |
| MQG | Macquarie Group Ltd | Long | AUD | 4.9% |
| MNY | Money3 Corp Ltd | Long | AUD | 4.8% |
| BABA US | Alibaba Group Holding | Long | AUD | 3.8% |
| RIO | Rio Tinto Ltd | Long | AUD | 3.8% |
| STO | Santos Ltd | Long | AUD | 3.6% |
| SHJ | Shine Corporate Ltd | Long | AUD | 3.6% |
| UWL | Uniti Group Ltd | Long | AUD | 3.3% |
| ** | Deepgreen Metals | Long | AUD | 3.2% |
| BHP | BHP Group Ltd | Long | AUD | 3.1% |
| QCOM US | Qualcomm Inc | Long | AUD | 2.9% |
| IMD | Imdex Ltd | Long | AUD | 2.4% |
| ARQ | ARQ Group Ltd | Long | AUD | 2.4% |
| NST | Northern Star Resources Ltd | Long | AUD | 2.3% |
| WEB | Webjet Ltd | Long | AUD | 2.3% |
| IEL | IDP Education Ltd | Long | AUD | 2.3% |
| ECX | Eclixp Group Ltd | Long | AUD | 2.1% |
| LNK | Link Administration Holdings | Long | AUD | 2.0% |
| RFG | Retail Food Group Ltd | Long | AUD | 1.8% |
| STX | Strike Energy Ltd | Long | AUD | 1.5% |
| Top Portfolio Holdings Net Exposure | | | | 62.3% |

** A Pre-IPO investment in the Materials sector

News

At the [AGM and Investor Briefing](#) held in November, Chairman Karl Siegling firstly discusses the company's performance over the past year and the opportunity which presents in the company's shares trading at a discount to NTA. Independent director Jenelle Webster then discusses the corporate governance review that was undertaken during the year and the improvements that were made following the review. Lastly, Karl and portfolio managers Charlie Gray and Jackson Aldridge discuss a number of current portfolio positions as well as the outlook for 2020.

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