

## INVESTMENT UPDATE

June 2020

Cadence Capital Limited completed the financial year down 4.9% over the prior 12 months, outperforming the All Ordinaries Accumulation Index by 2.3% over the same period. For the month of June 2020, the fund was up 0.3% compared to the All Ordinaries Accumulation Index which was up 2.3%.

The largest contributors to performance during June were Zip Co, Resimac Group, Tencent Holdings, Apple, Macquarie Group, Appen, and Qualcomm. The largest detractors from performance were Shine Justice and Electro Optic Systems.

On the 26<sup>th</sup> June the Company held its [June 2020 Investor Presentation](#) followed by a [Q&A Session](#). In this online investor presentation, Karl Siegling provided an update on the fund including its recent performance, current holdings and positioning, and the key investment themes emerging in the portfolio. He also discussed the Company's discount to NTA, tax asset, and capital management strategy.

During June, the Company implemented a further on-market share buy-back of up to 30.7 million of its ordinary shares. Given the Company's shares are trading at a large discount to its NTA, the Board believes an on-market buyback will add value for shareholders via increasing the Company's NTA per share.

## Fund NTA

Net Tangible Assets as at 30th June 2020	Amount (\$)
Pre Tax NTA	\$0.804
Post Tax NTA	\$0.981
Share price (ASX Code: CDM)	\$0.605

## Fund Gross Performance

Gross Performance* to 30th June 2020	CDM	All Ords Accum	Outperformance
1 Month	0.2%	2.3%	-2.1%
YTD	-4.9%	-7.2%	+2.3%
1 Year	-4.9%	-7.2%	+2.3%
3 Years (per annum)	-3.7%	5.4%	-9.1%
5 Years (per annum)	-1.7%	6.2%	-7.9%
8 Years (per annum)	4.9%	9.2%	-4.3%
10 Years (per annum)	10.9%	7.8%	+3.1%
Since Inception (14.8 years) (per annum)	11.1%	6.2%	+4.9%
Since Inception (14.8 years) (total return)	373.1%	142.2%	+230.9%

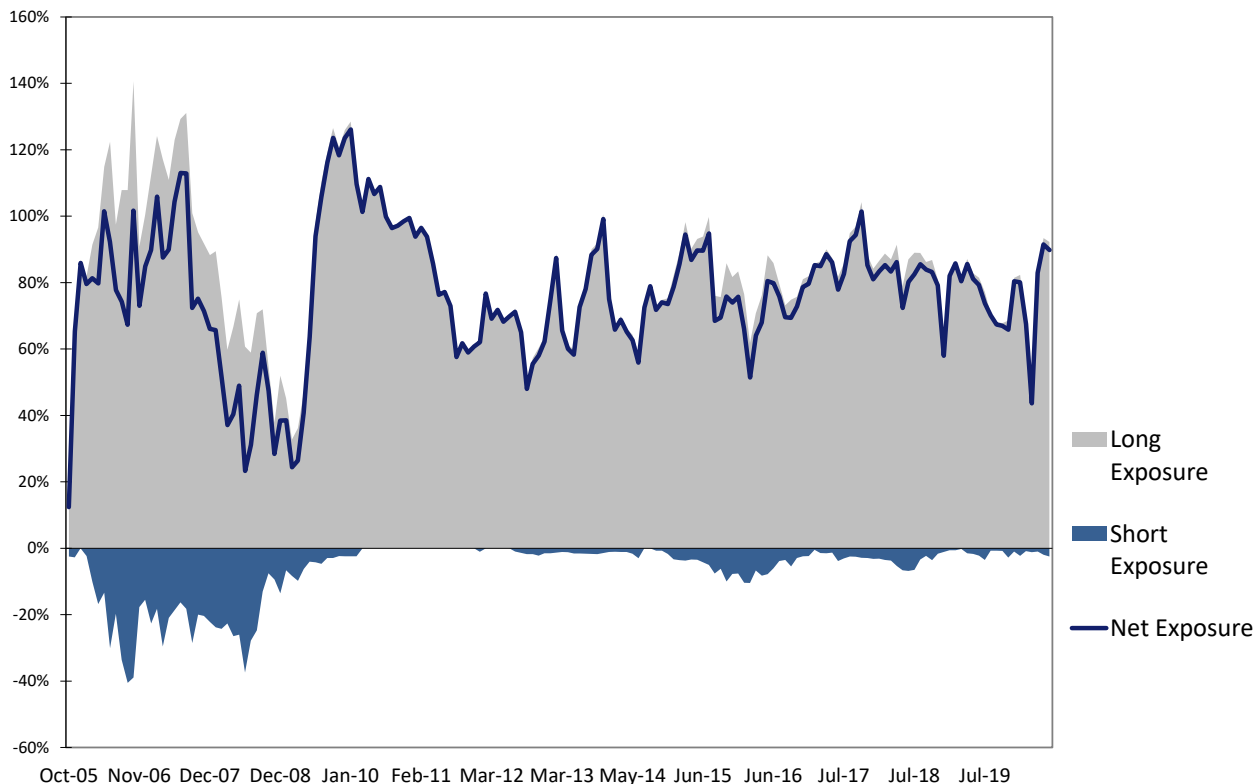
\*Gross Performance: before Management and Performance Fees

## 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	2.9c
<b>TOTAL</b>	<b>46.5c</b>	<b>44.2c</b>	<b>11.5c</b>	<b>102.2c</b>	<b>145.1c</b>

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Consumer, Non-cyclical	17.5%		17.5%
Financial	11.9%		11.9%
Communications	10.9%	-0.7%	10.2%
Consumer, Cyclical	10.7%		10.7%
Technology	10.4%	-1.2%	9.2%
Energy	10.1%		10.1%
Industrial	8.5%		8.5%
Basic Materials	3.5%	-0.6%	2.9%
Diversified Financials	3.4%		3.4%
Banks	2.8%		2.8%
Retailing	1.7%		1.7%
Consumer Services	1.0%		1.0%
Materials	0.0%		0.0%
	<b>92.3%</b>	<b>-2.5%</b>	<b>89.8%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>10.2%</b>

## Top 20 Portfolio Positions

Code	Position*	Currency Exposure
BABA US	Alibaba Group Holding	AUD
APE	AP Eagers Ltd	AUD
APX	Appen Ltd	AUD
AAPL US	Apple Inc	AUD
ARB	ARB Corp Ltd	AUD
ALX	Atlas Arteria	AUD
CCX	City Chic Collective Ltd	AUD
CCP	Credit Corp Group Ltd	AUD
**	Deepgreen Metals	AUD
EML	EML Payments Ltd	AUD
LYC	Lynas Corp Ltd	AUD
MQG	Macquarie Group Ltd	AUD
MNY	Money3 Corp Ltd	AUD
QCOM US	Qualcomm Inc	AUD
QUB	Qube Holdings Ltd	AUD
RMC	Resimac Group Ltd	AUD
STO	Santos Ltd	AUD
SHJ	Shine Corporate Ltd	AUD
700 HK	Tencent Holdings Ltd	AUD
UWL	Uniti Group Ltd	AUD

\* In Alphabetical Order

\*\* A Pre-IPO investment in the Materials sector

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	54.5%	-1.8%	52.6%
AUD 500 Mill - AUD 1 Billion	12.6%	-0.7%	11.9%
AUD 250 Mill - AUD 500 Mill	15.1%		15.1%
AUD 100 Mill - AUD 250 Mill	4.7%		4.7%
0 - AUD 100 Mill *	5.4%		5.4%
<b>Exposure</b>	<b>92.3%</b>	<b>-2.5%</b>	<b>89.8%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>10.2%</b>

\* Includes a pre-IPO investment in the Materials sector

## News

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.

## Disclaimer

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd and is of a general nature only. It is provided for information purposes only and should not be construed as an offer or solicitation. Nothing contained in this document constitutes investment, legal, financial, business, tax or other advice. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.