

INVESTMENT UPDATE

June 2020

The Cadence Opportunities Fund completed the financial year up 44.4%, outperforming the All Ordinaries Accumulation Index by 51.6% over the same period. For the month of June 2020, the fund was up 4.3% compared to the All Ordinaries Accumulation Index which was up 2.3%. We are pleased that the fund has been able to achieve a 57.9% return, since its inception one and a half years ago, during a uniquely volatile period in the markets. The fund's relatively small size and shorter-term scaling strategy has been well suited in this period where the economic environment facing businesses has changed rapidly, and where share prices have gyrated wildly. To give investors some context into this volatility, the fund saw exposure levels move from 90% long in late January, to 18% at the lows on 23rd March, and now as of writing in late July back to 90% long.

In terms of stock specific contributors, the best performers for the year were Zip Co, Opticomm, EML Payments, City Chic Collective, AP Eagers, The Reject Shop, Sezzle Inc, Pointsbet Holdings and Strike Energy. The largest detractors from performance were Ausnutria Dairy, Retail Food Group, Champion Iron and Twitter.

Over the coming weeks we will be sending out a year-end investor presentation webcast which will discuss the fund's performance in more detail, as well as outlining a number of the key investment themes which we see emerging across the markets.

Fund NTA

| Net Tangible Assets as at 30th June 2020 | Amount (\$) |
|--|-------------|
| Pre Tax NTA | \$1.776 |
| Post Tax NTA | \$1.654 |

Fund Performance

| Performance* to 30th June 2020 | CDO |
|--|-------|
| 1 Month | 4.3% |
| YTD | 44.4% |
| 1 Year | 44.4% |
| Since Inception (per annum) | 35.6% |
| Since Inception (1.5 years) (total return) | 57.9% |

* Gross Performance: before Management and Performance Fees

Portfolio Positions

| Stock Code | Position | Direction | Exposure | Stock Code | Position | Direction | Exposure |
|------------|----------------------------|-----------|----------|------------|------------------------------|-----------|----------|
| BABA US | Alibaba Group Holding | Long | AUD | JIN AU | Jumbo Interactive Ltd | Short | AUD |
| GOOGL US | Alphabet Inc - Cls A | Long | AUD | LOV AU | Lovisa Holdings Ltd | Long | AUD |
| AMZN US | Amazon.com Ltd | Long | AUD | LYC AU | Lynas Corp Ltd | Long | AUD |
| APE AU | AP Eagers Ltd | Long | AUD | MQG AU | Macquarie Group Ltd | Long | AUD |
| APX AU | Appen Ltd | Long | AUD | MFG AU | Magellan Financial Group Ltd | Long | AUD |
| AAPL US | Apple Inc | Long | AUD | NEA AU | Nearmap Ltd | Long | AUD |
| ARB AU | ARB Corp Ltd | Long | AUD | NXT AU | NextDC Ltd | Long | AUD |
| ASB AU | Austal Ltd | Long | AUD | NVDA US | Nvidia Corp | Long | AUD |
| BBN AU | Baby Bunting Group Ltd | Long | AUD | OPC AU | Opticomm Ltd | Long | AUD |
| BKL AU | Blackmores Ltd | Short | AUD | PRU AU | Perseus Mining Ltd | Long | AUD |
| CBR AU | Carbon Revolution Ltd | Long | AUD | PINS US | Pinterest Inc | Long | AUD |
| CAR AU | Carsales.com Ltd | Long | AUD | PBH AU | Pointsbet Holdings Ltd | Long | AUD |
| CGL AU | Citadel Group Ltd | Long | AUD | QCOM US | Qualcomm Inc | Long | AUD |
| CCX AU | City Chic Collective Ltd | Long | AUD | QUB AU | Qube Holdings Ltd | Long | AUD |
| COH AU | Cochlear Ltd | Long | AUD | RMS AU | Ramelius Resources Ltd | Long | AUD |
| CGC AU | Costa Group Holdings Ltd | Long | AUD | TRS AU | Reject Shop Ltd | Long | AUD |
| CCP AU | Credit Corp Group Ltd | Long | AUD | RMC AU | Resimac Group Ltd | Long | AUD |
| DTC AU | Damstra Holdings Ltd | Long | AUD | RMD AU | Resmed Inc | Long | AUD |
| ** | DeepGreen Metals Inc. | Long | AUD | RHP AU | Rhipe Ltd | Long | AUD |
| EOS AU | Electro Optic Systems | Long | AUD | STO AU | Santos Ltd | Long | AUD |
| EML AU | EML Payments Ltd | Long | AUD | TNE AU | Technology One Ltd | Short | AUD |
| FB US | Facebook Inc | Long | AUD | 700 HK | Tencent Holdings Ltd | Long | AUD |
| FPH AU | Fisher & Paykel Healthcare | Long | AUD | TEVA US | Teva Pharmaceutical | Long | AUD |
| FMG AU | Fortescue Metals Group Ltd | Short | AUD | TWE AU | Treasury Wine Estates Ltd | Short | AUD |
| HUB AU | Hub24 Ltd | Short | AUD | UWL AU | Uniti Group Limited | Long | AUD |
| IFMAU | Infomedia Ltd | Long | AUD | WTC AU | Wisetech Global Ltd | Short | AUD |
| IDX AU | Integral Diagnostic Ltd | Long | AUD | XLNX US | Xilinx Inc | Long | AUD |
| IRI AU | Integrated Research Ltd | Long | AUD | Z1P AU | Zip Co Ltd | Long | AUD |

** A Pre-IPO investment in the Materials sector

Portfolio Sector Analysis

| Sector | Long | Short | Net |
|------------------------|---------------|--------------|---------------|
| Consumer, Non-cyclical | 27.3% | -2.8% | 24.4% |
| Communications | 24.5% | -1.2% | 23.2% |
| Technology | 18.1% | -3.0% | 15.0% |
| Consumer, Cyclical | 17.8% | | 17.8% |
| Basic Materials | 7.5% | -1.3% | 6.2% |
| Industrial | 5.2% | | 5.2% |
| Retailing | 4.6% | | 4.6% |
| Energy | 4.4% | | 4.4% |
| Financial | 2.5% | | 2.5% |
| Diversified Financials | 1.8% | | 1.8% |
| | 113.5% | -8.4% | 105.1% |

Net Cash holdings and Tax **-5.1%**

For more information contact Cadence Opportunities Fund on 02 8298 2450 or email info@cadencecapital.com.au
 Register to receive our FREE newsletter at www.cadencecapital.com.au/register-for-free-newsletter

News

In April 2020 the Company released its [April 2020 Quarterly Webcast \(Audiocast\)](#). In this Audiocast, Karl Siegling firstly provides an update on Cadence Opportunities Fund's performance, its current exposure levels and its current cash holdings. He then discusses the current outlook for the market and the Company.

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

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