

## INVESTMENT UPDATE

August 2020

Cadence Capital Limited returned a gross positive performance of 9.3% in the month of August, outperforming the All Ordinaries Accumulation Index by 5.6%. The fund has had a good start to the new financial year, returning 13.5% compared with the All Ordinaries Accumulation Index which has risen by 4.7%. The largest contributors to performance during August were Resimac Group, Pointsbet Holdings, Money3 Corp, ARB Corp, Redbubble and Nvidia Corp. The largest detractors from performance were Wisetech Global and Uniti Group.

On the 28<sup>th</sup> August 2020, the Company announced its **full year results and a 2.0 cents fully franked final dividend**. This brings the 2020 fully franked full year dividend up to 4.0 cents per share equating to a 5.7% annual fully franked yield, or an 8.1% gross yield based on the CDM share price on the announcement date. The Ex-Date for the dividend is the 19th October 2020 and the payment date for the dividend is the 30th October 2020. 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.

At 31<sup>st</sup> Aug 2020, the Company was 77.8% invested.

## Fund NTA

Net Tangible Assets as at 31st Aug 2020	Amount (\$)
Pre Tax NTA*	\$0.904
Post Tax NTA*	\$1.062
Share price (ASX Code: CDM)	\$0.715

\*Before the 2.0 c fully franked Final dividend being paid on 30th October 2020

## Fund Gross Performance

Gross Performance* to 31st Aug 2020	CDM	All Ords Accum	Outperformance
1 Month	9.3%	3.7%	+5.6%
YTD	13.5%	4.7%	+8.8%
1 Year	6.2%	-3.5%	+9.7%
3 Years (per annum)	-0.7%	6.7%	-7.4%
5 Years (per annum)	1.0%	7.9%	-6.9%
8 Years (per annum)	5.2%	9.1%	-3.9%
10 Years (per annum)	11.6%	7.9%	+3.7%
Since Inception (14.9 years) (per annum)	11.9%	6.4%	+5.5%
Since Inception (14.9 years) (total return)	437.1%	153.6%	+283.5%

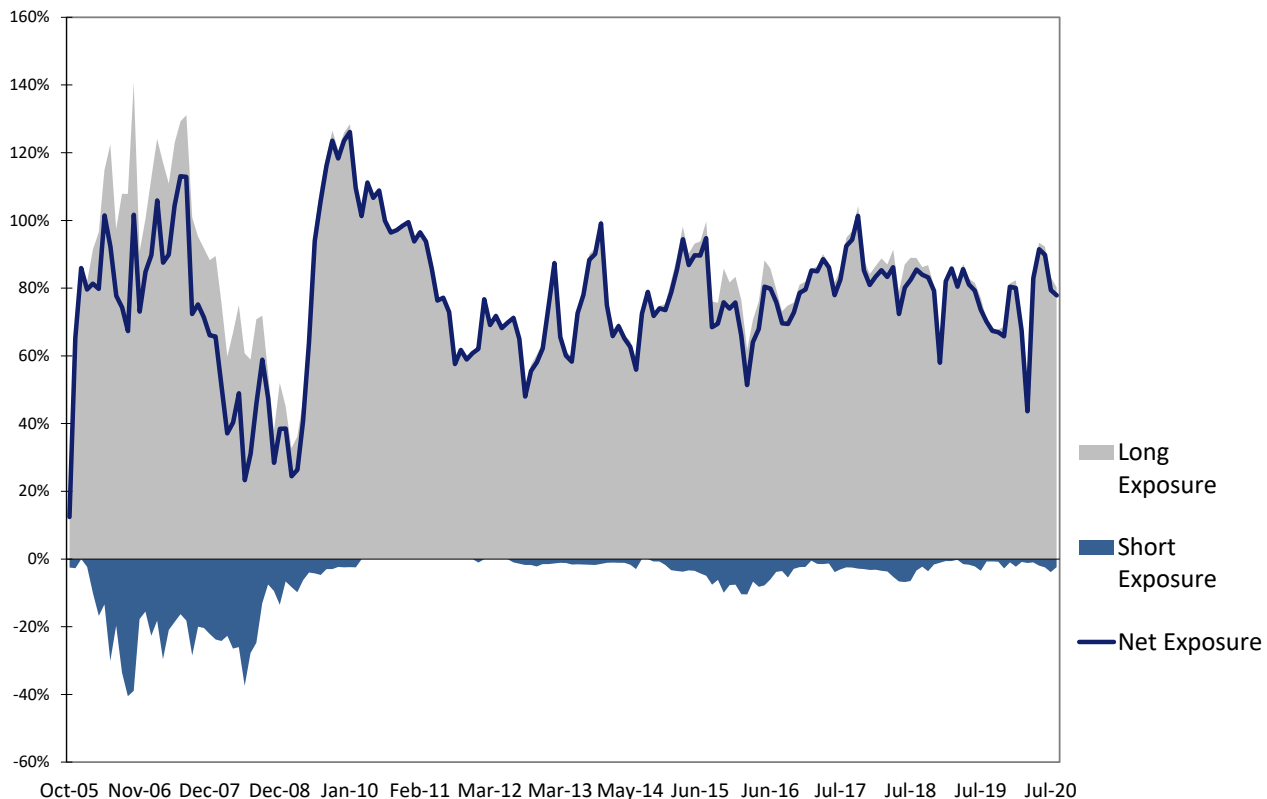
\* Gross Performance: before Management and Performance Fees

## 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	-	4.0c	5.7c
<b>TOTAL</b>	<b>46.5c</b>	<b>46.2c</b>	<b>11.5c</b>	<b>104.2c</b>	<b>147.9c</b>

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Consumer, Non-cyclical	14.2%	-1.0%	13.2%
Financial	11.1%		11.1%
Communications	11.1%	-0.2%	10.9%
Consumer, Cyclical	10.9%		10.9%
Technology	10.3%	-1.2%	9.1%
Basic Materials	5.8%		5.8%
Industrial	5.5%		5.5%
Energy	5.5%		5.5%
Diversified Financials	3.0%		3.0%
Retailing	2.2%		2.2%
Consumer Services	0.8%		0.8%
Materials	0.0%		0.0%
	<b>80.2%</b>	<b>-2.4%</b>	<b>77.8%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>22.2%</b>

## Top 20 Portfolio Positions

Top 20 Holdings		
Code	Position*	Currency Exposure
BABA US	Alibaba Group Holdings Ltd	AUD
GOOGL US	Alphabet Inc	AUD
APE	AP Eagers Ltd	AUD
AAPL US	Apple Inc	AUD
ARB	ARB Corp Ltd	AUD
CAR	Carsales.com Ltd	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
NVDA US	NVIDIA Corp	AUD
PBH	Pointsbet Holdings Ltd	AUD
QCOM US	Qualcomm Inc	AUD
RBL	Redbubble Ltd	AUD
RMC	Resimac Group Ltd	AUD
SHJ	Shine Corporate Ltd	AUD
UWL	Uniti Group Limited	AUD

\* In Alphabetical Order

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

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	48.0%	-2.2%	45.8%
AUD 500 Mill - AUD 1 Billion	18.3%	-0.2%	18.1%
AUD 250 Mill - AUD 500 Mill	5.5%		5.5%
AUD 100 Mill - AUD 250 Mill	3.5%		3.5%
0 - AUD 100 Mill *	4.9%		4.9%
	<b>80.2%</b>	<b>-2.4%</b>	<b>77.8%</b>

<b>Net Cash Holdings and Tax Asset</b>	<b>22.2%</b>
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\* Includes a pre-IPO investment in the Materials sector

## News

The Company recently held its [June 2020 Investor Presentation](#) followed by a [Q&A Session](#) involving portfolio managers Karl Siegling, Charlie Gray and Jackson Aldridge. 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.

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