

Cadence Capital Limited was down 0.7% in February, compared to the All Ordinaries Accumulation Index which was up 1.7% for the month. For the 8 months ended 28 February 2022 the fund is up 3.7%, outperforming the All Ordinaries Accumulation Index by 4.3%. For February, the top contributors to performance were Whitehaven Coal, Woodside Petroleum and TMC The Metals Co. The largest detractors from performance were Uniti Group, Resimac Group and Credit Corp. As at 28th February 2022, the Company was 56% invested (44% cash and equivalents).

February was another volatile month for markets as investors grappled with a very uncertain environment. Towards the end of the month and into early March the underlying themes of energy and resources strength and weakness in high-valuation growth style stocks continued. Russia's invasion of Ukraine and the resultant sanctions imposed by many nations has significantly impacted global food and energy supply chains. While we are hopeful for a peaceful outcome, rebalancing commodity markets will take time and likely require ongoing higher prices. The portfolio currently holds over 30% cash and approximately 60% of its invested portfolio is exposed to energy and resources.

Half Year Audiocast

We recommend that you watch the [December 2021 half year Audiocast](#) where we discuss these issues in more detail and delve into a number of the new and existing investments in the portfolio that are relevant to these themes. The audiocast also covers recent performance, the increased dividend yield, and the outlook for the rest of the year.

Fully Franked Half Year Dividend

In January the Board declared a 4.0 cents fully franked half year dividend, an increase of 100% over the previous half year dividend. This interim dividend equates to an 8.2% annualised fully franked yield or a 11.7% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$0.98 per share. Importantly this equates to a 7.3% dividend yield based on the current pre-tax NTA, as the Company shares are currently trading at a discount to NTA despite the fund's recent strong performance and a 16-year track record of significant outperformance against the All Ordinaries Accumulation Index. After paying this dividend the Company still has 30 cents per share of profits reserves to pay future dividends.

The Dividend Reinvestment Program (DRP) will be operational for the half year dividend. There will be no DRP discount applied. Shares will be issued at the weighted average of the prevailing share price over the relevant pricing period. If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

The Ex-Date for the dividend is the 31st March 2022. The payment date for the dividend is the 14th April 2022.

Fund NTA

Net Tangible Assets as at 28th February 2022	Amount (\$)
Pre Tax NTA	\$1.085
Post Tax NTA	\$1.196
Share Price (ASX Code: CDM)	\$1.000

*Before the 4.0c fully franked interim dividend going Ex 31 March 2022

Fund Gross Performance

Gross Performance* to 28th February 2022	CDM	All Ords Accum	Outperformance
1 Month	-0.7%	1.7%	-2.4%
YTD	3.7%	-0.6%	+4.3%
1 Year	9.4%	10.0%	-0.6%
3 Years (per annum)	10.5%	9.3%	+1.2%
5 Years (per annum)	7.1%	9.0%	-1.9%
8 Years (per annum)	5.6%	8.1%	-2.5%
10 Years (per annum)	7.8%	9.6%	-1.8%
Since Inception (16.4 years) (per annum)	12.6%	7.2%	+5.4%
Since Inception (16.4 years) (total return)	602.7%	213.6%	+389.1%

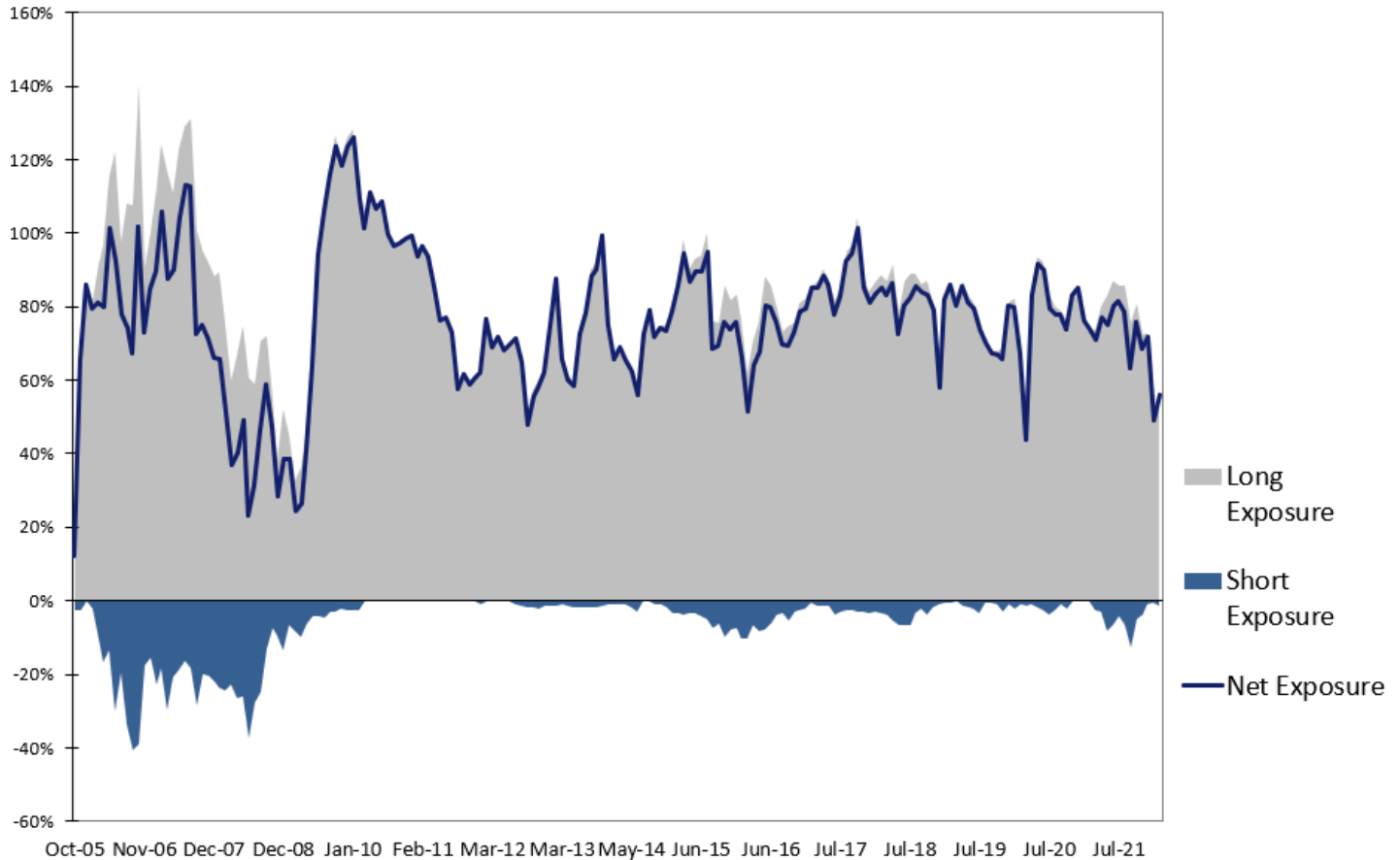
*Gross Performance: before Management and Performance Fees

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
2021	2.0c	3.0c	-	5.0c	7.1c
2022	4.0c	-	-	4.0c	5.7c
TOTAL	52.5c	49.2c	11.5c	113.2c	160.7c

* Off market Equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Energy	18.6%		18.6%
Basic Materials	16.8%	-0.5%	16.3%
Financial	5.1%		5.1%
Communications	4.6%		4.6%
Industrial	3.5%	-0.5%	3.0%
Diversified	3.0%		3.0%
Consumer, Non-cyclical	2.5%	-0.4%	2.0%
Technology	2.0%		2.0%
Utilities	0.9%		0.9%
Consumer, Cyclical	0.5%		0.5%
	57.4%	-1.4%	56.0%
Net Cash Holdings and Tax Asset			44.0%

Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
BHP	BHP Group Ltd	Long	AUD
CF US	CF Industries Holdings Inc	Long	AUD
CIA	Champion Iron Ltd	Long	AUD
CCP	Credit Corp Group Ltd	Long	AUD
DVN US	Devon Energy Corp	Long	AUD
ILU	Iluka Resources Ltd	Long	AUD
MGH	Maas Group Holdings Ltd	Long	AUD
MU US	Micron Technology Inc	Long	AUD
MNY	Money3 Corp Ltd	Long	AUD
MOS US	Mosaic Co	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
RTX US	Raytheon Technologies Corp	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
SLB US	Schlumberger Ltd	Long	AUD
S32	South32 Ltd	Long	AUD
TMC US	TMC The Metals Company Inc	Long	AUD
TUA	Tuas Limited	Long	AUD
UWL	Uniti Group Limited	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD
WPL	Woodside Petroleum Ltd	Long	AUD

* In Alphabetical Order

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	46.8%	-1.4%	45.4%
AUD 500 Mill - AUD 1 Billion	9.0%		9.0%
AUD 250 Mill - AUD 500 Mill	0.9%		0.9%
AUD 100 Mill - AUD 250 Mill	0.4%		0.4%
0 - AUD 100 Mill	0.4%		0.4%
	57.4%	-1.4%	56.0%
Net Cash Holdings and Tax Asset			44.0%

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