

INVESTMENT UPDATE

April 2022

Cadence Capital Limited was down 1.1% in April, compared to the All Ordinaries Accumulation Index which was down 0.8% for the month. Year to date, for the 10 months ended 30 April 2022, the fund is up 7.6%, outperforming the All Ordinaries Accumulation Index by 2.2%. For April, the top contributors to performance were Whitehaven Coal, New Hope, Coronado Global Resources, Stanmore Coal and Flight Centre Travel. The largest detractors from performance were Enphase Energy, Peabody Energy, Melbana Energy and Life360. As at 30 April 2022, the Company was 71.8% invested (28.2% cash and equivalents).

Financial markets remained volatile through April, with Australia again materially outperforming its international peers. For example, the S&P 500 and NASDAQ were down 8.8% and 13.0% in April respectively. Cash levels in the fund increased towards the end of the month as positions were exited that broke trend, and this activity has continued in early May as markets have continued to fall with the portfolio currently holding around 45% cash and equivalents. The fund's ability to move into high levels of cash in markets that are trending down is an important tool in preserving our capital and maintaining buying power to scale into new investment opportunities that meet our criteria.

Fully Franked Half Year Dividend

The Company's 4 cents fully franked half year dividend was paid on the 14 April 2022. This interim dividend equated 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 equated to a 7.2% dividend yield based on 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.

Quarterly Audiocast

In the coming weeks we will be releasing our quarterly audiocast which will give an update on the Company's performance, the portfolio's composition, its current investment themes and holdings, and the outlook for the rest of the year.

Fund NTA

Net Tangible Assets as at 30th April 2022	Amount (\$)
Pre Tax NTA*	\$1.090
Post Tax NTA*	\$1.189
Share Price (ASX Code: CDM)*	\$0.975

*After the 4.0c fully franked interim dividend paid 14 April 2022

Fund Gross Performance

Gross Performance* to 30th April 2022	CDM	All Ords Accum	Outperformance
1 Month	-1.1%	-0.8%	-0.3%
YTD	7.6%	5.4%	+2.2%
1 Year	10.4%	10.2%	+0.2%
2 Years (per annum)	29.9%	21.5%	+8.4%
3 Years (per annum)	11.3%	10.2%	+1.1%
5 Years (per annum)	7.2%	9.5%	-2.3%
10 Years (per annum)	8.1%	10.0%	-1.9%
Since Inception (16.6 years) (per annum)	12.7%	7.5%	+5.2%
Since Inception (16.6 years) (total return)	628.9%	232.5%	+396.4%

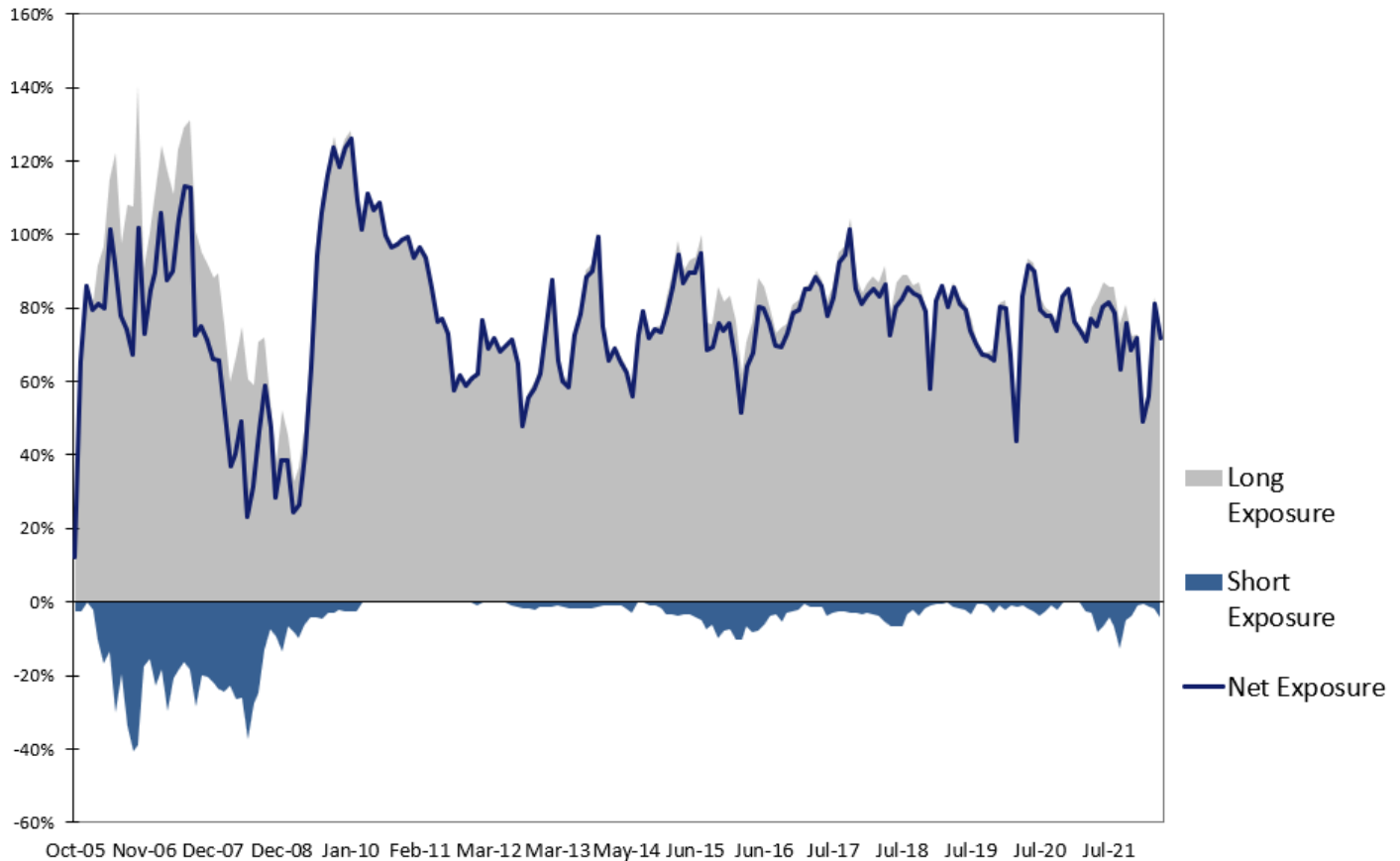
* Gross Performance: before Management and Performance Fees

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	33.2%		33.2%
Basic Materials	19.0%		19.0%
Consumer, Non-cyclical	6.4%	-0.3%	6.1%
Financial	4.4%	-2.1%	2.4%
Consumer, Cyclical	3.1%	-1.7%	1.4%
Communications	3.0%		3.0%
Industrial	2.6%		2.6%
Utilities	2.3%		2.3%
Technology	1.8%		1.8%
	75.9%	-4.1%	71.8%

Net Cash Holdings and Tax Asset	28.2%
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Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AGL	AGL Energy Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
BOE	Boss Energy Ltd	Long	AUD
CIA	Champion Iron Ltd	Long	AUD
CRN	Coronado Global Resources	Long	AUD
DAR US	Darling Ingredients Inc	Long	AUD
FLT AU	Flight Centre Travel Group	Long	AUD
MGH	Maas Group Holdings Ltd	Long	AUD
MOS US	Mosaic Co	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
BTU US	Peabody Energy Corp	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
SLB US	Schlumberger Ltd	Long	AUD
SHL	Sonic Healthcare Ltd	Long	AUD
S32	South32 Ltd	Long	AUD
SMR	Stanmore Coal Ltd	Long	AUD
TER	Terracom Ltd	Long	AUD
WEB	Webjet Ltd	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	64.1%	-4.1%	60.0%
AUD 500 Mill - AUD 1 Billion	7.1%		7.1%
AUD 250 Mill - AUD 500 Mill	3.8%		3.8%
AUD 100 Mill - AUD 250 Mill	0.5%		0.5%
0 - AUD 100 Mill	0.4%		0.4%
	75.9%	-4.1%	71.8%
Net Cash Holdings and Tax Asset			28.2%

News

We recommend that you watch the [December 2021 half year Audiocast](#) where Karl Siegling firstly provides an update on the Company's half year results, fully franked interim dividend and the portfolio's composition. Charlie Gray and Jackson Aldridge then discuss some of the Company's investment themes and positions held. Karl Siegling finishes with an update on the outlook for 2022.

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