

## INVESTMENT UPDATE

December 2022

Cadence Capital Limited returned a negative gross performance of 2.3% in December, outperforming the All Ordinaries Accumulation Index by 1.0% for the month. Year to date the fund is up 3.9%, compared to the All Ordinaries Accumulation Index which is up 9.6% for the same period. The largest detractors from performance during the month were Syrah Resources, Renascor Resources, Citi Chic Collective, Life360 and Tietto Minerals. The top contributors to performance were Melbana Energy, Sayona Mining, Health and Happiness International, New Hope Corp and Terracom.

Markets declined through December following the gains recorded in the previous two months, continuing the pattern of volatility seen through much of 2022. This month saw defensive and large-cap style companies outperforming while technology and EV battery metal related stocks were sold off. As such, the fund's holdings across graphite related companies such as Syrah Resources and Renascor Resources detracted from performance in December however have contributed positively to returns in recent months. A further downgrade from City Chic Collective also impacted performance despite the company trading at a discount to its net working capital. Coal equities on the other hand recovered through the month in line with the coal price. This remains a trend we are monitoring closely.

The re-opening of the Chinese economy continued to gain traction through the month, with the fund increasing its holdings across Health & Happiness, A2 Milk, Tencent and Alibaba as these share prices recovered from depressed levels. The portfolio has also been scaling into trends that have been emerging in precious metals such as Bellevue Gold, St Barbara and Chalice Mining.

## Fund NTA

Net Tangible Assets as at 31st Dec 2022	Amount (\$)
Pre Tax NTA	\$0.964
Post Tax NTA	\$1.108
Share Price (ASX Code: CDM)	\$0.900

## Fund Gross Performance

Gross Performance* to 31st Dec 2022	CDM	All Ords Accum	Outperformance
1 Month	-2.3%	-3.3%	+1.0%
YTD	3.9%	9.6%	-5.7%
1 Year	-8.8%	-3.0%	-5.8%
2 Years (per annum)	6.2%	6.9%	-0.7%
3 Years (per annum)	10.2%	5.8%	+4.4%
5 Years (per annum)	2.1%	7.2%	-5.1%
10 Years (per annum)	6.2%	8.8%	-2.6%
Since Inception (17.3 years) (per annum)	11.8%	7.0%	+4.8%
Since Inception (17.3 years) (total return)	580.9%	220.2%	+360.7%

\* Gross Performance: before Management and Performance Fees

For more information contact Cadence Capital Limited on 02 8298 2450 or email [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)

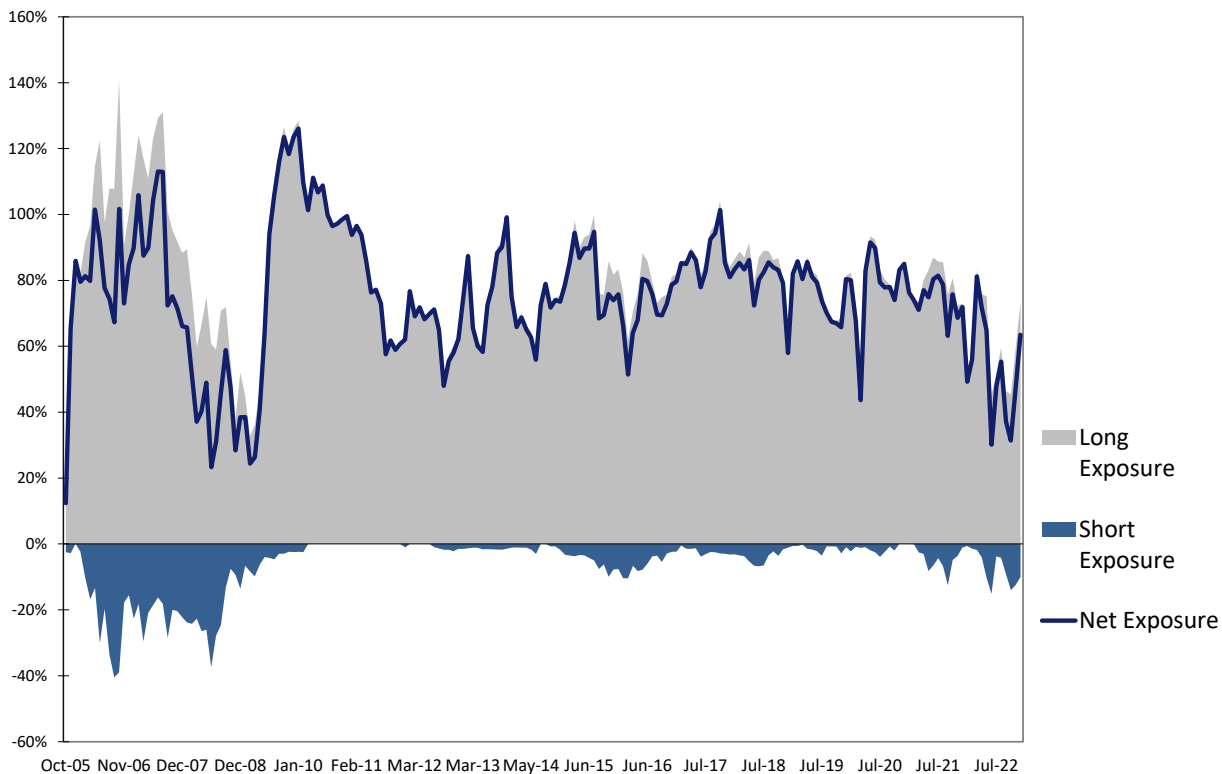
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## Franked Dividends Declared Since Listing

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	-	8.0c	11.4c
<b>TOTAL</b>	<b>52.5c</b>	<b>53.2c</b>	<b>11.5c</b>	<b>117.2c</b>	<b>166.4c</b>

\* Off market Equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	30.5%	-1.2%	29.3%
Energy	18.3%		18.3%
Consumer, Non-cyclical	8.0%	-1.7%	6.3%
Financial	5.9%	-0.9%	5.1%
Consumer, Cyclical	3.8%		3.8%
Insurance	1.9%		1.9%
Communications	2.3%	-0.6%	1.7%
Retailing	0.8%		0.8%
Technology	2.0%	-1.8%	0.2%
Commercial & Professional Services		-0.7%	-0.7%
Banks		-1.3%	-1.3%
Industrial		-1.8%	-1.8%
	<b>73.5%</b>	<b>-10.0%</b>	<b>63.5%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>36.5%</b>

## Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AMP	AMP Ltd	Long	AUD
BGL	Bellevue Gold Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
CS CN	Capstone Copper Corp	Long	AUD
CHN	Chalice Mining Ltd	Long	AUD
DAC US	Danaos Corp	Short	AUD
LYC	Lynas Rare Earths Ltd	Long	AUD
MPL	Medibank Private Ltd	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
NVDA US	NVIDIA Corp	Short	AUD
QAN	Qantas Airways Ltd	Long	AUD
QBE	QBE Insurance Group	Long	AUD
SMR	Stanmore Coal Ltd	Long	AUD
SYR	Syrah Resources Ltd	Long	AUD
TER	Terracom Ltd	Long	AUD
TEVA US	Teva Pharmaceutical Industries	Long	AUD
TGH US	Textainer Group Holdings	Short	AUD
TIE	Tietto Minerals Ltd	Long	AUD
THL	Tourism Holdings Rentals Ltd	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD

\* In Alphabetical Order

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	55.3%	-9.4%	45.9%
AUD 500 Mill - AUD 1 Billion	14.5%	-0.6%	13.9%
AUD 250 Mill - AUD 500 Mill	0.8%		0.8%
AUD 100 Mill - AUD 250 Mill	1.3%		1.3%
0 - AUD 100 Mill	1.6%		1.6%
	<b>73.5%</b>	<b>-10.0%</b>	<b>63.5%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>36.5%</b>

## News

Karl Siegling has recently been interviewed on the following shows:

- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 16 Dec 2022 ([Click here](#) to watch)
- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 9 Dec 2022 ([Click here](#) to watch)
- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 2 Dec 2022 ([Click here](#) to watch)

To view all previous Cadence webcasts and interviews please visit the [Media Section](#) of the website.

Cadence Capital Limited held its AGM and Investor Briefing on the 16<sup>th</sup> November 2022. Karl Siegling started the Investor Briefing by giving an update on the performance of the funds, discussed the changes in the portfolio and talked about some important changes in market trends. Karl Siegling, Jackson Aldridge and Charlie Gray then discussed a number of current long and short positions in the funds. Karl Siegling closed with the outlook for 2023. [Click here to view this Investor Briefing.](#)

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