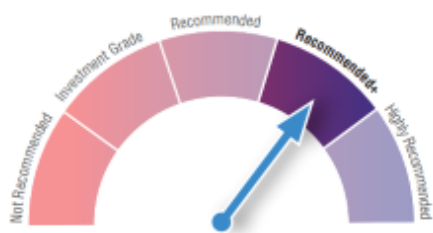


IIR Rating



Key Investment Information

As At: 31-Dec-22

Ticker	CDM
Classification	International/Australia
Market Capitalisation	\$268,003,621
Share Price	\$0.90
Pre-Tax NTA*	\$0.96
Trailing 12mth Div Yield (net)	8.89%
Trailing 12mth Div Yield (grossed-up)**	12.7%
Prem/Disc	-6.6%
Structure	LIC
Listing Date	December 2006
Div Frequency	Semi-Annual
Benchmark	ASX All Ordinaries Acc Index
Management Fee, ex GST %	1.00
Performance Fee %	15.00
Performance Fee Hurdle	High Water Mark

*Includes tax paid on realised gains.

**Assumes a tax rate of 30%.

Board

Name	Position
Karl Siegling	Chairman
James Chirnside	Director
Jenelle Webster	Director
Wayne Davies	Director

Overview

CDM is a listed investment company with a long/short Australian and international equities investment strategy. The company commenced trading in October 2005 and listed in December 2006. Cadence Asset Management is the Investment Manager of the portfolio. There are no limitations on the level of shorting in the portfolio, however, historically the portfolio has had a long bias. The portfolio may hold cash in the event attractive opportunities cannot be identified.

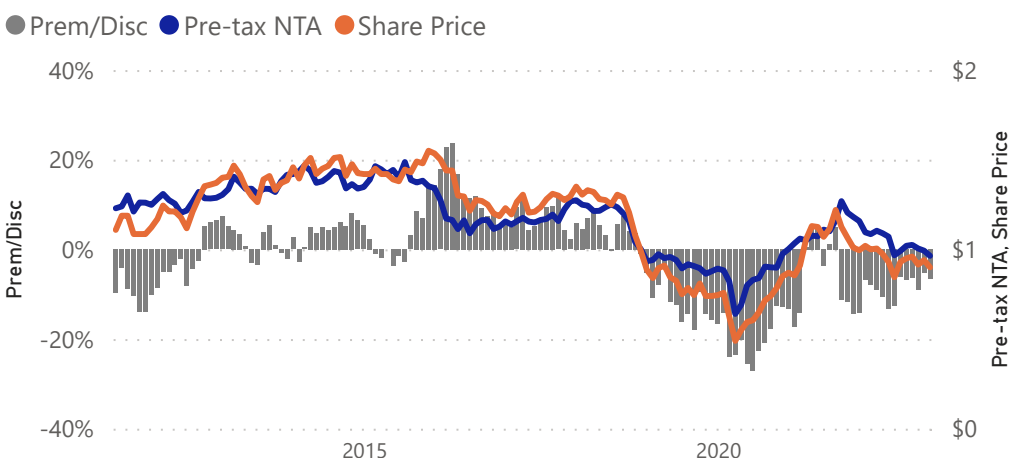
Key Features

Investment Style	Long/Short, combination of fundamental and quantitative analysis.
Investment Universe	Australian and International listed companies.
Investment Objective	CDM seeks to provide above market risk-adjusted returns and an opportunity to invest alongside the Manager.
Max Exposure to Individual Sector	No limitations. Sector allocations are an outcome of the investment process.
Max Exposure to Individual Security	Maximum of 5% of the portfolio at cost.
Portfolio Turnover	High (typically over 100%).
Diversification	Moderate (typically 40-60 stocks).

Independent Investment Research (IIR) Comments

The Manager employs a disciplined investment process. The rules based charter lends itself to a repeatable investment process and provides greater confidence that alpha generated can be attributed to both the process and individuals (not just the latter). While there are no portfolio concentration limitations the Manager invests not more than 5% of the portfolio at cost with stocks that represent a greater weighting in the portfolio a result of capital gains. There is a strong alignment of interest with shareholders, with Karl Siegling being the largest shareholder. The pre-tax NTA has underperformed the market since late 2018 with the portfolio being adversely impacted primarily from the decline in a single holding where the liquidity that was anticipated by the Manager did not eventuate making it difficult for the Manager to exit the position. This event highlights the importance of liquidity in a portfolio with a high turnover strategy. The portfolio has made up for some of those losses since the COVID-19 market shock in March 2020. The investment philosophy of letting runners win can result in strong returns however the increased weighting of strong performing stocks can result in heightened levels of volatility with movements in an individual stock having a significant impact on the returns of the portfolio. Dividends have been volatile, however the Company currently offers a strong fully franked dividend yield with over 3 years dividend coverage based on the Profits Reserve as at 30 June 2022, assuming the FY22 dividend declared is maintained.

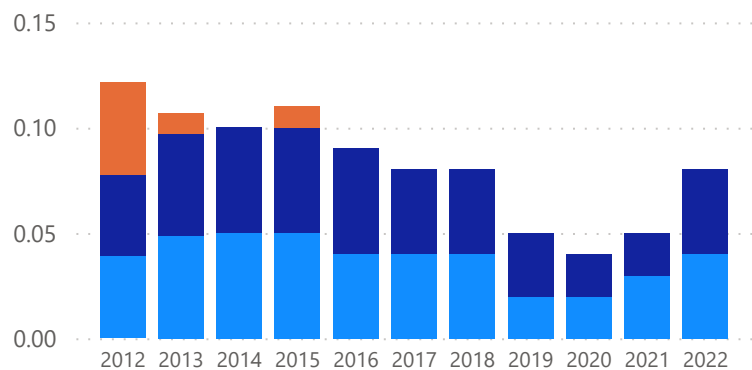
Share Price, Pre-tax NTA & Prem/Disc



DIVIDENDS

Dividend Amount by FY*

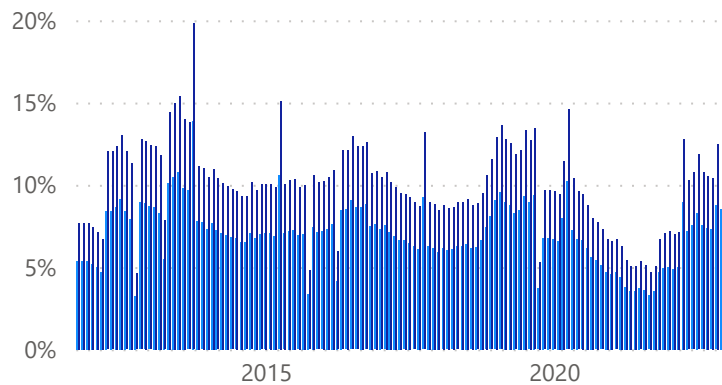
Div Type ● Final ● Interim ● Special



*Represents dividends declared for a financial year,

Trailing 12-month Dividend Yield

● Net Yield ● Grossed-up Yield*



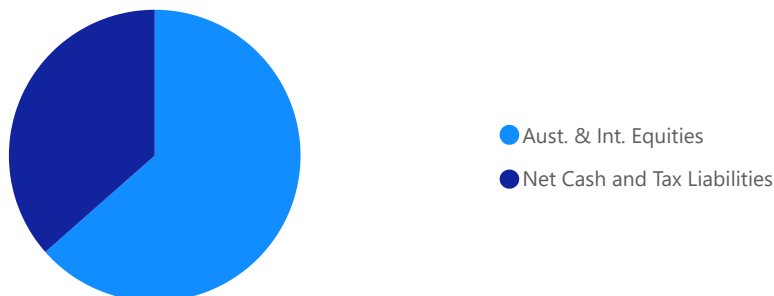
*Assumes a tax rate of 30%

PORTFOLIO POSITION (As at: 31-Dec-22)

Country/Region Allocation

Data not avail as per ASX monthly report

Asset Allocation

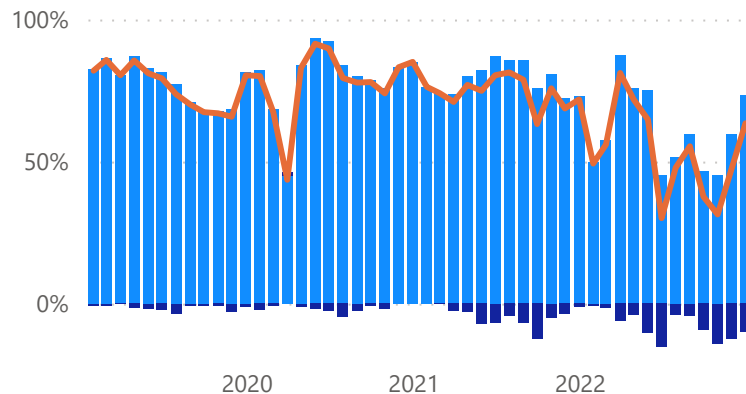


Sector Allocation (Net)

Sector	Weighting
Basic Materials	29.3%
Energy	18.3%
Consumer, Non-cyclical	6.3%
Financial	5.1%
Consumer, Cyclical	3.8%
Insurance	1.9%
Communications	1.7%
Retailing	0.8%
Technology	0.2%
Commercial & Professional Services	-0.7%
Banks	-1.3%
Industrial	-1.8%
Total	63.6%

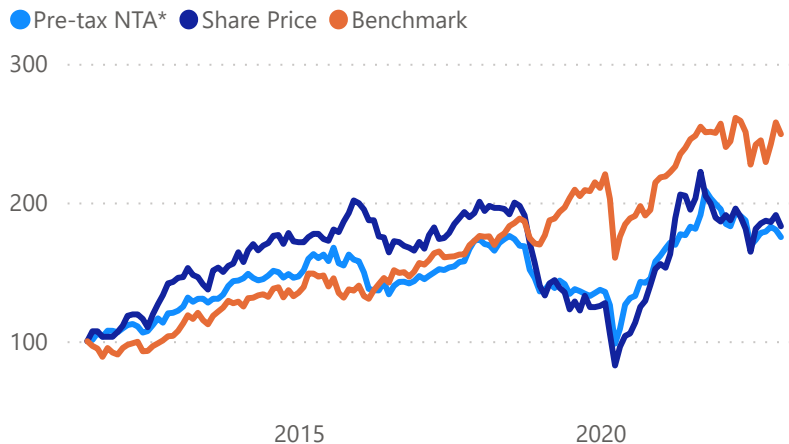
Long Short Exposure

● Long Exposure ● Short Exposure ● Net Exposure

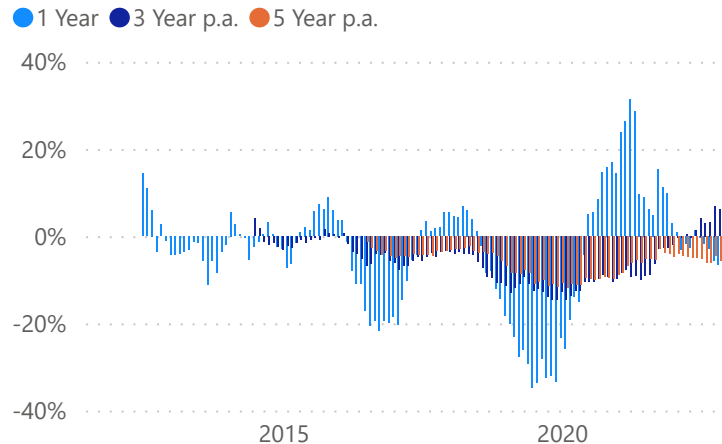


PERFORMANCE ANALYTICS (As at: 31-Dec-22)

Cumulative Total Returns



Rolling Excess NTA** Returns vs Benchmark



*Includes tax paid on realised gains

Cumulative Total Returns

	NTA**	Share Price	Benchmark
1 Year	-10.3%	-1.8%	-3.0%
3 Year p.a.	8.5%	13.4%	5.8%
5 Year p.a.	0.2%	-1.8%	7.2%
10 Year p.a.	3.7%	2.3%	8.8%

Standard Deviation

	NTA**	Share Price	Benchmark
1 Year	14.0%	17.4%	19.8%
3 Year p.a.	22.0%	27.7%	20.1%
5 Year p.a.	18.6%	24.7%	16.6%
10 Year p.a.	15.0%	19.2%	14.1%

Tracking Error

	NTA**	Share Price
1 Year	12.5%	15.9%
3 Year p.a.	13.3%	18.6%
5 Year p.a.	12.2%	18.3%
10 Year p.a.	10.2%	15.2%

Sharpe Ratio

	NTA**	Share Price	Benchmark
1 Year	-1.03	-0.34	-0.35
3 Year	0.20	0.34	0.09
5 Year	-0.21	-0.24	0.19
10 Year	-0.02	-0.09	0.34

Up Market Capture

	NTA**	Share Price
1 Year	0.37	0.59
3 Year	0.84	1.30
5 Year	0.61	0.92
10 Year	0.64	0.75

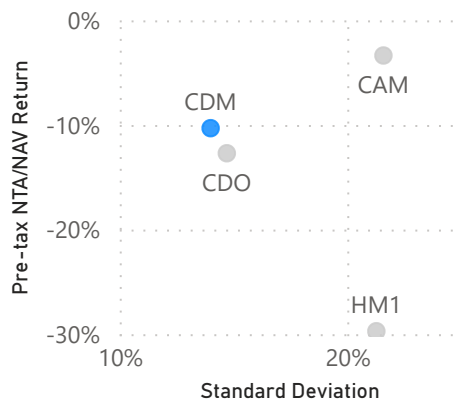
Down Market Capture

	NTA**	Share Price
1 Year	0.70	0.60
3 Year	0.70	1.05
5 Year	0.85	1.38
10 Year	0.77	1.03

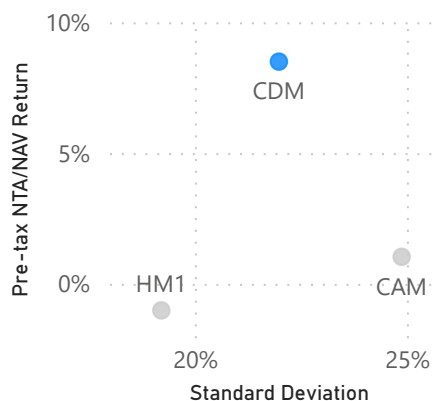
**Pre-tax NTA.

PEER COMPARISON - INTERNATIONAL/AUSTRALIA MIXED

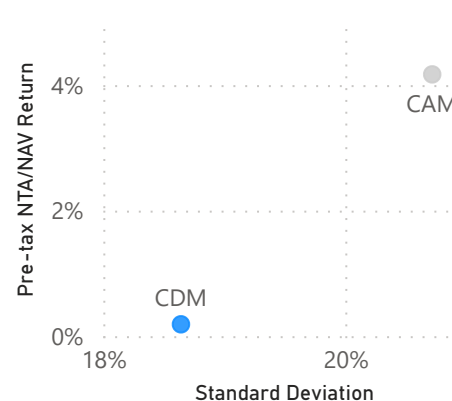
Risk/Return 1 Year



Risk/Return 3 Year (p.a.)



Risk/Return 5 Year (p.a.)



INDEPENDENCE OF RESEARCH ANALYSTS

Research analysts are not directly supervised by personnel from other areas of the Firm whose interests or functions may conflict with those of the research analysts. The evaluation and appraisal of research analysts for purposes of career advancement, remuneration and promotion is structured so that non-research personnel do not exert inappropriate influence over analysts. Supervision and reporting lines: Analysts who publish research reports are supervised by, and report to, Research Management. Research analysts do not report to, and are not supervised by, any sales personnel nor do they have dealings with Sales personnel. Evaluation and remuneration: The remuneration of research analysts is determined on the basis of a number of factors, including quality, accuracy and value of research, productivity, experience, individual reputation, and evaluations by investor clients.

INDEPENDENCE – ACTIVITIES OF ANALYSTS

IIR restricts research analysts from performing roles that could prejudice, or appear to prejudice, the independence of their research. Pitches: Research analysts are not permitted to participate in sales pitches for corporate mandates on behalf of a Broker and are not permitted to prepare or review materials for those pitches. Pitch materials by investor clients may not contain the promise of research coverage by IIR. No promotion of issuers' transactions: Research analysts may not be involved in promotional or marketing activities of an issuer of a relevant investment that would reasonably be construed as representing the issuer. For this reason, analysts are not permitted to attend "road show" presentations by issuers that are corporate clients of the Firm relating to offerings of securities or any other investment banking transaction from that our clients may undertake from time to time. Analysts may, however, observe road shows remotely, without asking questions, by video link or telephone in order to help ensure that they have access to the same information as their investor clients. Widely-attended conferences: Analysts are permitted to attend and speak at widely-attended conferences at which our firm has been invited to present our views. These widely-attended conferences may include investor presentations by corporate clients of the Firm. Other permitted activities: Analysts may be consulted by Firm sales personnel on matters such as market and industry trends, conditions and developments and the structuring, pricing and expected market reception of securities offerings or other market operations. Analysts may also carry out preliminary due diligence and vetting of issuers that may be prospective research clients of ours.

INDUCEMENTS AND INAPPROPRIATE INFLUENCES

IIR prohibits research analysts from soliciting or receiving any inducement in respect of their publication of research and restricts certain communications between research analysts and personnel from other business areas within the Firm including management, which might be perceived to result in inappropriate influence on analysts' views. Remuneration and other benefits: IIR procedures prohibit analysts from accepting any remuneration or other benefit from an issuer or any other party in respect of the publication of research and from offering or accepting any inducement (including the selective disclosure by an issuer of material information not generally available) for the publication of favourable research. These restrictions do not preclude the acceptance of reasonable hospitality in accordance with the Firm's general policies on entertainment, gifts and corporate hospitality.

DISCLAIMER

This publication has been prepared by Independent Investment Research (Aust) Pty Limited trading as Independent Investment Research ("IIR") (ABN 11 152 172 079), an corporate authorised representative of Australian Financial Services Licensee (AFSL no. 410381. IIR has been commissioned to prepare this independent research report (the "Report") and will receive fees for its preparation. Each company specified in the Report (the "Participants") has provided IIR with information about its current activities. While the information contained in this publication has been prepared with all reasonable care from sources that IIR believes are reliable, no responsibility or liability is accepted by IIR for any errors, omissions or misstatements however caused. In the event that updated or additional information is issued by the "Participants", subsequent to this publication, IIR is under no obligation to provide further research unless commissioned to do so. Any opinions, forecasts or recommendations reflects the judgment and assumptions of IIR as at the date of publication and may change without notice. IIR and each Participant in the Report, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only. Neither IIR nor the Participants are aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. This document does not constitute an offer of services in jurisdictions where IIR or its affiliates do not have the necessary licenses. IIR and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. IIR and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication. IIR, its officers, employees and its related bodies corporate have not and will not receive, whether directly or indirectly, any commission, fee, benefit or advantage, whether pecuniary or otherwise in connection with making any statements and/or recommendation (if any), contained in this Report. IIR discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may affect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any). However, under no circumstances has IIR been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report. The information contained in this publication must be read in conjunction with the Legal Notice that can be located at <http://www.independentresearch.com.au/Public/Disclaimer.aspx>. Readers of this report should have regard to our Financial Services Guide (FSG), which can be accessed at <https://independentresearch.com.au/wp-content/uploads/2022/09/IIR-Financial-Services-Guide-September-2022.pdf>.

THIS IS A COMMISSIONED RESEARCH REPORT.

The research process includes the following protocols to ensure independence is maintained at all times:

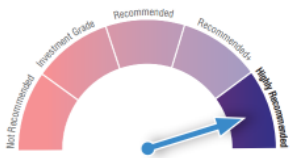
- 1) The research process has complete editorial independence from the company and this is included in the contract with the company;
- 2) Our analyst has independence from the firm's management, as in, management/ sales team cannot influence the research in any way;
- 3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client.
- 4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms.
- 5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion;
- 6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

IIR RATINGS PROCESS

IIR has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

LMI Ratings

SCORE



Highly Recommended: 83 and above

This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.



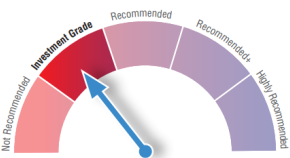
Recommended + : 79 -83

This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.



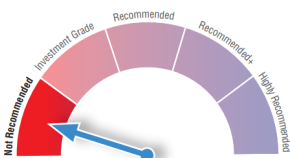
Recommended : 70 -79

This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.



Investment Grade : 60 -70

This rating indicates that IIR believes this is an average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an average risk/return trade-off and should be able to consistently generate average risk adjusted returns in line with stated investment objectives.



Not Recommended : 60 or less

This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.

MANAGED INVESTMENTS COVERAGE

The side graphic details the spread of ratings for managed investments rated by Independent Investment Research (IIR). The managed investments represented below include listed and unlisted managed funds, fund of funds, exchange traded funds and model portfolios.

