

INVESTMENT UPDATE

May 2023

Cadence Opportunities Fund returned a negative gross performance of 4.3% in May, compared to the All Ordinaries Accumulation Index which was down 2.6% for the month. The top contributors to performance during May were Meta Platforms, Patriot Battery Metals and Netflix. The largest detractors from performance were Tietto Minerals, Capstone Copper, Newcrest Mining, and Austin Engineering. Cadence Opportunities Fund is conservatively positioned with gross exposure of 62% and 56% of its investable portfolio in cash.

While the Australian market was down for the month, the Nasdaq was up 7.6%, with our holdings in Meta Platforms and Netflix performing well. Meta Platforms continued to trend higher after announcing 2023 as the "year of efficiency" and delivering consecutive quarterly results that were better than expected.

Patriot Battery Metals rose over 20%, primarily due to a rising Lithium Carbonate price, with Chinese futures rising over 100% since reaching a low point in late April. The outlook for Lithium demand remains extremely strong with the majority of car manufacturers shifting their focus to battery electric vehicles.

In February US gold miner Newmont approached Newcrest Mining regarding a scrip for scrip takeover, which was recommended by the Newcrest Mining board in May. The prospect of this takeover has seen Newcrest Mining perform well for most of this year, but the share price fell in May due to a fall in the Newmont share price. Now that the takeover is expected to go ahead the Newcrest Mining share price essentially tracks the Newmont share price.

Quarterly Audiocast

Over the next week CDO will be sending out its Quarterly Audiocast. In this audiocast, Karl Siegling will discuss the Company's recent performance, the interim dividend paid, the current composition of the portfolio, some current investment themes and investments and the outlook for the rest of the year.

CDO Share Price discount to NTA

CDO is currently trading at a pre-tax NTA discount of around 10% whilst holding around 50% cash. If all the shares in the portfolio fell by 20% the pre-tax NTA would still be above the share price. To put it another way, the shares in the portfolio can be bought at a 20% discount to their underlying value.

Fund NTA

Net Tangible Assets as at 31st May 2023	Amount (\$)
Pre Tax NTA*	\$1.920
Post Tax NTA*	\$2.032
Share Price (ASX Code: CDO)*	\$1.890

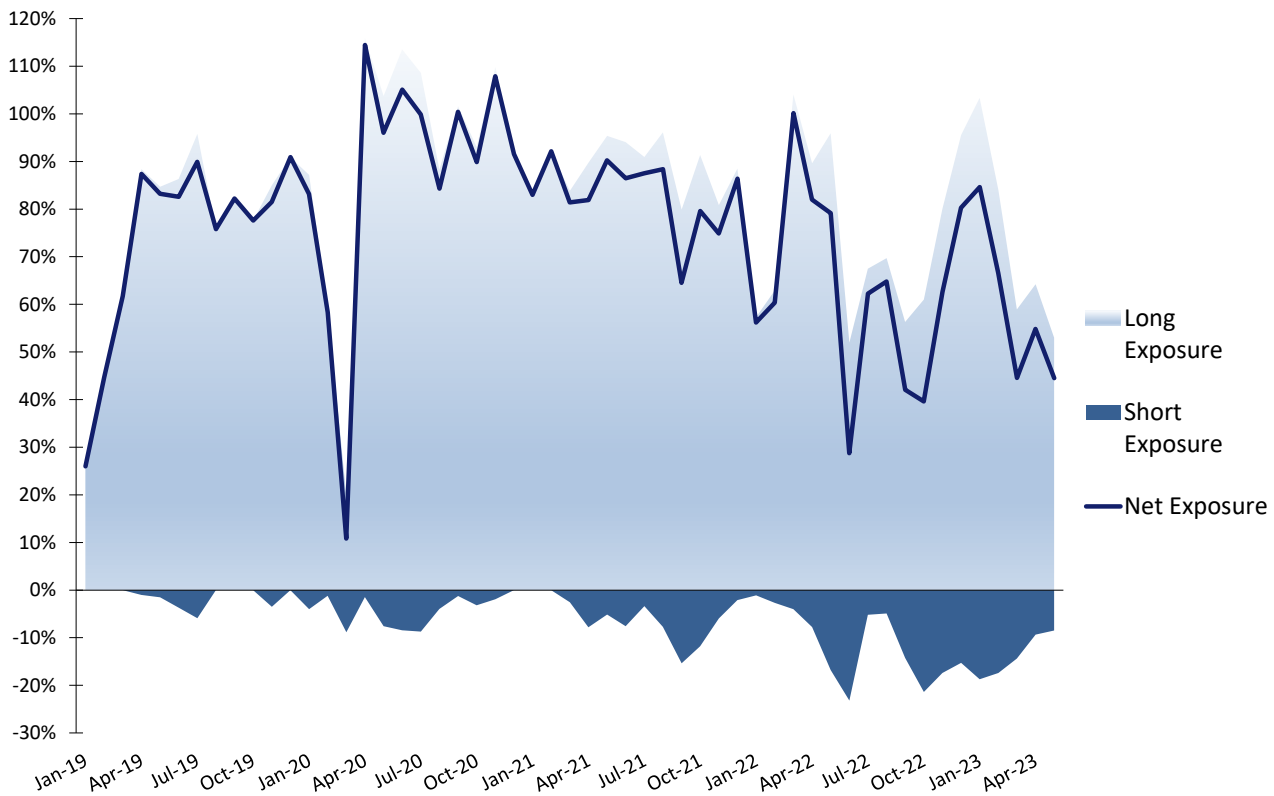
*After the 7.5 c fully franked interim dividend

Fund Performance

Gross Performance* to 31st May 2023	CDO
1 Month	-4.3%
3 Years (per annum)	24.6%
Since Inception (per annum)	27.5%
Since Inception (4.4 years) (total return)	192.8%

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	20.5%	-2.1%	18.4%
Consumer, Non-cyclical	8.7%		8.7%
Communications	7.4%		7.4%
Insurance	4.3%		4.3%
Utilities	2.6%		2.6%
Energy	2.3%	-0.7%	1.6%
Financial	3.0%	-1.5%	1.5%
Industrial	2.3%	-1.2%	1.1%
Consumer, Cyclical	1.9%	-1.0%	0.9%
Banks		-2.0%	-2.0%
	53.0%	-8.5%	44.5%
Net Cash Holdings			55.5%

Franked Dividends Declared

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2020		6.0c	-	6.0c	8.6c
2021		12.0c	3.0c	15.0c	21.4c
2022	7.5c	7.5c	-	15.0c	21.4c
2023	7.5c	-	-	7.5c	10.7c
TOTAL	15.0c	25.5c	3.0c	43.5c	62.1c

* Off market Equal access buy back

On the 28th of April the Company paid its 7.5 cent fully franked half-year dividend. After paying this dividend the Company still has 35 cents per share of profits reserves to pay future dividends.

News

To watch CDO's half-year Audiocast [please click here](#). This Audiocast gives an update on the Company's performance, its portfolio composition, some of its current investment holdings and the outlook for the rest of the year.

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

We encourage you to visit our [52 books you should read before buying your next stock](#) page on our website. We have compiled a list of books/ documentaries that have influenced our investment style or helped provide insight into the investment process.

Disclaimer

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd and is of a general nature only. It is provided for information purposes only and should not be construed as an offer or solicitation. Nothing contained in this document constitutes investment, legal, financial, business, tax, or other advice. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies, or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.