

Cadence Opportunities Fund returned a positive gross performance of 1.2% in October, outperforming the All Ordinaries Accumulation Index by 5.1% for the month. The top contributors to performance during October were Tietto Minerals, Westgold Resources, Newmont/Newcrest merger, Whitehaven Coal, and Red 5. The largest detractors from performance were Tourism Holdings Rentals, Capstone Copper and AMP.

During October Tietto Minerals received a takeover offer from Zhaojin Mining, its second largest shareholder, for 58 cents per share, which was a 38% premium to the share price at the time. The Tietto board has recommended that shareholders do not accept the offer. Tietto shares are currently trading at 59 cents which suggests that an improved takeover offer is likely.

We spoke about Westgold in our year end audiocast last month. Westgold has continued to perform well in October. The Australian dollar gold price is at all time highs, and now that Westgold's hedge book has rolled off they are receiving the full AUD gold price for all gold produced. Westgold recently announced Q1 mine operating cash flow of \$60m and reiterated that they were on track to achieve their full year production guidance.

During October the Newmont/Newcrest merger completed. At the start of October there was still a small arbitrage opportunity, and the completion of the merger enabled us to realise this gain as well as receive the fully franked Newcrest special dividend.

Fully Franked Year-end Dividend

The Company paid its 6.5 cents per share fully franked year-end dividend on 31st October 2023, bringing the full year dividend to 14.0 cents per share fully franked. The full-year dividend of 14.0 cents per share equates to an 7.8% fully franked yield or a 11.1% gross yield (grossed up for franking credits) based on the share price of \$1.795 per share on the date the dividend was announced. After paying this dividend the fund still has 29 cents per share of profits reserves to pay future dividends.

The dividend re-investment plan (DRP) was in operation for this final dividend. The issue price for the DRP was \$1.7228 per share. The Company has implemented an on-market buy-back to buy-back the shares it issues under the DRP. This buy-back will operate when the CDO share price is trading at a discount to the Pre-Tax NTA. Cadence Opportunities Fund Limited is looking to support its DRP registered shareholders to reinvest their dividends at a discount to NTA, instead of leaving them to manage market orders for reinvesting their dividends.

CDO Share Price discount to NTA

At the time of writing this newsletter, CDO is trading at a pre-tax NTA discount of around 13% whilst holding significant cash balances. If all the shares in the portfolio fell by 17% 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 an 18% discount to their underlying value.

Upcoming AGM and Investor Briefing

We would like to remind you that we are holding our AGM and Investor Briefing at the Museum of Sydney, Warrane Theatre, at 1:45pm (AEDT) on Thursday 23rd November 2023. A dial-in facility is available for those investors that are not able to attend the AGM and Investor Briefing in person. The numbers to dial are as follows:

- Toll Free Australia - 1800 809 971
- Toll Free Australia Back Up - 1800 558 698

A webcast of the Investor Briefing will also be made available online sometime after the meeting. If you have any questions that you would like answered at the AGM please can you email them to info@cadencecapital.com.au.

Fund NTA

Net Tangible Assets as at 31st October 2023	Amount (\$)
Pre Tax NTA*	\$1.893
Post Tax NTA*	\$2.008
Share Price (ASX Code: CDO)*	\$1.690

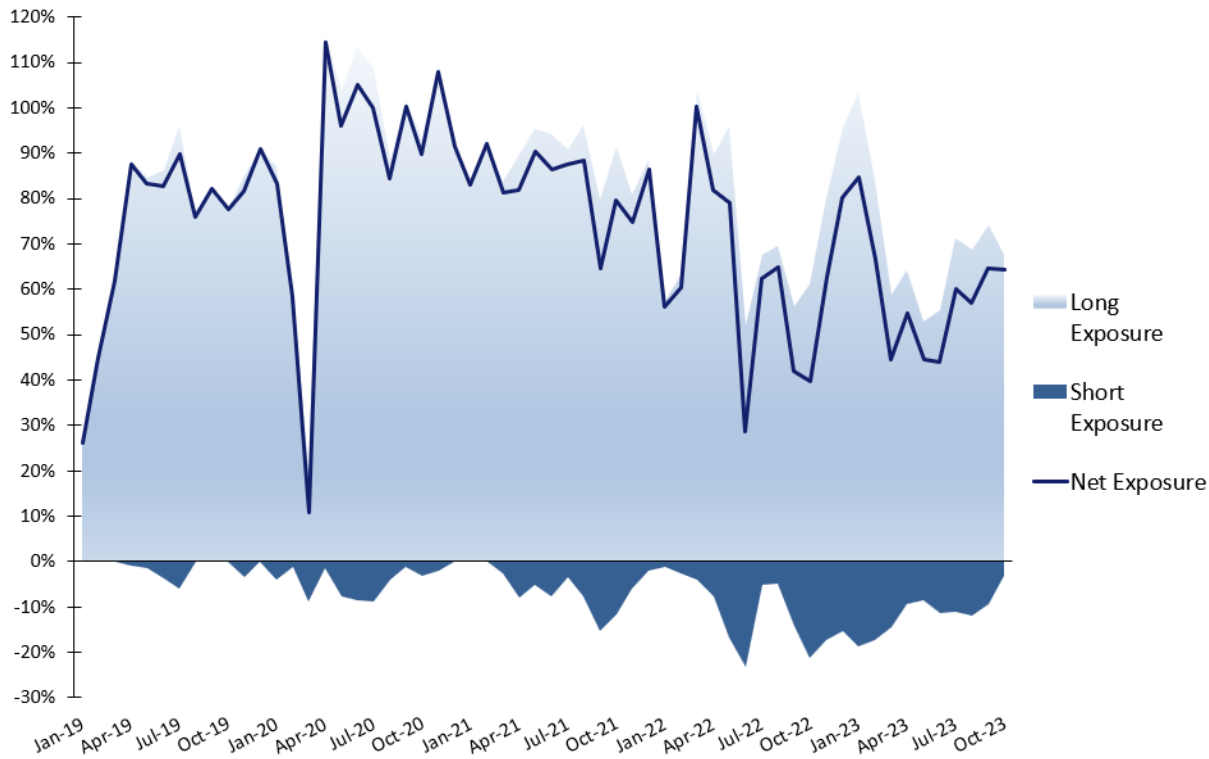
*After the 6.5c fully franked final dividend (Paid 31 Oct 2023)

Fund Performance

Gross Performance* to 31st October 2023	CDO
1 Month	1.2%
3 Years (per annum)	12.4%
Since Inception (per annum)	25.6%
Since Inception (4.8 years) (total return)	200.6%

*Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



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	6.5c	-	14.0c	20.0c
TOTAL	15.0c	32.0c	3.0c	50.0c	71.4c

Portfolio Sector Analysis

Sector	Long	Short	Net
Energy	19.2%		19.2%
Basic Materials	16.0%	-0.2%	15.9%
Communications	8.3%		8.3%
Financial	7.7%	-0.9%	6.8%
Consumer, Non-cyclical	6.2%		6.2%
Insurance	5.5%		5.5%
Industrial	2.7%	-0.4%	2.3%
Technology	1.0%		1.0%
Utilities	0.9%		0.9%
Banks	0.0%	-1.3%	-1.3%
Consumer, Cyclical	0.0%	-0.5%	-0.5%
	67.6%	-3.2%	64.4%
Net Cash Holdings			35.7%

News

If you have not already done so, we would encourage you to watch the recently released [Year-end Audiocast](#). In this audiocast, Karl Siegling firstly provides an update on the Company's 2023 financial year performance, the 6.5c fully franked year-end dividend, the portfolio's composition and CDO's discount to NTA. Karl Siegling and Chris Garrard then discuss their investments in Meta Platforms, Whitehaven Coal and Westgold Resources. Karl Siegling then finishes with an update on the outlook for FY 2024.

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.

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