

Cadence Opportunities Fund returned a gross performance of +3.1% in May outperforming the All Ordinaries Accumulation Index by +2.2% for the month. Year to date the fund is up 13.5% outperforming the All Ordinaries Accumulation Index by +1.8%. The top contributors to performance during the month were Alumina, Resolute Mining, Netflix, Chalice Mining, Deep Yellow, Meta Platforms and Cooper Energy. The largest detractors from performance were Meg Energy, Capstone Copper, and Syrah Resources.

Resolute Mining recently announced that they are on track to meet their full year gold production guidance after a good first quarter. Resolute is in a net cash position, and their gold production is now unhedged going forward, so they will receive the full benefit of any increases in the gold price which has been trending up and recently hit all time high of USD 2,450 per ounce. At current gold prices and expected production Resolute's cashflow should rise substantially in the year ahead.

The Netflix share price has continued to trend up in May. We expect revenue growth to continue to be strong driven by continued subscriber growth and plan changes. The new cheaper ad supported plan continues to be popular with subscribers, and the cheapest no ads plan has been discontinued in most countries. During the recent quarterly update Netflix said that the new ad supported plans were generating less revenue than traditional plans at the moment, but over time they expect that revenue will be similar, with the advertising revenue making up for the lower monthly subscription cost.

Fully Franked Half-Year Dividend

On the 30th April the Company paid its 6.5 cents per share fully franked interim dividend. This interim dividend equated to an 8.1% annualised fully franked yield or an 11.6% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$1.60 per share. After paying this dividend the Company has 22.5 cents per share of profits reserves to pay future dividends. The DRP was operational for this dividend.

Discount to NTA and On-Market Buy-Back

At the time of writing this newsletter, CDO is trading at a pre-tax NTA discount of around 17%. CDO has implemented an on-market buy-back to buy back the shares it has issued under the DRP. This buy-back will operate whilst the CDO share price is trading at a discount to the Pre-Tax NTA.

March 2024 Quarterly Webcast

To watch CDO's March 2024 Quarterly Webcast please [click here](#). In this quarterly webcast, Karl Siegling first provides an update on the Company's performance, the 6.5c fully franked interim dividend recently paid and the composition of the portfolio. Karl Siegling and Chris Garrard then discuss four of the Company's current investments (Capstone Copper, Beach Energy, Cooper Energy and Origin Energy) and finish off with the outlook for the rest of the year.

Fund NTA

Net Tangible Assets as at 31st May 2024	Amount (\$)
Pre Tax NTA*	\$2.048
Post Tax NTA*	\$2.105
Share Price (ASX Code: CDO)*	\$1.705

*After the 6.5c fully franked interim dividend paid on 30th Apr 2024

Fund Performance

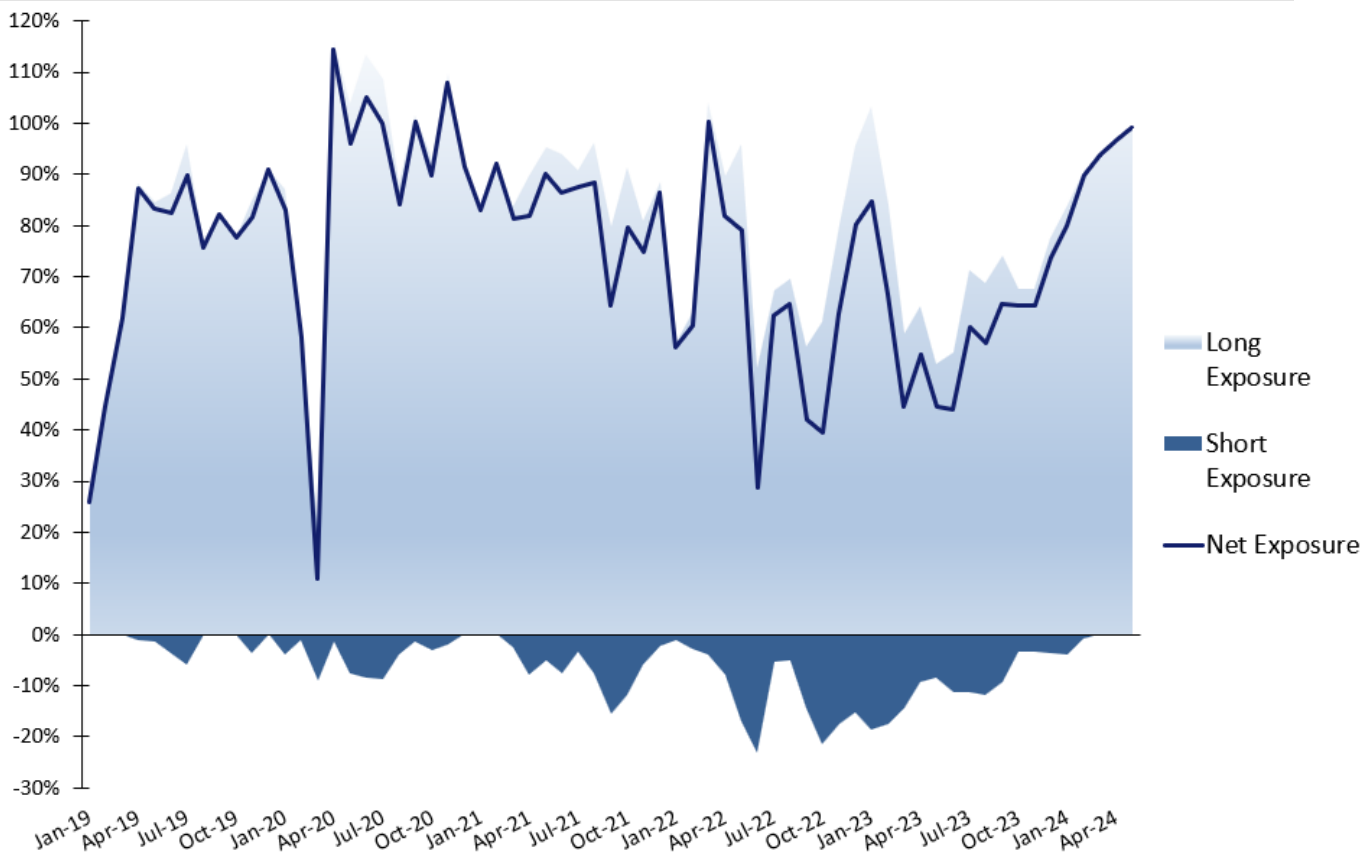
Gross Performance* to 31st May 2024	CDO
1 Month	3.1%
YTD	13.5%
3 Years (per annum)	4.2%
Since Inception (per annum)	25.3%
Since Inception (5.4 years) (total return)	239.9%

*Gross Performance: before Management and Performance Fees

Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	43.5%		43.5%
Energy	18.1%		18.1%
Communications	8.8%		8.8%
Financial	8.6%		8.6%
Insurance	7.5%		7.5%
Industrial	5.1%		5.1%
Utilities	3.3%		3.3%
Diversified	1.7%		1.7%
Consumer, Non-cyclical	1.3%		1.3%
Technology	1.0%		1.0%
Consumer, Cyclical	0.5%		0.5%
	99.3%	0.0%	99.3%
Net Cash Holdings			0.7%

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
2024	6.5c	-	-	6.5c	9.3c
TOTAL	21.5c	32.0c	3.0c	56.5c	80.7c

News

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.

For more information contact Cadence Opportunities Fund on 02 8298 2450 or email info@cadencecapital.com.au
Register to receive our FREE newsletter at www.cadencecapital.com.au/register-for-free-newsletter