

Cadence Capital Limited returned a gross performance of +1.5% in September, compared to the All Ordinaries Accumulation Index which was up 3.4% for the month. The top contributors to performance during September were Resolute Mining, Chalice Mining, Meta Platforms, Evolution Mining, Deep Yellow, BHP and QBE Insurance. The largest detractors from performance were Westgold Resources, Stanmore Resources and Karoon Energy.

Resolute Mining's share price continued to rise throughout September due to a 5.5% increase in gold prices and continued good operational performance. The company recently re-affirmed its guidance to produce ~355koz of gold at a cost of ~USD\$1,350/oz, and recent exploration results were positive. Resolute Mining's net cash balance continues to build. At current gold prices and production levels we expect the company to generate an annualised ~USD\$325m of post-tax operating cash flow, with production expected to increase and costs to reduce over the coming years. As we discussed in our recent webcast, the gold price continues to rise as investors look for safety. The escalating conflict between Israel and Iran, and the increased volatility in commodity and energy prices only reinforces this sentiment.

During September Mark Zuckerberg presented at "Meta Connect", where Meta showed off its latest Quest headsets, Ray-Ban smart glasses, and progress in integrating AI into all its products including Facebook, Instagram and WhatsApp. These technologies were well received by investors, and Meta Platform shares continue to trend up and make new all-time highs.

Fully Franked Year-End Dividend

In August 2024, the Company announced a 3.0 cents per share fully franked year-end dividend, bringing the full year dividend to 6.0 cents per share fully franked. This full year dividend equated to an 8.6% fully franked yield or a 12.2% gross yield (grossed up for franking credits) based on the share price of \$0.70 per share on the day of the announcement. Importantly this equated to a 7.4% dividend yield based on the pre-tax NTA of \$0.81 on the day of the announcement, due to the Company shares trading at a discount to NTA. After paying this dividend the Company still has around 12.5 cents per share of profits reserves to pay future dividends.

The Ex-Date for the dividend is the 15 October 2024. The payment date for the dividend is the 31 October 2024.

The dividend re-investment plan (DRP) will be in operation for this final dividend. We would encourage shareholders to participate in the DRP as an efficient mechanism to add to existing holdings in the fund. The DRP will be priced at the weighted average share price over the relevant DRP pricing period. The Company will buy-back the shares it issues under the DRP. This buy-back will operate when the CDM share price is trading at a discount to the Pre-Tax NTA.

If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300737760.

Year-End Webcast

Please [click here](#) to watch the CDM Year-End Webcast. In this year-end webcast, Karl Siegling first provides an update on the Company's full year results, the 3.0c fully franked final dividend, the portfolio's current composition and feedback from the recent reporting season. Karl Siegling and Chris Garrard then discuss the company's investments in Resolute Mining, Westgold Resources, Meta Platforms, Netflix, Alumina and Whitehaven Coal and finish off with the outlook for the rest of the year.

Discount to NTA and On-Market Buy-Back

At the time of writing this newsletter, CDM is trading at a pre-tax NTA discount of around 8%. CDM 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 CDM share price is trading at a discount to the Pre-Tax NTA.

Fund NTA

Net Tangible Assets as at 30th Sept 2024	Amount (\$)
Pre Tax NTA*	\$0.826
Post Tax NTA*	\$1.010
Share Price (ASX Code: CDM)*	\$0.745

*Before the 3.0 c fully franked final dividend (ex-dividend 15th Oct 2024)

Fund Gross Performance

Gross Performance* to 30th Sept 2024	CDM	All Ords Accum	Outperformance
1 Month	1.5%	3.4%	-1.9%
5 Years (per annum)	6.5%	8.7%	-2.2%
10 Years (per annum)	4.1%	9.2%	-5.1%
Since Inception (19.0 years) (per annum)	10.7%	7.7%	+3.0%
Since Inception (19.0 years) (total return)	584.1%	306.6%	+277.5%

* Gross Performance: before Management and Performance Fees

Portfolio Market Capitalisation Analysis

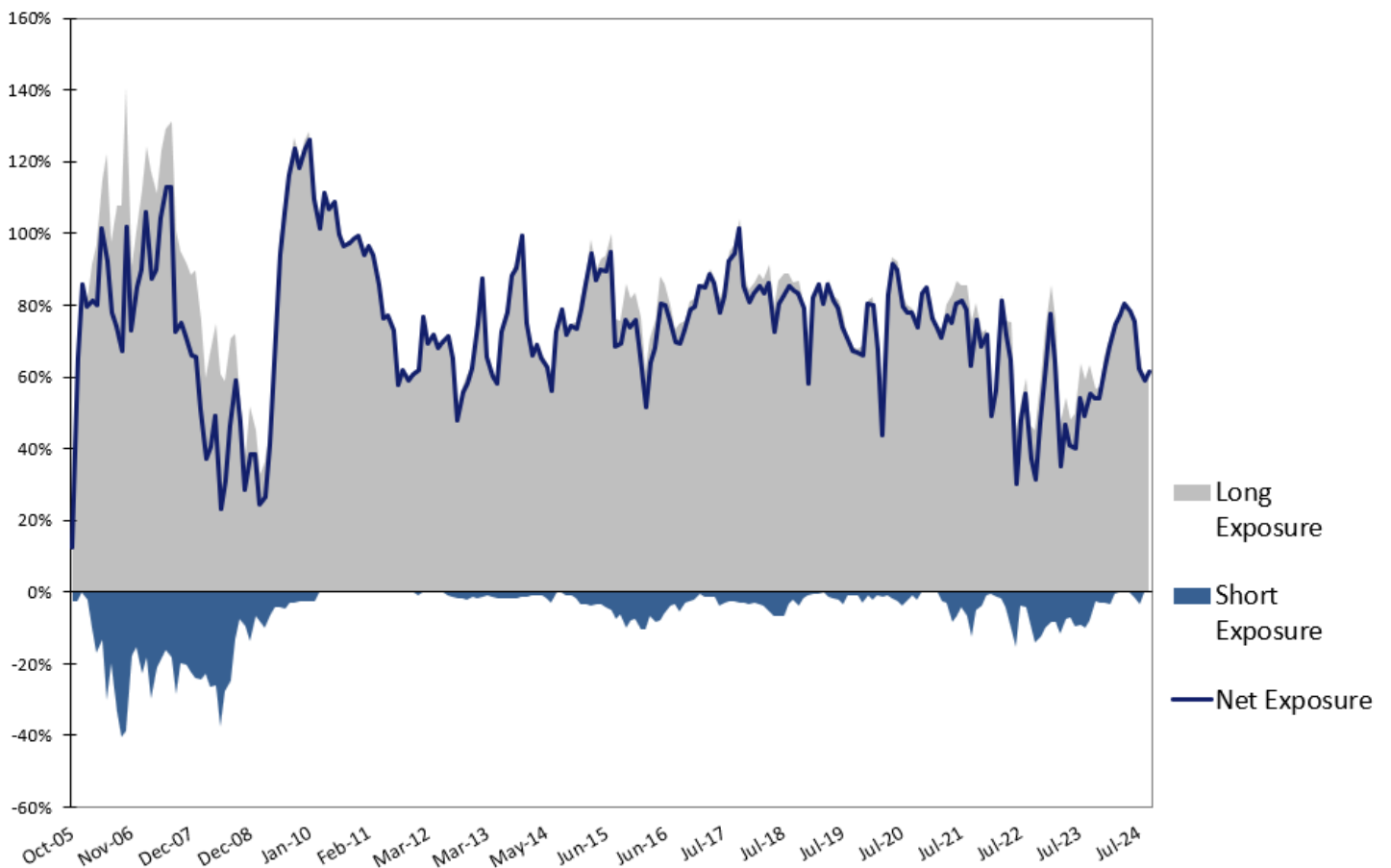
Market Capitalisation	Long	Short	Net
> AUD 1 Billion	49.1%		49.1%
AUD 500 Mill - AUD 1 Billion	4.0%		4.0%
AUD 250 Mill - AUD 500 Mill	4.8%		4.8%
AUD 100 Mill - AUD 250 Mill	1.7%		1.7%
0 - AUD 100 Mill	1.8%		1.8%
	61.4%	0.0%	61.4%

Net Cash Holdings and Tax Asset	38.6%
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Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	29.6%		29.6%
Energy	11.1%		11.1%
Communications	7.2%		7.2%
Insurance	6.0%		6.0%
Financial	2.6%		2.6%
Utilities	1.9%		1.9%
Industrial	1.4%		1.4%
Technology	0.9%		0.9%
Consumer, Non-cyclical	0.8%		0.8%
	61.4%	0.0%	61.4%
Net Cash Holdings and Tax Asset			38.6%

Historic Portfolio Exposure



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
2023	4.0c	3.0c	-	7.0c	10c
2024	3.0c	3.0c	-	6.0c	8.4c
TOTAL	59.5c	59.2c	11.5c	130.2c	184.8c

* Off market Equal access buy back

After paying the final dividend the company will have around 12.5 cents per share of profits reserves to pay future dividends.

News

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

We also 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 Cadence investment process.

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