

Cadence Opportunities Fund returned a gross performance of +6.0% 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 Echo IQ, Greatland Gold, Resolute Mining, Chalice Mining, Meta Platforms, Evolution Mining, Regal Partners and Deep Yellow. The largest detractors from performance were Westgold Resources, Capstone Copper and Karoon Energy.

Echo IQ is a medical technology company that uses artificial intelligence to detect heart failure. In September the company announced positive results from its two recently completed clinical studies. The studies showed that without human review Echo IQ's technology identified 86% of patients with heart failure, and that with human review 97% of patients with heart failure were identified. The heart failure detection rate in current practices is only 46%. Echo IQ completed an equity raise to help fund the company to commercialisation, which we participated in. Echo IQ's share price increased 45% during September and has continued to perform well in October. In the past week the company's technology has received FDA approval allowing for the solution to be marketed and used by healthcare professionals in the USA.

Gold prices increased 5.5% through September and positively impacted the portfolio, with Greatland Gold, Resolute Mining, and Evolution Mining all benefitting from its performance. Greatland Gold's price increased 44% after we took an initial position from its equity raise during the month. Resolute Mining's share price continued to rise throughout September due to gold prices increases 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.

Fully Franked Year-end Dividend

In August the Company announced a 7.0 cents per share fully franked year-end dividend, an increase of 0.5 cents on the interim dividend, bringing the full year dividend to 13.5 cents per share fully franked. This full year dividend equated to a 7.8% fully franked yield or a 11.2% gross yield (grossed up for franking credits) based on the share price of \$1.722 per share on the day of the announcement. Importantly this equated to a 7.1% dividend yield based on the pre-tax NTA of \$1.91 on the day of the announcement, due to the Company shares trading at a discount to NTA. After paying this dividend the fund still has 15.5 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 CDO 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 1300 737 760.

Year-End Webcast

Please [click here](#) to watch the CDO Year-End Webcast. In this year-end webcast, Karl Siegling first provides an update on the Company's full year results, the 7.0c 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, CDO is trading at a pre-tax NTA discount of around 12%. 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.

Fund NTA

Net Tangible Assets as at 30th Sept 2024	Amount (\$)
Pre Tax NTA*	\$2.030
Post Tax NTA*	\$2.109
Share Price (ASX Code: CDO)*	\$1.760

*Before the 7.0c fully franked final dividend (Ex date on 15 Oct 2024)

Fund Performance

Gross Performance* to 30th Sept 2024	CDO
1 Month	6.0%
3 Years (per annum)	-4.0%
5 Years (per annum)	21.5%
Since Inception (per annum)	23.6%
Since Inception (5.8 years) (total return)	238.9%

*Gross Performance: before Management and Performance Fees

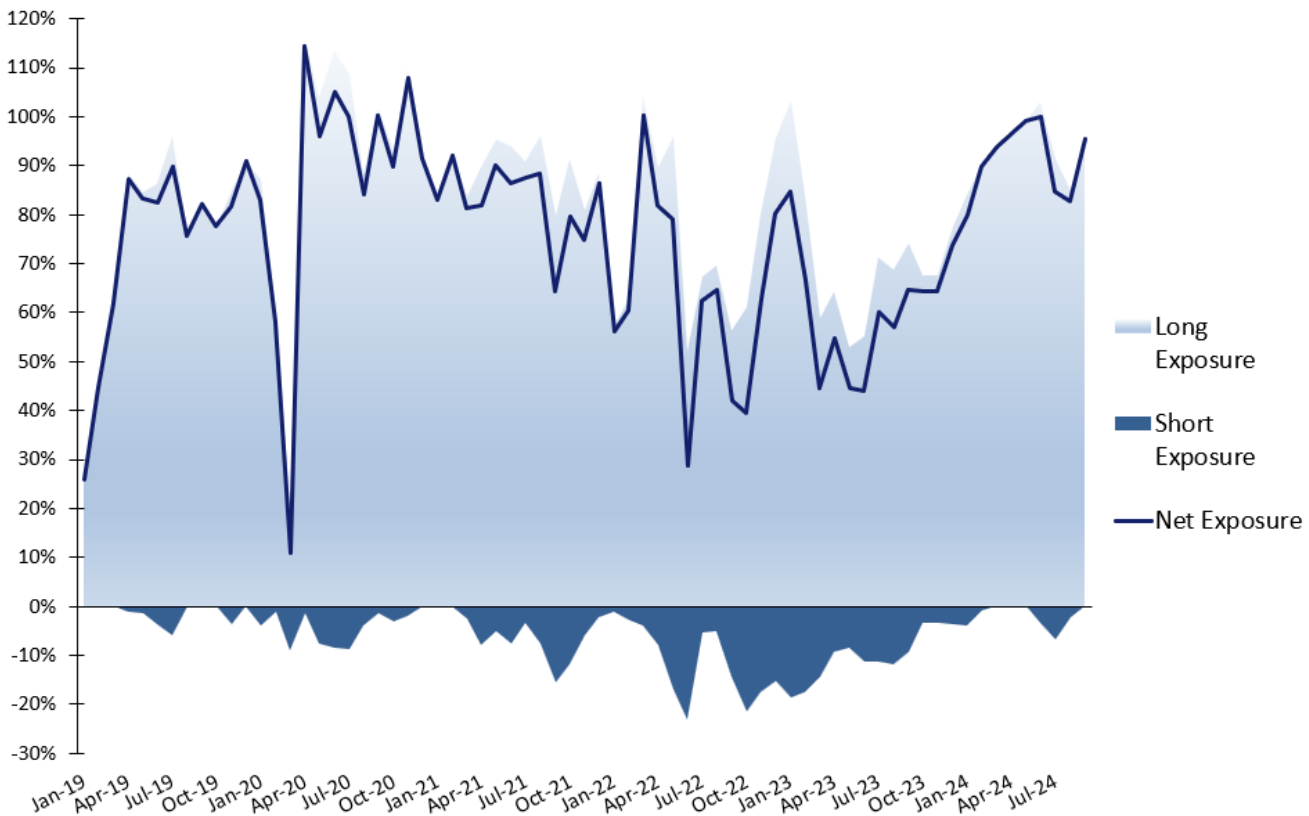
For more information contact Cadence Opportunities Fund on 02 8298 2450 or email info@cadencecapital.com.au
 Register to receive our FREE newsletter at www.cadencecapital.com.au/register-for-free-newsletter

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	7.0c	-	13.5c	19.3c
TOTAL	21.5c	39.0c	3.0c	63.5c	90.7c

After paying the final dividend the company will have around 15.5 cents per share of profits reserves to pay future dividends.

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	41.1%		41.1%
Energy	13.2%		13.2%
Communications	8.6%		8.6%
Insurance	7.5%		7.5%
Technology	7.4%		7.4%
Financial	7.3%		7.3%
Consumer, Cyclical	4.0%		4.0%
Industrial	3.4%		3.4%
Utilities	2.2%		2.2%
Consumer, Non-cyclical	0.9%		0.9%
	95.5%	0.0%	95.5%
Net Cash Holdings and Tax Asset			4.5%

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	63.6%		63.6%
AUD 500 Mill - AUD 1 Billion	5.1%		5.1%
AUD 250 Mill - AUD 500 Mill	15.6%		15.6%
AUD 100 Mill - AUD 250 Mill	7.9%		7.9%
0 - AUD 100 Mill	3.2%		3.2%
	95.5%	0.0%	95.5%
Net Cash Holdings and Tax Asset			4.5%

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.

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