

Cadence Capital Limited returned a gross performance of 2.2% in January, compared to the All Ordinaries Accumulation Index which was up 4.4% for the month. The top contributors to performance during January were Evolution Mining, Meta Platforms, Netflix, QBE Insurance, West African Resources, Suncorp Group and Turaco Gold. The largest detractors from performance were Westgold Resources, IperionX and Robex Resources.

During January Evolution Mining released its second quarter report. It generated record cash flows during the quarter which was primarily driven by higher gold prices and a weaker Australian dollar. In the second quarter Evolution received AUD 4,069 per ounce of gold sold. The gold price is currently over AUD 4,600 per ounce so we expect the third quarter will also produce record cash flows. Evolution also announced excellent exploration results at Ernest Herry, Northparkes and Cowal giving it multiple growth options in the medium to long term.

In late January Meta Platforms released its fourth quarter results which were well received by the market. Net income was a record USD 20.8b, up 49% compared to the same quarter a year earlier. Mark Zuckerberg said that version 4 of Meta's Llama LLM (Large Language Model) is in training, and we expect it will be released early this year. Meta's goal is for Llama 4 to be better than ChatGPT and other LLMs. Llama 4 will be the LLM that drives Meta's AI assistant, which is likely to become the most used AI assistant based on its integration into Facebook, Instagram and WhatsApp.

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 13%. 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 31st January 2025	Amount (\$)
Pre Tax NTA	\$0.793
Post Tax NTA	\$0.978
Share Price (ASX Code: CDM)	\$0.680

Fund Gross Performance

Gross Performance* to 31st Jan 2025	CDM	All Ords Accum	Outperformance
1 Month	2.2%	4.4%	-2.2%
5 Years (per annum)	6.3%	8.3%	-2.0%
10 Years (per annum)	3.7%	8.9%	-5.2%
Since Inception (19.3 years) (per annum)	10.5%	7.7%	+2.8%
Since Inception (19.3 years) (total return)	583.6%	320.8%	+212.8%

* Gross Performance: before Management and Performance Fees

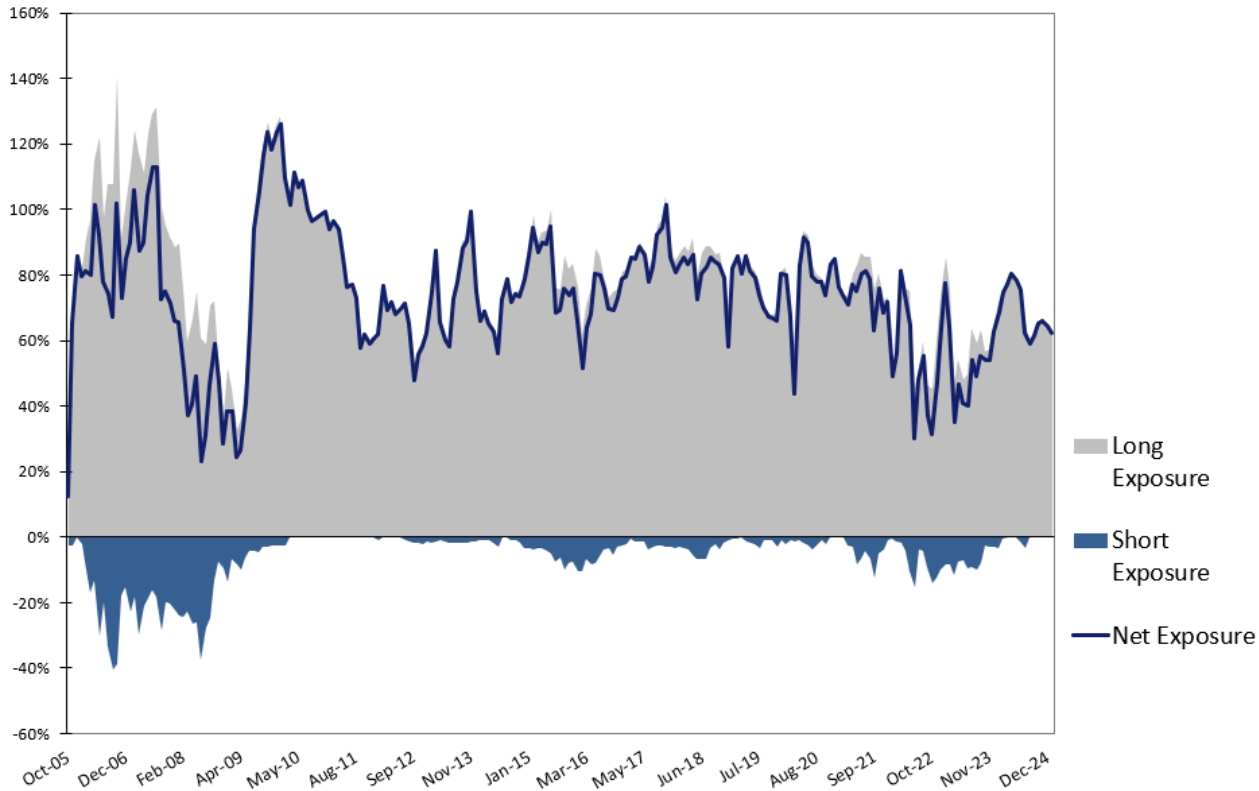
Franked Dividends Declared Since Listing

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	8.6c
TOTAL	59.5c	59.2c	11.5c	130.2c	185.0c

* Off market Equal access buy back

The company has around 12.5 cents per share of profits reserves to pay future dividends.

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	25.1%		25.1%
Communications	10.5%		10.5%
Insurance	8.1%		8.1%
Energy	7.8%		7.8%
Financial	3.4%		3.4%
Consumer, Non-cyclical	3.4%		3.4%
Utilities	2.0%		2.0%
Industrial	1.1%		1.1%
Technology	0.9%		0.9%
	62.4%	0.0%	62.4%
Net Cash Holdings and Tax Asset			37.6%

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	47.5%		47.5%
AUD 500 Mill - AUD 1 Billion	4.2%		4.2%
AUD 250 Mill - AUD 500 Mill	7.2%		7.2%
AUD 100 Mill - AUD 250 Mill	2.3%		2.3%
0 - AUD 100 Mill	1.1%		1.1%
	62.4%	0.0%	62.4%
Net Cash Holdings and Tax Asset			37.6%

News

To watch CDM's recent AGM Investor Briefing [please click here](#). In this AGM Investor Briefing, Karl Siegling starts by giving an update on CDM's past and current year performance, discusses the portfolio's current composition and highlights some important market trends. Karl Siegling and Chris Garrard then discuss in detail some of the portfolio's positions, namely Evolution Mining, Westgold Resources, Meta Platforms, Netflix and Block. Karl then discusses some further investment themes and holdings before closing with the outlook for 2025.

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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