

Cadence Capital Limited outperformed the All Ordinaries Accumulation Index by 5.1% in March. The fund was up 1.6%, compared to the All Ordinaries Accumulation Index which was down 3.5% for the month. The top contributors to performance during March were Evolution Mining, West African Resources, Robex Resources, Westgold Resources, Calibre Mining and Catalyst Metals. The largest detractors from performance were Meta Platforms, Regal Partners, Yancoal Australia and ZIP Co.

The gold price continued to trend upwards in March and ended the month up 10%. We have discussed previously our view that gold company share prices have not performed as well as they should have given the recent gold price rises. We saw some share price 'catch up' occur in February and this has continued in March with Evolution Mining up 17%, West African Resources up 33% and Robex Resources up 18% for the month.

During March West African Resources (WAF) released their 2024 results. Revenue was \$730m based on an average gold price of USD 2,391 per ounce. Profit after tax was 246m. At the time of writing the gold price is USD 3,111 per ounce which is 30% above the price WAF received in 2024. Since gold companies are leveraged to the gold price this should lead to a profit increase of well above 30% for WAF in 2025. This is without including any profit from the new Kiaka mine which is set to begin production in Q3 2025 and will lead to a doubling of WAF gold production by 2026. At current gold prices we believe WAF is on a PE ratio of 4 for 2026, which is well below market averages, and especially low for a gold producer.

Robex Resources also announced their 2024 results in March. Operating income was CAD 44m on revenue of CAD 158m. Like WAF, Robex is leveraged to the increasing gold price which will benefit both its existing Nampala mine as well as its Kiniero project. Kiniero is on track for first gold production in December 2025 and will produce around 140koz of gold per year, a tripling of gold production when compared to the 47koz produced at Nampala in 2024. Australian investors may soon be able to invest more easily in Robex with a listing on the ASX expected to occur in the near future.

Half-Year Dividend

In February the Company announced its interim dividend of 3.0 cents per share, partially franked at 50%. This interim dividend equates to a 9.4% annualised yield or an 11.4% gross yield (grossed up for franking credits) based on the share price at the time of writing this newsletter of \$0.635 per share.

After paying this dividend the Company still has around 9.5 cents per share of profits reserves to pay future dividends.

The Ex-Date for the dividend is 10 April 2025. The payment date for the dividend is 30 April 2025.

DRP Operating for Interim Dividend

The dividend re-investment plan (DRP) will be in operation for this interim 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. At March month end CDM was trading at a pre-tax NTA discount of 18%.

If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

Half-Year Webcast

To watch CDM's Half-Year Webcast please [click here](#). In this half year webcast, Karl Siegling first discusses the Company's half year results, its 3.0c interim dividend and the current composition of the portfolio. He then gives some feedback from the recent reporting season where he discusses price earnings expansion in some detail before looking into the company's investments in the gold sector. He also gives an update on some of the country's other main resources and discusses some of the company's recent trading investments. Karl finishes off by giving an update on the third quarter and the outlook for the rest of the year.

Fund NTA

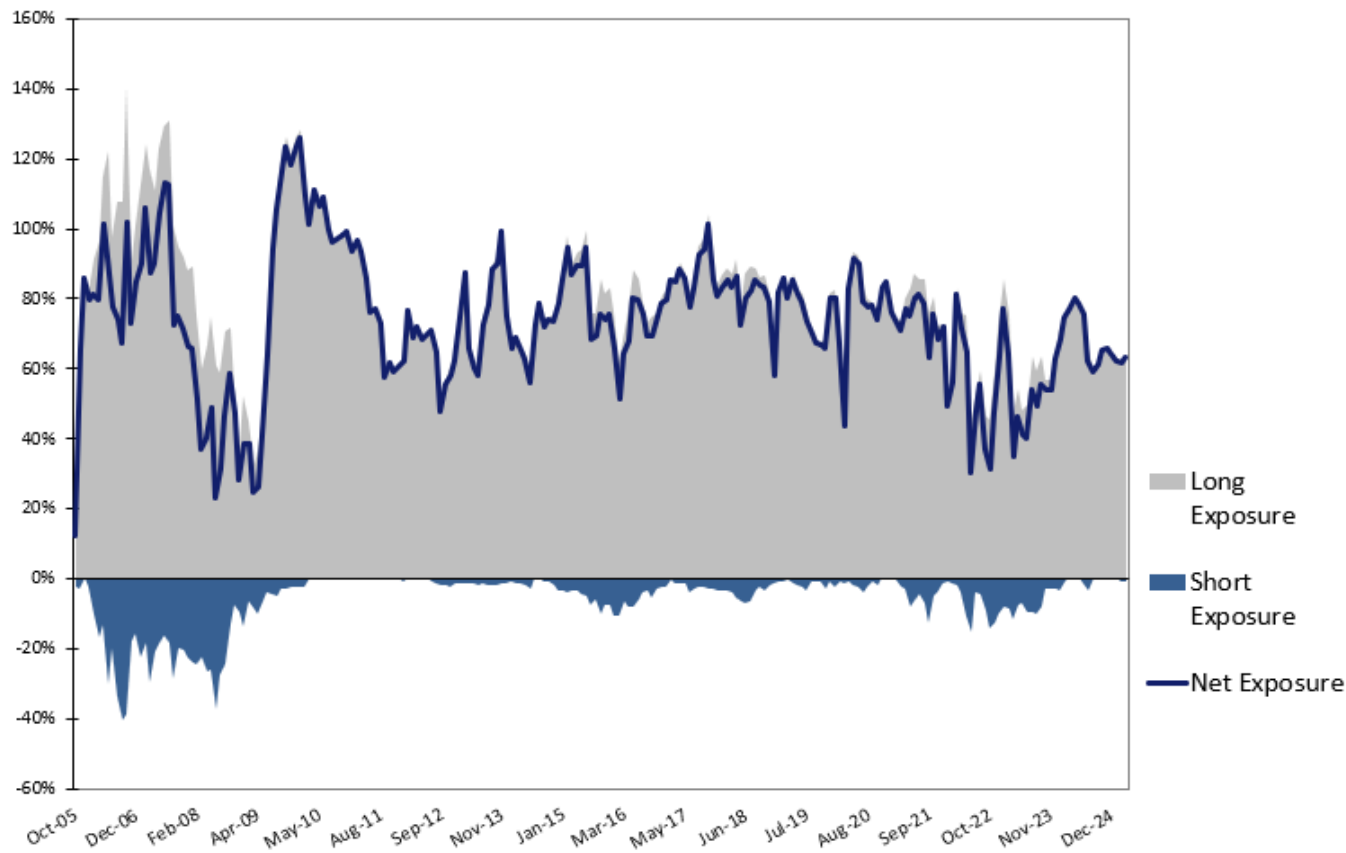
Net Tangible Assets as at 31st March 2025	Amount (\$)
Pre Tax NTA	\$0.791
Post Tax NTA	\$0.981
Share Price (ASX Code: CDM)	\$0.650

Fund Gross Performance

Gross Performance* to 31st Mar 2025	CDM	All Ords Accum	Outperformance
1 Month	1.6%	-3.5%	+5.1%
5 Years (per annum)	11.6%	13.6%	-2.0%
10 Years (per annum)	2.8%	7.4%	-4.6%
Since Inception (19.5 years) (per annum)	10.4%	7.2%	+3.2%
Since Inception (19.5 years) (total return)	582.6%	289.8%	+292.8%

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	36.3%		36.3%
Insurance	7.7%		7.7%
Energy	6.9%		6.9%
Communications	5.8%		5.8%
Financial	2.1%		2.1%
Utilities	2.0%		2.0%
Technology	1.5%		1.5%
Industrial	1.1%		1.1%
Consumer, Non-cyclical	0.6%		0.6%
Consumer, Cyclical		-0.7%	-0.7%
	64.0%	-0.7%	63.3%

Net Cash Holdings and Tax Asset **36.7%**

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	43.6%	-0.7%	42.9%
AUD 500 Mill - AUD 1 Billion	10.0%		10.0%
AUD 250 Mill - AUD 500 Mill	7.3%		7.3%
AUD 100 Mill - AUD 250 Mill	1.0%		1.0%
0 - AUD 100 Mill	2.0%		2.0%
	64.0%	-0.7%	63.3%

Net Cash Holdings and Tax Asset	36.7%
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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
2025	3.0c	-	-	3.0c	3.6c
TOTAL	62.5c	59.2c	11.5c	133.2c	188.6c

* Off market Equal access buy back

After paying the upcoming interim dividend the company will have around 9.5 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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