

INVESTMENT UPDATE

April 2025

Cadence Capital Limited returned a gross performance of 1.4% in April, compared to the All Ordinaries Accumulation Index which was up 3.6% for the month. The fund has had a good start to the second half of the financial year returning a gross performance of 3.5% outperforming the index by 3.3%. This 4 month period (January to April) was a highly volatile period with the All Ordinaries Accumulation Index moving in a 15% range, which unsettled investors. After adjusting for dividends, CDM's Pre-tax NTA increased 4% during this period whilst its share price fell 8%.

As we write this newsletter CDM is trading at a pre-tax NTA discount of 23% whilst holding a high cash balance. Excluding cash the share portfolio of CDM can be bought at a 29% discount to its underlying value. CDM is currently trading at its third highest discount in 19 years, only trading at larger discounts during the GFC (41% discount) and COVID-19 (43% discount) market moves. The current portfolio can be purchased for 77 cents in the dollar. At these discounts the Company will be buying back its own stock in the CDM on-market buy-back program.

Recent market moves have created investment opportunities with several new positions in the portfolio. The portfolio will be discussed in detail in the upcoming Quarterly webcast which will be released next week.

The top contributors to performance during April were Evolution Mining, Netflix, Boss Energy, Turaco Gold and New Gold Inc. The largest detractors from performance were Yancoal Australia, Meta Platforms and Amplitude Energy.

Evolution Mining rose 15% during April. This was due to an increase in gold price which was up 3% during the month, as well as good operational performance. In the March quarter Evolution achieved record operating mine cash flows of \$600m and provided guidance of \$705m for the June quarter assuming the gold price stays around current levels. Evolution also announced that the board has approved the extension of open pit mining at Cowal which extends the operation by 10 years to 2042.

Netflix released their first quarter results during April. Revenue of USD10.5b and operating income of USD3.3b were ahead of guidance. Netflix also provided better than expected second quarter guidance for revenue of USD11.0b and operating income of USD3.7b. We continue to believe that Netflix has excellent economies of scale. As the market leader in subscription video streaming Netflix can provide a large range of quality movies and TV shows at an appealing price, which should drive continued subscriber and profit growth for many years to come.

Half-Year Dividend

On 30 April the Company paid its interim dividend of 3.0 cents per share. This interim dividend equated to a 9.9% annualised yield or a 12.0% gross yield (grossed up for franking credits) based on the share price on the date that this dividend was paid of \$0.605 per share. After paying this dividend the Company still has around 9.5 cents per share of profits reserves to pay future dividends.

Fund NTA

Net Tangible Assets as at 30th April 2025	Amount (\$)
Pre Tax NTA*	\$0.773
Post Tax NTA*	\$0.958
Share Price (ASX Code: CDM)*	\$0.605

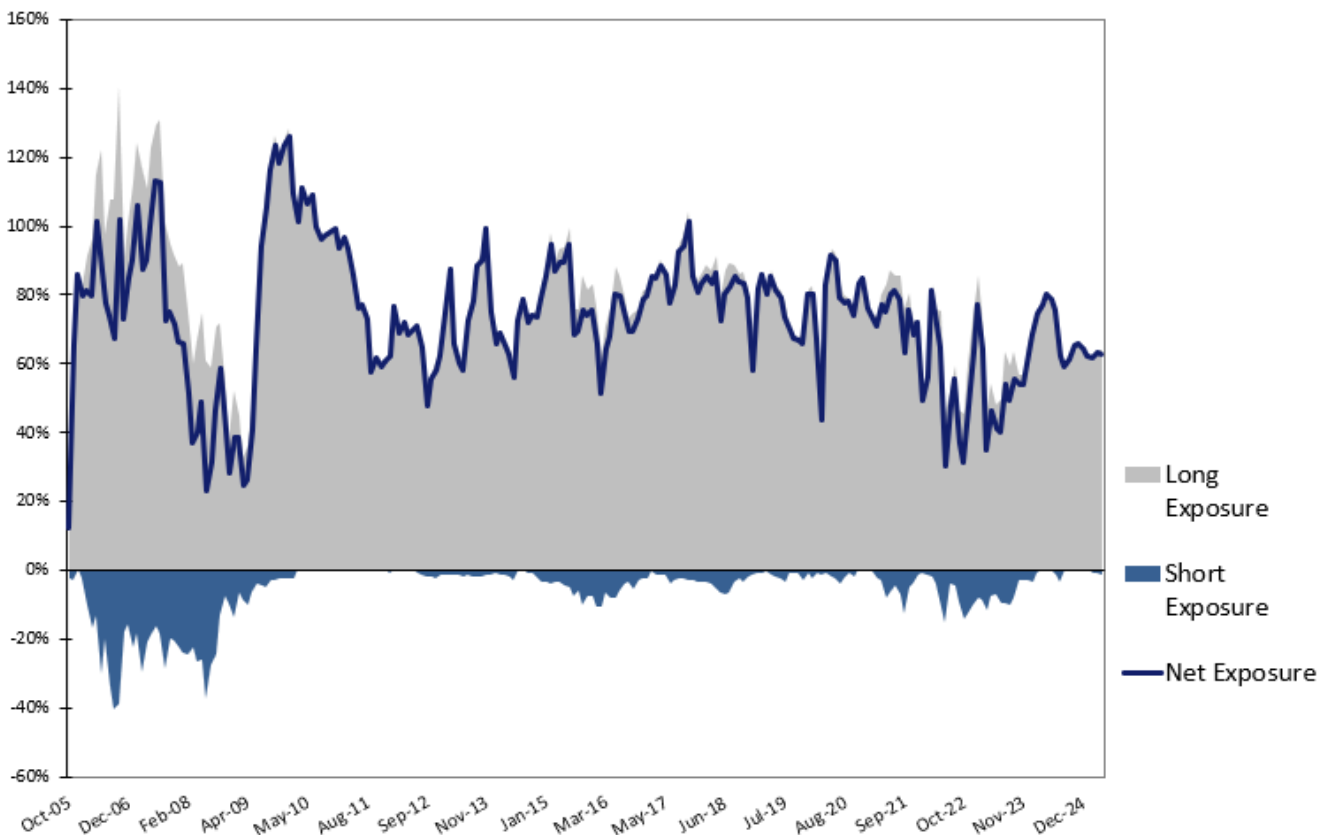
*After the 3.0c interim dividend paid on 30 April 2025

Fund Gross Performance

Gross Performance* to 30th Apr 2025	CDM	All Ords Accum	Outperformance
1 Month	1.4%	3.6%	-2.2%
5 Years (per annum)	9.9%	12.4%	-2.5%
10 Years (per annum)	3.1%	7.9%	-4.8%
Since Inception (19.6 years) (per annum)	10.4%	7.4%	+3.0%
Since Inception (19.6 years) (total return)	592.2%	303.8%	+288.4%

*Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	40.9%		40.9%
Insurance	7.8%		7.8%
Communications	4.9%		4.9%
Energy	2.9%		2.9%
Utilities	2.1%		2.1%
Financial	1.7%		1.7%
Technology	1.5%		1.5%
Consumer, Non-cyclical	1.1%		1.1%
Industrial	0.3%		0.3%
Consumer, Cyclical	0.9%	-1.5%	-0.6%
	64.1%	-1.5%	62.6%
Net Cash Holdings and Tax Asset			37.4%

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	47.5%	-1.5%	46.0%
AUD 500 Mill - AUD 1 Billion	6.5%		6.5%
AUD 250 Mill - AUD 500 Mill	7.3%		7.3%
AUD 100 Mill - AUD 250 Mill	1.7%		1.7%
0 - AUD 100 Mill	1.1%		1.1%
	64.1%	-1.5%	62.6%
Net Cash Holdings and Tax			37.4%

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 recent interim dividend the company has around 9.5 cents per share of profits reserves to pay future dividends.

News

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.

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

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