

## INVESTMENT UPDATE

September 2019

Cadence Capital Limited returned a negative gross performance of 1.3% during the month of September 2019 compared to an increase in the All Ordinaries Accumulation Index of 2.1%. For the month, the largest detractors from performance were ARQ Group, Ausnutria Dairy Corporation and Strike Energy. The largest contributors to the Company's performance were Eclix Group and Resimac Group.

During the month the Company held its year-end June 2019 investor presentations in major cities across Australia. If you were unable to attend, please click [here](#) to view the Investor Presentation.

In August the Company declared a 2.0 cents fully franked final dividend. This brought the 2019 fully franked full year dividend up to 5.0 cents per share equating to a 6.7% annual fully franked yield, or a 9.5% gross yield based on the CDM share price on the announcement date. The Ex-Date for the dividend is the 18th October 2019 and the payment date for the dividend is the 30th October 2019. The dividend reinvestment plan (DRP) was not in operation for this final dividend as the Company's shares were trading at a large discount to the underlying NTA per share of the Company.

At 30<sup>th</sup> September 2019, the Company was 67.4% invested.

## Fund NTA

Net Tangible Assets as at 30 September 2019	Amount (\$)
Pre Tax NTA*	\$0.895
Post Tax NTA*	\$1.048
Share price (ASX Code: CDM)*	\$0.810

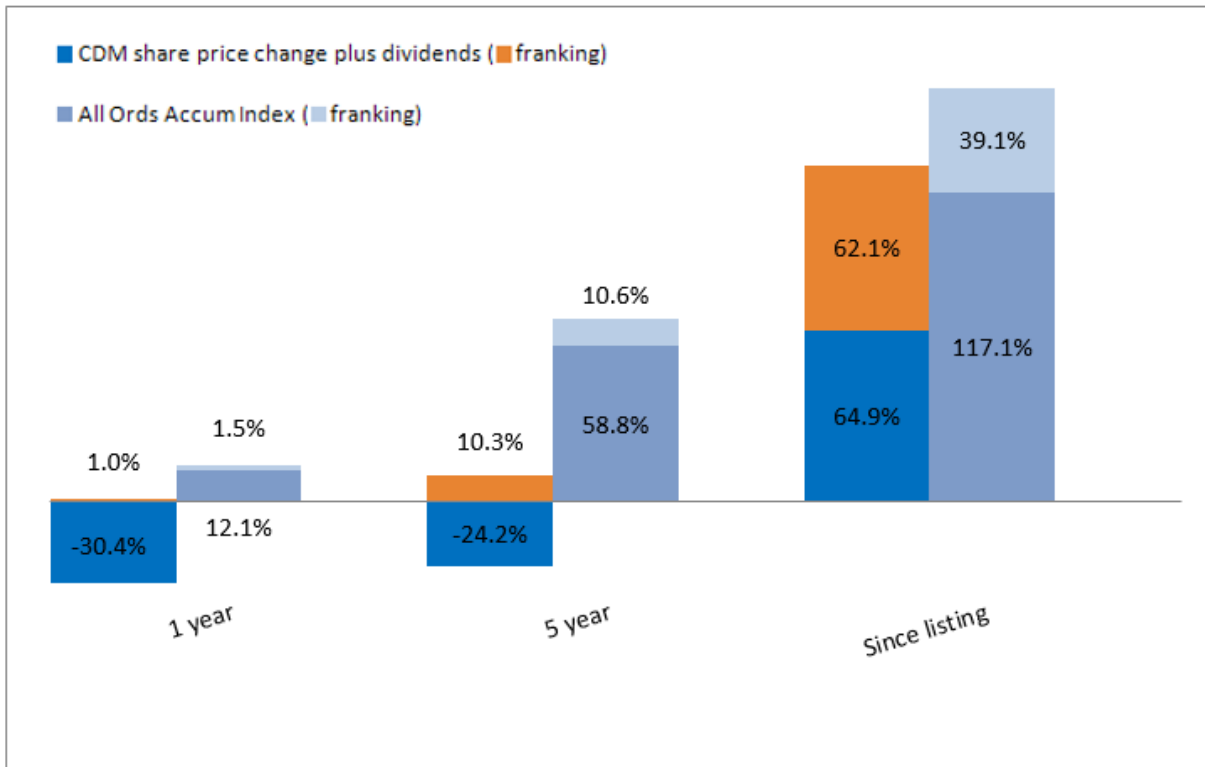
\*Before the 2.0 c fully franked Final dividend being paid on 30th October 2019

## Fund Gross Performance

Gross Performance* to 30th September 2019	CDM	All Ords Accum	Outperformance
1 Month	-1.3%	2.1%	-3.4%
YTD	0.3%	2.8%	-2.5%
1 Year	-18.1%	12.1%	-30.2%
3 Years (per annum)	1.1%	11.7%	-10.6%
5 Years (per annum)	1.7%	9.7%	-8.0%
8 Years (per annum)	6.4%	11.3%	-4.9%
10 Years (per annum)	10.4%	8.2%	+2.2%
Since Inception (14.0 years) (per annum)	12.2%	7.3%	+4.9%
Since Inception (14.0 years) (total return)	399.2%	168.4%	+230.8%

\* Gross Performance: before Management and Performance Fees

## CDM Share Price Return Plus Dividends & Franking

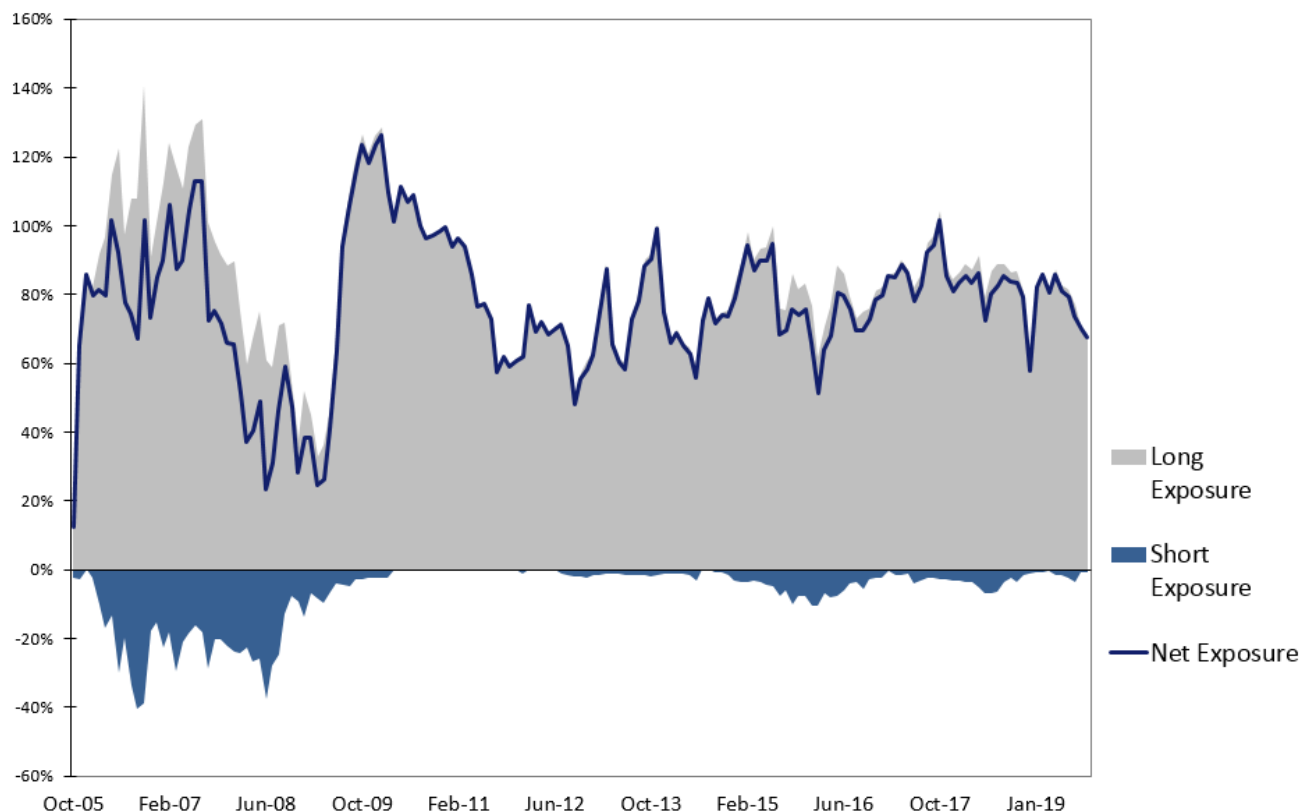


## Franked Dividends Declared Since Listing

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
<b>TOTAL</b>	<b>44.5c</b>	<b>44.2c</b>	<b>11.5c</b>	<b>100.2c</b>	<b>142.2c</b>

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	17.6%		17.6%
Energy	13.6%		13.6%
Technology	6.9%		6.9%
Basic Materials	7.6%	0.7%	6.9%
Consumer, Non-cyclical	5.7%		5.7%
Diversified Financials	4.9%		4.9%
Communications	3.9%		3.9%
Industrial	3.2%		3.2%
Consumer, Cyclical	2.8%		2.8%
Materials	2.0%		2.0%
<b>Exposure</b>	<b>68.1%</b>	<b>0.7%</b>	<b>67.4%</b>
<b>Cash Holdings and Tax Asset</b>			<b>32.6%</b>

## Top Portfolio Positions

Code	Position	Direction	Currency	Holding
ECX	Eclix Group Ltd	Long	AUD	6.5%
MQG	Macquarie Group Ltd	Long	AUD	4.9%
MNY	Money3 Corp Ltd	Long	AUD	4.6%
RMC	Resimac Group Ltd	Long	AUD	4.1%
CIA	Champion Iron Ltd	Long	AUD	3.8%
STX	Strike Energy Ltd	Long	AUD	3.3%
SHJ	Shine Corporate Ltd	Long	AUD	3.1%
**	Deepgreen Metals	Long	AUD	3.1%
ARQ	ARQ Group Ltd	Long	AUD	2.4%
QCOM US	Qualcomm Inc	Long	AUD	2.3%
BIN	Bingo Industries Ltd	Long	AUD	2.1%
BABA US	Alibaba Group Holding-SP	Long	AUD	2.1%
RIO	Rio Tinto Ltd	Long	AUD	1.9%
IMD	Imdex Ltd	Long	AUD	1.8%
SMR	Stanmore Coal Ltd	Long	AUD	1.8%
BHP	BHP Group Ltd	Long	AUD	1.6%
STO	Santos Ltd	Long	AUD	1.5%
GNW US	Genworth Financial	Long	AUD	1.5%
TWE	Treasury Wine Estates Ltd	Long	AUD	1.4%
NBL	Noni B Ltd	Long	AUD	1.4%
<b>Top Portfolio Holdings Net Exposure</b>				<b>55.1%</b>

\*\* A Pre-IPO investment in the Materials sector

## News

Last month the Company released its June 2019 Year End Webcast in two parts. In [Part I of the webcast](#), Karl Siegling discussed the fund's performance over FY19, the largest detractors and contributors for the year, and the Company's shares as an investment opportunity given the material discount to NTA. In [Part II of the webcast](#), Karl Siegling discussed the portfolio, investments in Eclix (ECX), Bingo Industries (BIN), Alibaba (BABA US) and Resimac (RMC), and the outlook for the year ahead.

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