

INVESTMENT UPDATE

October 2019

Cadence Capital Limited returned a negative gross performance of 1.0% during the month of October 2019 compared to a decrease in the All Ordinaries Accumulation Index of 0.4%. For the month, the largest detractors from performance were Champion Iron, Eclix Group, Money3 Corp and Stanmore Coal. The largest contributors to the Company's performance were ARQ Group and Imdex Ltd.

During the month, the Company paid 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.

Our AGM and Investor Briefing will be held at the Museum of Sydney, Warrane Theatre, Corner of Bridge and Phillip Streets, Sydney, NSW 2000 at 2:00pm (AEDT) on Monday 18th November 2019. If you would like to dial into the AGM remotely, please [click here to register](#).

In the upcoming weeks the Company will be releasing its latest quarterly webcast. This webcast will give an update on the Company's performance, will discuss CDM's discount to NTA, will discuss the Company's portfolio construction and some of its top stock holdings and will give an update on the outlook for 2020.

At 31st October 2019, the Company was 67.0 % invested.

Fund NTA

Net Tangible Assets as at 31 October 2019	Amount (\$)
Pre Tax NTA*	\$0.864
Post Tax NTA*	\$1.022
Share price (ASX Code: CDM)*	\$0.740

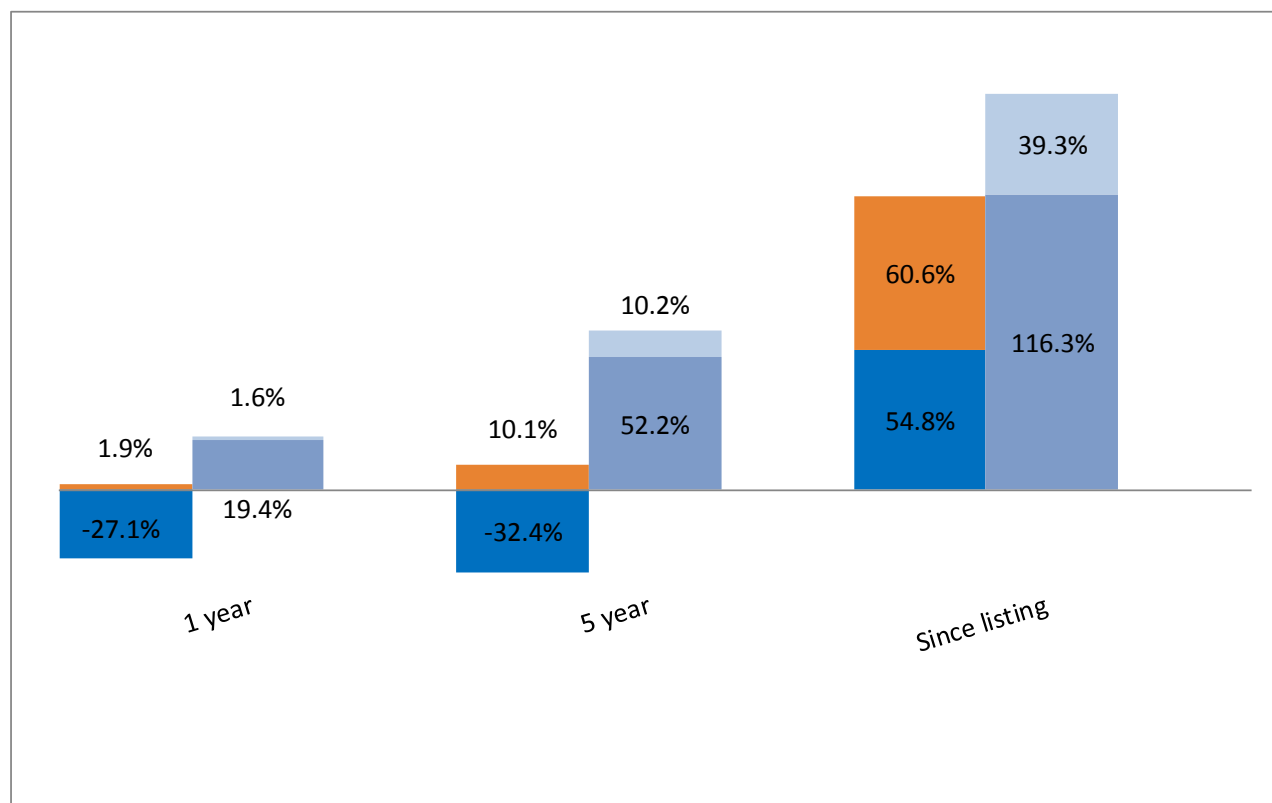
*After the 2.0 c fully franked Final dividend paid on 30th October 2019

Fund Gross Performance

Gross Performance* to 31st October 2019	CDM	All Ords Accum	Outperformance
1 Month	-1.0%	-0.4%	-0.6%
YTD	-0.7%	2.4%	-3.1%
1 Year	-10.5%	19.4%	-29.9%
3 Years (per annum)	0.9%	12.4%	-11.5%
5 Years (per annum)	1.2%	8.8%	-7.6%
8 Years (per annum)	5.7%	10.3%	-4.6%
10 Years (per annum)	10.3%	8.3%	+2.0%
Since Inception (14.1 years) (per annum)	12.0%	7.2%	+4.8%
Since Inception (14.1 years) (total return)	394.2%	167.4%	+226.8%

* Gross Performance: before Management and Performance Fees

CDM Share Price Return Plus Dividends & Franking

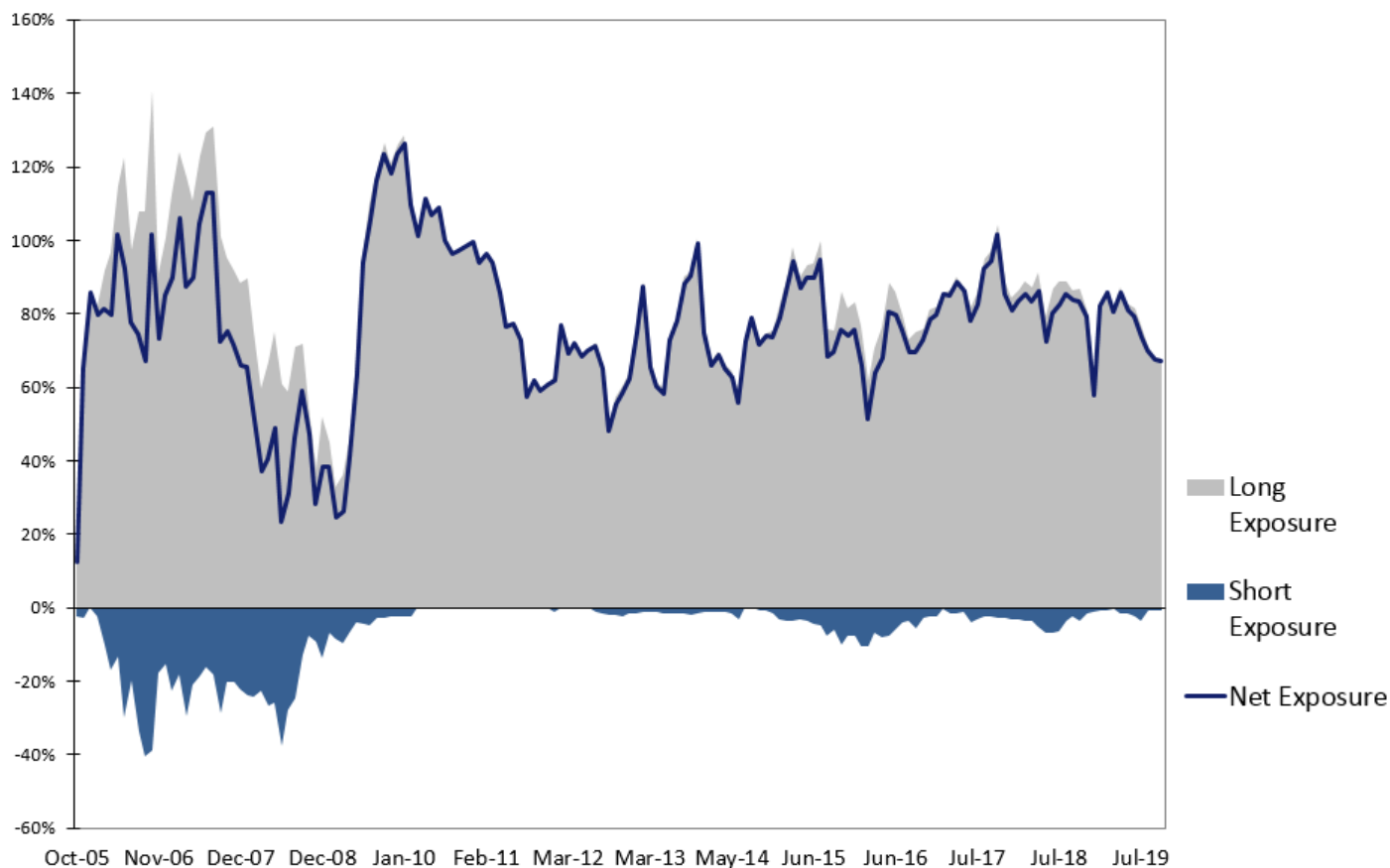


Franked Dividends Declared Since Listing

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
TOTAL	44.5c	44.2c	11.5c	100.2c	142.2c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	16.7%		16.7%
Energy	14.8%		14.8%
Consumer, Non-cyclical	7.4%	0.1%	7.3%
Communications	6.6%		6.6%
Technology	5.9%		5.9%
Diversified Financials	4.5%		4.5%
Basic Materials	4.5%	0.7%	3.8%
Consumer, Cyclical	3.1%		3.1%
Industrial	2.8%		2.8%
Materials	1.5%		1.5%
Exposure	67.8%	0.8%	67.0%

Cash Holdings and Tax Asset	33.0%
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Top Portfolio Positions

Code	Position	Direction	Currency	Holding
ECX	Eclipx Group Ltd	Long	AUD	5.2%
MQG	Macquarie Group Ltd	Long	AUD	4.5%
RMC	Resimac Group Ltd	Long	AUD	4.4%
MNY	Money3 Corp Ltd	Long	AUD	4.4%
STX	Strike Energy Ltd	Long	AUD	3.3%
SHJ	Shine Corporate Ltd	Long	AUD	3.3%
**	Deepgreen Metals	Long	AUD	3.1%
WEB	Webjet Ltd	Long	AUD	2.9%
ARQ	ARQ Group Ltd	Long	AUD	2.8%
IEL	IDP Education Ltd	Long	AUD	2.8%
IMD	Imdex Ltd	Long	AUD	2.6%
STO	Santos Ltd	Long	AUD	2.5%
QCOM US	Qualcomm Inc	Long	AUD	2.3%
BABA US	Alibaba Group Holding	Long	AUD	2.2%
ALL	Aristocrat Leisure Ltd	Long	AUD	2.0%
BIN	Bingo Industries Ltd	Long	AUD	1.5%
GNW	Genworth Financial	Long	AUD	1.5%
RIO	Rio Tinto Ltd	Long	AUD	1.4%
1717 HK	Ausnutria Dairy Corp Ltd	Long	AUD	1.3%
BHP	BHP Group Ltd	Long	AUD	1.2%
Top Portfolio Holdings Net Exposure				55.1%

** A Pre-IPO investment in the Materials sector

News

During September 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 released its 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 Eclipx (ECX), Bingo Industries (BIN), Alibaba (BABA US) and Resimac (RMC), and the outlook for the year ahead.

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 Cadence investment process. To view all previous Cadence webcasts and press articles, please visit the [Media Section](#) of the website.

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