

## INVESTMENT UPDATE

December 2019

Cadence Capital Limited returned a gross performance of 1.6% during the month of December 2019 outperforming the All Ordinaries Accumulation Index by 3.5%. For the month, the largest contributors to the performance were Resimac Group, Strike Energy and Money3 Corporation. The largest detractors for the month were Eclix Group and Imdex.

At 31<sup>st</sup> December 2019, the Company was 80.4% invested.

## Fund NTA

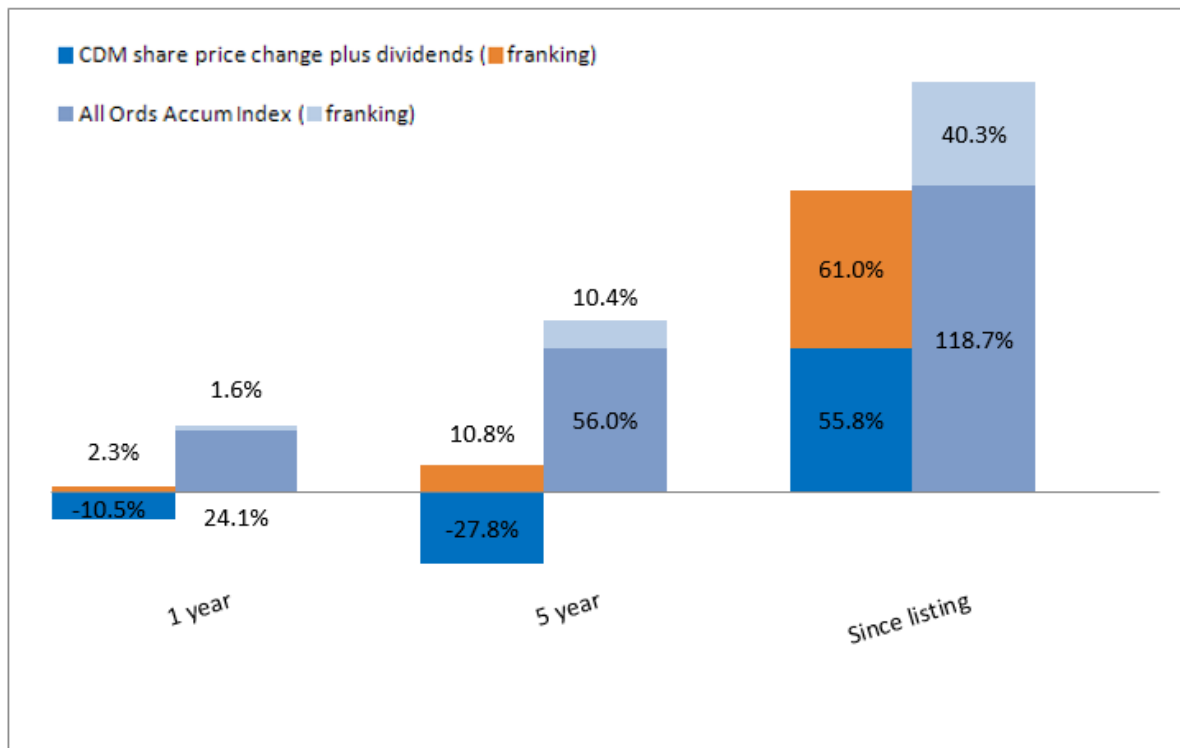
Net Tangible Assets as at 31 December 2019	Amount (\$)
Pre Tax NTA	\$0.893
Post Tax NTA	\$1.044
Share price (ASX Code: CDM)	\$0.745

## Fund Gross Performance

Gross Performance* to 31st December 2019	CDM	All Ords Accum	Outperformance
1 Month	1.6%	-1.9%	+3.5%
YTD	2.3%	3.6%	-1.3%
1 Year	1.5%	24.0%	-22.5%
3 Years (per annum)	0.8%	10.4%	-9.6%
5 Years (per annum)	2.0%	9.3%	-7.3%
8 Years (per annum)	6.2%	11.1%	-4.9%
10 Years (per annum)	10.9%	7.9%	+3.0%
Since Inception (14.3 years) (per annum)	12.1%	7.2%	+4.9%
Since Inception (14.3 years) (total return)	408.9%	170.4%	+238.5%

\* Gross Performance: before Management and Performance Fees

## CDM Share Price Return Plus Dividends & Franking

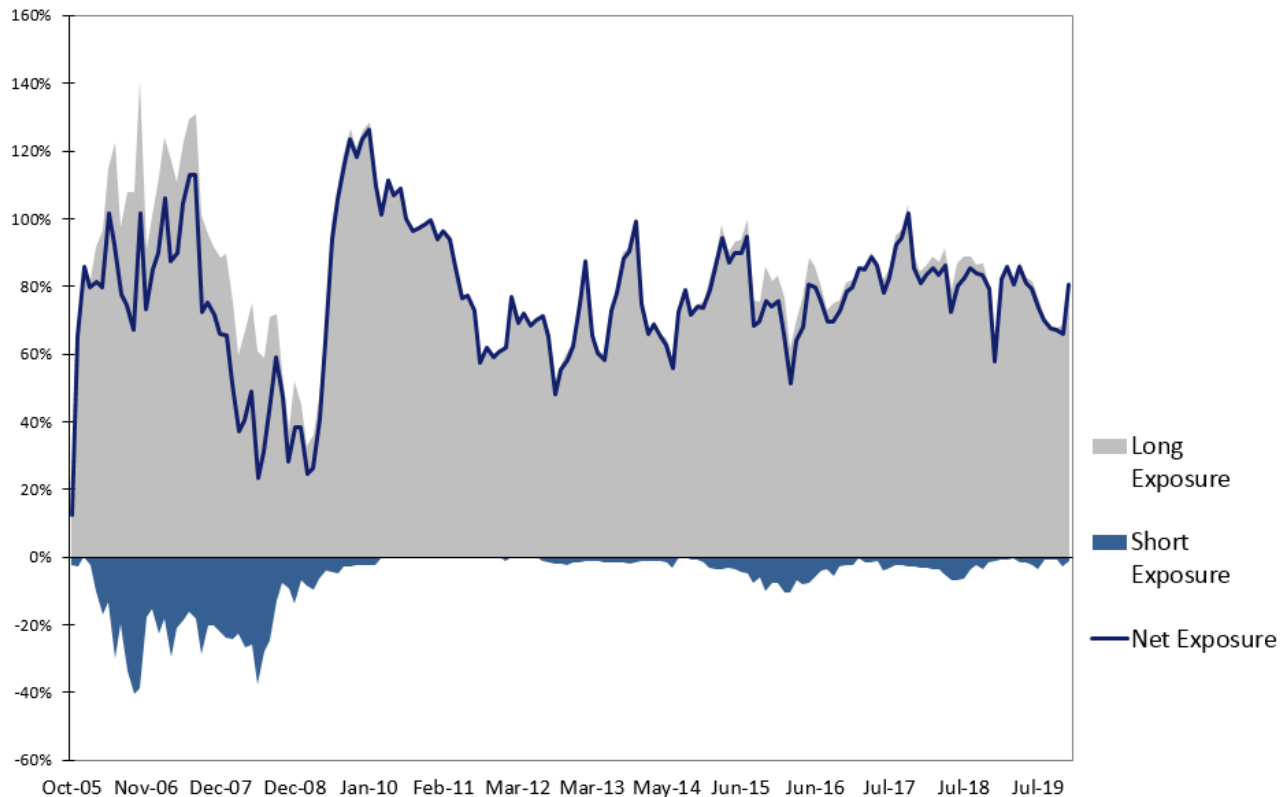


## Franked Dividends Declared Since Listing

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	17.9%		17.9%
Energy	14.1%		14.1%
Communications	12.1%		12.1%
Basic Materials	9.4%	0.5%	8.9%
Technology	7.7%		7.7%
Consumer, Non-cyclical	5.5%		5.5%
Diversified Financials	4.5%		4.5%
Materials	3.8%		3.8%
Industrial	2.8%		2.8%
Consumer Services	1.8%		1.8%
Consumer, Cyclical	1.5%	0.5%	1.0%
Commercial & Professional Services	0.5%		0.5%
<b>Exposure</b>	<b>81.4%</b>	<b>1.0%</b>	<b>80.4%</b>
<b>Cash Holdings and Tax Asset</b>			<b>19.6%</b>

## Top Portfolio Positions

Code	Position	Direction	Currency	Holding
RMC	Resimac Group Ltd	Long	AUD	6.8%
MNY	Money3 Corp Ltd	Long	AUD	4.6%
MQG	Macquarie Group Ltd	Long	AUD	4.5%
RIO	Rio Tinto Ltd	Long	AUD	3.7%
BABA US	Alibaba Group Holding	Long	AUD	3.7%
SHJ	Shine Corporate Ltd	Long	AUD	3.6%
UWL	Uniti Group Ltd	Long	AUD	3.4%
STO	Santos Ltd	Long	AUD	3.1%
ECX	Eclixp Group Ltd	Long	AUD	3.0%
**	Deepgreen Metals	Long	AUD	3.0%
BHP	BHP Group Ltd	Long	AUD	3.0%
WEB	Webjet Ltd	Long	AUD	2.9%
QCOM US	Qualcomm Inc	Long	AUD	2.8%
ARQ	ARQ Group Ltd	Long	AUD	2.5%
IMD	Imdex Ltd	Long	AUD	2.4%
CIA	Champion Iron Ltd	Long	AUD	2.3%
STX	Strike Energy Ltd	Long	AUD	1.9%
NST	Northern Star Resources Ltd	Long	AUD	1.9%
IEL	IDP Education Ltd	Long	AUD	1.8%
RFG	Retail Food Group Ltd	Long	AUD	1.7%
<b>Top Portfolio Holdings Net Exposure</b>				<b>62.6%</b>

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

## News

Cadence Capital Limited held its AGM and Investor Briefing in November 2019. At the [AGM and Investor Briefing](#), Chairman Karl Siegling firstly discusses the company's performance over the past year and the opportunity which presents in the company's shares trading at a discount to NTA. Independent director Jenelle Webster then discusses the corporate governance review that was undertaken during the year and the improvements that were made following the review. Lastly, Karl and portfolio managers Charlie Gray and Jackson Aldridge discuss a number of current portfolio positions as well as the outlook for 2020.

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