

Cadence Capital Limited (ASX: CDM) Full Year Results & Final Dividend

Sydney, 25th August 2020: Cadence Capital Limited (ASX: CDM) completed the financial year down 4.9%, outperforming the All Ordinaries Accumulation Index by 2.3%, and produced a full year loss after tax of \$10.8m.

Karl Siegling noted, “There was significant volatility in the second half of the year with equity markets falling over 30% during late February and March, as many economies were shut down in response to the spread of Covid-19. Cadence Capital Limited scaled out of its positions as the market fell, with the Fund being less than 35% invested in late March. As markets recovered in April and May the Company re-deployed its cash and scaled back into both new and existing positions.”

Karl Siegling continued, “This correction provided an opportunity to initiate positions at compelling valuations in several domestic and international companies. Some of these stocks are now significant positive contributors to Company performance. The Portfolio has started the new financial year well, outperforming the All Ordinaries Accumulation Index.”

Fully Franked Final Dividend

The Board is pleased to announce a 2.0 cents per share fully franked final dividend. This brings the 2020 fully franked full year dividend up to 4.0 cents per share equating to a 5.7% annual fully franked yield, or an 8.1% gross yield (grossed up for franking credits) based on yesterday’s closing CDM share price of \$0.705. The Ex-Date for the dividend is

Full Year Results to 30 June 2020:

- Fund gross performance of -4.9%
- Outperforming All Ords Accum Index by 2.3%
- Loss after tax of \$10.8m
- 2.0c fully franked Final Dividend payable on the 30th October 2020
- Yield of 5.7% fully franked (8.1% gross including franking)
- CDM at a 22% discount to NTA
- Ongoing on-market share buy-back for up to 10% of CDM shares

the 19th October 2020. The payment date for the dividend is the 30th October 2020. The dividend re-investment plan (DRP) will not be in operation for this final dividend as the Company's shares are currently trading at a large discount to the underlying NTA.

Discount to NTA

Cadence Capital Limited shares continue trading at a substantial discount to Pre-Tax and Post-Tax NTA per share. The Company has implemented an on-market share buy-back which will increase the NTA per share for all existing Cadence Capital Limited shareholders. Board and management, who are the largest investors in the Company, also continue ongoing buying of CDM shares.

Karl Siegling said, "This discount to NTA continues to present an opportunity for investors to purchase a Listed Investment Company with a long-term track record and fully franked dividends at a discount to NTA."

Outlook

Karl Siegling noted, "Cadence Capital Limited has had a good start to the new financial year outperforming the All Ordinaries Accumulation Index whilst being less than fully invested. We are pleased that this strong performance has been delivered across both new and existing positions, and both domestically and internationally."

Karl Siegling continued, "Over the past 18 months the liquidity and concentration of the Company's portfolio has improved significantly. This continues to be a focus for the investment team. We believe this has reduced risk and will continue delivering good risk-adjusted returns for our shareholders."

Karl Siegling
Chairman, Cadence Capital Limited

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