

INVESTMENT UPDATE

April 2021

Cadence Capital Limited returned a positive gross performance of 4.3% in April, compared to the All Ordinaries Accumulation Index which was up 3.9% over the month. Financial year to date the fund is up 39.5%, outperforming the index by 14.9%. The largest contributors to performance during April were Chalice Gold Mines, Uniti Group, Resimac Group and Betmakers Technology. The largest detractors from performance were Whitehaven Coal and Pinterest. As at 30th April 2021, the Company was 77.0% invested.

On the 29th April 2021 the Company went Ex its 2.0 cents fully franked interim dividend. This dividend will be paid on the 13th May 2021. The Company's dividend re-investment plan (DRP) is not in operation for this interim dividend.

Earlier this month the Company released its [March 2021 Quarterly Webcast](#). In this webcast, Karl Siegling firstly provided an update on the Company's performance, upcoming dividend payment and CDM's discount to NTA. Jackson Aldridge and Charlie Gray then discussed the Company's current investment themes and positioning. Karl Siegling finished with an update on DeepGreen Metals and the outlook for 2021.

Fund NTA

Net Tangible Assets as at 30th April 2021	Amount (\$)
Pre Tax NTA ^{1*}	\$1.077
Post Tax NTA ^{1*}	\$1.177
Share price (ASX Code: CDM)	\$1.130

¹ After accruing for the 2.0c fully franked interim dividend payable on 13th May 2021

* NTA's do not include the accretion of the [DeepGreen Metals transaction announced on 5th March 2021](#)

Fund Gross Performance

Gross Performance* to 30th April 2021	CDM	All Ords Accum	Outperformance
1 Month	4.3%	3.9%	+0.4%
YTD	39.5%	24.6%	+14.9%
1 Year	52.8%	33.9%	+18.9%
3 Years (per annum)	2.7%	10.2%	-7.5%
5 Years (per annum)	7.4%	10.7%	-3.3%
8 Years (per annum)	6.4%	8.7%	-2.3%
10 Years (per annum)	8.9%	8.4%	+0.5%
Since Inception (15.6 years) (per annum)	12.9%	7.3%	+5.6%
Since Inception (15.6 years) (total return)	560.1%	201.7%	+358.4%

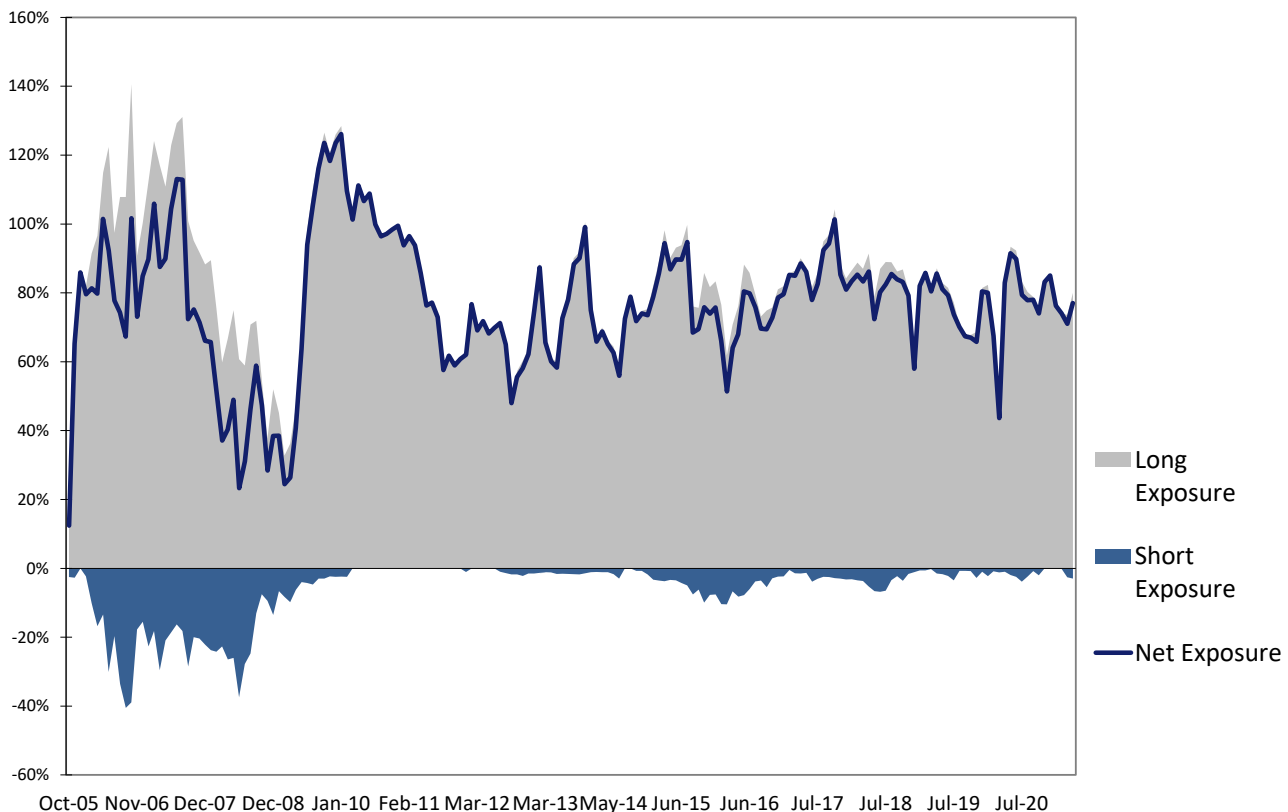
* Gross Performance: before Management and Performance Fees

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	-	-	2.0c	2.9c
TOTAL	48.5c	46.2c	11.5c	106.2c	150.8c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	13.6%		13.6%
Communications	13.3%		13.3%
Consumer, Cyclical	12.1%	-0.7%	11.4%
Consumer, Non-cyclical	11.3%	-1.0%	10.3%
Industrial	8.9%		8.9%
Energy	6.5%		6.5%
Basic Materials	6.8%	-0.4%	6.4%
Technology	5.7%	-0.9%	4.8%
Materials	1.9%		1.9%
	80.0%	-3.0%	77.0%

Net Cash Holdings and Tax Asset **23.0%**

Top 20 Portfolio Positions

Top 20 Holdings		
Code	Position*	Currency Exposure
GOOGL US	Alphabet Inc	AUD
ARB	ARB Corp Ltd	AUD
BBN	Baby Bunting Group Ltd	AUD
BET	Betmakers Technology Group Ltd	AUD
BSL	Bluescope Steel Limited	AUD
BLD	Boral Ltd	AUD
CHN	Chalice Gold Mines Ltd	AUD
CGC	Costa Group Holdings Ltd	AUD
CCP	Credit Corp Group Ltd	AUD
**	Deepgreen Metals	AUD
EML	EML Payments Ltd	AUD
JLG	Johns Lyng Group	AUD
MGH	Maas Group Holdings Ltd	AUD
MNY	Money3 Corp Ltd	AUD
NTO	Nitro Software Ltd	AUD
RMC	Resimac Group Ltd	AUD
SONO US	Sonos Inc	AUD
STX	Strike Energy Ltd	AUD
TYR	Tyro Payments Ltd	AUD
UWL	Uniti Group Limited	AUD

* In Alphabetical Order

** A Pre-IPO investment in the Materials sector

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	51.9%	-3.0%	48.9%
AUD 500 Mill - AUD 1 Billion	22.7%		22.7%
AUD 250 Mill - AUD 500 Mill	0.4%		0.4%
AUD 100 Mill - AUD 250 Mill	1.7%		1.7%
0 - AUD 100 Mill *	3.4%		3.4%
	80.0%	-3.0%	77.0%
Net Cash Holdings and Tax Asset			23.0%

* Includes a pre-IPO investment in the Materials sector

News

On the 5th March the Company updated shareholders on its investment in DeepGreen Metals via an ASX announcement. DeepGreen Metals announced that it intends to list through a merger with Sustainable Opportunities Acquisition Corporation (NYSE Code: SOAC). The combined company will be renamed The Metals Company and is expected to begin trading under the NYSE ticker code TMC.

The DeepGreen Metals investment is approximately 2.8% of the portfolio and is valued at the weighted average cost of the most recent purchases made in FY2020. The proposed listing is at a valuation substantially higher than our current valuation. The transaction reflects a pro forma equity value for The Metals Company (TMC) of approximately US\$2.9 billion and enterprise value of US\$2.4 billion. The recent raising of US\$330 million was completed at a price of US\$10 per share. Our investment is currently valued at US\$1.38 per share. Upon listing this would equate to a substantial uplift in Pre and Post Tax NTA for CDM shares. This transaction is subject to shareholder and court approvals. Once the TMC shares are listed and trading freely we will value this investment at market price.

Importantly, the Company's weekly and monthly NTA announcements will not include the full value accretion of the DeepGreen transaction until the proposed TMC listing.

A summary of the proposed merger transaction is available on both the [DeepGreen Metals company website](#) or on the [SEC website](#). We will keep shareholders informed of the progress of this listing through ASX announcements and monthly newsletter announcements.

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