

INVESTMENT UPDATE

May 2021

Cadence Opportunities Fund returned a gross positive performance of 1.8% in May, compared to the All Ordinaries Accumulation Index which was up 2.0% over the same period. Year to date the fund has generated a strong return of 93.6%, outperforming the index by 66.7%. The top contributors to performance for the month were Cettire, Podium Minerals, Chalice Gold Mines and Maas Group Holdings. The largest detractors from performance EML Payments and Pentanet.

As at 31st May 2021, the fund was 90.2% invested.

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 and portfolio positioning. Jackson Aldridge and Charlie Gray then discussed some of the Company's long and short positions. Karl finished with the outlook for 2021.

Fund NTA

| Net Tangible Assets as at 31st May 2021 | Amount (\$) |
|---|-------------|
| Pre Tax NTA* | \$2.557 |
| Post Tax NTA* | \$2.412 |

* NTA's do not include the accretion of the DeepGreen Metals transaction

Fund Performance

| Performance* to 31st May 2021 | CDO |
|--|--------|
| 1 Month | 1.8% |
| YTD | 93.6% |
| 1 Year | 101.9% |
| Since Inception (per annum) | 58.8% |
| Since Inception (2.4 years) (total return) | 205.8% |

* Gross Performance: before Management and Performance Fees

Portfolio Sector Analysis

| Sector | Long | Short | Net |
|------------------------|--------------|--------------|--------------|
| Communications | 22.7% | | 22.7% |
| Basic Materials | 15.5% | -1.5% | 14.0% |
| Consumer, Cyclical | 13.9% | -0.3% | 13.6% |
| Technology | 15.7% | -3.1% | 12.7% |
| Consumer, Non-cyclical | 8.2% | | 8.2% |
| Financial | 7.7% | -0.2% | 7.4% |
| Industrial | 7.2% | | 7.2% |
| Energy | 3.0% | | 3.0% |
| Capital Goods | 1.6% | | 1.6% |
| | 95.4% | -5.1% | 90.2% |

Net Cash and Tax Liabilities **9.8%**

Historic Portfolio Exposure



Portfolio Positions

| Stock Code | Position | Direction | Exposure | Stock Code | Position | Direction | Exposure |
|------------|--------------------------------|-----------|----------|------------|------------------------------|-----------|----------|
| APT | Afterpay Touch Group Ltd | Short | AUD | MVF | Monash IVF Group Ltd | Long | AUD |
| ABNB US | Airbnb Inc | Long | AUD | NIC | Nickel Mines Ltd | Short | AUD |
| ALQ | ALS Limited | Long | AUD | NTO | Nitro Software Ltd | Long | AUD |
| AMZN US | Amazon.com Inc | Long | AUD | NXL | Nuix Ltd | Short | AUD |
| APX | Appen Ltd | Short | AUD | NVDA US | NVIDIA Corp | Long | AUD |
| ASAN US | Asana Inc | Long | AUD | PDN | Paladin Energy Ltd | Long | AUD |
| AML LN | Ason Martin Lagonda Global | Long | AUD | 5GG | Pentanet Ltd | Long | AUD |
| AMS | Atomos Ltd | Long | AUD | PINS US | Pinterest Inc | Long | AUD |
| BBN | Baby Bunting Group Ltd | Long | AUD | POD | Podium Minerals Ltd | Long | AUD |
| BBBY US | Bed Bath & Beyond Inc | Long | AUD | RBL | Redbubble Ltd | Short | AUD |
| BET | Betmakers Technology Group Ltd | Long | AUD | SLB US | Schlumberger Ltd | Long | AUD |
| CTT | Cettire Ltd | Long | AUD | SHOP US | Shopify Inc | Long | AUD |
| CHN | Chalice Gold Mines Ltd | Long | AUD | SONO US | Sonos Inc | Long | AUD |
| CVLT US | Commvault System Inc | Long | AUD | STX | Strike Energy Ltd | Long | AUD |
| CROX US | Crocs Inc | Long | AUD | TPW | Temple & Webster Pty Ltd | Long | AUD |
| CRWD US | CrowdStrike Holdings Inc | Long | AUD | THL NZ | Tourism Holdings Ltd | Long | AUD |
| DEG | De Grey Mining Ltd | Long | AUD | TWTR US | Twitter Inc | Long | AUD |
| ** | DeepGreen Metals Inc | Long | AUD | TYR | Tyro Payment Ltd | Long | AUD |
| DOC | Doctor Care Anywhere | Long | AUD | UBER US | Uber Technologies Inc | Long | AUD |
| ECX | Eclipx Group Ltd | Long | AUD | UWL | Uniti Group Limited | Long | AUD |
| FCX US | Freeport-Mcmoran Inc | Long | AUD | UNI | Universal Store Holdings Ltd | Long | AUD |
| KHC US | Kraft Heinz Co/The | Long | AUD | UPST US | Upstart Holdings Inc | Long | AUD |
| LBY | Laybuy Group Holdings Ltd | Long | AUD | WEB | Webjet Ltd | Long | AUD |
| 360 | Life360 Inc | Long | AUD | XRO | Xero Ltd | Long | AUD |
| MGH | Maas Group Holdings Ltd | Long | AUD | | | | |

** A Pre-IPO investment in the Materials sector

News

On the 5th March 2021, DeepGreen Metals Inc. announced its intention to list through a merger with Sustainable Opportunities Acquisition Corporation (NYSE Code: SOAC). The combined company will be renamed The Metals Company Inc. and is expected to begin trading under the NYSE ticker code TMC.

The Company's investment in DeepGreen Metals is approximately 0.9% of the portfolio, and is valued at the weighted average cost of purchases. 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 Inc, (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 in the portfolio at US\$1.38 per share. Upon listing this would equate to a substantial uplift in pre and post-tax NTA for the Company's shares. This transaction is subject to shareholder and court approvals. Once the TMC shares are listed and trading freely the Company will value this investment at market price.

NTA's disclosed in monthly newsletters and webcasts **will not include** the full value accretion of the DeepGreen Metal Inc. transaction until the proposed TMC listing.

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

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