

Cadence Capital Limited ended a strong financial year with the fund up 43.2% for the past 12 months, outperforming the index by 13.0%. The Company returned 3.5% in June, compared to the All Ordinaries Accumulation Index which was up 2.6% for the month. The top contributors to performance during 2H21 were Uniti Group, Cettire, Bed Bath & Beyond, Chalice Gold Mines, Maas Group, Johns Lyng Group and ARB Corp. The largest detractors from performance were Redfin and EML Payments.

Over the past financial year the CDM share price is up 83.5% (including dividends but excluding franking). We are pleased that the CDM share price is trading closer to NTA with buying interest returning from both new, existing and past CDM shareholders. Over the financial year the Company continued to implement its on-market share buy-back which increases the NTA per share for all CDM shareholders. The Company has now bought back 24.3 million shares for a total consideration of \$18.4m or \$0.76 per share. Board and management, who are the largest investors in the Company, continued to add to their positions in CDM. The Company's tax asset per share is currently around 9 cents, from around 18 cents per share at FY20 year end. The Company can utilize this tax shield as and when it so chooses.

On 30 June 2021 we announced that [DeepGreen Metals shareholders had approved the merger](#) of DeepGreen and Sustainable Opportunities Acquisition Corporation (SOAC). At the DeepGreen shareholders meeting, the special resolution approving the plan of arrangement was unanimously approved with no DeepGreen securityholders voting against the resolutions. Subsequent to this meeting, the British Columbia Supreme Court approved the plan of arrangement between SOAC and DeepGreen.

The merger remains subject to the approval by SOAC's shareholders and the satisfaction of other customary closing conditions. This is expected to occur in this current quarter. The combined entity will be renamed The Metals Company and is expected to begin trading on the NASDAQ under the ticker symbol TMC. Our weekly and monthly NTA announcements will not include the full value accretion of the DeepGreen transaction until the TMC listing. We will continue to keep CDM shareholders informed of the progress of this listing through ASX announcements and monthly newsletter announcements.

## Fund NTA

| Net Tangible Assets as at 30th June 2021 | Amount (\$) |
|--|-------------|
| Pre Tax NTA*                             | \$1.110     |
| Post Tax NTA*                            | \$1.200     |
| Share Price (ASX Code: CDM)              | \$1.070     |

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

## Fund Gross Performance

| Gross Performance* to 30th June 2021        | CDM    | All Ords Accum | Outperformance |
|---|--------|----------------|----------------|
| 1 Month                                     | 3.5%   | 2.6%           | +0.9%          |
| YTD   | 43.2%  | 30.2%          | +13.0%         |
| 1 Year                                      | 43.2%  | 30.2%          | +13.0%         |
| 3 Years (per annum)                         | 2.6%   | 10.3%          | -7.7%          |
| 5 Years (per annum)                         | 8.4%   | 11.5%          | -3.1%          |
| 8 Years (per annum)                         | 7.0%   | 10.3%          | -3.3%          |
| 10 Years (per annum)                        | 8.2%   | 9.4%           | -1.2%          |
| Since Inception (15.8 years) (per annum)    | 12.9%  | 7.6%           | +5.3%          |
| Since Inception (15.8 years) (total return) | 577.6% | 215.5%         | +362.1%        |

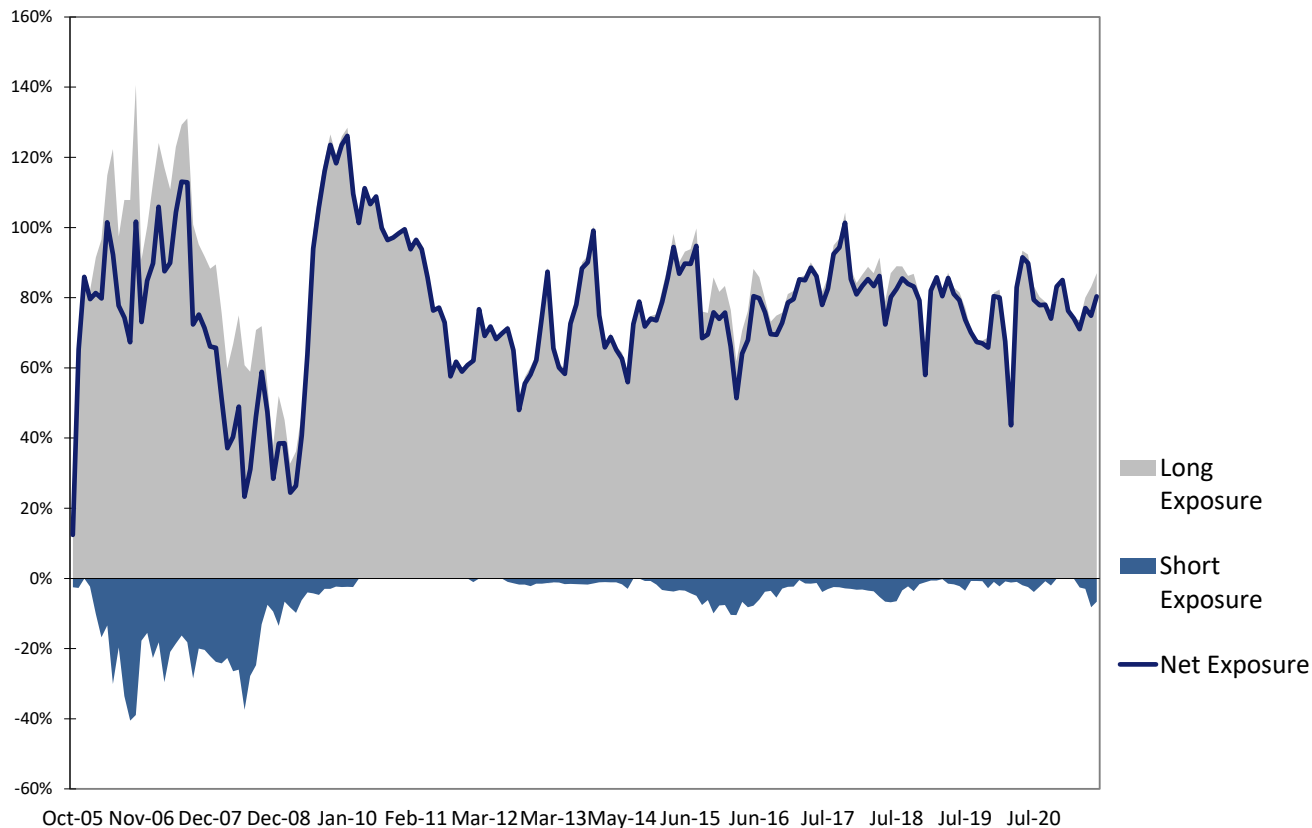
\* Gross Performance: before Management and Performance Fees

## 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                  |
| <b>TOTAL</b>  | <b>48.5c</b> | <b>46.2c</b> | <b>11.5c</b> | <b>106.2c</b> | <b>150.8c</b>         |

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

| Sector                                 | Long         | Short        | Net          |
|--|--------------|--------------|--------------|
| Communications                         | 20.2%        |              | 20.2%        |
| Financial                              | 12.4%        |              | 12.4%        |
| Industrial                             | 10.1%        |              | 10.1%        |
| Consumer, Cyclical                     | 10.9%        | -1.1%        | 9.8%         |
| Energy                                 | 9.0%         |              | 9.0%         |
| Technology                             | 10.2%        | -2.2%        | 8.1%         |
| Consumer, Non-cyclical                 | 6.2%         | -1.0%        | 5.2%         |
| Basic Materials                        | 4.4%         | -2.3%        | 2.1%         |
| Materials                              | 1.9%         |              | 1.9%         |
| Capital Goods                          | 1.7%         |              | 1.7%         |
|  | <b>87.0%</b> | <b>-6.6%</b> | <b>80.4%</b> |
| <b>Net Cash Holdings and Tax Asset</b> |              |              | <b>19.6%</b> |

## Top 20 Portfolio Positions

| Code     | Position*                      | Direction | Currency Exposure |
|----------|--------------------------------|-----------|-------------------|
| GOOGL US | Alphabet Inc                   | Long      | AUD               |
| APX      | Appen Ltd                      | Short     | AUD               |
| ARB      | ARB Corp Ltd                   | Long      | AUD               |
| ASAN US  | Asana Inc                      | Long      | AUD               |
| BET      | Betmakers Technology Group Ltd | Long      | AUD               |
| BSL      | Bluescope Steel Limited        | Long      | AUD               |
| BLD      | Boral Ltd                      | Long      | AUD               |
| CTT      | Cettire Ltd                    | Long      | AUD               |
| CHN      | Chalice Gold Mines Ltd         | Long      | AUD               |
| CCP      | Credit Corp Group Ltd          | Long      | AUD               |
| **       | Deepgreen Metals               | Long      | AUD               |
| JLG      | Johns Lyng Group               | Long      | AUD               |
| 360      | Life360 Inc                    | Long      | AUD               |
| MGH      | Maas Group Holdings Ltd        | Long      | AUD               |
| MNY      | Money3 Corp Ltd                | Long      | AUD               |
| NTO      | Nitro Software Ltd             | Long      | AUD               |
| RMC      | Resimac Group Ltd              | Long      | AUD               |
| SHOP US  | Shopify Inc                    | Long      | AUD               |
| UWL      | Uniti Group Limited            | Long      | AUD               |
| WHC      | Whitehaven Coal Ltd            | Long      | AUD               |

\* In Alphabetical Order

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

## Portfolio Market Capitalisation Analysis

| Market Capitalisation        | Long         | Short        | Net          |
|------------------------------|--------------|--------------|--------------|
| > AUD 1 Billion              | 61.8%        | -5.4%        | 56.4%        |
| AUD 500 Mill - AUD 1 Billion | 20.1%        | -1.1%        | 18.9%        |
| AUD 250 Mill - AUD 500 Mill  | 1.2%         |              | 1.2%         |
| AUD 100 Mill - AUD 250 Mill  | 0.2%         |              | 0.2%         |
| 0 - AUD 100 Mill *           | 3.7%         |              | 3.7%         |
|                              | <b>87.0%</b> | <b>-6.6%</b> | <b>80.4%</b> |

### Net Cash Holdings and Tax Asset

**19.6%**

\* Includes a pre-IPO investment in the Materials sector

## News

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On the 12<sup>th</sup> May 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. On the 5<sup>th</sup> March the Company updated shareholders on its investment in DeepGreen Metals via an [ASX announcement](#).

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