

INVESTMENT UPDATE

October 2021

Cadence Opportunities Fund returned a gross performance of 2.78% in October, compared to the All Ordinaries Accumulation Index which was up 0.15% for the month. Financial year to date the fund is up 25.7%, outperforming the All Ordinaries Accumulation Index by 23.5%. Since its inception 2.8 years ago, the fund has delivered 293.9% (62.2% per annum) for our shareholders. The top contributors to performance during the month were Life360, DigitalOcean, Upstart, Asana, Lovisa and Betmakers Technology. The largest detractors from performance were Atomos and A2 Milk. As at 31st October 2021, the fund was 79.6% invested.

CDO ASX Listing

Following the successful IPO of Cadence Opportunities Fund, the company will list and start trading on the ASX under the ticker CDO, on Friday 19th November 2021. The issue price was \$2.7716, which was the NTA mid-point as at 31 October 2021. Boardroom registries will be posting out investor statements to all investors following the allotment of shares which is due to happen on 12th November 2021. Please be aware that postal delays in receiving your investor statements may be experienced. If you have any queries regarding your share application, share allotment or investor statements please contact Boardroom on (02) 9290 9600.

CDO Final Dividend, Profits Reserves and Franking Balances

On the 29th October 2021 the Company paid a 12.0 cents per share fully franked final dividend and a 3.0 cents per share fully franked special dividend. The total dividend of 15.0 cents equates to a **6.1% annual fully franked yield, or an 8.8% gross yield** (including franking credits) based on the year end Post-Tax NTA. The company's Dividend Reinvestment Program (DRP) is in operation and 52% of this past dividend was re-invested via the DRP. You can register for the Company's DRP by contacting Boardroom on (02) 9290 9600 or via their online portal www.investorserve.com.au, if you are a registered user. Post the issuing of new shares for the IPO, CDO has a healthy profits reserves balance from which it can pay future dividends of around 60 cents per share (i.e. based off 2021 dividends this is around 5 years of future dividends before earning any future profits).

Fund NTA

Net Tangible Assets as at 31st October 2021	Amount (\$)
Pre Tax NTA*	\$2.8876
Post Tax NTA*	\$2.6557

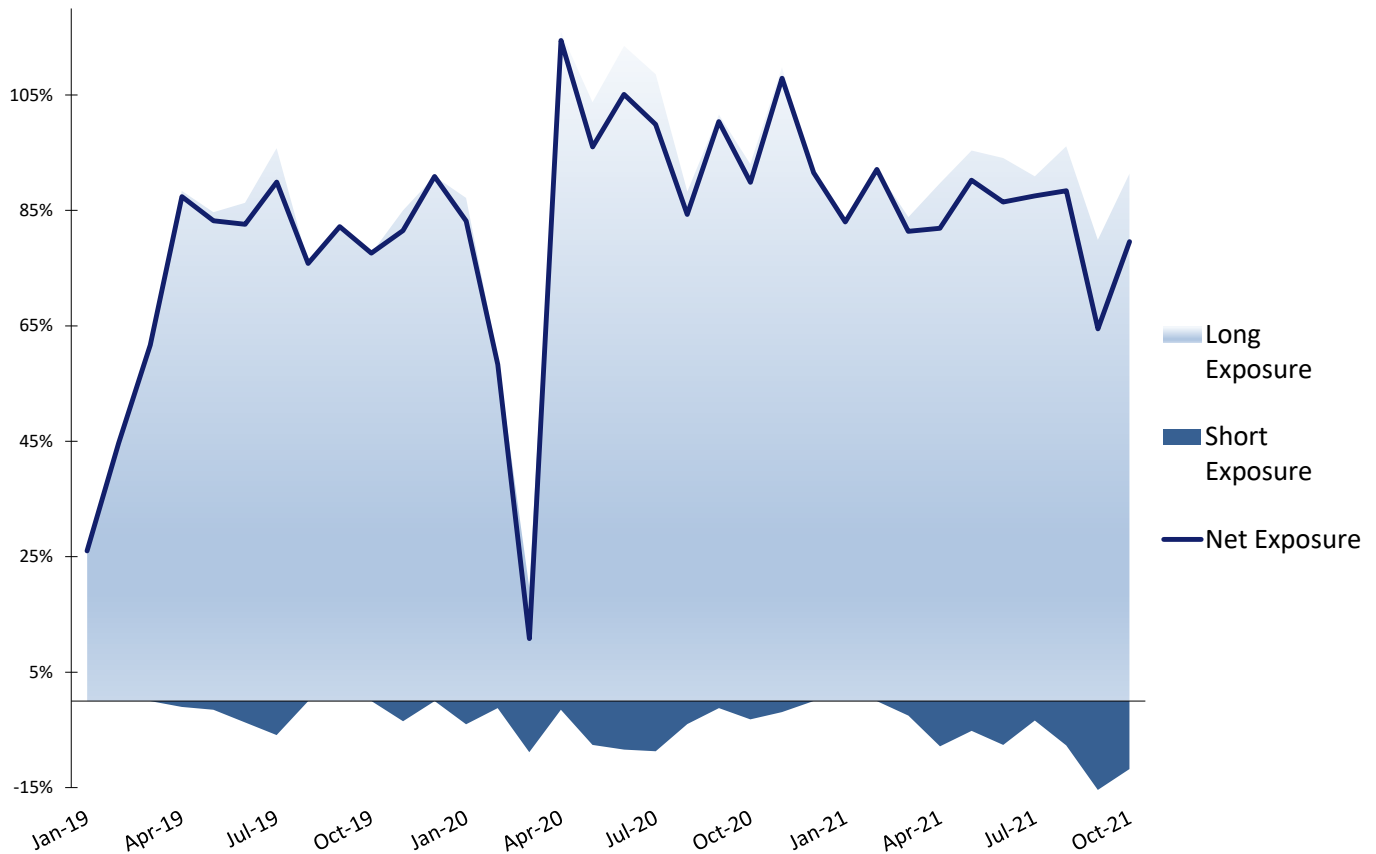
*After the 15.0 c fully franked dividend paid on 29th October 2021

Fund Performance and Dividend Yield

Gross Performance* to 31st October 2021	CDO
1 Month	2.8%
YTD	25.7%
1 Year	78.8%
2 Years (per annum)	73.8%
Since Inception (per annum)	62.2%
Since Inception (2.8 years) (total return)	293.9%

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks		-1.1%	-1.1%
Basic Materials		-3.6%	-3.6%
Communications	24.6%		24.6%
Consumer, Cyclical	16.8%		16.8%
Consumer, Non-cyclical	7.2%		7.2%
Financial	10.3%	-2.6%	7.8%
Industrial	5.8%		5.8%
Technology	26.6%	-2.7%	23.9%
Utilities		-1.7%	-1.7%
	91.4%	-11.8%	79.6%

Net Cash and Tax Liabilities **20.4%**

Portfolio Positions

Stock Code	Position	Direction	Exposure	Stock Code	Position	Direction	Exposure
A2M	A2 Milk Co Ltd	Long	AUD	FTNT US	Fortinet Inc	Long	AUD
AX1	Accent Group Ltd	Long	AUD	GDC	Global Data Centre Group	Long	AUD
AGL	AGL Energy Ltd	Short	AUD	360	Life360 Inc	Long	AUD
ABNB US	Airbnb Inc	Long	AUD	LOV	Lovisa Holdings Ltd	Long	AUD
APX	Appen Ltd	Short	AUD	MGH	Maas Group Holdings Ltd	Long	AUD
ASAN US	Asana Inc	Long	AUD	MFG	Magellan Financial Group Ltd	Short	AUD
AMS	Atomos Ltd	Long	AUD	MIN	Mineral Resources Ltd	Short	AUD
ABB	Aussie Broadband Pty Ltd	Long	AUD	MDB US	MongoDB Inc	Long	AUD
BOQ	Bank of Queensland Ltd	Short	AUD	MGX	Mount Gibson Iron Ltd	Short	AUD
BEN	Bendigo & Adelaide Bank Ltd	Short	AUD	NTO	Nitro Software Ltd	Long	AUD
BET	Betmakers Technology Group Ltd	Long	AUD	SOFI US	SoFi Technologies Inc	Long	AUD
BILL US	Bill.com Holdings Inc	Long	AUD	SPSC US	SPS Commerce Inc	Long	AUD
CTT	Cettire Ltd	Long	AUD	SBM	St Barbara Ltd	Short	AUD
COIN US	Coinbase Global Inc Class A	Long	AUD	SWP	Swoop Holdings Ltd	Long	AUD
DTL	Data#3 Ltd	Long	AUD	TUA	Tuas Ltd	Long	AUD
DOCN US	DigitalOcean Holdings Inc	Long	AUD	UWL	Uniti Group Limited	Long	AUD
ECX	Eclipx Group Ltd	Long	AUD	UNI	Universal Store Holdings Ltd	Long	AUD
FICO US	Fair Isaac Corp	Short	AUD	UPST US	Upstart Holdings Inc	Long	AUD

News

In August the Company released its [June 2021 year end audiocast](#). In this audiocast, Karl Siegling firstly provides an update on the Company's performance and portfolio composition. Charlie Gray and Jackson Aldridge then discuss the Company's trading statistics and some of its investments. Karl Siegling finishes with an update on Deepgreen Metals and the outlook for 2022.

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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For more information contact Cadence Opportunities Fund on 02 8298 2450 or email info@cadencecapital.com.au
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