

Cadence Capital Limited was up 4.9% in March, compared to the All Ordinaries Accumulation Index which was up 6.9% for the month. For the 9 months ended 31 March 2022 the fund is up 8.8%, outperforming the All Ordinaries Accumulation Index by 2.5%. For March, the top contributors to performance were Whitehaven Coal, New Hope, BHP Group, Champion Iron, Mosaic, Woodside Petroleum and Stanmore Coal. The largest detractor from performance was Square Inc. As at 31 March 2022, the Company was 81% invested (19% cash and equivalents).

Markets recovered through March with resources, energy and financial sectors leading. Increased participation from smaller capitalisation commodity related stocks was also a feature, with fund returns benefitting from participation in selective equity raisings and placements which met our criteria. High cash levels and the short book detracted from performance during the month given the strong index return. Since month end, there has been notable weakness from some typically economically sensitive sectors such as transport, semiconductors and shipping potentially indicating higher interest rates and elevated inflation is starting to take its toll on end consumer demand. This will be an important trend to monitor.

### **Fully Franked Half Year Dividend**

The Company's 4 cents fully franked half year dividend went ex-dividend on the 31 March 2022 and will be paid out on the 14 April 2022. This interim dividend equated to an 8.2% annualised fully franked yield or a 11.7% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$0.98 per share. Importantly this equated to a 7.2% dividend yield based on pre-tax NTA, as the Company shares are currently trading at a discount to NTA despite the fund's recent strong performance and a 16-year track record of significant outperformance against the All Ordinaries Accumulation Index. After paying this dividend the Company still has 30 cents per share of profits reserves to pay future dividends.

### **Fund NTA**

<b>Net Tangible Assets as at 31st March 2022</b>	<b>Amount (\$)</b>
Pre Tax NTA	\$1.104
Post Tax NTA	\$1.200
Share Price (ASX Code: CDM)	\$1.005

\*After the 4.0c fully franked interim dividend being paid 14 April 2022

## Fund Gross Performance

Gross Performance* to 31st March 2022	CDM	All Ords Accum	Outperformance
1 Month	4.9%	6.9%	-2.0%
YTD	8.8%	6.3%	+2.5%
1 Year	16.4%	15.5%	+0.9%
3 Years (per annum)	13.1%	11.5%	+1.6%
5 Years (per annum)	7.7%	9.8%	-2.1%
8 Years (per annum)	6.2%	9.0%	-2.8%
10 Years (per annum)	8.0%	10.2%	-2.2%
Since Inception (16.5 years) (per annum)	12.9%	7.6%	+5.3%
Since Inception (16.5 years) (total return)	637.3%	235.3%	+402.0%

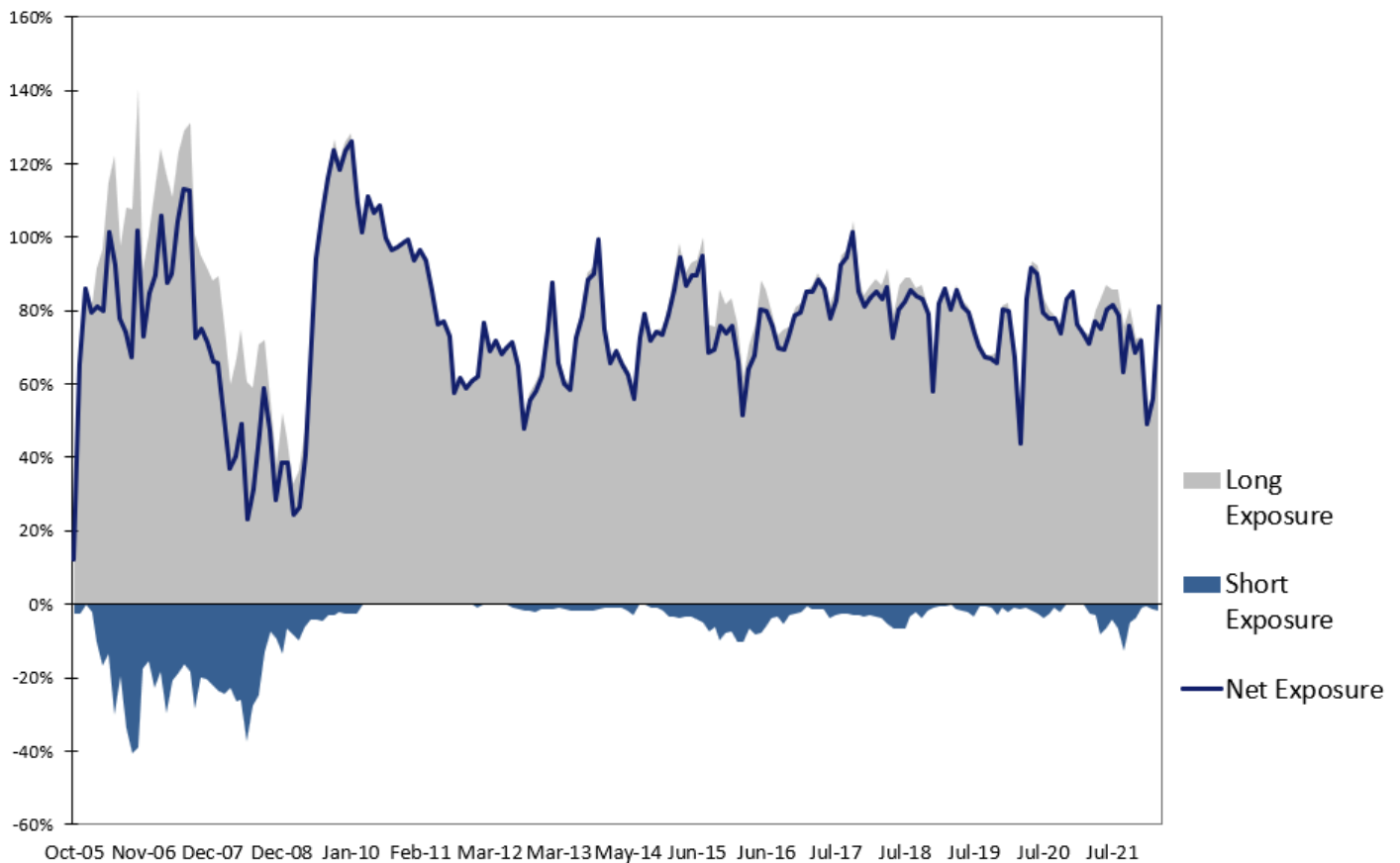
\* Gross Performance: before Management and Performance Fees

## 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	3.0c	-	5.0c	7.1c
2022	4.0c	-	-	4.0c	5.7c
<b>TOTAL</b>	<b>52.5c</b>	<b>49.2c</b>	<b>11.5c</b>	<b>113.2c</b>	<b>160.7c</b>

\* Off market Equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Energy	34.2%		34.2%
Basic Materials	23.1%		23.1%
Consumer, Non-cyclical	6.7%		6.7%
Financial	5.4%	-1.8%	3.5%
Communications	3.8%		3.8%
Technology	3.2%		3.2%
Industrial	3.0%		3.0%
Consumer, Cyclical	3.1%	-0.4%	2.8%
Utilities	1.0%		1.0%
	<b>83.5%</b>	<b>-2.2%</b>	<b>81.2%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>18.8%</b>

## Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AKE	Allkem Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
CCP	Credit Corp Group Ltd	Long	AUD
CF US	CF Industries Holdings Inc	Long	AUD
CIA	Champion Iron Ltd	Long	AUD
CRN	Coronado Global Resource	Long	AUD
DAR US	Darling Ingredients Inc	Long	AUD
ENPH US	Enphase Energy Inc	Long	AUD
FLT AU	Flight Centre Travel Group	Long	AUD
HAL US	Halliburton Co	Long	AUD
MGH	Maas Group Holdings Ltd	Long	AUD
MNY	Money3 Corp Ltd	Long	AUD
MOS US	Mosaic Co	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
S32	South32 Ltd	Long	AUD
SLB US	Schlumberger Ltd	Long	AUD
WEB	Webjet Ltd	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD
WPL	Woodside Petroleum Ltd	Long	AUD

\* In Alphabetical Order

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	73.1%	-2.2%	70.9%
AUD 500 Mill - AUD 1 Billion	6.1%		6.1%
AUD 250 Mill - AUD 500 Mill	3.3%		3.3%
AUD 100 Mill - AUD 250 Mill	0.6%		0.6%
0 - AUD 100 Mill	0.4%		0.4%
	<b>83.4%</b>	<b>-2.2%</b>	<b>81.2%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>18.8%</b>

## News

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We recommend that you watch the [December 2021 half year Audiocast](#) where Karl Siegling firstly provides an update on the Company's half year results, fully franked interim dividend and the portfolio's composition. Charlie Gray and Jackson Aldridge then discuss some of the Company's investment themes and positions held. Karl Siegling finishes with an update on the outlook for 2022.

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