

INVESTMENT UPDATE

June 2023

Cadence Opportunities Fund returned a positive gross performance of 2.3% in June, outperforming the All Ordinaries Accumulation Index by 0.4%. The top contributors to performance during June were Sierra Rutile, Iris Energy, Meta Platforms, QBE Insurance, BHP Group, Capstone Copper and Netflix. The largest detractors from performance were Resolute Mining, Patriot Battery Metals and Strike Energy. Cadence Opportunities Fund continues to be conservatively positioned with gross exposure of 67% and 54% of its investable portfolio in cash.

In June, the share price uptrend in Meta Platforms, Netflix and Iris Energy continued, and we added to all three positions in line with our investment process. Netflix estimates that there are about 100 million people using Netflix by borrowing a friend or family member's password, and they have recently announced initiatives to convert these users to paying customers, which we expect will have a positive impact on its upcoming financial results. Meta Platforms also announced Thread as a potential competitor to Twitter in June.

CDO Share Price discount to NTA

CDO is currently trading at a pre-tax NTA discount of around 10% whilst holding around 50% cash. If all the shares in the portfolio fell by 20% the pre-tax NTA would still be above the share price. To put it another way, the shares in the portfolio can be bought at a 20% discount to their underlying value.

Fund NTA

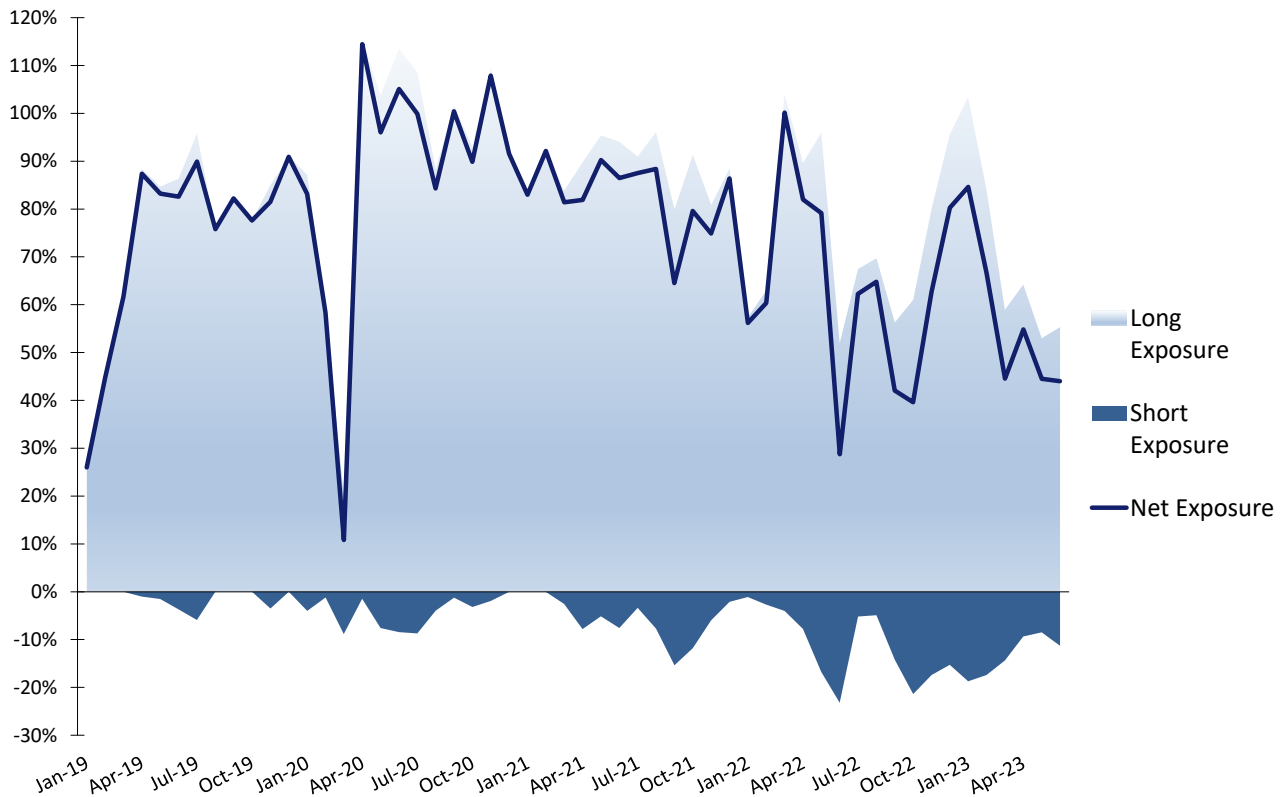
| Net Tangible Assets as at 30th June 2023 | Amount (\$) |
|--|-------------|
| Pre Tax NTA | \$1.965 |
| Post Tax NTA | \$2.063 |
| Share Price (ASX Code: CDO) | \$1.818 |

Fund Performance

| Gross Performance* to 30th June 2023 | CDO |
|--|--------|
| 1 Month | 2.3% |
| 3 Years (per annum) | 23.8% |
| Since Inception (per annum) | 27.6% |
| Since Inception (4.5 years) (total return) | 199.5% |

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Franked Dividends Declared

| Calendar Year | Interim | Final | Special | Total | Gross (Inc. Franking) |
|---------------|--------------|--------------|-------------|--------------|-----------------------|
| 2020 | | 6.0c | - | 6.0c | 8.6c |
| 2021 | | 12.0c | 3.0c | 15.0c | 21.4c |
| 2022 | 7.5c | 7.5c | - | 15.0c | 21.4c |
| 2023 | 7.5c | - | - | 7.5c | 10.7c |
| TOTAL | 15.0c | 25.5c | 3.0c | 43.5c | 62.1c |

* Off market Equal access buy back

On the 28th of April the Company paid its 7.5 cent fully franked half-year dividend. After paying this dividend the Company still has 35 cents per share of profits reserves to pay future dividends.

Portfolio Sector Analysis

| Sector | Long | Short | Net |
|--------------------------|--------------|---------------|--------------|
| Basic Materials | 18.9% | -5.0% | 13.9% |
| Communications | 9.8% | | 9.8% |
| Consumer, Non-cyclic | 7.7% | | 7.7% |
| Insurance | 5.4% | | 5.4% |
| Financial | 4.8% | -1.5% | 3.3% |
| Energy | 2.6% | | 2.6% |
| Utilities | 2.4% | | 2.4% |
| Industrial | 2.2% | -1.3% | 0.9% |
| Consumer, Cyclical | 1.4% | -1.6% | -0.2% |
| Banks | | -2.0% | -2.0% |
| | 55.3% | -11.3% | 44.0% |
| Net Cash Holdings | | | 56.0% |

News

To hear CDO's latest Quarterly Audiocast [please click here](#). In this audiocast, Karl Siegling firstly discusses the Company's recent performance, the interim dividend recently paid and the current composition of the portfolio. Karl then discusses some of CDO's current investment themes and looks in detail at two of its current investments, Newcrest Mining and Meta Platforms. Karl Siegling finishes with the outlook for the rest of the year.

To view all previous Cadence webcasts and interviews please visit the [Media Section](#) of the website.

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.

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