

INVESTMENT UPDATE

August 2023

Cadence Opportunities Fund returned a negative gross performance of 2.9% in August, compared to the All Ordinaries Accumulation Index which was down 0.7% for the month. The top contributors to performance during August were Red 5, Tourism Holdings Rentals, and Newmont Corp. The largest detractors from performance were Meta Platforms, Iris Energy, Whitehaven Coal and Sierra Rutile.

Tourism Holdings reported a strong result in August, significantly beating its profit guidance. It also declared its first dividend since the COVID-19 pandemic. In 2024 it expects performance to be positively underpinned by continued strong motorhome rental yields, and synergy benefits following the merger with Apollo Tourism and Leisure.

Fully Franked Year-end Dividend

On 30th August 2023, the Company announced a 6.5 cents per share fully franked year-end dividend, bringing the full year dividend to 14.0 cents per share fully franked. This full year dividend equates to an 7.8% fully franked yield or a 11.1% gross yield (grossed up for franking credits) based on the share price of \$1.795 per share on the date the dividend was announced. After paying this dividend the fund still has 29 cents per share of profits reserves to pay future dividends.

The Ex-Date for the dividend is 16th October 2023. The payment date for the dividend is 31st October 2023.

The dividend re-investment plan (DRP) will be in operation for this final dividend. The DRP will be priced at the weighted average share price over the relevant DRP pricing period. The Company intends to implement an on-market buy-back to buy-back the shares it issues under the DRP. This buy-back will operate when the CDO share price is trading at a discount to the Pre-Tax NTA. Cadence Opportunities Fund Limited is looking to support its DRP registered shareholders to reinvest their dividends at a discount to NTA, instead of leaving them to manage market orders for reinvesting their dividends.

If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300737760.

CDO Share Price discount to NTA

At the time of writing this newsletter, CDO is trading at a pre-tax NTA discount of around 9% whilst holding significant cash balances. If all the shares in the portfolio fell by 15% 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 15% discount to their underlying value.

Year-end Audiocast

In the coming weeks we will be releasing the year-end audiocast which will discuss the Company's performance, the portfolio composition, its current investment themes and holdings, and the outlook for the rest of the year.

Fund NTA

Net Tangible Assets as at 31st Aug 2023	Amount (\$)
Pre Tax NTA*	\$1.935
Post Tax NTA*	\$2.043
Share Price (ASX Code: CDO)*	\$1.740

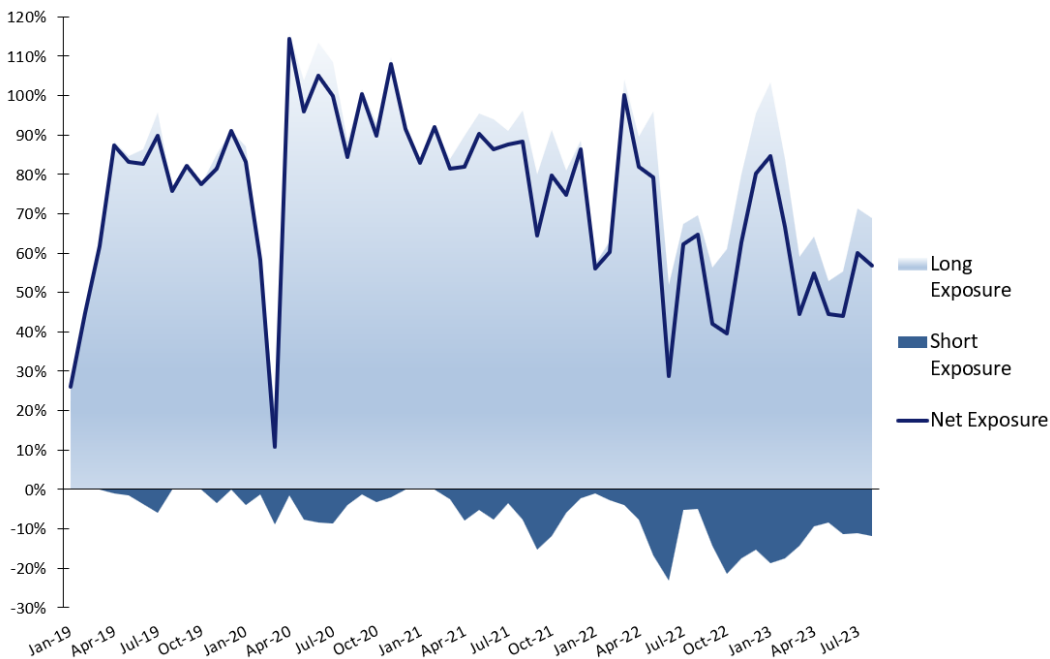
*Before the 6.5c fully franked final dividend (Ex date on 16 Oct 2023)

Fund Performance

Gross Performance* to 31st Aug 2023	CDO
1 Month	-2.9%
3 Years (per annum)	12.4%
Since Inception (per annum)	26.2%
Since Inception (4.7 years) (total return)	195.9%

*Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



For more information contact Cadence Opportunities Fund on 02 8298 2450 or email info@cadencecapital.com.au
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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	6.5c	-	14.0c	20.0c
TOTAL	15.0c	32.0c	3.0c	50.0c	71.4c

* Off market Equal access buy back

Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	23.5%	-6.7%	16.8%
Energy	10.1%		10.1%
Communications	9.7%		9.7%
Consumer, Non-cyclical	7.7%		7.7%
Financial	7.1%	-0.9%	6.2%
Insurance	5.3%		5.3%
Utilities	1.9%		1.9%
Industrial	2.8%	-1.5%	1.3%
Technology	0.7%		0.7%
Consumer, Cyclical	0.0%	-0.6%	-0.6%
Banks	0.0%	-2.1%	-2.2%
	68.8%	-11.9%	56.9%
Net Cash Holdings			43.1%

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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