

Cadence Capital Limited returned a gross performance of 11.8% in September, compared to the All Ordinaries Accumulation Index which was down 1.6% for the month. Financial year to date the fund is up 18.7% outperforming the All Ordinaries Accumulation Index by 16.7%. The top contributors to performance during September were TMC The Metals Company, Upstart Holdings, Whitehaven Coal, Asana, DigitalOcean, Cettire and Paladin Energy. The largest detractors from performance were Resimac and Uniti Group.

In August the Company announced its [full year results](#) declaring a 3.0 cents fully franked final dividend. The Ex-Date for the dividend is the 18th October 2021 and the payment date is the 29th October 2021.

TMC The Metals Company and Proposed Demerger Update

At the time of writing this newsletter the TMC position currently represents around 5.5% of the net tangible assets of the Company and is no longer the largest position in the Portfolio. CDM has announced that one third of the TMC position was not subject to escrow and has already been sold, realising approximately 7 times the cost of the investment. This one third sale alone has realised approximately 2.5 times the cost on the entire investment.

On the 20th September 2021 CDM released a detailed presentation on TMC and the proposal to demerge TMC into a separately listed vehicle. Since that date we have sold one third of the TMC position realising a large profit and increasing fund cash levels. In light of the current position size of TMC, as outlined above, the Board has determined that it is not necessary to demerge the TMC asset at this stage as it does not represent a concentration risk within the portfolio. The current TMC price represents a price over 5 times higher than our original entry price.

CDO ASX Listing

The Board of Cadence Opportunities Fund has announced that CDO will IPO on the ASX in November 2021. CDO and CDM shareholders and Cadence newsletter subscribers will receive a Priority Allocation in the IPO which is limited to a maximum raise of \$52M. [\(Click here for a copy of the Prospectus\)](#) Once the offer opens on the 13 October 2021, Boardroom registries will send out personalised Priority Application Forms with unique Entitlement Numbers. Over the coming week we will be releasing a Webcast that discusses the upcoming IPO of CDO.

Fund NTA

Net Tangible Assets as at 30th September 2021	Amount (\$)
Pre Tax NTA *	\$1.269
Post Tax NTA *	\$1.323
Share Price (ASX Code: CDM)	\$1.125

*Before the 3.0 c fully franked final dividend payable on 29 October 2021

Fund Gross Performance

Gross Performance* to 30th September 2021	CDM	All Ords Accum	Outperformance
1 Month	11.8%	-1.6%	+13.4%
YTD	18.7%	2.0%	+16.7%
1 Year	50.2%	31.5%	+18.7%
3 Years (per annum)	9.7%	10.4%	-0.7%
5 Years (per annum)	10.7%	10.8%	-0.1%
8 Years (per annum)	8.6%	9.2%	-0.6%
10 Years (per annum)	10.3%	10.9%	-0.6%
Since Inception (16.0 years) (per annum)	13.9%	7.6%	+6.3%
Since Inception (16.0 years) (total return)	704.2%	221.9%	+482.3%

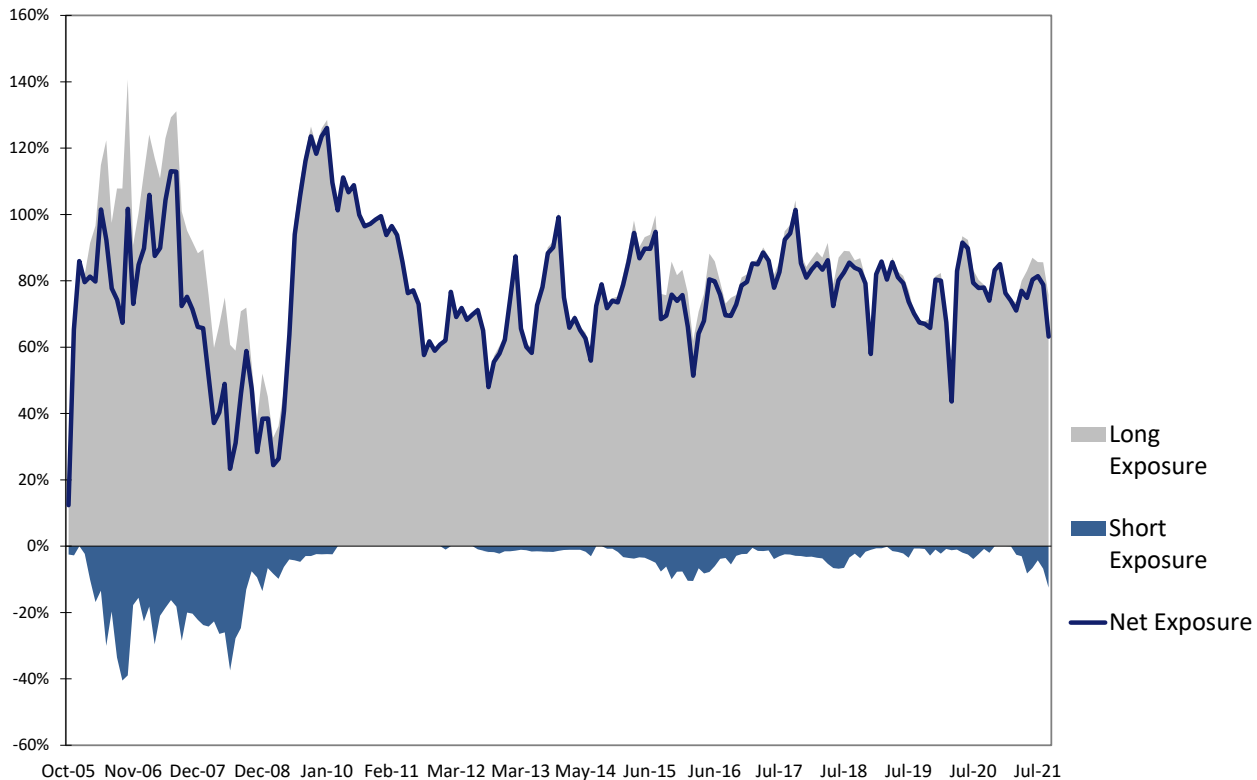
* Gross Performance: before Management and Performance Fees

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
TOTAL	48.5c	49.2c	11.5c	109.2c	155.0c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Communications	16.0%		16.0%
Technology	14.5%	-2.8%	11.7%
Financial	11.1%	-1.9%	9.3%
Energy	8.5%		8.5%
Diversified	5.8%		5.8%
Consumer, Cyclical	7.1%	-1.5%	5.6%
Industrial	5.4%		5.4%
Consumer, Non-cyclical	3.9%	-0.9%	3.0%
Basic Materials	1.2%	-3.5%	-2.2%
Utilities		-1.9%	-1.9%
Capital Goods	1.4%		1.4%
Materials	0.7%		0.7%
	75.7%	-12.5%	63.2%

Net Cash Holdings and Tax Asset	36.8%
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Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AGL	AGL Energy Ltd	Short	AUD
ABNB US	Airbnb Inc	Long	AUD
GOOGL US	Alphabet Inc	Long	AUD
APX	Appen Ltd	Short	AUD
BET	Betmakers Technology Group Ltd	Long	AUD
CAR	Carsales.com Ltd	Long	AUD
CTT	Cettire Ltd	Long	AUD
CROX US	Crocs Inc	Long	AUD
DOCN US	DigitalOcean Holdings Inc	Long	AUD
JLG	Johns Lyng Group	Long	AUD
360	Life360 Inc	Long	AUD
MFG	Magellan Financial Group Ltd	Short	AUD
NHC	New Hope Corporation Ltd	Long	AUD
NTO	Nitro Software Ltd	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
SPSC US	SPS Commerce Inc	Long	AUD
TMC US	TMC The Metal Company Inc	Long	AUD
UWL	Uniti Group Limited	Long	AUD
UPST US	Upstart Holdings Inc	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD

* In Alphabetical Order

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	60.0%	-12.5%	47.5%
AUD 500 Mill - AUD 1 Billion	13.1%		13.1%
AUD 250 Mill - AUD 500 Mill	1.5%		1.5%
AUD 100 Mill - AUD 250 Mill	0.5%		0.5%
0 - AUD 100 Mill	0.5%		0.5%
	75.7%	-12.5%	63.2%

Net Cash Holdings and Tax Asset

36.8%

News

In September and October CDM released several ASX announcements that discussed our investment in TMC US. See ASX announcements from 10th September, 13th September, 20th September, 24th September, 27th September and 7th October.

On the 17th August 2021 the company released its [June 2021 Year end Audiocast](#). In this audiocast, Karl Siegling firstly provides an update on the Company's record full year results, fully franked final dividend and the portfolio composition. Charlie Gray and Jackson Aldridge then discuss a few of the Company's investments. Karl Siegling finishes with an update on Deepgreen Metals and the outlook for 2021.

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