

## INVESTMENT UPDATE

March 2022

Cadence Opportunities Fund was up 5.6% 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 19.3% outperforming the All Ordinaries Accumulation Index by 13.0%. For March, the top contributors to performance were Whitehaven Coal, Stanmore Coal, Champion Iron, New Hope, BHP Group, Mosaic, Woodside Petroleum and Journey Energy. The largest detractor from performance was Tuas.

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 7.5 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 equates to a 5.1% annualised fully franked yield or a 7.3% gross yield (grossed up for franking credits) on the share price on the date of the announcement of \$2.94 per share. After paying this dividend the Company still has more than 50 cents per share of profits reserves to pay future dividends

### Fund NTA

Net Tangible Assets as at 31st March 2022	Amount (\$)
Pre Tax NTA	\$2.558
Post Tax NTA	\$2.526
Share Price (ASX Code: CDO)	\$2.810

\*After the 7.5c fully franked dividend being paid on 14 April 2022

## Fund Performance

Gross Performance* to 31st March 2022	CDO
1 Month	5.6%
YTD	19.3%
1 Year	35.7%
2 Years (per annum)	82.2%
Since Inception (per annum)	50.1%
Since Inception (3.3 years) (total return)	274.0%

\* Gross Performance: before Management and Performance Fees

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	33.4%	-0.7%	32.7%
Communications	9.9%		9.9%
Consumer, Cyclical	3.3%	-0.8%	2.5%
Consumer, Non-cyclical	7.5%		7.5%
Energy	45.4%		45.4%
Financial	1.4%	-2.5%	-1.1%
Industrial	0.5%		0.5%
Technology	2.7%		2.7%
	<b>104.1%</b>	<b>-4.0%</b>	<b>100.1%</b>

**Net Borrowings** -0.1%

## Portfolio Positions

Stock Code	Position	Direction	Exposure	Stock Code	Position	Direction	Exposure
A2M	A2 Milk Co Ltd	Long	AUD	MOS US	Mosaic Co	Long	AUD
AKE	Allkem Ltd	Long	AUD	NHC	New Hope Corp Ltd	Long	AUD
APE	AP Eagers Ltd	Long	AUD	NXE US	NexGen Energy Ltd	Long	AUD
ABB	Aussie Broadband Pty Ltd	Long	AUD	NTO	Nitro Software Ltd	Long	AUD
BMN	Bannerman Energy Ltd	Long	AUD	NST	Northern Start Resources Ltd	Short	AUD
BHP	BHP Group Ltd	Long	AUD	NWH	NRW Holdings Ltd	Long	AUD
BOE	Boss Energy Ltd	Long	AUD	NUE US	Nucor Corp	Long	AUD
BCB	Bowen Coking Coal Ltd	Long	AUD	BTU US	Peabody Energy Corp	Long	AUD
CXL	Calix Ltd	Long	AUD	PIPR US	Piper Sandler Cos	Short	AUD
CVN	Carnarvon Energy Ltd	Long	AUD	POD	Podium Minerals Ltd	Long	AUD
CF US	CF Industries Holdings Inc	Long	AUD	SLB US	Schlumberger Ltd	Long	AUD
CIA	Champion Iron Ltd	Long	AUD	SWM	Seven West Media Ltd	Long	AUD
CRN	Coronado Global Resource	Long	AUD	SI US	Silvergate Capital Corp	Long	AUD
DAR US	Darling Ingredients Inc	Long	AUD	SHL	Sonic Healthcare Ltd	Long	AUD
DVN US	Devon Energy Corp	Long	AUD	S32	South32 Ltd	Long	AUD
ENPH US	Enphase Energy Inc	Long	AUD	SQ US	Block Inc Class A	Long	AUD
EVN	Evolution Mining Ltd	Long	AUD	SMR	Stanmore Resources Ltd	Long	AUD
FSLR US	First Solar Inc	Long	AUD	TENB US	Tenable Holdings Inc	Long	AUD
FLT	Flight Centre Travel Group Ltd	Long	AUD	TER	Terracom Ltd	Long	AUD
HAL US	Halliburton Co	Long	AUD	TIE	Tietto Minerals Ltd	Long	AUD
HBM US	Hudbay Mineral Inc	Long	AUD	TUA	Tuas Ltd	Long	AUD
IEL	IDP Education Ltd	Long	AUD	U US	Unity Software Inc	Long	AUD
JRV	Jervois Mining Ltd	Long	AUD	WEB	Webjet Ltd	Long	AUD
JOY CN	Journey Energy Inc	Long	AUD	WHR US	Whirlpool Corp	Short	AUD
KAR	Karoon Energy Ltd	Long	AUD	WHC	Whitehaven Coal Ltd	Long	AUD
360	Life360 Inc	Long	AUD	WLL US	Whiting Petroleum Corp	Long	AUD
MFG	Magellan Financial Group Ltd	Short	AUD	WPL	Woodside Petroleum Ltd	Long	AUD
MAY	Melbana Energy Ltd	Long	AUD	ZIM US	ZIM Integrated Shipping Services Ltd	Long	AUD

For more information contact Cadence Opportunities Fund on 02 8298 2450 or email [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
 Register to receive our FREE newsletter at [www.cadencecapital.com.au/register-for-free-newsletter](http://www.cadencecapital.com.au/register-for-free-newsletter)

## 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 the Company's trading statistics, some investment themes and positions held. Karl Siegling finishes with an update on 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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