

Cadence Opportunities Fund returned a negative performance of 0.4% in November, compared to the All Ordinaries Accumulation Index which was up 6.4% for the month. Year to date the fund is up 6.0%, compared to the All Ordinaries Accumulation Index which is up 13.4% for the same period. The top contributors to performance during the month were BHP Group, Coronado Global Resources, Syrah Resources, Tietto Minerals, AMP and Renascor Resources. The largest detractors from performance were Fortescue Metals Group, Taiwan Semiconductor Manufacturing, NVIDIA, Whitehaven Coal, New Hope and Stanmore Coal.

Equity markets continued their rally into November on the back of lower-than-expected inflation data released in Australia and the US. The fund's performance for November was impacted by a sell-off in thermal coal equities, short positions which rallied, and its high cash balances.

The fund's exposure to coal over the past 12-18 months has led to good returns for the fund, however over the last month the thermal coal price has potentially broken trend, with an intra month fall from \$420 to \$300. Subsequently coal equities, such as Whitehaven Coal, fell nearly 30% from their peak, and in line with our process we reduced the size of these positions. While we have partially added to these positions as the thermal coal price has partly recovered, our exposure to these companies remains significantly lower than a month ago as we assess whether the longer-term trend remains intact or is broken.

Short positions were also a detractor to performance in November, specifically positions in iron ore producers and semiconductor companies, due to China indicating that it would relax its COVID restrictions earlier than anticipated.

There have been several new additions to the portfolio across both the resources and industrials sectors in recent weeks. We have added to our positions in copper and gold producers Capstone Copper and Bellevue Gold, as well as new investments in other specialty markets, such as a placement in a rare earths developer Arafura Resources. We are also finding opportunity in turnaround situations in consumer related sectors such as Domino's Pizza, A2 Milk and Health & Happiness (1112 HK).

### **CDO AGM Investor Briefing**

Cadence Opportunities Fund held its AGM and Investor Briefing on the 16<sup>th</sup> November 2022. Karl Siegling started the Investor Briefing by giving an update on the performance of the funds, discussed the changes in the portfolio and talked about some important changes in market trends. Karl Siegling, Jackson Aldridge and Charlie Gray then discussed a number of current long and short positions in the funds. Karl Siegling closed with the outlook for 2023. [Click here to view this Investor Briefing.](#)

## Fund NTA

Net Tangible Assets as at 30th November 2022	Amount (\$)
Pre Tax NTA*	\$2.301
Post Tax NTA*	\$2.318
Share Price (ASX Code: CDO)*	\$2.450

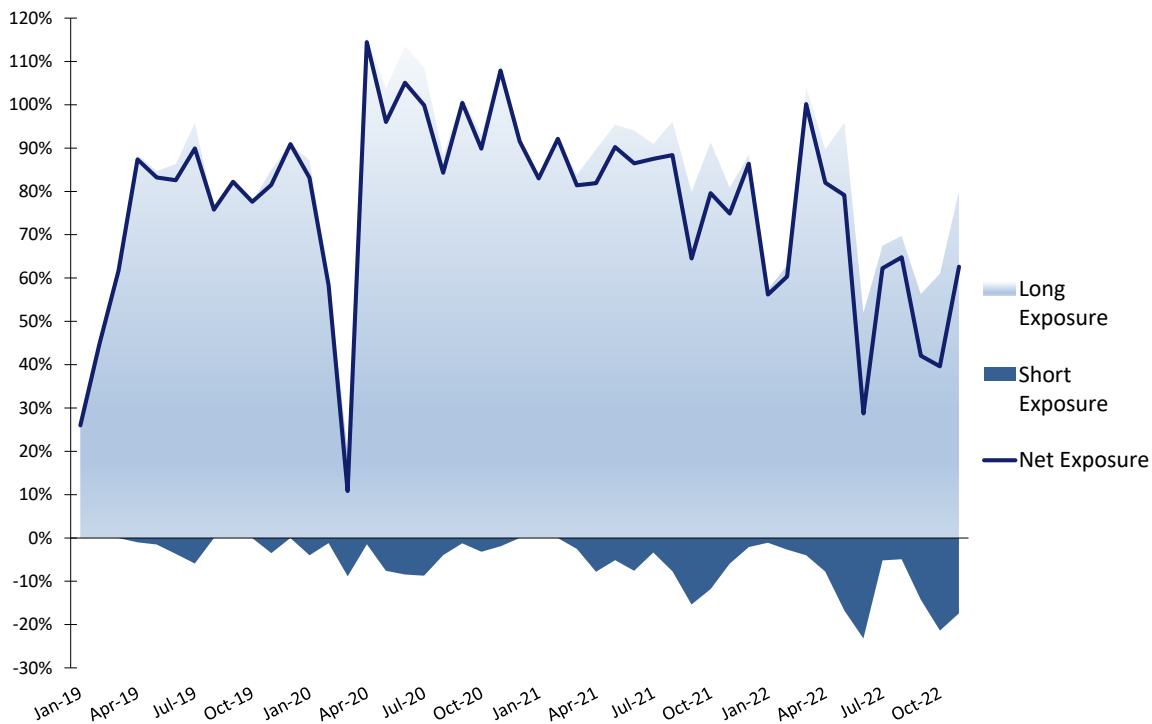
\*After the 7.5c fully franked final dividend paid 28 Oct 2022

## Fund Performance

Gross Performance* to 30th November 2022	CDO
1 Month	-0.4%
YTD	6.0%
1 Year	-13.0%
2 Years (per annum)	18.5%
Since Inception (per annum)	36.4%
Since Inception (3.9 years) (total return)	237.3%

\* Gross Performance: before Management and Performance Fees

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	33.4%	-3.7%	29.7%
Energy	19.6%		19.6%
Consumer, Cyclical	5.9%		5.9%
Financial	7.0%	-1.8%	5.2%
Consumer, Non-cyclical	5.7%	-2.0%	3.7%
Communications	2.2%	-0.9%	1.3%
Retailing	1.2%		1.2%
Diversified	0.6%		0.6%
Insurance	0.5%		0.5%
Technology	2.2%	-2.4%	-0.2%
Commercial & Professional Services		-0.5%	-0.5%
Banks		-1.7%	-1.7%
Industrial	1.7%	-4.4%	-2.7%
	<b>80.0%</b>	<b>-17.4%</b>	<b>62.6%</b>

**Net Cash Holdings** **37.4%**

## Portfolio Positions

Stock Code	Position	Direction	Exposure	Stock Code	Position	Direction	Exposure
AJL	AJ Lucas Group Ltd	Long	AUD	NAB	National Australia Bank Ltd	Short	AUD
AMP	AMP Ltd	Long	AUD	NWL	Netwealth Group Ltd	Short	AUD
ANZ	Australia & New Zealand Group	Short	AUD	NHC	New Hope Corp Ltd	Long	AUD
ATL	Apollo Tourism & Leisure Ltd	Long	AUD	NXT	Nextdc Ltd	Short	AUD
AQC	Australian Pacific Coal Ltd	Long	AUD	NHY NO	Norsk Hydro ASA	Long	AUD
BGL	Bellevue Gold Limited	Long	AUD	NVX	Novonix Ltd	Short	AUD
BHP	BHP Group Ltd	Long	AUD	NVDA US	NVIDIA Corp	Short	AUD
BCB	Bowen Coking Coal Ltd	Long	AUD	PMET CN	Patriot Battery Metals Inc	Long	AUD
CS CN	Capstone Copper Corp	Long	AUD	PNI	Pinnacle Investment Management	Short	AUD
CCX	City Chic Collective Ltd	Long	AUD	PINS US	Pinterest Inc Class A	Long	AUD
COI	Comet Ridge Ltd	Long	AUD	QAN	Qantas Airways Ltd	Long	AUD
CBA	Commonwealth Bank of Australia	Short	AUD	QBE	QBE Insurance Group Ltd	Long	AUD
CXO	Core Lithium Ltd	Short	AUD	RNU	Renascor Resources Ltd	Long	AUD
CRN	Coronado Global Resources	Long	AUD	RMD	Resimac Group Inc	Long	AUD
DAC US	Danaos Corp	Short	AUD	SYA	Sayona Mining Ltd	Short	AUD
AG US	First Majestic Silver Corp	Long	AUD	SRX	Stanmore Resources Ltd	Long	AUD
FMG	Fortescue Metals Group Ltd	Short	AUD	SMR	Sims Ltd	Long	AUD
ILU	Iluka Resources Ltd	Short	AUD	STA	Sayona Mining Ltd	Long	AUD
IGL	IVE Group Ltd	Long	AUD	SYR	Syrah Resources Ltd	Long	AUD
JLG	Johns Lyng Group	Short	AUD	TLG	Talga Group Ltd	Long	AUD
KAR	Karoon Energy Ltd	Long	AUD	TER	Terracom Ltd	Long	AUD
360	Life360 Inc	Long	AUD	TEVA US	Teva Pharmaceutical	Long	AUD
LYC	Lynas Corp Ltd	Long	AUD	TGH US	Textainer Group Holdings Ltd	Short	AUD
MMS	McMillan Shakespeare Ltd	Short	AUD	TIE	Tietto Minerals Ltd	Long	AUD
MPL	Medibank Pvt Ltd	Long	AUD	TMC US	TMC The Metal Company Inc	Long	AUD
MEG CN	MEG Energy Corp	Long	AUD	WBC	Westpac Banking Corp	Short	AUD
MAY	Melbana Energy Ltd	Long	AUD	WHC	Whitehaven Coal Ltd	Long	AUD
MCR	Mincor Resources NL	Short	AUD	WDS	Woodside Energy Group 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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Karl Siegling has recently been interviewed on the following shows, all of which all can be watched or listened to:

- Andrew Geoghagen interviews Karl Siegling on Ausbiz 2 Dec 2022 ([Click here](#) to watch);
- Andrew Geoghagen interviews Karl Siegling on Ausbiz 18 Nov 2022 ([Click here](#) to watch);
- Alan Kohler Interviews Karl Siegling for Eureka Report ([Click here](#) to listen);
- James Whelan interviews Karl Siegling on the BIP show ([Click here](#) to listen); and
- Lelde Smits interviews Karl Siegling at TCN's Emerging ASX Gems Investment Conference ([Click here](#) to watch).

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