

Cadence Opportunities Fund returned a negative performance of 3.9% in December, compared to the All Ordinaries Accumulation Index which was down 3.3% for the month. Year to date the fund is up 1.9%, compared to the All Ordinaries Accumulation Index which is up 9.6% for the same period. The largest detractors from performance during the month were Renascor Resources, Syrah Resources, Citi Chic Collective, Coronado Global Resources and Tietto Minerals. The top contributors to performance were Novonix, Arafura Rare Earths, Melbana Energy, Tourism Holdings Rentals and Stanmore Resources.

Markets declined through December following the gains recorded in the previous two months, continuing the pattern of volatility seen through much of 2022. This month saw defensive and large-cap style companies outperforming while technology and EV battery metal related stocks were sold off. As such, the fund's holdings across graphite related companies such as Syrah Resources and Renascor Resources detracted from performance in December however have contributed positively to returns in recent months.

A further downgrade from City Chic Collective also impacted performance despite the company trading at a discount to its net working capital. On the other hand, coal equities recovered through the month in line with the coal price and the re-opening of the Chinese economy continued to gain traction. The fund has added to its positions in Health & Happiness, A2 Milk, Tencent and Alibaba as these share prices recover from depressed levels.

There is also beginning to be more corporate activity in markets, and more specifically mergers. Tourism Holdings completed its merger with Apollo Tourism and started trading on the ASX as a combined entity recently. We believe this merger will deliver significant value for shareholders through industry consolidation and improved pricing power. The same goes for the recent proposed merger between Genesis Minerals and St Barbara which could create the next mid-tier gold producer in Western Australia's Leonora region.

Fund NTA

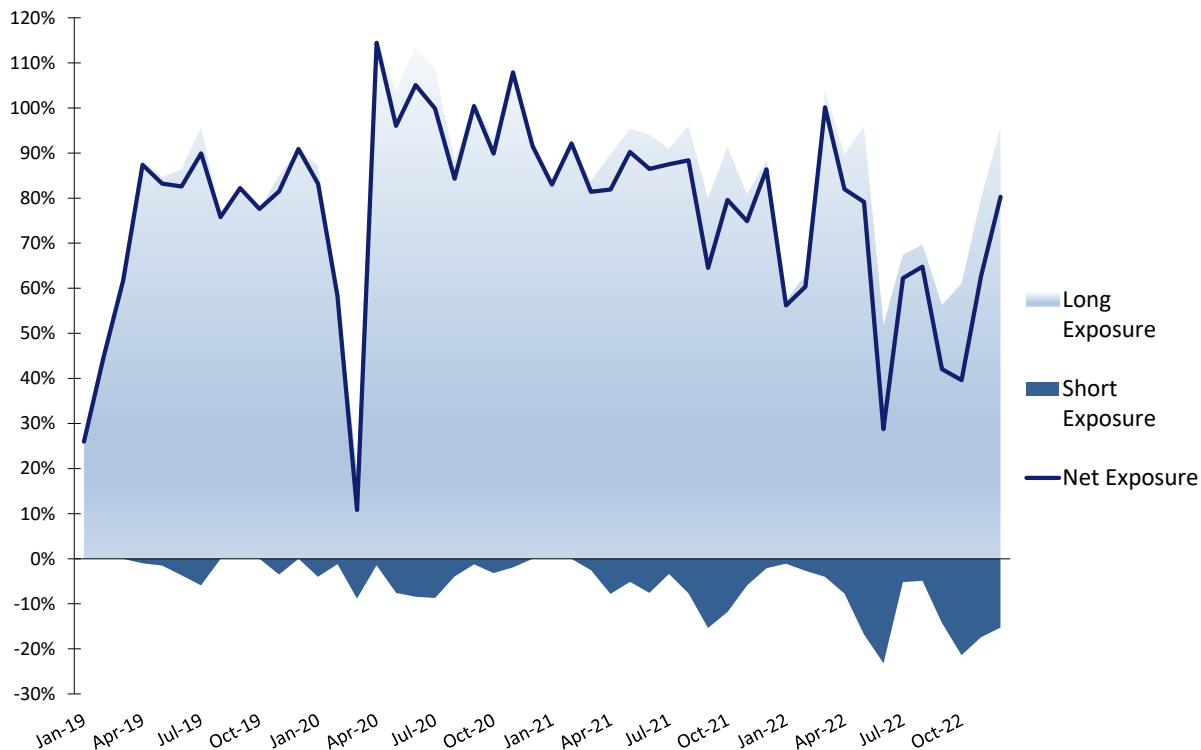
Net Tangible Assets as at 31st December 2022	Amount (\$)
Pre Tax NTA	\$2.218
Post Tax NTA	\$2.261
Share Price (ASX Code: CDO)	\$2.300

Fund Performance

Gross Performance* to 31st December 2022	CDO
1 Month	-3.9%
YTD	1.9%
1 Year	-14.6%
2 Years (per annum)	14.2%
3 Years (per annum)	34.2%
Since Inception (per annum)	34.2%
Since Inception (4.0 years) (total return)	224.1%

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Positions

Stock Code	Position	Direction	Exposure	Stock Code	Position	Direction	Exposure
1112 HK	Health & Happiness International	Long	AUD	NAB	National Australia Bank Ltd	Short	AUD
360	Life360 Inc	Long	AUD	NCM	Newcrest Mining Ltd	Long	AUD
700 HK	Tencent Holdings	Long	AUD	NHC	New Hope Corp Ltd	Long	AUD
A2M	A2 Milk Co Ltd	Long	AUD	NHY NO	Norsk Hydro ASA	Long	AUD
AG US	First Majestic Silver Corp	Long	AUD	NVDA US	NVIDIA Corp	Short	AUD
AJL	AJ Lucas Group Ltd	Long	AUD	NVX	Novonix Ltd	Short	AUD
AMP	AMP Ltd	Long	AUD	NWL	Netwealth Group Ltd	Short	AUD
ANZ	Australia & New Zealand Group	Short	AUD	NXT	Nextdc Ltd	Short	AUD
AQC	Australian Pacific Coal Ltd	Long	AUD	PINS US	Pinterest Inc	Long	AUD
ARU	Arafura Rare Earths Ltd	Long	AUD	PMET CN	Patriot Battery Metals Inc	Long	AUD
BCB	Bowen Coking Coal Ltd	Long	AUD	PMT	Patriot Battery Metals Inc	Long	AUD
BGL	Bellevue Gold Limited	Long	AUD	QAN	Qantas Airways Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD	QBE	QBE Insurance Group Ltd	Long	AUD
CBA	Commonwealth Bank of Australia	Short	AUD	RFG	Retail Food Group Ltd	Long	AUD
CCX	City Chic Collective Ltd	Long	AUD	RMD	Resmed Inc	Long	AUD
CHN	Chalice Mining Ltd	Long	AUD	RNU	Renascor Resources Ltd	Long	AUD
CLG	Close The Loop Ltd	Long	AUD	SBM	St Barbara Ltd	Long	AUD
COI	Comet Ridge Ltd	Long	AUD	SMR	Stanmore Resources Ltd	Long	AUD
CRN	Coronado Global Resources	Long	AUD	SRX	Sierra Rutile Holdings Ltd	Long	AUD
CS CN	Capstone Copper Corp	Long	AUD	STA	Strandline Resources Ltd	Long	AUD
DAC US	Danaos Corp	Short	AUD	SYA	Sayona Mining Ltd	Short	AUD
DMP	Domino's Pizza Enterprises Ltd	Long	AUD	SYR	Syrah Resources Ltd	Long	AUD
DVP	Develop Global Ltd	Long	AUD	TER	Terracom Ltd	Long	AUD
E25	Element 25 Ltd	Long	AUD	TEVA US	Teva Pharmaceutical Industries	Long	AUD
KAR	Karoon Energy Ltd	Long	AUD	TGH US	Textainer Group Holdings Ltd	Short	AUD
LYC	Lynas Rare Earths Ltd	Long	AUD	THL	Tourism Holdings Rentals Ltd	Long	AUD
MAF	MA Financial Group Ltd	Short	AUD	TIE	Tietto Minerals Ltd	Long	AUD
MAY	Melbana Energy Ltd	Long	AUD	TLG	Talga Group Ltd	Long	AUD
MEG CN	MEG Energy Corp	Long	AUD	WBC	Westpac Banking Corp	Short	AUD
MMS	McMillan Shakespeare Ltd	Short	AUD	WHC	Whitehaven Coal Ltd	Long	AUD
MPL	Medibank Pvt Ltd	Long	AUD				

Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	43.9%	-2.0%	41.9%
Energy	22.9%		22.9%
Consumer, Non-cyclical	12.8%	-2.4%	10.3%
Financial	5.6%	-1.8%	3.8%
Consumer, Cyclical	3.4%		3.4%
Communications	2.8%	-0.8%	2.0%
Retailing	1.1%		1.1%
Consumer Services	0.9%		0.9%
Insurance	0.6%		0.6%
Commercial & Professional Services		-0.8%	-0.8%
Technology	1.1%	-2.1%	-0.9%
Banks		-1.7%	-1.7%
Industrial	0.5%	-3.7%	-3.1%
	95.6%	-15.3%	80.3%
Net Cash Holdings			19.7%

News

Karl Siegling has recently been interviewed on the following shows:

- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 16 Dec 2022 ([Click here](#) to watch)
- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 9 Dec 2022 ([Click here](#) to watch)
- Andrew Geoghagen interviewed Karl Siegling on Ausbiz 2 Dec 2022 ([Click here](#) to watch)

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

Cadence Opportunities Fund held its AGM and Investor Briefing on the 16th 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.](#)

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