

Cadence Opportunities Fund returned a positive performance of 7.1% in January, compared to the All Ordinaries Accumulation Index which was up 6.4% for the month. The top contributors to performance during the month were Patriot Battery Metals, Capstone Copper, BHP, Stanmore Coal, Citi Chic Collective, Lynas and Retail Food Group. The largest detractors from performance were Sayona Mining, New Hope Corp and Health and Happiness International.

After declining through December, global equity markets had a strong start to the new year in January. The ASX All Ordinaries Index is now 1% away from all-time highs, whereas the S&P 500 is still 13% below, and the tech-heavy NASDAQ remains 24% off its highs. The Australian market has outperformed many of its international peers over the past year owing to its large weightings towards resource companies such as BHP and Rio Tinto which have performed very well, as well as 'value' style blue-chips such as the major banks which have been resilient.

For the fund, the top performers through the month were mainly resources related positions which meet our core criteria. Stock specific announcements from Patriot Battery Metals, which is proving up the world-class Corvette deposit in Canada, and Capstone Copper, which is on track to increase copper production by 60% in the next 18 months, aided stock performance. Consumer turnaround Citi Chic Collective rebounded following Brett Blundy's BB Capital taking a stake in the company while Retail Food Group rallied following settlement of its long-standing dispute with the ACCC.

The detractors for the month were mainly short positions and thermal coal related equities. The fund has decreased its thermal coal exposure significantly in recent months which has reduced the impact to portfolio performance from recent falls. While these stocks continue to trade cheaply (WHC on 2.5x PE, NHC on 3.5x PE at current coal prices), the trend change in the thermal coal price has been significant (moving from US\$450 to US\$250 a tonne). Resource companies are highly leveraged to their underlying commodity and will ultimately follow its trend. Elsewhere, Hong Kong listed stocks such as Health and Happiness International consolidated its recent gains after performing well for the fund in recent months.

Fully Franked Half Year Dividend

On the 3 February the Board declared a 7.5 cent fully franked half-year dividend. This interim dividend equates to a 6.5% annualised fully franked yield or a 9.2% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$2.32 per share. CDO shares have been trading closer to its NTA, so shareholders currently do not need to pay a large premium for its shares.

After paying this dividend the Company still has 36 cents per share of profits reserves to pay future dividends. The Ex-Date for the dividend is the 14 April 2023. The payment date for the dividend is the 28 April 2023.

The Dividend Re-Investment Plan (“DRP”) is in operation for the half-year dividend. The issue price will be at a 3% discount to the weighted average of the prevailing share price over the relevant DRP pricing period.

Half Year Audiocast

In the coming weeks we will be releasing the half-year audiocast which will give an update on the Company’s performance, its portfolio composition, some of its current investment holdings and the outlook for the rest of the year.

Fund NTA

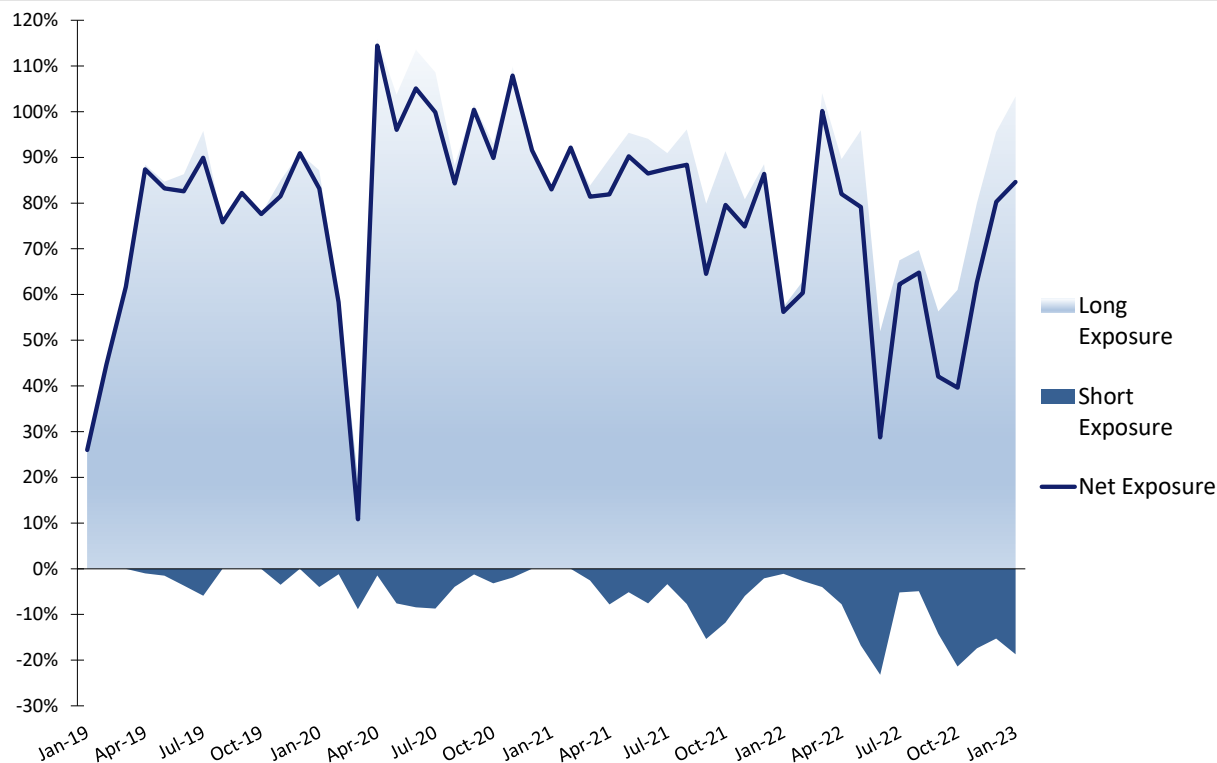
Net Tangible Assets as at 31st January 2023	Amount (\$)
Pre Tax NTA	\$2.358
Post Tax NTA	\$2.359
Share Price (ASX Code: CDO)	\$2.280

Fund Performance

Gross Performance* to 31st January 2023	CDO
1 Month	7.1%
YTD	9.1%
1 Year	-3.5%
2 Years (per annum)	14.7%
3 Years (per annum)	37.0%
Since Inception (per annum)	35.6%
Since Inception (4.1 years) (total return)	247.1%

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	48.6%	-5.1%	43.5%
Energy	20.7%	-4.1%	16.6%
Consumer, Non-cyclical	12.3%	-1.2%	11.1%
Communications	6.0%	-2.4%	3.6%
Consumer, Cyclical	3.5%		3.5%
Retailing	3.1%		3.1%
Consumer Services	2.7%		2.7%
Insurance	2.3%		2.3%
Technology	1.6%		1.6%
Financial	1.6%	-1.1%	0.5%
Utilities	0.4%		0.4%
Commercial & Professional Services		-0.8%	-0.8%
Industrial	0.6%	-2.3%	-1.7%
Banks		-1.7%	-1.7%
	103.3%	-18.7%	84.6%
Net Cash Holdings			15.4%

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

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	NFLX US	Netflix Inc	Long	AUD
9988 HK	Alibaba Group Holding Ltd	Long	AUD	NHC	New Hope Corp Ltd	Long	AUD
A2M	A2 Milk Co Ltd	Long	AUD	NHY NO	Norsk Hydro ASA	Long	AUD
ADT	Adriatic Metals PLC	Long	AUD	NIC	Nickel Industries Ltd	Long	AUD
AJL	AJ Lucas Group Ltd	Long	AUD	NWL	Netwealth Group Ltd	Short	AUD
AKE	Allkem Ltd	Long	AUD	NXT	Nextdc Ltd	Short	AUD
ANZ	Australia & New Zealand Group	Short	AUD	PINS US	Pinterest Inc	Long	AUD
AQC	Australian Pacific Coal Ltd	Long	AUD	PLS	Pilbara Minerals Ltd	Long	AUD
BCB	Bowen Coking Coal Ltd	Long	AUD	PMET CN	Patriot Battery Metals Inc	Long	AUD
BGL	Bellevue Gold Limited	Long	AUD	PMT	Patriot Battery Metals Inc	Long	AUD
BHP	BHP Group Ltd	Long	AUD	QAN	Qantas Airways Ltd	Long	AUD
CBA	Commonwealth Bank of Australia	Short	AUD	QBE	QBE Insurance Group Ltd	Long	AUD
CCX	City Chic Collective Ltd	Long	AUD	RED	Red 5 Ltd	Short	AUD
CHN	Chalice Mining Ltd	Long	AUD	RFG	Retail Food Group Ltd	Long	AUD
CLG	Close The Loop Ltd	Long	AUD	RMC	Resimac Group Ltd	Long	AUD
COI	Comet Ridge Ltd	Long	AUD	RMD	Resmed Inc	Long	AUD
CRN	Coronado Global Resources	Long	AUD	RNU	Renascor Resources Ltd	Long	AUD
CS CN	Capstone Copper Corp	Long	AUD	SBM	St Barbara Ltd	Long	AUD
CXO	Core Lithium Ltd	Short	AUD	SGR	Star Entertainment Group Ltd	Long	AUD
DAC US	Danaos Corp	Short	AUD	SMR	Stanmore Resources Ltd	Long	AUD
DMP	Domino's Pizza Enterprises Ltd	Long	AUD	SRX	Sierra Rutile Holdings Ltd	Long	AUD
DVP	Develop Global Ltd	Long	AUD	SYA	Sayona Mining Ltd	Short	AUD
DYL	Deep Yellow Limited	Long	AUD	SYR	Syrah Resources Ltd	Long	AUD
GHY	Gold Hydrogen Ltd	Long	AUD	TER	Terracom Ltd	Long	AUD
GNW US	Genworth Financial Inc	Long	AUD	TEVA US	Teva Pharmaceutical Industries	Long	AUD
IREN US	Iris Energy Ltd	Long	AUD	TGH US	Textainer Group Holdings Ltd	Short	AUD
KAR	Karoon Energy Ltd	Long	AUD	THL	Tourism Holdings Ltd	Long	AUD
KGN	Kogan.com Ltd	Short	AUD	TIE	Tietto Minerals Ltd	Long	AUD
LYC	Lynas Rare Earths Ltd	Long	AUD	TLG	Talga Group Ltd	Long	AUD
MAY	Melbana Energy Ltd	Long	AUD	WBC	Westpac Banking Corp	Short	AUD
MEG CN	MEG Energy Corp	Long	AUD	WHC	Whitehaven Coal Ltd	Long	AUD
MMS	McMillan Shakespeare Ltd	Short	AUD				

News

Portfolio manager Jackson Aldridge was recently interviewed:

- Nadine Blayney interviewed Jackson Aldridge on Ausbiz – 6 January 2023 ([Click here](#) to watch)
- Nadine Blayney interviewed Jackson Aldridge on Ausbiz – 20 January 2023 ([Click here](#) to watch)
- Nadine Blayney interviewed Jackson Aldridge on Ausbiz – 27 January 2023 ([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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