

Cadence Opportunities Fund Limited (ASX: CDO) Half Year Results

Sydney, 26 February 2024: Cadence Opportunities Fund Limited (ASX: CDO) today announced a half year profit after tax of \$0.9m. Karl Siegling, Chairman, said “The portfolio returned 3.6% over the six months to 31 December 2023. The top contributors to performance during the first half were Meta Platforms, Whitehaven Coal, Tietto Minerals, Westgold Resources, Red 5, Stanmore Resources and BHP Group. The largest detractors from performance were Sierra Rutile Holdings, AMP, Augustus Minerals and Patriot Battery Metals.”

Karl added, “Core investments across the resources and energy sectors were again a major driver of returns for the fund in the period, continuing the theme witnessed over the past 18 months. Over the past six months, trading activity continued to be low with the fund holding higher than average cash levels. The fund has delivered returns with significantly lower than market volatility over the past six months.”

Fully Franked Interim Dividend

On the 26 February the Board declared a 6.5 cent fully franked half-year dividend. This interim dividend equates to an 8.1% annualised fully franked yield or a 11.6% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$1.60 per share.

Half Year Results to 31 December 2023:

- First half year fund up 3.6%
- Profit after tax of \$0.9m
- 6.5c fully franked Interim Dividend
- Annualised Yield of 8.1% fully franked (11.6% gross including franking)
- Ex-Date is the 15 April 2024
- Payment date is the 30 April 2024
- DRP will be operating for the half year dividend
- Ongoing on-market buy-back to buy back shares issued in DRP
- 22.5 cps profits reserves after paying this dividend
- CDO Trading at a 19% discount to NTA

After paying this dividend the Company has 22.5 cents per share of profits reserves to pay future dividends. The Ex-Date for the dividend is the 15 April 2024. The payment date for the dividend is the 30 April 2024.

The dividend re-investment plan (DRP) will be in operation for this interim dividend. We would encourage shareholders to participate in the DRP as an efficient mechanism to add to existing holdings in the fund. The DRP will be priced at the weighted average share price over the relevant DRP pricing period. The Company will buy-back the shares it issues under the DRP. This buy-back will operate when the CDO share price is trading at a discount to the Pre-Tax NTA.

If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

CDO share price discount to NTA

At the time of writing this media release, CDO is trading at a pre-tax NTA discount of around 19% whilst holding some cash balances. If all the shares in the portfolio fell by 21% the pre-tax NTA would still be above the share price.

Outlook

Karl Siegling said, "We have been closely monitoring the current uptrend in interest rates. We continue to believe that this is one of the most important trends to monitor in determining the direction of future asset prices. Evidence began to emerge in November 2023 that interest rate increases have slowed. The market has had a strong run since then and the fund has invested its cash as more new investments were identified and as existing investments that continued to trend up were added to. Importantly, we are finding these opportunities across a wide range of sectors and geographies."

Karl Siegling continued, "The fund has had a good start to the 2024 financial year. We continue to focus on implementing the Cadence process that has served us well through market cycles."

Karl Siegling
Chairman, Cadence Opportunities Fund Limited



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