

Cadence Capital Limited returned a gross performance of -0.8% in April outperforming the All Ordinaries Accumulation Index by +1.9% for the month. The top contributors to performance during the month were Whitehaven Coal, Alumina, Capstone Copper, Pantoro, Evolution Mining and Red 5. The largest detractors from performance were Meta Platforms, Netflix, Zillow and Westgold Resources.

During the month Whitehaven Coal completed the acquisition of the Daunia and Blackwater metallurgical coal mines. The acquisition will transform Whitehaven from producing predominantly thermal coal to producing both thermal and metallurgical coal, with 70% of their revenue expected to be from metallurgical coal post this acquisition. Whitehaven Coal is trading on a PE of 9 if we annualise their first half profit, which does not include the substantial earnings accretion from the acquisition.

Alumina recently released improved results for the first quarter of 2024. This was primarily driven by a higher realised alumina price of USD 362/t which was up USD 18/t compared to the prior quarter. The takeover of Alumina by Alcoa remains on track to be implemented during the third quarter of 2024. The Alumina share price continues to trade in step with the Alcoa share price, reflecting shareholders expectations that the scrip for scrip takeover will go ahead.

Fully Franked Half-Year Dividend

On the 30th April the Company paid its 3.0 cents per share fully franked interim dividend. This interim dividend equated to an 8.0% annualised fully franked yield or a 11.4% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$0.75 per share. After paying this dividend the Company still has 15.5 cents per share of profits reserves to pay future dividends. The DRP was operational for this dividend.

Discount to NTA and On-Market Buy-Back

At the time of writing this newsletter, CDM is trading at a pre-tax NTA discount of around 15% whilst holding some cash balances. CDM has implemented an on-market buy-back to buy back the shares it has issued under the DRP. This buy-back will operate whilst the CDM share price is trading at a discount to the Pre-Tax NTA.

Half-Year Audiocast

To watch CDM's Half-Year Audiocast please [click here](#). In this half-year audiocast, Karl Siegling first provides an update on the Company's half-year performance, the 3.0c fully franked interim dividend and DRP, the composition of the portfolio and the current investment themes. Karl Siegling and Chris Garrard then discuss two of the Company's current investments and then finish with the outlook for the rest of the year.

Fund NTA

| Net Tangible Assets as at 30th April 2024 | Amount (\$) |
|---|-------------|
| Pre Tax NTA* | \$0.841 |
| Post Tax NTA* | \$1.012 |
| Share Price (ASX Code: CDM)* | \$0.730 |

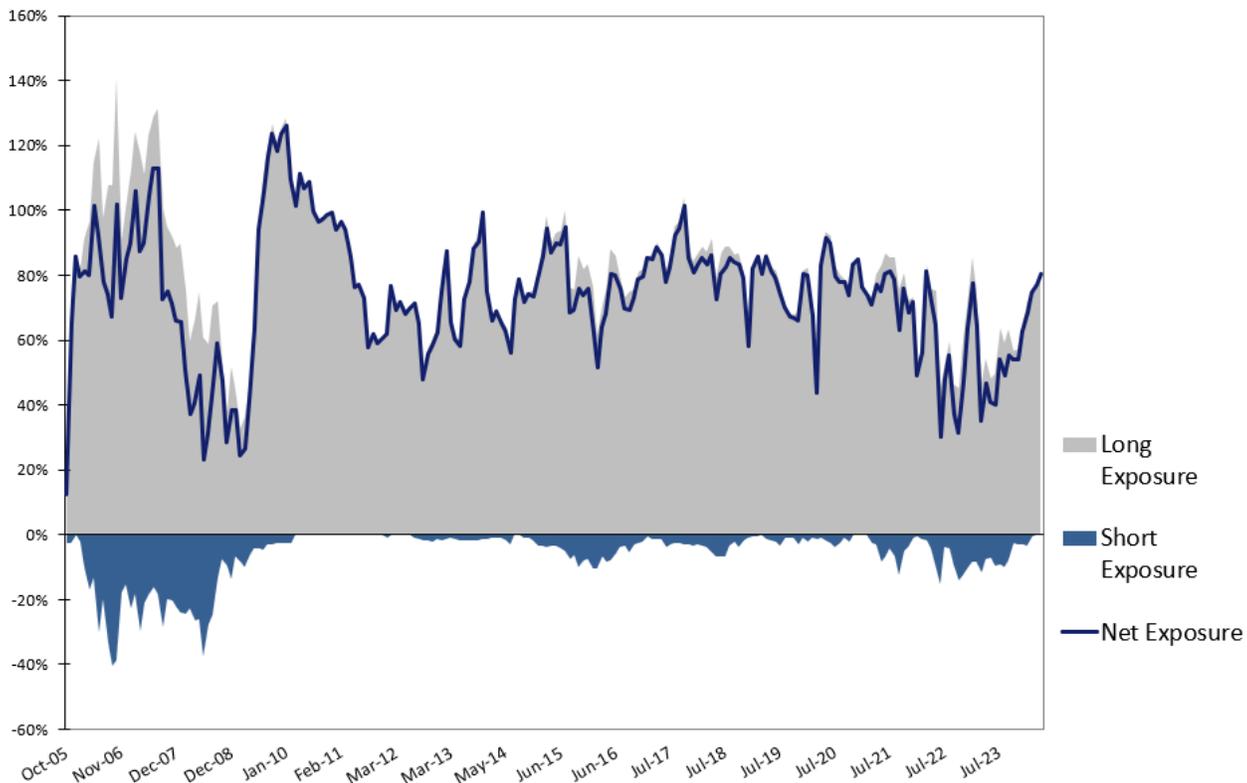
*After the 3.0c fully franked interim dividend paid on 30th Apr 2024

Fund Gross Performance

| Gross Performance* to 30th April 2024 | CDM | All Ords Accum | Outperformance |
|---|--------|----------------|----------------|
| 1 Month | -0.8% | -2.7% | +1.9% |
| YTD | 9.4% | 10.8% | -1.4% |
| 3 Years (per annum) | 1.3% | 7.1% | -5.8% |
| 5 Years (per annum) | 5.4% | 8.4% | -3.0% |
| 10 Years (per annum) | 4.3% | 8.1% | -3.8% |
| Since Inception (18.6 years) (per annum) | 10.9% | 7.3% | +3.6% |
| Since Inception (18.6 years) (total return) | 586.8% | 271.1% | +315.7% |

*Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Franked Dividends Declared Since Listing

| Calendar Year | Interim | Final | Special | Total | Gross (Inc. Franking) |
|---------------|--------------|--------------|--------------|---------------|-----------------------|
| 2007 | 2.0c | 2.0c | 2.0c | 6.0c | 8.6c |
| 2008 | 2.5c | 2.2c* | - | 4.7c | 5.8c |
| 2009 | - | 2.0c | - | 2.0c | 2.9c |
| 2010 | 2.0c | 2.0c | - | 4.0c | 5.7c |
| 2011 | 3.0c | 3.0c | 3.0c | 9.0c | 12.9c |
| 2012 | 4.0c | 4.0c | 4.5c | 12.5c | 17.8c |
| 2013 | 5.0c | 5.0c | 1.0c | 11.0c | 15.7c |
| 2014 | 5.0c | 5.0c | - | 10.0c | 14.3c |
| 2015 | 5.0c | 5.0c | 1.0c | 11.0c | 15.7c |
| 2016 | 5.0c | 4.0c | - | 9.0c | 12.9c |
| 2017 | 4.0c | 4.0c | - | 8.0c | 11.4c |
| 2018 | 4.0c | 4.0c | - | 8.0c | 11.4c |
| 2019 | 3.0c | 2.0c | - | 5.0c | 7.1c |
| 2020 | 2.0c | 2.0c | - | 4.0c | 5.7c |
| 2021 | 2.0c | 3.0c | - | 5.0c | 7.1c |
| 2022 | 4.0c | 4.0c | - | 8.0c | 11.4c |
| 2023 | 4.0c | 3.0c | - | 7.0c | 10c |
| 2024 | 3.0c | - | - | 3.0c | 4.2c |
| TOTAL | 59.5c | 56.2c | 11.5c | 127.2c | 180.6c |

* Off market Equal access buy back

Portfolio Sector Analysis

| Sector | Long | Short | Net |
|------------------------|--------------|-------------|--------------|
| Basic Materials | 26.7% | | 26.7% |
| Energy | 20.9% | | 20.9% |
| Communications | 11.5% | | 11.5% |
| Financial | 6.2% | | 6.2% |
| Insurance | 6.1% | | 6.1% |
| Industrial | 4.2% | | 4.2% |
| Utilities | 2.3% | | 2.3% |
| Consumer, Non-cyclical | 1.4% | | 1.4% |
| Technology | 1.0% | | 1.0% |
| | 80.3% | 0.0% | 80.3% |

Net Cash Holdings and Tax Asset **19.7%**

Portfolio Market Capitalisation Analysis

| Market Capitalisation | Long | Short | Net |
|--|--------------|-------------|--------------|
| > AUD 1 Billion | 66.1% | | 66.1% |
| AUD 500 Mill - AUD 1 Billion | 6.2% | | 6.2% |
| AUD 250 Mill - AUD 500 Mill | 5.2% | | 5.2% |
| AUD 100 Mill - AUD 250 Mill | 2.0% | | 2.0% |
| 0 - AUD 100 Mill | 0.8% | | 0.8% |
| | 80.3% | 0.0% | 80.3% |
| Net Cash Holdings and Tax Asset | | | 19.7% |

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