

INVESTMENT UPDATE

October 2024

Cadence Capital Limited returned a gross performance of +1.5% in October outperforming the All Ordinaries Accumulation Index by 2.8% for the month. The top contributors to performance during October were Resolute Mining, Westgold Resources, Evolution Mining, Netflix, West African Resources, Chalice Mining and QBE Insurance. The largest detractors from performance were Whitehaven Coal, BHP and Robex Resources.

Gold and gold mining companies have continued to perform well in October. The gold price was up 4% for the month, while the share prices of Resolute Mining, Westgold Resources and Evolution Mining all rose by more than 10%. In our recent quarterly webcasts, we have spoken about how the share price of gold companies has failed to match the performance of gold itself, even though gold companies are leveraged to the gold price. We believe that part of the good performance of our gold mining company investments in October is the share price essentially playing 'catch up' on the gold price increases that we have seen over the past year.

During October Westgold released their quarterly production figures. The company produced 77koz of gold for the quarter following its merger with Karora and reiterated its guidance to produce 400-420koz for the full year. The company also expects post-merger synergies to reduce all-in sustaining costs per ounce for 2025. Evolution also released their quarterly production figures in October. The company produced 194koz of gold and 19kt of copper, and are on track to meet full year guidance. They also upgraded their FY25 mine cash flow guidance by \$107m due to the recent increases in the gold price.

Fully Franked Year-End Dividend

On 31st October 2024 the Company paid its 3.0 cents per share fully franked year-end dividend, bringing the full year dividend to 6.0 cents per share fully franked. This full year dividend equated to an 8.6% fully franked yield or a 12.2% gross yield (grossed up for franking credits) based on the share price of \$0.70 per share on the day of the announcement. Importantly this equated to a 7.4% dividend yield based on the pre-tax NTA of \$0.81 on the day of the announcement, due to the Company shares trading at a discount to NTA. After paying this dividend the Company still has around 12.5 cents per share of profits reserves to pay future dividends.

The dividend re-investment plan (DRP) was in operation for this final dividend. The Company will buy-back the shares it has issued under the DRP. This buy-back will operate when the CDM share price is trading at a discount to the Pre-Tax NTA. At the time of writing this newsletter, CDM is trading at a pre-tax NTA discount of around 12%.

Upcoming AGM and Investor Briefing

We would like to remind you that we are holding our AGM and Investor Briefing at the Museum of Sydney, Warrane Theatre, at 2:00pm (AEDT) on Tuesday 26th November 2024. A dial-in facility is available for those investors that are not able to attend the AGM and Investor Briefing in person. The numbers to dial are as follows:

- Toll Free Australia - 1800 809 971

- Toll Free Australia Back Up - 1800 558 698

A webcast of the Investor Briefing will also be made available online sometime after the meeting. If you have any questions that you would like answered at the AGM please can you email them to info@cadencecapital.com.au.

Fund NTA

Net Tangible Assets as at 31st October 2024	Amount (\$)
Pre Tax NTA*	\$0.811
Post Tax NTA*	\$0.989
Share Price (ASX Code: CDM)*	\$0.700

*After the 3.0 c fully franked final dividend paid on 31st Oct 2024

Fund Gross Performance

Gross Performance* to 31st Oct 2024	CDM	All Ords Accum	Outperformance
1 Month	1.5%	-1.3%	+2.8%
5 Years (per annum)	7.0%	8.5%	-1.5%
10 Years (per annum)	4.1%	8.6%	-4.5%
Since Inception (19.1 years) (per annum)	10.7%	7.6%	+3.1%
Since Inception (19.1 years) (total return)	594.6%	301.2%	+293.4%

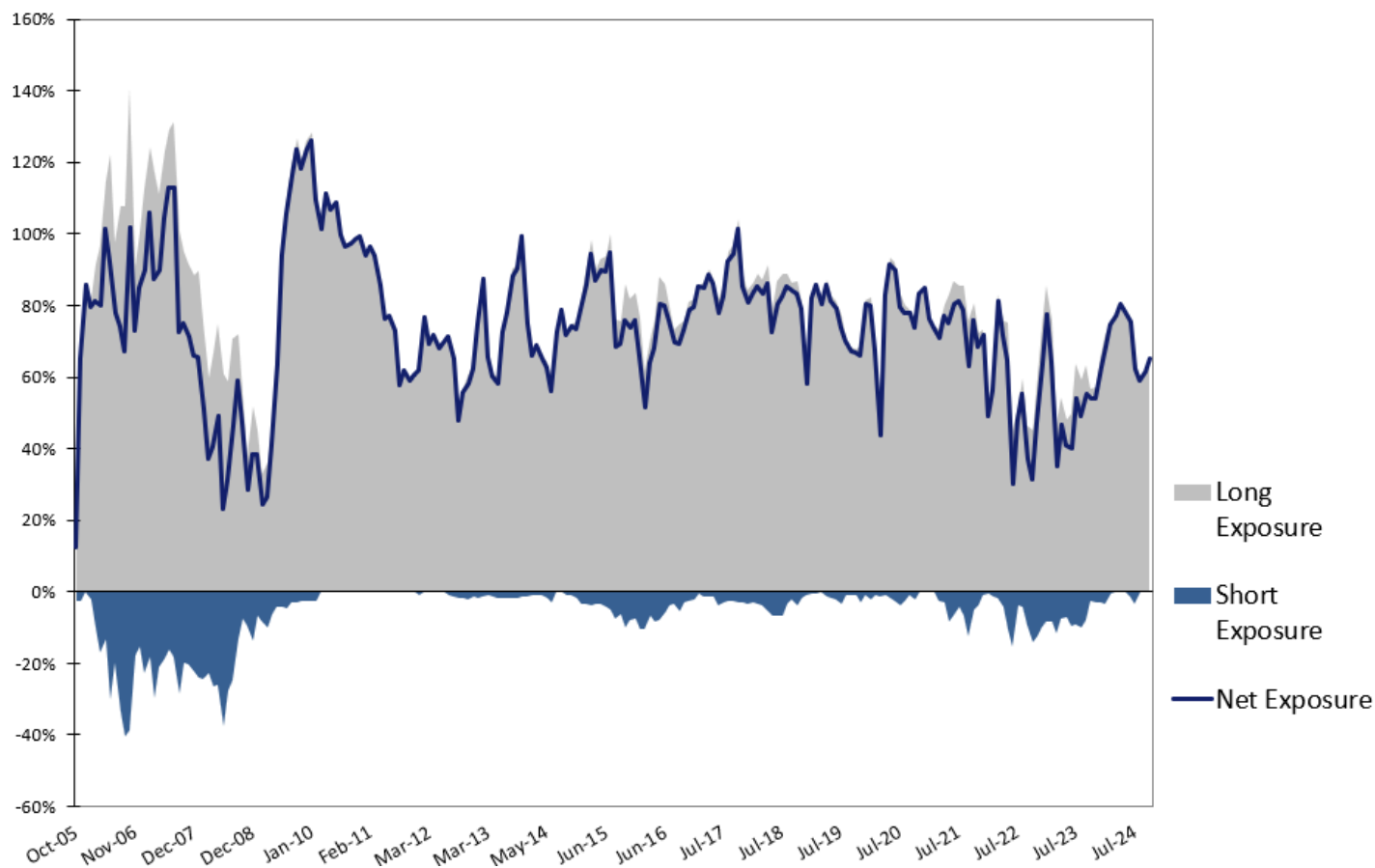
* Gross Performance: before Management and Performance Fees

Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	35.4%		35.4%
Communications	8.8%		8.8%
Energy	7.3%		7.3%
Insurance	6.3%		6.3%
Financial	2.6%		2.6%
Utilities	1.8%		1.8%
Industrial	1.3%		1.3%
Technology	0.9%		0.9%
Consumer, Non-cyclical	0.9%		0.9%
	65.2%	0.0%	65.2%

Net Cash Holdings and Tax Asset	34.8%
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Historic Portfolio Exposure



Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	52.6%		52.6%
AUD 500 Mill - AUD 1 Billion	2.9%		2.9%
AUD 250 Mill - AUD 500 Mill	6.7%		6.7%
AUD 100 Mill - AUD 250 Mill	1.1%		1.1%
0 - AUD 100 Mill	1.8%		1.8%
	65.2%	0.0%	65.2%
Net Cash Holdings and Tax Asset			34.8%

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	-	6.0c	8.6c
TOTAL	59.5c	59.2c	11.5c	130.2c	185.0c

* Off market Equal access buy back

After paying the final dividend the company still has around 12.5 cents per share of profits reserves to pay future dividends.

News

In September the Company released its [June 2024 Year End Webcast](#). In this year-end webcast, Karl Siegling first provides an update on the Company's full year results, the 3.0c fully franked final dividend, the portfolio's current composition and feedback from the recent reporting season. Karl Siegling and Chris Garrard then discuss the company's investments in Resolute Mining, Westgold Resources, Meta Platforms, Netflix, Alumina and Whitehaven Coal and finish off with the outlook for the rest of the year.

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

We also encourage you to visit our [52 books you should read before buying your next stock](#) page on our website. We have compiled a list of books/ documentaries that have influenced our investment style or helped provide insight into the Cadence investment process.

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