

## INVESTMENT UPDATE

November 2024

Cadence Opportunities Fund returned a gross performance of -1.6%, compared to the All Ordinaries Accumulation Index which was up 3.7% for the month. The largest detractors from performance during November were Resolute Mining, Westgold Resources, Clearview Wealth, West African Resources and Evolution Mining. The top contributors to performance were Echo IQ, Netflix, QBE Insurance, Alcoa and IperionX.

Gold fell in the month of November 2024 and as a result gold stocks fell more than the gold price fall. The fall in the gold price is after a substantial rise in price in calendar year 2024 as outlined in our recent Annual General meeting. The gold price has recovered some of its recent falls this month. More specifically, the Resolute share price more than doubled in the first 10 months of 2024 due to gold price rises and good operational performance. During November the share price fell back to where it was at the start of the year after the company announced that its CEO had been detained in Mali by Government Officials following disputes over business practices and tax. The company believes the claims are unsubstantiated but has agreed to pay the Mali government USD 160m to settle the claims. The Fund has reduced some exposure to gold stocks following our process.

Echo IQ is a medical technology company that uses artificial intelligence to detect heart failure. The company recently announced positive results from clinical studies, and during November signed an agreement with Beth Israel Deaconess Medical Centre in Boston to integrate its technology into the medical centre's systems for identifying patients with aortic stenosis. BIDMC performs about 30,000 echocardiograms a year which will provide further evidence of the effectiveness of Echo IQ's technology.

### Recent AGM Investor Briefing

To watch CDO's recent AGM Investor Briefing [please click here](#). In this AGM Investor Briefing, Karl Siegling starts by giving an update on CDM's and CDO's past and current year performances, discusses the portfolio's current compositions and highlights some important market trends. Karl Siegling and Chris Garrard then discuss in detail some of the portfolio's positions, namely Evolution Mining, Westgold Resources, Meta Platforms, Netflix and Block. Karl then discusses some further investment themes and CDO trading positions before closing with the outlook for 2025.

### Fully Franked Year-end Dividend

On 31<sup>st</sup> October 2024 the Company paid its 7.0 cents per share fully franked year-end dividend, bringing the full year dividend to 13.5 cents per share fully franked. This full year dividend equated to a 7.8% fully franked yield or a 11.2% gross yield (grossed up for franking credits) based on the share price of \$1.722 per share on the day of the announcement. Importantly this equated to a 7.1% dividend yield based on the pre-tax NTA of \$1.91 on the day of the announcement, due to the Company shares trading at a discount to NTA. After paying this dividend the fund still has 15.5 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 issued under the DRP. This buy-back will operate when the CDO share price is trading at a discount to the Pre-Tax NTA. At the time of writing this newsletter, CDO is trading at a pre-tax NTA discount of around 14%.

## Fund NTA

Net Tangible Assets as at 30th November 2024	Amount (\$)
Pre Tax NTA*	\$1.957
Post Tax NTA*	\$2.036
Share Price (ASX Code: CDO)*	\$1.705

\*After the 7.0c fully franked final dividend paid on 31st Oct 2024

## Fund Performance

Gross Performance* to 30th Nov 2024	CDO
1 Month	-1.6%
3 Years (per annum)	-4.3%
5 Years (per annum)	20.3%
Since Inception (per annum)	22.9%
Since Inception (5.9 years) (total return)	239.5%

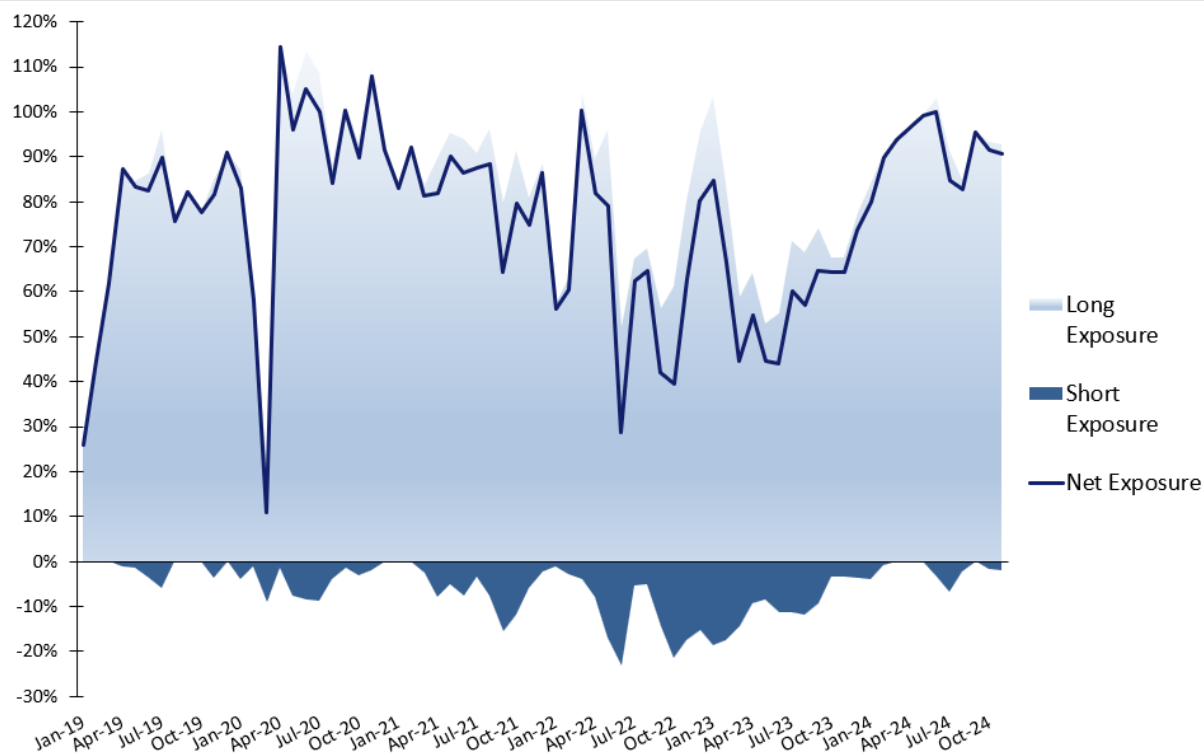
\* Gross Performance: before Management and Performance Fees

## Franked Dividends Declared

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2020		6.0c	-	6.0c	8.6c
2021		12.0c	3.0c	15.0c	21.4c
2022	7.5c	7.5c	-	15.0c	21.4c
2023	7.5c	6.5c	-	14.0c	20.0c
2024	6.5c	7.0c	-	13.5c	19.3c
<b>TOTAL</b>	<b>21.5c</b>	<b>39.0c</b>	<b>3.0c</b>	<b>63.5c</b>	<b>90.7c</b>

After paying the final dividend the company still has around 15.5 cents per share of profits reserves to pay future dividends.

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	39.7%		39.7%
Communications	9.9%		9.9%
Technology	9.2%		9.2%
Energy	9.1%		9.1%
Financial	8.5%		8.5%
Insurance	5.9%		5.9%
Consumer, Non-cyclical	3.3%		3.3%
Industrial	3.1%		3.1%
Utilities	1.2%		1.2%
Consumer, Cyclical	3.1%	-2.0%	1.1%
	<b>92.8%</b>	<b>-2.0%</b>	<b>90.8%</b>
<b>Net Cash Holdings and Tax Asset</b>			<b>9.2%</b>

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	55.4%	-2.0%	53.4%
AUD 500 Mill - AUD 1 Billion	5.8%		5.8%
AUD 250 Mill - AUD 500 Mill	15.9%		15.9%
AUD 100 Mill - AUD 250 Mill	14.4%		14.4%
0 - AUD 100 Mill	1.3%		1.3%
	<b>92.8%</b>	<b>-2.0%</b>	<b>90.8%</b>
Net Cash Holdings and Tax Asset			9.2%

## News

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

We 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 investment process.

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