

## INVESTMENT UPDATE

January 2025

Cadence Opportunities Fund returned a gross performance of 3.1% in January, compared to the All Ordinaries Accumulation Index which was up 4.4% for the month. The top contributors to performance during January were Echo IQ, Evolution Mining, Meta Platforms, Netflix, West African Resources, Queensland Pacific Metals and QBE Insurance. The largest detractors from performance were IperionX, Westgold Resources and Robex Resources.

During January Evolution Mining released its second quarter report. It generated record cash flows during the quarter which was primarily driven by higher gold prices and a weaker Australian dollar. In the second quarter Evolution received AUD 4,069 per ounce of gold sold. The gold price is currently over AUD 4,600 per ounce so we expect the third quarter will also produce record cash flows. Evolution also announced excellent exploration results at Ernest Herny, Northparkes and Cowal giving it multiple growth options in the medium to long term.

In late January Meta Platforms released its fourth quarter results which were well received by the market. Net income was a record USD 20.8b, up 49% compared to the same quarter a year earlier. Mark Zuckerberg said that version 4 of Meta's Llama LLM (Large Language Model) is in training, and we expect it will be released early this year. Meta's goal is for Llama 4 to be better than ChatGPT and other LLMs. Llama 4 will be the LLM that drives Meta's AI assistant, which is likely to become the most used AI assistant based on its integration into Facebook, Instagram and WhatsApp.

### Discount to NTA and On-Market Buy-Back

At the time of writing this newsletter, CDO is trading at a pre-tax NTA discount of around 13%. CDO 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 CDO share price is trading at a discount to the Pre-Tax NTA.

### Fund NTA

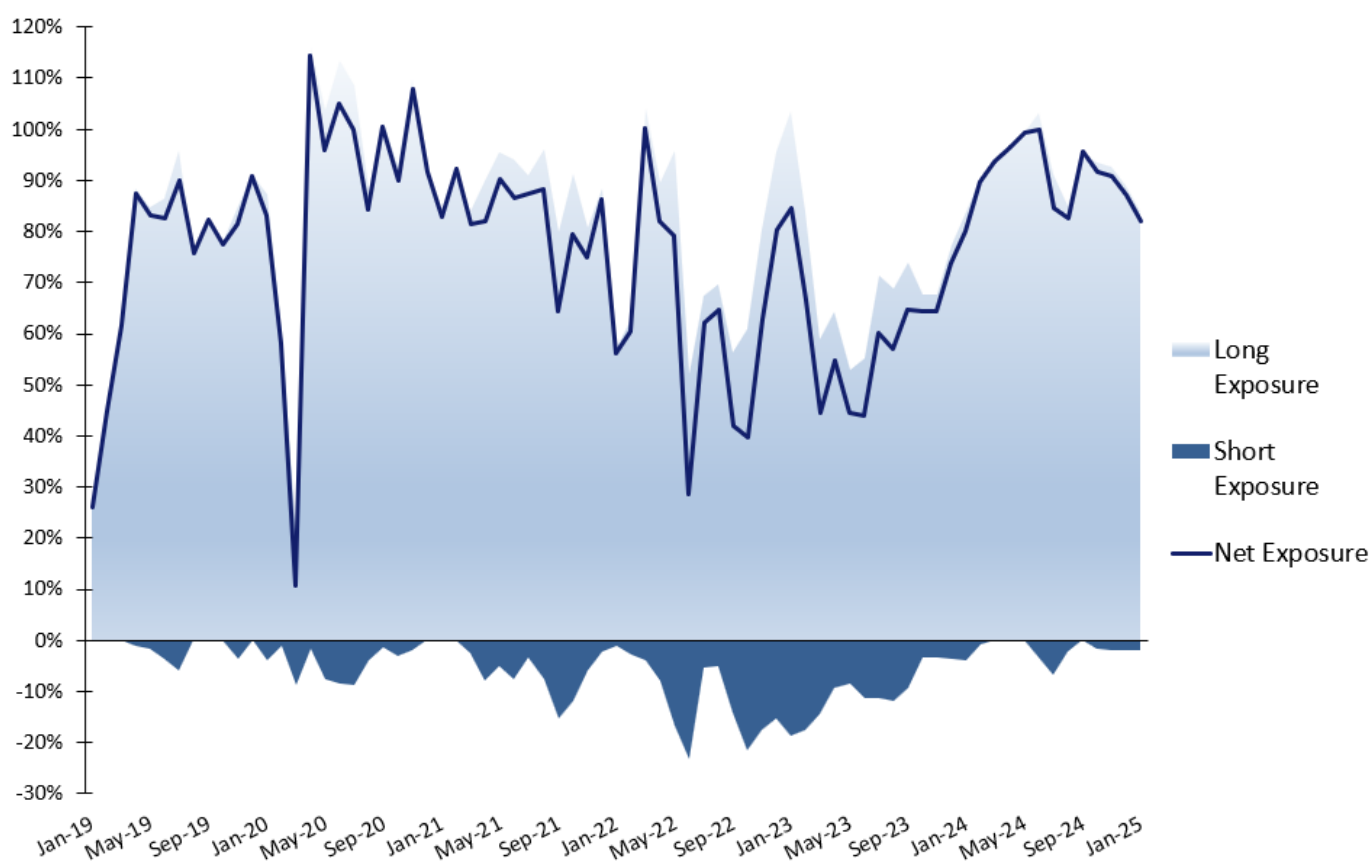
Net Tangible Assets as at 31st January 2025	Amount (\$)
Pre Tax NTA	\$1.949
Post Tax NTA	\$2.039
Share Price (ASX Code: CDO)	\$1.690

## Fund Performance

Gross Performance* to 31st Jan 2025	CDO
1 Month	3.1%
3 Years (per annum)	-2.0%
5 Years (per annum)	20.2%
Since Inception (per annum)	22.2%
Since Inception (6.1 years) (total return)	238.5%

\* Gross Performance: before Management and Performance Fees

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	28.3%		28.3%
Communications	12.5%		12.5%
Financial	9.6%		9.6%
Technology	8.9%		8.9%
Energy	8.6%		8.6%
Insurance	6.2%		6.2%
Consumer, Non-cyclical	4.0%		4.0%
Industrial	1.7%		1.7%
Utilities	1.1%		1.1%
Consumer, Cyclical	2.8%	-1.8%	0.9%
	<b>83.7%</b>	<b>-1.8%</b>	<b>81.9%</b>
Net Cash Holdings and Tax Asset			<b>18.1%</b>

## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	49.1%	-1.8%	47.3%
AUD 500 Mill - AUD 1 Billion	4.1%		4.1%
AUD 250 Mill - AUD 500 Mill	12.0%		12.0%
AUD 100 Mill - AUD 250 Mill	15.5%		15.5%
0 - AUD 100 Mill	2.9%		2.9%
	<b>83.7%</b>	<b>-1.8%</b>	<b>81.9%</b>
Net Cash Holdings and Tax Asset			<b>18.1%</b>

## Franked Dividends Declared

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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>

The company has around 20 cents per share of profits reserves to pay future dividends.

## News

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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.

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

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