

## INVESTMENT UPDATE

May 2025

Cadence Opportunities Fund returned a gross performance of 5.9% in May, outperforming the All Ordinaries Accumulation Index by 1.7% for the month. The fund has had a good start to the second half of the financial year returning a gross performance of 11.3% outperforming the index by 6.9%. This 5 month period (January to May) was a highly volatile period with the All Ordinaries Accumulation Index moving in a 15% range, which unsettled investors.

As we write this newsletter CDO is trading at a pre-tax NTA discount of 20%. The current portfolio can be purchased for 80 cents in the dollar. At these discounts the Company will be buying back its own stock in the CDO on-market buy-back program. All CDO Directors added to their CDO shareholdings at a discount to NTA by participating in the recent DRP.

The top contributors to performance during May were West African Resources, Evolution Mining, Turaco Gold, Resolute Mining, Boss Energy, Robex Resources, Netflix, QBE Insurance and New Gold. The largest detractor from performance during the month was Echo IQ. Recent market moves have created both trading and core investment opportunities with several new positions in the portfolio.

One of these new positions, New Gold, completed the 100% consolidation of the free cash flow interest in its New Afton mine, one of the two gold operations in its portfolio. The acquisition provides New Gold with increased gold sales into a favourable gold price environment. During May the market also digested its March Quarter results, which delivered strong levels of free cash flow with commentary suggesting a further ramp up in free cash flow in future periods. With material near term production growth New Gold is well positioned to capture the benefits of a rising gold price.

We also realised a trading opportunity in Boss Energy, a uranium producer in Australia and the US. Boss Energy is the most shorted stock on the ASX despite solid underlying fundamentals with a recent transition to positive free cash flow at its key projects. Meanwhile, the uranium price has started to show some support following the Sprott Physical Uranium Trust (SPUT) raising money at its premium to its share price (equal to NAV) and therefore eliminates any need for the Trust to sell uranium pounds into the market.

### Quarterly Webcast

To watch CDO's March 2025 Quarterly Webcast please [click here](#). In this quarterly webcast, Karl Siegling first gives an update on the Company's performance, its 6.5c fully franked interim dividend paid, the current composition of the portfolio and its top 20 holdings and then discusses the Company's discount to NTA. Karl then discusses in some detail six of the fund's new investments (namely New Gold, Motorcycle Holdings, Boss Energy, Echo IQ, Myer and Betr Entertainment) before closing with an update on the outlook for the rest of the year.

## Fund NTA

Net Tangible Assets as at 31st May 2025	Amount (\$)
Pre Tax NTA*	\$2.010
Post Tax NTA*	\$2.065
Share Price (ASX Code: CDO)*	\$1.625

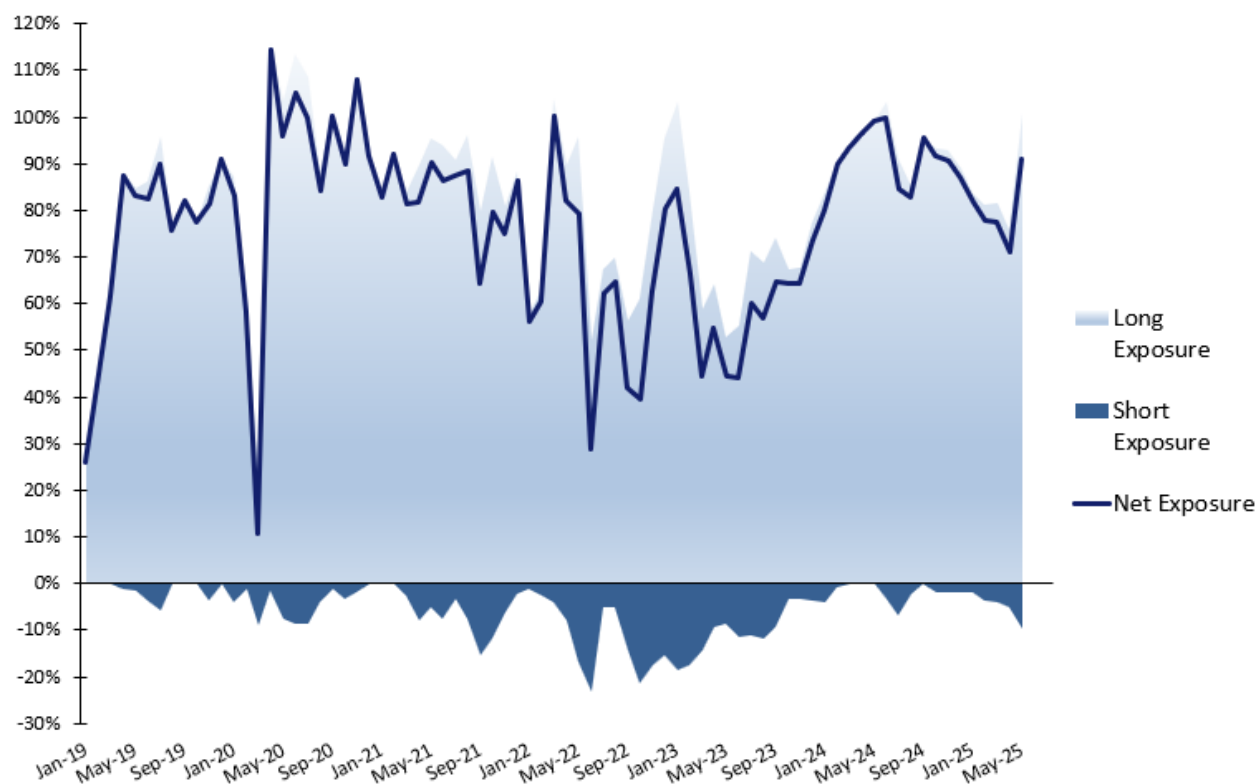
\*After the 6.5c fully franked interim dividend paid on 30 April 2025

## Fund Performance

Gross Performance* to 31st May 2025	CDO
1 Month	5.9%
5 Years (per annum)	19.2%
Since Inception (per annum)	22.4%
Since Inception (6.4 years) (total return)	265.1%

\* Gross Performance: before Management and Performance Fees

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Basic Materials	57.7%	-5.0%	52.7%
Financial	9.6%		9.6%
Insurance	6.2%		6.2%
Communications	5.9%		5.9%
Technology	5.5%		5.5%
Consumer, Non-cyclical	3.9%		3.9%
Energy	3.8%		3.8%
Industrial	1.5%		1.5%
Consumer, Cyclical	6.1%	-4.7%	1.4%
Utilities	0.6%		0.7%
	<b>100.7%</b>	<b>-9.7%</b>	<b>91.0%</b>

Net Cash Holdings and Tax Asset	<b>9.0%</b>
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## Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	58.3%	-4.7%	53.6%
AUD 500 Mill - AUD 1 Billion	16.0%		16.0%
AUD 250 Mill - AUD 500 Mill	16.9%	-5.0%	11.8%
AUD 100 Mill - AUD 250 Mill	7.5%		7.6%
0 - AUD 100 Mill	2.0%		2.1%
	<b>100.7%</b>	<b>-9.7%</b>	<b>91.0%</b>

Net Cash Holdings and Tax Asset	<b>9.0%</b>
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## 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
2025	6.5c	-	-	6.5c	9.3c
<b>TOTAL</b>	<b>28.0c</b>	<b>39.0c</b>	<b>3.0c</b>	<b>70.0c</b>	<b>100.0c</b>

After paying the recent interim dividend the company has around 13.5 cents per share of profits reserves to pay future dividends.

For more information contact Cadence Opportunities Fund on 02 8298 2450 or email [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
 Register to receive our FREE newsletter at [www.cadencecapital.com.au/register-for-free-newsletter](http://www.cadencecapital.com.au/register-for-free-newsletter)

## News

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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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