

INVESTMENT UPDATE

February 2025

Cadence Opportunities Fund outperformed the All Ordinaries Accumulation Index by 1.7% in February. The fund was down 2.3%, compared to the All Ordinaries Accumulation Index which was down 4.0% for the month. The top contributors to performance during February were Robex Resources, Evolution Mining, Echo IQ, Guzman Y Gomez, Solvar and Chalice Mining. The largest detractors from performance were Block Inc, Regal Partners, Queensland Pacific Metals, Step One Clothing, Whitehaven Coal and Yancoal Australia.

We have previously discussed that trading opportunities in CDO have picked up over the past 6 months, and that Echo IQ has performed well after we participated in their equity raise. Trading in Echo IQ again performed well for the fund in February after we took advantage of short term share price movements.

The gold price continued to trend upwards in February and ended the month up 2%. We have discussed previously our view that gold company share prices have not performed as well as they should have given the recent gold price rises, and we saw some share price 'catch up' occur in February with Robex Resources up 17% and Evolution Mining up 7%.

During February Robex Resources signed an agreement with the Mali government covering the operation of the Nampala mine. Robex has previously announced plans to divest this mine and we believe the signing of the agreement derisks the project and should lead to a better sale price. There has also been progress on Robex's Kiniero project in Guinea. They recently signed a US\$130 million debt facility to finance the construction of the mine and the CEO reiterated that the first gold pour is on track for Q4 2025.

Evolution Mining released their first half results during the month. A combination of strong operating performance and gold price tailwinds resulted in Evolution delivering a record 1H FY25 underlying profit of A\$385m. Its low-cost base with All In Sustaining Costs (AISC) of A\$1,638/oz helped deliver A\$435m of net mine cash flow and a reduction in its net debt position with gearing now 23%. Evolution is targeting a further reduction in gearing to 20% during FY25. FY25 guidance suggests sustained production rates and incrementally higher net mine cash flows.

Fully Franked Half-Year Dividend

On 27 February the Company announced a 6.5 cents per share fully franked interim dividend. This interim dividend equated to a 7.6% annualised fully franked yield or a 10.9% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$1.70 per share. After paying this dividend the Company has around 13.5 cents per share of profits reserves to pay future dividends.

The Ex-Date for the dividend is 10 April 2025. The payment date for the dividend is 30 April 2025.

DRP Operating for Interim Dividend

The dividend re-investment plan (DRP) will be in operation for this interim dividend. We would encourage shareholders to participate in the DRP as an efficient mechanism to add to existing holdings in the fund. The DRP will be priced at the weighted average share price over the relevant DRP pricing period. The Company will buy-back the shares it issues 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 11%.

If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

Half-Year Audiocast

In the coming weeks we will be releasing the half-year audiocast which will discuss the Company's half year performance and dividend, the portfolio composition, its current investment themes and holdings, and the outlook for the rest of the year.

Fund NTA

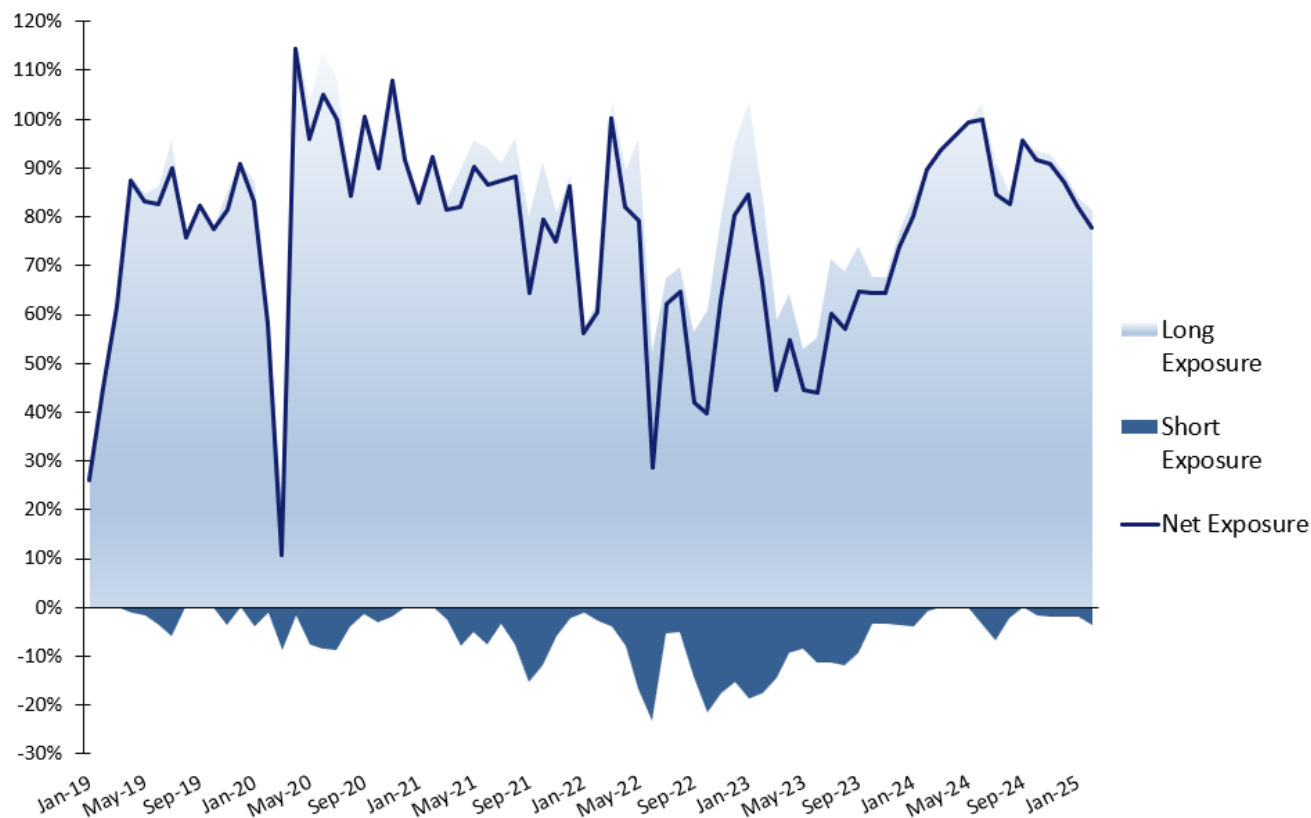
| Net Tangible Assets as at 28th February 2025 | | Amount (\$) |
|--|--|-------------|
| Pre Tax NTA | | \$1.905 |
| Post Tax NTA | | \$2.001 |
| Share Price (ASX Code: CDO) | | \$1.680 |

Fund Performance

| Gross Performance* to 28th Feb 2025 | CDO |
|--|--------|
| 1 Month | -2.3% |
| 3 Years (per annum) | -2.3% |
| 5 Years (per annum) | 21.5% |
| Since Inception (per annum) | 21.4% |
| Since Inception (6.2 years) (total return) | 230.6% |

* Gross Performance: before Management and Performance Fees

Historic Portfolio Exposure



Portfolio Sector Analysis

| Sector | Long | Short | Net |
|------------------------|--------------|--------------|--------------|
| Basic Materials | 30.5% | | 30.5% |
| Communications | 12.5% | | 12.5% |
| Financial | 8.9% | | 8.9% |
| Energy | 7.6% | | 7.6% |
| Technology | 6.5% | | 6.5% |
| Insurance | 6.1% | | 6.1% |
| Consumer, Non-cyclical | 3.9% | | 3.9% |
| Industrial | 1.3% | | 1.3% |
| Utilities | 1.2% | | 1.2% |
| Consumer, Cyclical | 2.8% | -3.5% | -0.7% |
| | 81.4% | -3.5% | 77.9% |

| | |
|--|--------------|
| Net Cash Holdings and Tax Asset | 22.1% |
|--|--------------|

Portfolio Market Capitalisation Analysis

| Market Capitalisation | Long | Short | Net |
|---------------------------------|--------------|--------------|--------------|
| > AUD 1 Billion | 48.9% | -3.5% | 45.4% |
| AUD 500 Mill - AUD 1 Billion | 8.6% | | 8.6% |
| AUD 250 Mill - AUD 500 Mill | 10.1% | | 10.1% |
| AUD 100 Mill - AUD 250 Mill | 11.9% | | 11.9% |
| 0 - AUD 100 Mill | 1.9% | | 1.9% |
| | 81.4% | -3.5% | 77.9% |
| Net Cash Holdings and Tax Asset | | | 22.1% |

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 |
| TOTAL | 28.0c | 39.0c | 3.0c | 70.0c | 100.0c |

After paying the upcoming interim dividend the company will have around 13.5 cents per share of profits reserves to pay future dividends.

News

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.

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