

Cadence Opportunities Fund Limited (ASX: CDO) Half Year Results

Sydney, 17 February 2023: Cadence Opportunities Fund Limited (ASX: CDO) today announced a half year profit after tax of \$0.6m. Karl Siegling, Chairman, said “The portfolio returned 1.9% over the six months to 31 December 2022. The top contributors to performance during the first half were Whitehaven Coal, Terracom, New Hope, AMP, BHP, Syrah Resources and Novonix. The largest detractors from performance were Renascor Resources, City Chic Collective, Life360, Fortescue Metals and NVIDIA.”

Half Year Results to 31 December 2022:

- Profit after tax of \$0.6m
- 7.5c fully franked Interim Dividend
- Annualised Yield of 6.5% fully franked (9.2% gross including franking)
- Ex-Date is the 14 April 2023
- Payment date is the 28 April 2023
- DRP will be operating at a 3% discount
- Still 36 cps profits reserves after paying this dividend

Karl added, “Core investments across the resources and energy sectors were again the major driver of returns for the fund in the period, continuing the theme witnessed over the past 12 months. Trading activity was lower in the portfolio with opportunity increasing toward the end of the period. Conversely, high cash levels in the portfolio (on average above 40%) dragged on returns. In recent months several new investments, meeting both our trading and core criteria, have entered the portfolio. Importantly, we are finding these opportunities across a wide range of sectors and geographies.”

Fully Franked Interim Dividend

On the 3 February the Board declared a 7.5 cent fully franked half-year dividend. This interim dividend equates to a 6.5% annualised fully franked yield or a 9.2% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$2.32 per share. The Company’s shares have been trading closer to its NTA, so shareholders currently do not need to pay a large premium for its shares.

After paying this dividend the Company still has 36 cents per share of profits reserves to pay future dividends. The Ex-Date for the dividend is the 14 April 2023. The payment date for the dividend is the 28 April 2023.

The Dividend Re-Investment Plan (“DRP”) is in operation for the half-year dividend. The issue price will be at a 3% discount to the weighted average of the prevailing share price over the relevant DRP pricing period. If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

Outlook

Karl Siegling continued, “Financial markets have continued to climb a wall of worry in recent months, with the Australian market particularly strong relative to its international peers. The ASX All Ordinaries Index is almost at all-time highs, whereas the S&P500 and NASDAQ remain 13% and 24% below their highs respectively.”

Karl Siegling added, “With inflation remaining elevated and interest rates substantially higher than they were a year ago, the investment environment continues to look significantly different to that of recent years. This tougher economic outlook we believe will lead to a greater dispersion of returns across stocks and sectors and will favour an active stock-picking approach that combines both fundamental and technical research such as the Cadence process.”

Karl Siegling
Chairman, Cadence Opportunities Fund Limited

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