Cadence Capital Limited
(ASX Code: CDM)
2026 AGM Investor Presentation

Please find attached a copy of the AGM Investor Presentation.

Regards,

Wayne Davies
Cadence Capital Limited

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Cadence Capital Ltd and Cadence Opportunities Fund Ltd



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CDM 2026 Year-End Results

- Fund was up 20.1% outperforming index by 14.4%, with a profit after tax of $47.4m.
- CDM Share price up 30.6% over FY26 (Incl. Div.& franking)
- Some of CDM's largest contributors to performance were gold and precious metals related stocks. The gold price entered FY26 at US$3,300/oz, peaking in January at US$5,600/oz, before retreating to end FY26 at US$4,000/oz.
- Positions such as Predictive Discovery, Robex Resources, Kingsgate, Endeavour Mining, Equinox Gold, New Gold and West African Resources benefitted from the gold price tailwind to deliver strong performance.
- Over the second half of the financial year, the falling gold price and changing trends of the resource stocks led us to sell down more than 80% of our gold and resource stocks, leading to the elevated cash position as at 30 June 2026.
- 3.0c FF final dividend, 1.0c FF special dividend
- 9.3% FF yield, 13.2% gross yield (Incl. special dividend)
- After the payment of final dividend CDM has 22cps Profits Reserve (3.5 yrs of dividends) and 4.1cps Franking Credits (1.5 yrs of fully franked dividends)

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CDM Performance

Gross Performance* to 31st Oct 2026	CDM	All Ords Accum	Outperformance
1 Month	-2.8%	0.7%	-3.5%
1 Year	-0.9%	1.6%	-2.5%
3 Years (per annum)	8.5%	12.7%	-4.2%
Since Inception (21.1 years) (per annum)	10.4%	7.5%	+2.9%
Since Inception (21.1 years) (total return)	707.3%	358.7%	+348.6%

* Gross Performance: before Management and Performance Fees

- YTD 31 Oct 2026 fund down 6.3%, compared to index which is up 1.7%.
- The largest detractors for the first 4 months of FY 2027 were Lindian Resources, Samsung Electronics, EchoIQ, Broken Hill Mines, Development Global and Liontown.
- The top contributors were CSL, Turaco Gold, Ringcentral, Metals X, FleetPartners and Croda International.

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	34.7%	-1.9%	32.8%
AUD 500 Mill - AUD 1 Billion	13.2%		13.2%
AUD 250 Mill - AUD 500 Mill	1.6%		1.6%
AUD 100 Mill - AUD 250 Mill	3.0%		3.0%
0 - AUD 100 Mill *	2.2%		2.2%
	54.6%	**-1.9%**	**52.7%**

Gross Exposure (Long plus Short)	56.5%

- The company holds around 40 positions.
- Approx. 88% of the fund's gross exposure is in Companies with a > than $500 Million market capitalisation.
- Currently, 89% of the portfolio can be liquidated within one week, and around 96% of the portfolio within a month.

CDM Top 20 Holdings (31 Oct 2026)

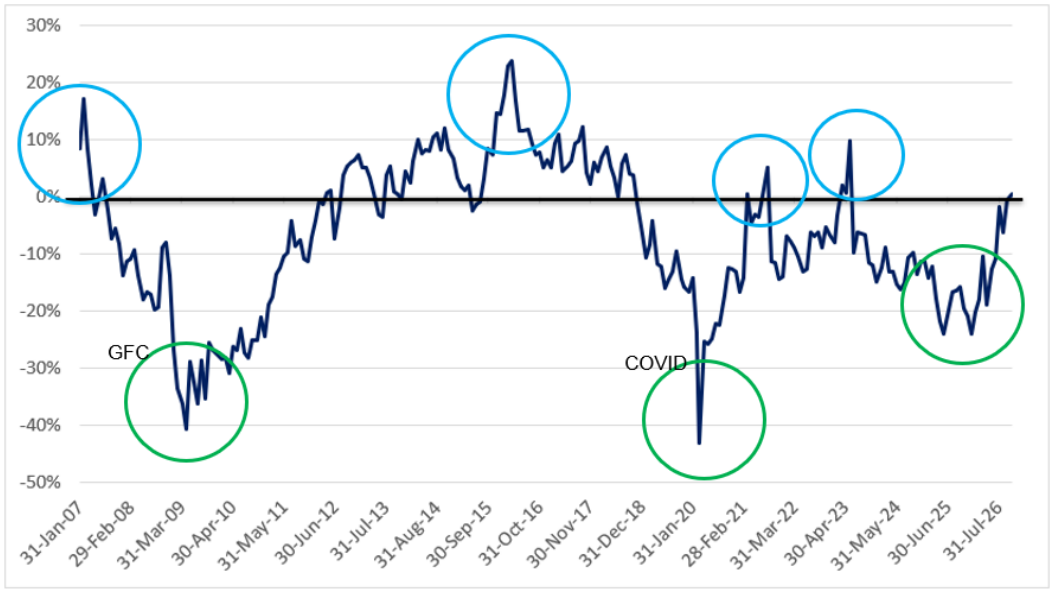
Code	Position*	Direction
AIS	Aeris Resources Ltd	Long
COH	Cochlear Ltd	Long
CRDA LN	Croda International PLC	Long
CSL	CSL Ltd	Long
DVP	Develop Global Ltd	Long
FPR	Fleetpartners Group Ltd	Long
GDG	Generation Development Group Ltd	Short
LIN	Lindian Resources Ltd	Long
LYFT US	LYFT Inc	Long
NHC	New Hope Corp Ltd	Long
PNR	Pantoro Ltd	Long
Unlisted	Petro Australis Energy	Long
PME	Pro Medicus Ltd	Long
RNG US	Ringcentral Inc	Long
STO	Santos Ltd	Long
SHV	Select Harvests Ltd	Long
SBM	St Barbara Ltd	Long
TCG	Turaco Gold Ltd	Long
WHC	Whitehaven Coal Ltd	Long
YAL	Yancoal Australia Ltd	Long

* In Alphabetical Order

The portfolio is a mixture of turnaround situations, precious metals, energy, resources, corporate activity and other trades

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CDM Premium/ Discount



Options included in calculations

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CDO 2026 Year-End Results

- Fund was up 30.3% outperforming index by 24.6%.
- Record Profit before tax of $7.99m
- Record Profit after tax of $5.66m
- CDO Share price up 41.0% over FY26 (Incl. Div.& franking)
- 7.5c FF final dividend, 2.0c FF special dividend
- 7.4% FF yield, 10.5% gross yield (Incl. special dividend)
- After the payment of final dividend CDO has 55cps Profits Reserve (more than 3.5 yrs of dividends) and 10.7cps Franking Credits (1.7 yrs of fully franked dividends)

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CDO Performance

Gross Performance* to 31st Oct 2026	CDO	All Ords Accum	Outperformance
1 Month	-3.3%	0.7%	-4.0%
1 Year	4.3%	1.6%	+2.7%
3 Years (per annum)	13.6%	12.7%	+0.9%
Since Inception (per annum)	20.8%	9.9%	+10.9%
Since Inception (7.8 years) (total return)	340.6%	109.2%	+231.4%

* Gross Performance: before Management and Performance Fees

- YTD 31 Oct 2026 fund down 5.5%, compared to index which is up 1.7%.
- The largest detractors for the first 4 months of FY 2027 were Lindian Resources, Guzman Y Gomez, EchoIQ, Samsung Electronics, Cyprium Metals, Development Global and Liontown.
- The top contributors were Turaco Gold, CSL, Many Peaks Minerals, Kantra Copper and Ringcentral.

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	37.1%	-2.1%	35.1%
AUD 500 Mill - AUD 1 Billion	15.0%		15.0%
AUD 250 Mill - AUD 500 Mill	8.9%		8.9%
AUD 100 Mill - AUD 250 Mill	7.9%		7.9%
0 - AUD 100 Mill *	3.6%		3.6%
	72.6%	**-2.1%**	**70.5%**

Gross Exposure (Long plus Short)	**74.7%**

- The company holds around 44 positions.
- Currently, around 92% of the portfolio can be liquidated within one week, and 96% of the portfolio within a month.

CDO Top 20 Holdings (31 Oct 2026)

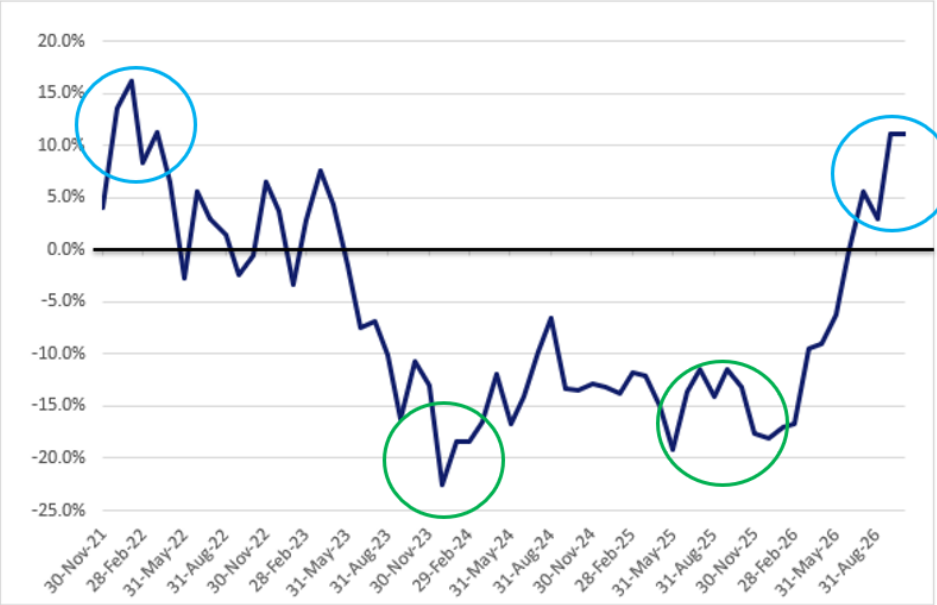
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COH	Cochlear Ltd	Long
CRDA LN	Croda International PLC	Long
CSL	CSL Ltd	Long
CYM	Cyprium Metals Ltd	Long
FPR	Fleetpartners Group Ltd	Long
GDG	Generation Development Group Ltd	Short
KAN	Kantra Copper Ltd	Long
LIN	Lindian Resources Ltd	Long
LYFT US	LYFT Inc	Long
MPK	Many Peaks Minerals Ltd	Long
NHC	New Hope Corp Ltd	Long
PNR	Pantoro Ltd	Long
RNG US	Ringcentral Inc	Long
STO	Santos Ltd	Long
SVR	Solvar Ltd	Long
SBM	St Barbara Ltd	Long
TCG	Turaco Gold Ltd	Long
WHC	Whitehaven Coal Ltd	Long
YAL	Yancoal Australia Ltd	Long

* In Alphabetical Order

The portfolio is a mixture of turnaround situations, precious metals, energy, resources, corporate activity and other trades

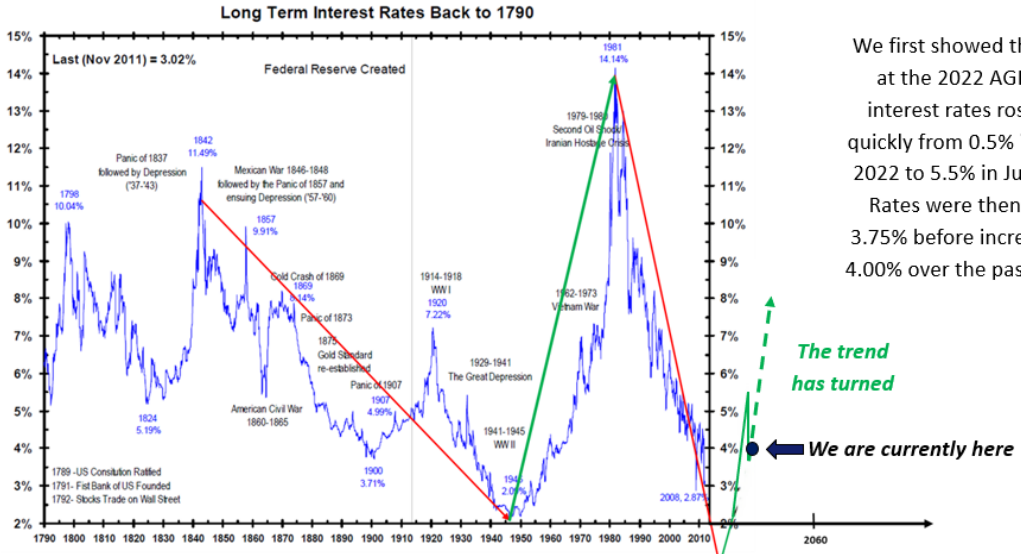
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CDO Premium/ Discount



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Long term US interest rates



We first showed this chart at the 2022 AGM. US interest rates rose very quickly from 0.5% in March 2022 to 5.5% in July 2023. Rates were then cut to 3.75% before increasing to 4.00% over the past month.

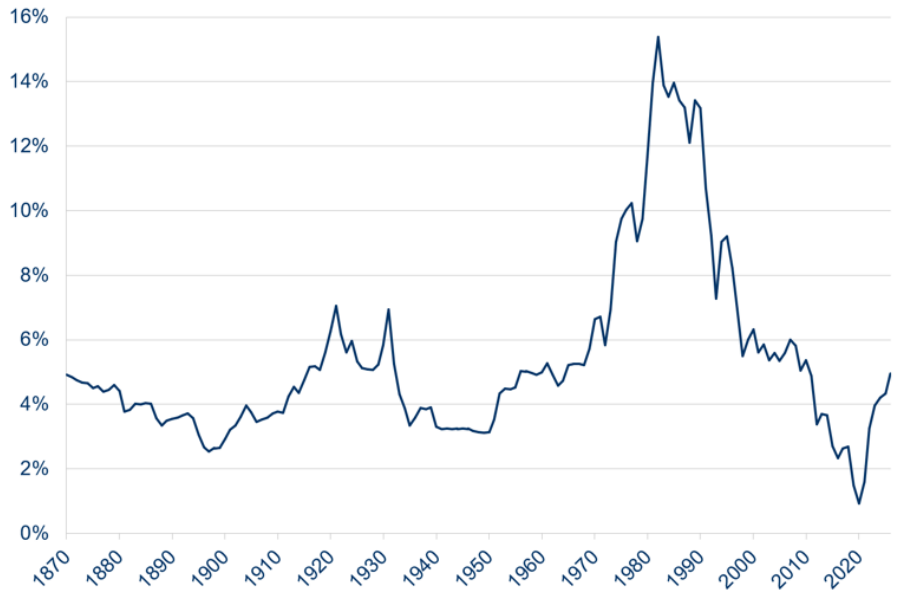
Source: What Drives The Bond Market?
Chicago CFA Handout by Bianco Research LLC
January 18, 2011```

Added by Cadence Asset Management: Red and Green Trend lines
July 25, 2022

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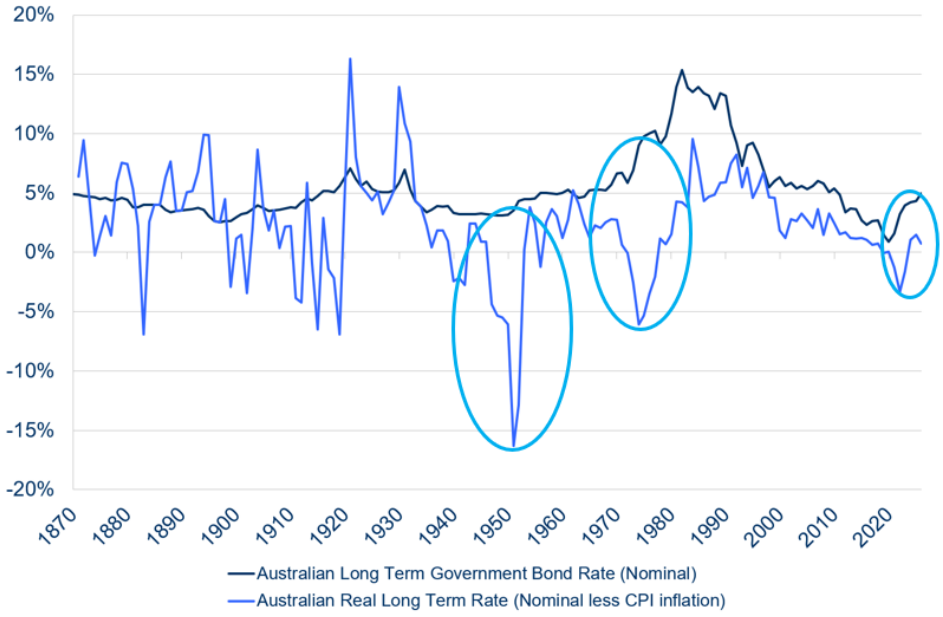
Australian Long Term Gov't Bond Rates



Source: Jordà-Schularick-Taylor Macrohistory Database, Bloomberg

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Australian Real vs Nominal Interest Rates

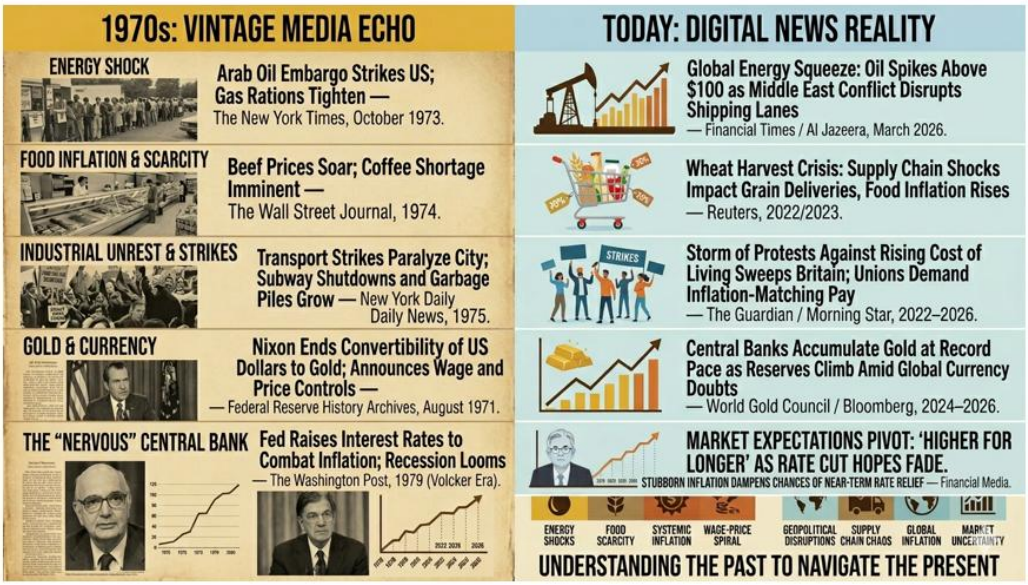


Source: Jordà-Schularick-Taylor Macrohistory Database, Bloomberg, ABS

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1970's vs Today



The Day the "music" stopped

AI-related headlines since September 2026

AUSTRALIA | ASX: NXT

–42%

NextDC

Worst day since 2010 listing, ~A$3bn wiped. Power delay to key project; new projects shelved.

AUSTRALIA | ASX IPO

Pulled

Firmus Technologies

$43.7bn ask vs $15bn Aug round. Enormous debt & funding requirements.

SOUTH KOREA | KOSDAQ

–32%

Elice Group

Worst Korean debut for an IPO over US$100m.

USA | NASDAQ: CRWV

–36%

CoreWeave

Shares down in October. ~US$51bn debt, bonds yield ~15%, CDS at distress levels.

HOW IT UNFOLDED

24 Sep	Oracle force majeure on US$165bn data centre; loans stressed
9 Oct	Firmus withdraws IPO after weak demand
10 Oct	MGH -50% on Firmus & AI exposure
14 Oct	CoreWeave bonds near 15% interest; AirTrunk delays REIT
21 Oct	Elice – 32% on IPO debut
21 Oct	NextDC – 42% on Melbourne power delay and guidance cut

WHY RISKS ARE ELEVATED

Debt and rates

Interest rates are rising; US 10yr yields are up to ~5%. Many AI-related bonds are trading below par.

Valuation vs revenue

Firmus' valuation was lifted by 3x in the 3 months prior to proposed IPO. Hopefuls are spruiking EBITDA, not real cash flow.

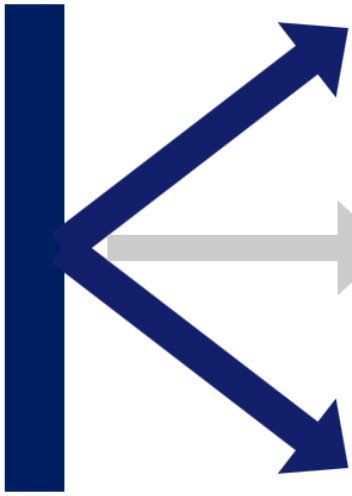
Power and community

Grid delays and local opposition stalled NextDC. These issues will continue.

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"K-shaped" economy

There are distinct groups within the economy with vastly different realities to higher interest rates...



THE TOP — ***GOOD***

- Money in the bank → generating interest income
- Mortgage already paid off → no interest payments
- More disposable income with each rate rise

THE MIDDLE — ***OKAY***

- Typically renters exposed to rising rents but no mortgage to deal with
- Some money leftover to manage cost of living

THE BOTTOM — ***BAD***

- Living pay cheque to pay cheque → no interest income
- Recent mortgagee paying higher rates on huge debt levels
- Less disposable income with each rate rise
- Inflation raising the cost of essentials – food, energy etc.

Discretionary Retail

NAB % change in consumer spend by mortgage status



Source: NAB Consumer Spend Trend - September 2026

"The Top"

Spending skews to experiences
- Eating out: Restaurants, Cafes
- Travel
- Events
- Entertainment
- New luxury vehicles

→

- Café & restaurant spending up 8.9% YoY in Sept 2026
- Hotels, Travel & Transport up 6.5% YoY
- Recreation & Personal Services up 15.3% YoY

Consumer Sentiment Index



"The Bottom"

Spending skews discretionary retail goods
- Clothing & accessories
- Furniture & household items
- Electronics & white goods

→

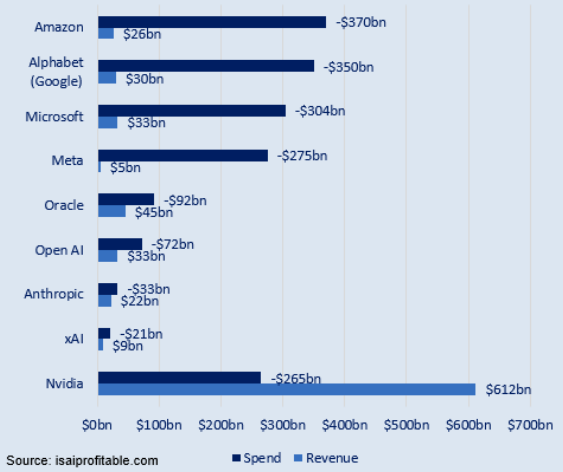
- David Jones enters voluntary administration
- Nick Scali ANZ sales orders down 15%
- JB HI-FI Australia comparable sales down 1.4%

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AI Spend & Blue-Collar vs White-collar jobs

AI REVENUE $815bn VS AI SPEND $1,782bn

Australian data center capex is expected to be US$16.5 billion by the end of 2026



BLUE-COLLAR JOBS FROM THE SPEND

- Western Sydney data center construction pipeline requires about 6,000 construction jobs, and 100–250 electricians/apprentices per hyperscaler site.
- OpenAI/NEXTDC A$7bn Sydney campus: 'thousands' of jobs.
- Meta & Microsoft: expect to support 17,500 construction jobs across Louisiana, Texas, Indiana.

WHITE-COLLAR JOB LOSSES

- NAB to cut 2500 jobs in huge restructuring, most to go within months.
- Canva 1,271, Atlassian 500, WiseTech 2,000, Qantas 850, Telstra 650, CBA 300.
- And the same trends in the US: Amazon 16,000, Barclays about 5,000, Microsoft about 4,800 and Block 4,000.

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Latest Budget

1 **Removal of 50% CGT discount**

- Remains unclear how losses will be treated

2 **Negative gearing abolished on existing properties**

- What will this mean for property investment going forward?

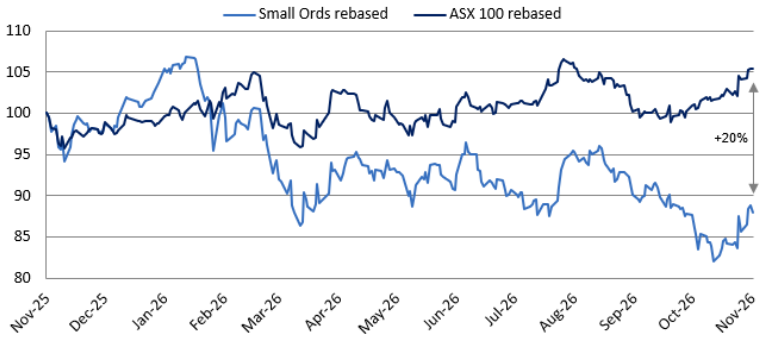
3 **Minimum 30% tax on discretionary trusts**

A reminder that CDM and CDO are "traders" for tax purposes. They pay tax on realised profits on their Investments (both local and overseas investments). They receive franking credits for the tax they pay and on franked dividends received, which they then can pass onto their investors as fully franked dividends.

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Small Caps vs Large Caps



Over the last 12 months, large caps have outperformed small caps by 20%

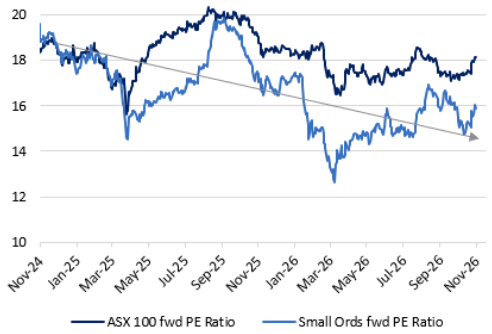
Source: Bloomberg

- Markets have turned "risk-off" favouring large and liquid stocks over small and illiquid stocks
- Many funds have mandates that require only small cap investments (despite the poor performance) and maximum cash levels.
- Cadence funds can allocate to parts of the market that are trending.
  - Large caps
  - Global

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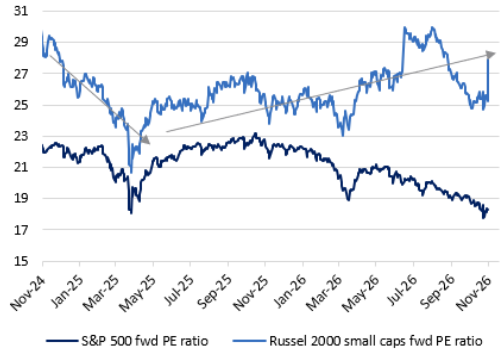
Domestic vs Global - Special Situations

Australia Large Caps vs Small Caps PE Ratios



Source: Bloomberg

US - Large Caps vs Small Caps PE Ratios



Source: Bloomberg

- The ASX is in the process of derating, and many stocks are now cheap enough to attract attention from private equity
  - FleetPartners, IDP Education, G8 Education, Ingenia

- Many smaller capitalisation international stocks have already de-rated and have already begun to turn around.

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CSL (CSL AU) – Long (Trade)

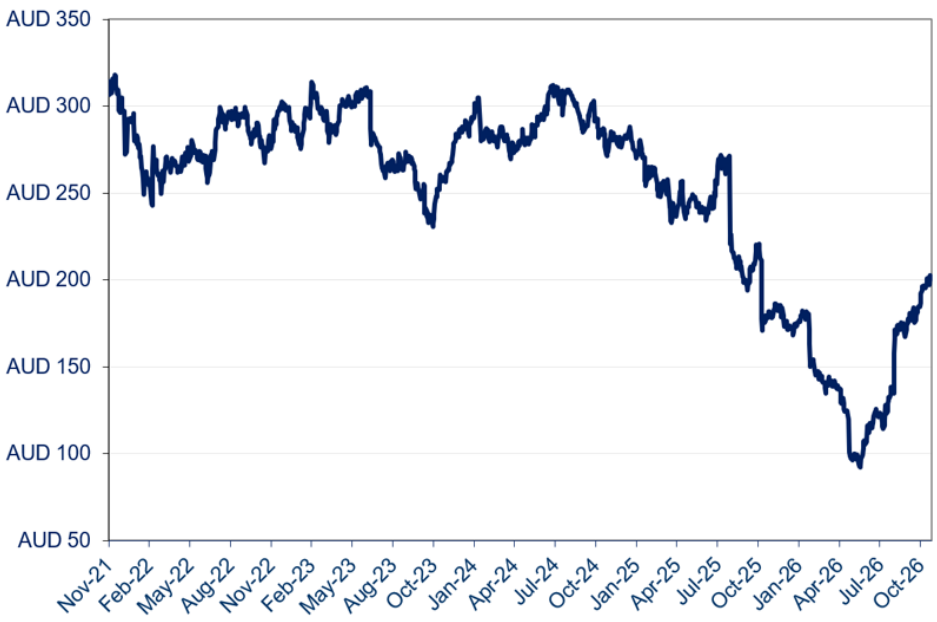
Stock Profile CSL AU

Long Position (FY27e)	
EPS Growth	8%
PE	19x
PEG	>1
OCF yield	6%
FCF yield	5%
Net debt	$5.8b
Market Cap	$96b

Fundamental Analysis

- CSL has always been a good business; however previously was an expensive stock that was "loved".
- We became interested after a series of downgrades through 2025 and 2026.
- These downgrades reduced forward earnings estimates by ~10% but resulted in the share price falling by 70%.
- We viewed this as the market being irrational and emotional and saw this as an opportunity.
- At the time, CSL was trading on a PE of 11-12x for a high-quality business and we initiated a position after the stock had stopped falling.
- Today, the stock has a PE of 19x and EPS growth of 8%, hence not meeting our core criteria, however we remain on trend and have added to our position recently.

CSL (CSL AU)



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St Barbara (SBM AU) – Long (Core)

Stock Profile SBM AU

Long Position (FY27e)	
EPS Growth	+100%
PE	10x
PEG	0.1
OCF yield	90%
FCF yield	19%
Net cash	$805m
Market Cap	$900m

Fundamental Analysis

- SBM is a Canadian gold producer.
- Recently sold 40% interest in PNG gold project for over $450m cash.
- Takes proforma net cash balance to over $800m (excluding a royalty it owns worth ~$100-150m); nearly its entire $900m market cap.
- SBM has paid out a 5c per share fully franked dividend and will pay out another 13c fully franked dividend in Jun Q'27.
- SBM retains two projects in Canada (Nova Scotia):
  - 1) A stockpile re-processing project called Touquoy. This has recently started back up and will generate ~$100m of cash flow over the next 12 months.
  - 2) A +10yr & +100kozpa development project nearby called 15-Mile. This project has an NPV of over $2bn and we expect will deliver FCF of ~$250m p/a once online. Comparable 100kozpa producers on the ASX trade on ~$1bn valuations.

St Barbara (SBM AU)



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Gold M&A

Why we expect more M&A in the gold space

1. With the high gold price **(Figure 1)** and historically high margins **(Figure 2)**, mid & large-cap gold producers now command **fortress balance sheets** vs several years ago **(Figure 3)**.
2. Despite this, there have only been a **limited number of new organic discoveries (Figure 4)**.
3. Producers are looking for their **next leg of growth**.
4. Producers should utilise their strong balance sheets to achieve this growth via **sensible acquisitions of developers with high-quality projects**.

WHY TURACO GOLD (TCG)?

Nearly 5Moz
Still growing

+200kozpa
Production

Côte d'Ivoire
One of the premier African jurisdictions

Justin Tremain
Led Exore Resources to its takeover by Perseus

Many African gold producers have fortress balance sheets and are looking to grow – TCG is a perfect fit.

FIGURE 1 (Source: Canaccord Research)

Gold price (US$/oz)

Gold price 2.5x higher than 2022

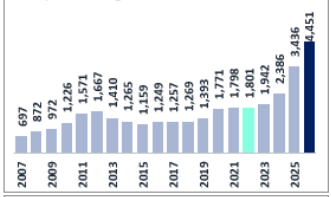


FIGURE 2 (Source: Canaccord Research)

AISC margin (US$/oz)

Margins 4x higher in 2026 than 2022

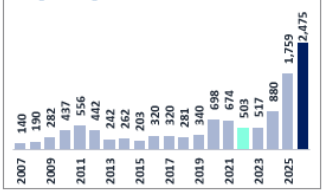


FIGURE 3 (Source: Company Reports)

Net cash/(debt); 2026 (blue) vs 2022 (red)

13 of 18 producers now in a net cash position

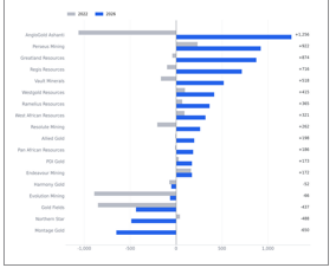
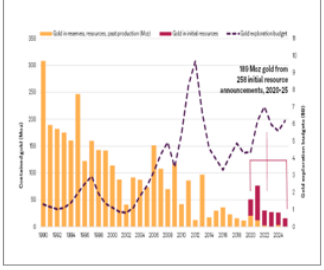


FIGURE 4 (Source: SP Global)

New discoveries by year

New discoveries continue to trend lower



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Turnaround Situations

Croda International (CRDA LN) – Trade

Croda International is a global chemicals company that has been operating for 101 years. Croda mainly produces specialised chemicals for consumer care and life sciences products. The company performed well during covid as customers pulled forward demand to stock extra chemicals ahead of shortages, as well as producing some chemicals for mRNA covid vaccines. This led to a series of earnings downgrades post covid with customers not needing to purchase as much chemicals due to the overstocking. The share price fell from GBP100 to GBP25, with the company trading on a ~15x PE multiple vs its history of around 30x. The share price has started to turn up following good growth in its consumer care business, the pharmaceuticals business stabilising, and profit margins improving.

Etsy Inc. (ETSY US) - Core

Etsy is a global online marketplace typically for small customised and personalised products. Etsy rose to prominence in the covid era – selling lots of customised face masks and other associated products. This led to the market valuing it on a forward PE of 75x. It then acquired businesses outside of Etsy's core competency leading to the share price falling from $300 to $50. A new management team has sold these non-core businesses, fixed the balance sheet and returned focus to its foundational marketplace business. Despite the improvements to the business, it now commands a much less demanding PE of 13x.

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Some CDO Positions

Many Peaks Minerals (MPK) – Long

Many Peaks is a gold explorer and developer in Côte d'Ivoire. In a little over 2 years MPK has acquired the early-stage exploration tenements from Turaco Gold & Predictive Discovery and delineated a Mineral Resource of over 2 million ounces. The gold endowment continues to expand with each drilling campaign. A scoping study to prove up the economics of the project is expected later this year. We believe this is another eventual takeover target from a cashed up African producer.

Kantra Copper (KAN) - Long

KAN is a small copper producer in South Australia. Under the new leadership of Bob Fulker, the mine is beginning to deliver consistent and consecutive quarters of improving production, lower costs, and better cash flow. KAN is capitalised at $250m with a net cash position of $50m.

Outlook

- The Reserve Bank of Australia (RBA) and Global Central Banks continue to raise interest rates.
- Debt and deficits continue to rise:
  - United States = US$40T and growing
  - Australia = A$1T and growing
- Governments prefer elevated inflation to inflate away debts.
- Many real-world examples of inflation – coffee, wages, laptops
- Australia's economy is too focused on housing – builders, developers, private credit.
- This has spilled over into data centres. This will also slow. Why? Energy availability & affordability, community protests (NextDC example), red tape, interest rates, contractor availability. The list goes on…
- Many investors & funds are heavily invested in these thematics – private credit, data centres, electrical contractors etc.

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Outlook (Cont'd)

- With the AI trade slowing down, growth/GDP is likely to follow
- We could be headed for stagflation – slowing growth and rising inflation
- What would perform well in this scenario? Hard assets, uncorrelated assets, "bombed out" turnaround stories
- We continue to monitor trends and remain focused on investing according to the Cadence approach.

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