

CADENCE CAPITAL LIMITED
A.B.N. 17 112 870 096
APPENDIX 4D
HALF-YEAR REPORT
for the half-year ended 31 December 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half-year ended 31 December 2015

| | \$ | up/down | % mvmt |
|--|----------------------|---------------------------------|------------------------------|
| Revenue from ordinary activities | 39,692,190 | Up | 245 % |
| Profit from ordinary activities before tax attributable to members | 29,138,314 | Up | 336 % |
| Profit from ordinary activities after tax attributable to members | 23,274,417 | Up | 320 % |
| Dividend Information | Amt per share | Franked amount per share | Tax rate for franking |
| 2017 Interim dividend per share | 4.0c | 4.0c | 30% |
| 2016 Final dividend per share | 4.0c | 4.0c | 30% |
| 2016 Interim dividend per share | 5.0c | 5.0c | 30% |
| 2015 Final dividend per share | 5.0c | 5.0c | 30% |
| <p>The Dividend Re-Investment Plan (“DRP”) is in operation and the half-year dividend of 4.0c per share qualifies. The relevant issue price will be at a 3.0% discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date, less the discount). The last date for DRP election is the 19th April 2017.</p> | | | |
| Interim dividend dates | | | |
| Ex dividend date | | | 12 th April 2017 |
| Record date | | | 13 th April 2017 |
| Payment date | | | 28 th April 2017 |
| | | 31 Dec 2016 | 31 Dec 2015 |
| Net tangible asset backing after tax | | \$1.23 | \$1.37 |
| <p><i>This report is based on the Half-Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2016 Annual Financial Report.</i></p> | | | |

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

COMPANY PARTICULARS

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS: Karl Siegling (Chairman)
James Chirnside
Wayne Davies
Ronald Hancock

SECRETARY: Wayne Davies

MANAGER OF THE FUND: Cadence Asset Management Pty Limited
ABN: 68 106 551 062

REGISTERED OFFICE: Level 11, 131 Macquarie Street
Sydney, NSW 2000

CONTACT DETAILS: Level 11, 131 Macquarie Street
Sydney, NSW 2000
Telephone: (02) 8298 2444
Fax: (02) 8298 2499
Email: info@cadencecapital.com.au
Website: www.cadencecapital.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to www.asx.com.au or call (02) 8298 2444

PRIME BROKER AND CUSTODIAN OF THE FUND: Deutsche Bank AG
Winchester House, 1 Great Winchester Street
London EC2N 2DB

The Bank of New York Mellon
160 Queen Victoria Street,
London EC4V 4LA

SHARE REGISTRAR: Boardroom Pty Limited
Mail Address: GPO Box 3993
Sydney NSW 2001
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

AUDITORS: Pitcher Partners
Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

The Directors present their report together with the condensed interim financial report of Cadence Capital Limited (the Company) for the half-year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company was investing primarily in securities listed globally. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the period.

OPERATING RESULTS

Investment operations over the half-year resulted in an operating profit before tax of \$29,138,314 (December 2015: operating profit before tax of \$6,689,247) and an operating profit after tax of \$23,274,417 (December 2015: operating profit after tax of \$5,545,289).

REVIEW OF OPERATIONS

For the half-year ended 31 December 2016, Cadence Capital Limited produced a positive gross performance of 9.8% compared to an increase in the All Ordinaries Accumulation Index of 9.9%. Investments are valued continuously to market value. For the half-year ended 31 December 2016, net investments were valued at \$219,399,685 (June 2016: \$294,079,451).

FINANCIAL POSITION

The net asset value of the Company for the half-year ended 31 December 2016 was \$335,079,751 (June 2016: \$320,589,447).

DIVIDENDS PAID OR RECOMMENDED

A fully franked interim dividend of 4.0 cents per share has been declared by the Board and will be paid on the 28th April 2017.

Dividends paid are as follows:

| | \$ |
|--|------------|
| Fully franked 2016 final dividend of 4.0 cents per share was paid on 27 October 2016 | 10,811,403 |
| Fully franked 2016 interim dividend of 5.0 cents per share was paid on 12 May 2016 | 13,419,163 |
| Fully franked 2015 final dividend of 5.0 cents per share was paid on 29 October 2015 | 13,285,506 |
| Fully franked 2015 special dividend of 1.0 cents per share was paid on 29 October 2015 | 2,657,101 |
| Fully franked 2015 interim dividend of 5.0 cents per share was paid on 10 April 2015 | 11,111,185 |

DIRECTORS

The names of the Directors in office at any time during or since the end of the half-year are as follows:

Karl Siegling – Chairman
James Chirnside – Non Executive Director
Wayne Davies – Non Executive Director
Ronald Hancock – Non Executive Director

The Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

ROUNDING

In accordance with ASIC Corporations (Rounding in Directors' Reports) Instrument 2016/191, the amounts in the directors' report have been rounded to the nearest dollar.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Signed in accordance with a resolution of the Board of Directors.



KARL SIEGLING Director
Dated at Sydney this 15th of February 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CADENCE CAPITAL LIMITED
ABN 17 112 870 096**

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cadence Capital Limited during the period.



C I CHANDRAN
Partner

PITCHER PARTNERS
Sydney

15 February 2017

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

| | Notes | December 2016 \$ | December 2015 \$ |
|---|--------------|--------------------------|-------------------------|
| INCOME | | | |
| Net realised and unrealised gain on investments | | 25,467,656 | 5,576,733 |
| Dividends received | | 13,207,042 | 5,025,273 |
| Interest received | | 998,926 | 900,871 |
| Other Income | | 18,566 | - |
| Total Income | | <u>39,692,190</u> | <u>11,502,877</u> |
| EXPENSES | | | |
| Management and performance fees | | (1,592,783) | (2,992,362) |
| Directors fees | | (30,000) | (75,000) |
| Brokerage expenses on share purchases | | (382,671) | (437,262) |
| Audit and taxation fees | | (29,879) | (34,271) |
| Stock loan fees | | (189,339) | (122,781) |
| Registry fees | | (66,745) | (106,411) |
| Dividends on shorts | | (6,843,401) | (594,016) |
| Finance costs | | (1,283,198) | (388,698) |
| Legal fees | | (3,277) | (7,299) |
| Custody fees | | (30,687) | (11,274) |
| ASX fees | | (68,927) | (13,324) |
| Other expenses from ordinary activities | | (32,969) | (30,932) |
| Total Expenses | | <u>(10,553,876)</u> | <u>(4,813,630)</u> |
| Profit before income tax | | 29,138,314 | 6,689,247 |
| Income tax expense | | <u>(5,863,897)</u> | <u>(1,143,958)</u> |
| Profit attributable to members of the Company | 4 (c) | <u>23,274,417</u> | <u>5,545,289</u> |
| Other comprehensive income | | | |
| Other comprehensive income for the period, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | | <u>23,274,417</u> | <u>5,545,289</u> |
| Basic earnings per share | | <u>8.6 cents</u> | <u>2.2 cents</u> |
| Diluted earnings per share | | <u>8.6 cents</u> | <u>2.2 cents</u> |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

| | Note | December 2016 \$ | June 2016 \$ |
|-----------------------------|-------|------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | | 169,394,047 | 159,496,725 |
| Trade and other receivables | | 915,609 | 3,615,294 |
| Financial assets | 5 | 337,909,716 | 354,014,790 |
| Current tax asset | | 1,580,578 | 1,558,190 |
| Deferred tax asset | | 19,026,611 | 24,415,617 |
| TOTAL ASSETS | | 528,826,560 | 543,100,616 |
| LIABILITIES | | | |
| Cash overdrafts | | 74,624,189 | 160,807,769 |
| Trade and other payables | | 612,590 | 1,768,061 |
| Financial liabilities | 5 | 118,510,031 | 59,935,339 |
| TOTAL LIABILITIES | | 193,746,810 | 222,511,169 |
| NET ASSETS | | 335,079,751 | 320,589,447 |
| EQUITY | | | |
| Issued capital | 3 | 370,027,218 | 367,999,928 |
| Profits reserve | 4 (b) | 18,888,752 | 6,425,738 |
| Accumulated losses | 4 (c) | (53,836,219) | (53,836,219) |
| TOTAL EQUITY | | 335,079,751 | 320,589,447 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

| | Issued capital | Accumulated losses | Profits reserve | Total equity |
|--|-----------------------|---------------------------|------------------------|---------------------|
| Note | \$ | \$ | \$ | \$ |
| Balance at 1 July 2015 | 302,996,147 | (9,875,554) | 22,708,886 | 315,829,479 |
| Profit for the half-year | - | 5,545,289 | - | 5,545,289 |
| Transfer to profits reserve | - | (13,078,622) | 13,078,622 | - |
| Other comprehensive income for the year | - | - | - | - |
| Shares issued via dividend reinvestment plan | 3,758,672 | - | - | 3,758,672 |
| Shares issued via placement | 17,887,666 | - | - | 17,887,666 |
| Shares issued via exercise of options | 40,890,115 | - | - | 40,890,115 |
| Dividends paid | 2 | - | (15,942,607) | (15,942,607) |
| Balance at 31 December 2015 | 365,532,600 | (17,408,887) | 19,844,901 | 367,968,614 |
| Balance at 1 July 2016 | 367,999,928 | (53,836,219) | 6,425,738 | 320,589,447 |
| Profit for the half-year | - | 23,274,417 | - | 23,274,417 |
| Transfer to profits reserve | - | (23,274,417) | 23,274,417 | - |
| Other comprehensive income for the year | - | - | - | - |
| Shares issued via dividend reinvestment plan | 2,027,290 | - | - | 2,027,290 |
| Dividends paid | 2 | - | (10,811,403) | (10,811,403) |
| Balance at 31 December 2016 | 370,027,218 | (53,836,219) | 18,888,752 | 335,079,751 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

| | December 2016 \$ | December 2015 \$ |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from the sale of investments | 272,893,204 | 550,970,366 |
| Payments for the purchase of investments | (172,930,777) | (453,610,711) |
| Dividends received | 16,086,664 | 6,636,985 |
| Interest received | 998,926 | 900,871 |
| Other income received | 18,566 | - |
| Management and performance fees paid | (1,424,751) | (4,344,443) |
| Brokerage expenses on share purchases | (382,671) | (437,262) |
| Dividends on shorts | (8,083,325) | (594,016) |
| Finance costs | (1,283,198) | (388,698) |
| Income tax paid | (497,279) | (7,799,634) |
| Payments for administration expenses | (530,345) | (574,409) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 104,865,014 | 90,759,049 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from shares issued | - | 59,184,701 |
| Share issue transaction costs | - | (406,920) |
| Dividends paid, net of the DRP | (8,784,112) | (12,183,935) |
| NET CASH (USED BY)/ PROVIDED BY FINANCING ACTIVITIES | (8,784,112) | 46,593,846 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS HELD | 96,080,902 | 137,352,895 |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD | (1,311,044) | 32,670,418 |
| CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD | 94,769,858 | 170,023,313 |

The accompanying notes form part of these financial statements.

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The condensed half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 15th February 2017 by the Board of Directors.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and any public announcements made by Cadence Capital Limited ("the Company") during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of "held for trading" financial assets and certain other financial assets and liabilities which have been measured at fair value.

Rounding

In accordance with ASIC Corporations (Rounding in Financial Reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar.

(b) Accounting Policies

There are no new and revised accounting requirements significantly affecting the half-year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2016 Annual Financial Report.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

(c) Details of Reporting Period

The current reporting period is the half-year ended 31 December 2016. For the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow, the previous corresponding period is the period ended 31 December 2015. For the Statement of Financial Position, the previous corresponding date is 30 June 2016.

(d) Segment Reporting

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss, however the Company has foreign exposures as it invests in companies which operate internationally.

2. DIVIDENDS

(a) Dividends paid during the period

4.0 cents per share final dividend fully franked paid 27th October 2016 (5.0 cents per share final dividend and 1.0 cent per share special dividend fully franked paid 29th October 2015).

| December 2016 | December 2015 |
|------------------|------------------|
|------------------|------------------|

\$

\$

10,811,403

15,942,607

(b) Dividends not recognised during the period

Since the end of the half-year the Directors have declared a fully franked interim dividend of 4.0 cents per share payable on 28th April 2017. (2015: 5.0 cents per share interim dividend fully franked paid 12th May 2016)

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

| 3. ISSUED CAPITAL | December 2016 | June 2016 |
|--|---------------------------|---------------------------|
| Paid-up Capital | \$ | \$ |
| 271,984,538 shares fully paid (June 2016: 270,285,076) | 372,446,413 | 370,419,123 |
| Share issue transaction costs | (3,455,993) | (3,455,993) |
| Deferred tax asset on share issue transaction costs | 1,036,798 | 1,036,798 |
| | <u>370,027,218</u> | <u>367,999,928</u> |

4. MOVEMENTS IN EQUITY

(a) Movement in ordinary share capital December 2016

| Date | Details of issue | Share Price \$ | No. of Shares | Issue value \$ |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| Balance at the beginning of the period | | | 270,285,076 | 370,419,123 |
| 27 October 2016 | DRP | \$1.19290 | 1,699,462 | 2,027,290 |
| At reporting date | | | <u>271,984,538</u> | <u>372,446,413</u> |

June 2016

| Date | Details of issue | Share Price \$ | No. of Shares | Issue value \$ |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| Balance at the beginning of the period | | | 224,322,211 | 305,130,495 |
| July 2015 | Exercise of Options | \$1.4300 | 2,416,113 | 3,455,042 |
| August 2015 | Exercise of Options | \$1.4300 | 23,226,136 | 33,213,374 |
| September 2015 | Exercise of Options | \$1.4300 | 2,952,237 | 4,221,699 |
| 30 September 2015 | Placement | \$1.4300 | 12,793,415 | 18,294,586 |
| 29 October 2015 | DRP | \$1.40607 | 2,673,157 | 3,758,672 |
| 12 May 2016 | DRP | \$1.23317 | 1,901,807 | 2,345,255 |
| | | | <u>270,285,076</u> | <u>370,419,123</u> |

| (b) Profits reserve | December 2016 | June 2016 |
|---------------------------------|--------------------------|-------------------------|
| | \$ | \$ |
| Opening balance | 6,425,738 | 22,708,886 |
| Transfer from retained earnings | 23,274,417 | 13,078,622 |
| Dividends paid | (10,811,403) | (29,361,770) |
| | <u>18,888,752</u> | <u>6,425,738</u> |

A Profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

| (c) Movement in Accumulated Losses | December 2016 | June 2016 |
|---|----------------------------|----------------------------|
| | \$ | \$ |
| Opening balance | (53,836,219) | (9,875,554) |
| Profit/ (Loss) attributable to members of the company | 23,274,417 | (30,882,043) |
| Transfer to profits reserve | (23,274,417) | (13,078,622) |
| | <u>(53,836,219)</u> | <u>(53,836,219)</u> |

CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

5. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available or the last sale price have been adopted to determine the fair value of these investments.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2016:

| 31 December 2016 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|--------------------|----------------|----------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | 337,700,616 | 209,100 | - | 337,909,716 |
| Financial liabilities | (118,510,031) | - | - | (118,510,031) |
| Total | 219,190,585 | 209,100 | - | 219,399,685 |

| 30 June 2016 | Level 1 | Level 2 | Level 3 | Total |
|-----------------------|--------------------|------------------|----------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | 352,659,765 | 1,355,025 | - | 354,014,790 |
| Financial liabilities | (59,935,339) | - | - | (59,935,339) |
| Total | 292,724,426 | 1,355,025 | - | 294,079,451 |

6. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared a 4.0 cents fully franked interim dividend per share on 15th February 2017 payable on 28th April 2017. The Ex Date for the dividend is 12th April 2017.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

7. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments of \$2,311,100 exist for placements entered into before 31 December 2016 which settle after this date. There were no contingent liabilities as at 31 December 2016. (June 2016: Capital commitments of \$1,826,929 and nil contingent liabilities).

CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

DIRECTORS' DECLARATION

The Directors of Cadence Capital Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



K. SIEGLING
Director

Dated at Sydney this 15th of February 2017

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CADENCE CAPITAL LIMITED
ABN 17 112 870 096**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cadence Capital Limited ("the company"), which comprises the statement of financial position as at 31 December 2016, statement of comprehensive income, statement of changes in equity and statement of cash flow for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Cadence Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cadence Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



C I CHANDRAN
Partner



PITCHER PARTNERS
Sydney

15 February 2017