


**INVESTMENT UPDATE**
**JUNE 2014**

Cadence Offshore Fund NTA as at 30 June 2014:

NTA per share (Series AUD1) \$ 2,011.94  
 Net Performance June 2014 (Series AUD1) +2.78%

**Monthly Detailed Performance**

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	YTD
Cadence Cayman Fund	-2.70%	-0.28%	2.21%	6.06%	-9.07%	-2.61%	7.60%	4.02%	5.24%	4.70%	12.35%	2.01%	31.63%
All Ordinaries Acc Index	-5.85%	1.82%	5.83%	-1.18%	-7.57%	-2.60%	4.23%	-0.71%	5.02%	2.17%	-0.70%	3.80%	3.31%
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Cadence Cayman Fund	1.70%	3.78%	-2.52%	5.16%	-1.36%	1.64%	0.66%	2.98%	-1.60%	2.15%	2.20%	-0.19%	15.28%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%	-3.40%	-2.00%	-6.27%	7.17%	-3.43%	-1.57%	-11.43%
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Cadence Cayman Fund	0.92%	2.22%	1.56%	-0.90%	-2.51%	0.60%	1.99%	4.45%	0.09%	3.44%	-0.11%	0.78%	13.08%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%	2.13%	2.97%	0.27%	3.43%	18.84%
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD
Cadence Cayman Fund	2.32%	4.69%	-0.54%	1.46%	0.79%	-1.01%	-1.51%	-0.15%	2.27%	4.23%	1.80%	0.75%	15.97%
All Ordinaries Acc Index	5.08%	5.18%	-2.24%	3.82%	-4.39%	-2.62%	5.46%	2.59%	2.39%	3.91%	-1.38%	0.92%	19.66%
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD
Cadence Cayman Fund	-3.24%	2.80%	0.45%	-1.98%	0.44%	2.78%							1.10%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%	0.61%	-1.41%							2.68%
											<b>Accumulated return</b>		<b>101.20%</b>
											<b>All Ordinaries Acc Index</b>		<b>33.60%</b>

\* Net of all fees

**Portfolio Commentary**

During June 2014 Cadence Cayman Fund returned a positive net performance of 2.78 % compared to a decrease in the All Ordinaries Accumulation Index of -1.41% and a decrease in the Small Ordinaries Accumulation Index of -1.11%. For the past 4 and a half years the fund has returned a positive annualized net performance of +16.81% per annum compared to an increase in the All Ordinaries Accumulation Index of +6.65% per annum.

The fund finished the month 64.71% net long. The net exposure for May 2014 was 64.70%.



## Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	20.61%		20.61%
Banks	18.13%		18.13%
Materials	6.06%	0.94%	5.12%
Software & Services	5.32%		5.32%
Energy	4.81%		4.81%
Telecommunication Services	4.20%		4.20%
Consumer Services	3.23%		3.23%
Real Estate	2.35%		2.35%
Insurance	1.20%		1.20%
Transportation		0.67%	-0.67%
Pharmaceuticals, Biotechnology & Life Sciences	0.43%		0.43%
<b>Exposure</b>	<b>66.32%</b>	<b>1.61%</b>	<b>64.71%</b>
<b>Cash on Hand</b>			<b>35.29%</b>

## Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	7.7%
HGG	Henderson Group Plc	Long	7.6%
ANZ	Australia & New Zealand Banking Group	Long	4.4%
MLB	Melbourne IT Ltd	Long	4.3%
NAB	National Australia Bank Ltd	Long	4.1%
LNG	Liquefied Natural Gas Limited	Long	3.8%
IIN	Iinet Limited	Long	3.1%
RFG	Retail Food Group	Long	3.1%
BOQ	Bank of Queensland Ltd	Long	2.9%
CBA	Commonwealth Bank of Australia	Long	2.8%
BSL	Bluescope Steel Ltd	Long	2.4%
BEN	Bendigo and Adelaide Bank Limited	Long	2.2%
PPT	Perpetual Limited	Long	2.0%
FXL	Flexigroup Ltd	Long	1.9%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	1.7%
RIO	Rio Tinto Ltd	Long	1.5%
INA	Ingenia Communities Group Ltd	Long	1.5%
SUN	Suncorp Group Ltd	Long	1.2%
TLS	Telstra Corporation Limited	Long	1.1%
<b>Top Portfolio Holdings Gross Exposure</b>			<b>59.21%</b>



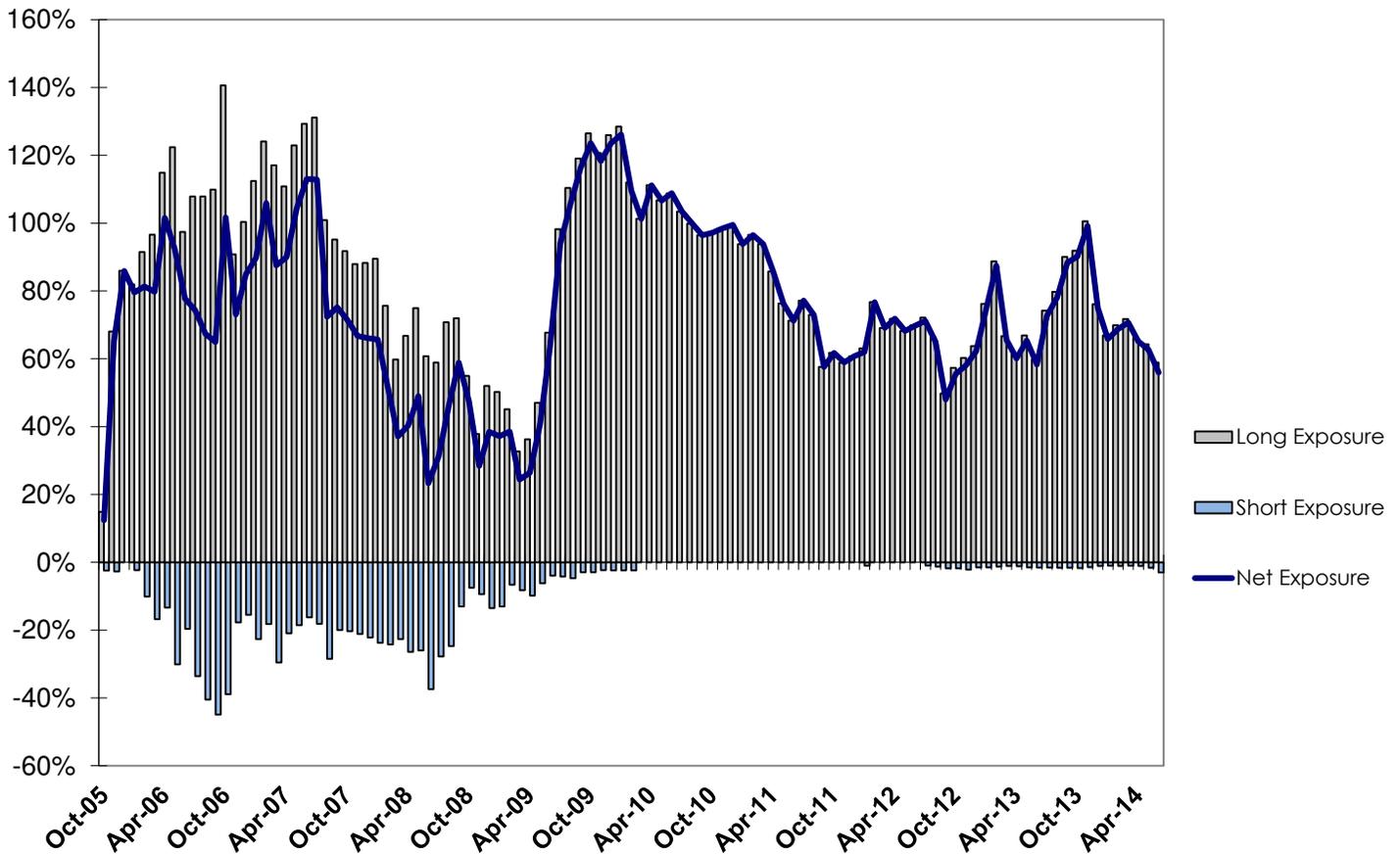
## Historic Strategy Performance & Exposure - 8 Years

Cadence Capital Limited is an ASX listed fund that has been operating the Cadence Long/ Short Australian equities strategy for over five years. Over time the Cadence Cayman Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the 8 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 30 June 2014	CDM**	All Ords	Outperformance
1 Month	1.82%	-1.41%	+3.23%
1 Year	16.92%	17.64%	-0.72%
2 Years	42.82%	41.96%	+0.86%
3 Years	50.67%	31.96%	+18.71%
4 Years	174.22%	48.02%	+126.20%
5 Years	235.42%	68.42%	+167.00%
8 Years	247.54%	50.15%	+197.39%
Since Inception (8.8 years)	362.40%	69.55%	+292.85%
Since Inception Annualised (8.8 years)	19.12%	6.22%	+12.90%

\*Before Management and Performance Fees

\*\*Used the percentage increase in Post Tax NTA for May 2011





## 'New look' Cadence Capital website

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We would remind you to visit the new look Cadence Capital website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au)

We have incorporated a number of new features for Shareholders, including a dedicated 'Shareholder Centre' where you will find Monthly Newsletters, Annual Reports and Dividend information.

We have also enhanced our '[Media Centre](#)', where you will find the latest news on Cadence Capital; along with recent contributions to external publications such as ASX Investor Update, Eureka Report and Morningstar.

We hope you find the website useful and welcome your feedback to [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au).

## Cadence News

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Cadence Capital Limited was **ranked by ASX\* as the top performing Australian Equities Listed Investment Companies** over 5 years in the LMI Quarterly Update as at 30 June 2014.

Cadence Capital Limited was a finalist at the 2012 Australian Hedge Fund Awards in the Best Long Short and Absolute Return Fund category.

\* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 30 June 2014

## Fund Facts

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Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 250 Million
Redemption Notice:	3 Months	Prime Broker:	Citigroup
Lock-up:	None	Administrator:	TMF Group
Management Fee:	1.5%	Fund Domicile:	Cayman Islands
Performance Fee:	20%	Legal Advisers (Cayman)	Walkers

## Disclaimer

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