



INVESTMENT UPDATE

November 2013

Summary Update

During the month of November 2013, Cadence Capital Fund returned a gross performance of +2.57% compared to a decrease in the All Ordinaries Accumulation Index of -1.38% and a decrease in the Small Ordinaries Accumulation Index of -5.23%. Financial year to date to the 30 November 2013, Cadence Capital Fund has generated a gross performance of 14.82, outperforming the All Ordinaries Accumulation Index by 1.30%.

The fund finished the month 111.9% net long compared to 105.4% net long in October 2013.

Fund NTA

Post-Distribution unit price estimates as at 30 November 2013:

NTA (Post fees, Post distribution)	\$2.02694
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Cadence Highlights

Cadence Capital Limited was **ranked by ASX** as one of the top 3 performing Australian Equities Listed Investment Companies** over 3 and 5 years in the LMI Quarterly Update as at 30th September 2013.

Cadence Capital Limited was **ranked by Baillieu Holst as the No. 1 Listed Investment Company** over 3 years in their Listed Investment Company Sector Report dated 23rd July 2013.

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

All of these reports are available on our home page at www.cadencecapital.com.au

* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 30th June 2013



Fund Performance

Performance* to 30 November 2013	CCF**	All Ords	Outperformance
1 Month	2.57%	-1.38%	+3.95%
1 Year	26.27%	22.64%	+3.63%
2 Years	49.33%	38.69%	+10.64%
3 Years	127.10%	29.54%	+97.56%
4 Years	157.09%	33.69%	+123.40%
5 Years	280.54%	79.81%	+200.73%
7 Years	114.66%	31.12%	+83.54%
Inception to date accumulated return (10.1 years)	444.00%	147.91%	+296.09%
Annualised return since inception (10.1 years)	18.29%	9.42%	+8.87%

* Gross Performance before Management and Performance Fees

** Adjusted to include material franking credit of 26.7 cents received from RHG dividend during May 2011

Top Portfolio Positions

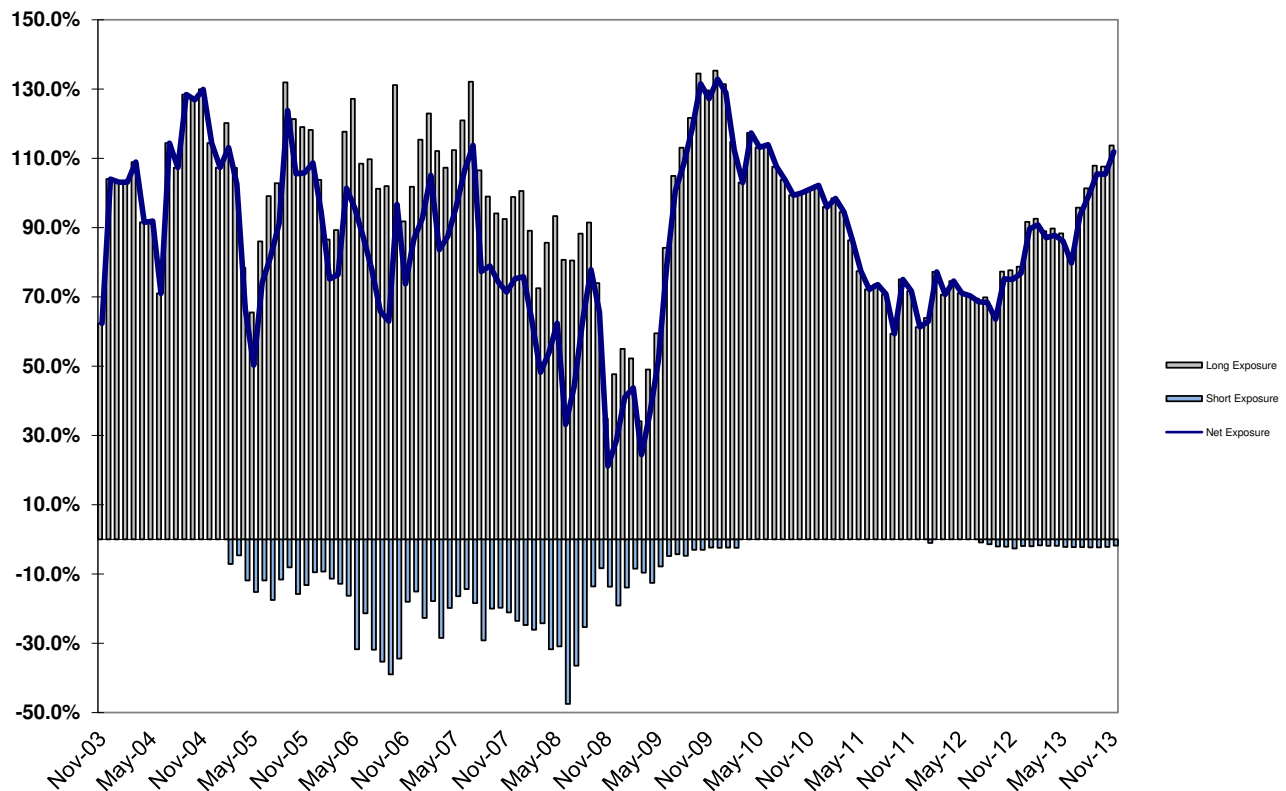
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	19.2%
MQG	Macquarie Group Limited	Long	11.8%
HGG	Henderson Group Plc	Long	7.2%
NAB	National Australia Bank Ltd	Long	6.9%
FXL	Flexigroup Ltd	Long	6.7%
ANZ	Australia & New Zealand Banking Group	Long	6.6%
ARI	Arrium Limited	Long	6.0%
RFG	Retail Food Group	Long	5.5%
BSL	Bluescope Steel Ltd	Long	3.4%
MMS	McMillan Shakespeare Ltd	Long	3.3%
QBE	QBE Insurance Group Ltd	Long	3.1%
IIN	Ilnet Limited	Long	3.0%
ABP	Abacus Property Group	Long	2.6%
BOQ	Bank of Queensland Ltd	Long	2.5%
RIO	Rio Tinto Ltd	Long	2.1%
Top Portfolio Holdings - Gross Exposure			90.01%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	36.26%		36.26%
Diversified Financials	28.00%		28.00%
Materials	13.72%	1.83%	11.89%
Consumer Services	7.49%		7.49%
Insurance	6.14%		6.14%
Real Estate	5.52%		5.52%
Software & Services	4.10%		4.10%
Commercial & Professional Services	3.69%		3.69%
Telecommunication Services	3.03%		3.03%
Transportation	1.88%		1.88%
Energy	1.31%		1.31%
Utilities	1.20%		1.20%
Retailing	0.91%		0.91%
Pharmaceuticals, Biotechnology & Life Sciences	0.46%		0.46%
Exposure	113.72%	1.83%	111.89%
Net Borrowings			11.89%

Portfolio Exposure





Prospectus and 1:1 Bonus Option Webcast

On the 4th November 2013 Cadence Capital Limited announced its intention to issue up to 53,846,150 ordinary shares via a prospectus, with a priority allocation of 12.5M shares set aside for RHG and CDM shareholders. The issue price for new shares is \$1.43. Every shareholder on the Company register on the 15th January 2014 will get 1 bonus option for every 1 share that they hold in CDM on that date. The option strike price is \$1.43 and they will expire on 31st August 2015. These options will be listed on the ASX.

Our last Quarterly webcast gives an update on the Prospectus and the Option Issue. If you would like to watch this webcast [please click here](#).

EGM – 6th December 2013

An extraordinary general meeting (EGM) notice and proxy form was sent out to investors. As **three of the Directors intend purchasing shares in this share issue**, there are three resolutions which allowed these Directors to purchase shares under the Prospectus.

Other News

We would like to once again recommend that you visit the 'News and Views' section of our website at www.cadencecapital.com.au as all past company webcasts, interviews and press articles involving Cadence can be found here.

Disclaimer

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