



14 May 2014

Stephanie So,
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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Via email: stephanie.so@asx.com.au

Dear Ms So,

Updated Cadence Capital Limited Investment Update and NTA April 2014

Please accept our apologies for a technical error within the 'Cadence in the Press' section of the April 2014 Newsletter.

If you would like to view the recent news articles regarding Cadence Capital, please click on the links below:

AFR Smart Money - [Comeback Kings: Why investors just love LICs](#)
AFR Chanticleer - [Macquarie recovery not finished yet](#)
The Australian - [Cadence hits right notes](#)
Under the Radar Report - [It pays to listen to Karl Siegling](#)

Yours sincerely,

Cadence Capital Limited



INVESTMENT UPDATE

April 2014

During the month of April 2014, Cadence Capital Limited returned a negative gross performance of 1.02% compared to an increase in the All Ordinaries Accumulation Index of 1.29% and a decrease in the Small Ordinaries Accumulation Index of 1.24%.

For the past twelve months Cadence Capital Limited has returned 12.17% outperforming the All Ordinaries Accumulation Index by 1.74%. For the eight years and seven months ended 30 April 2014, Cadence Capital Limited has generated a gross performance of +19.19% per annum, outperforming the All Ordinaries Accumulation Index by 12.74% per annum.

As at the 30 April 2014 the fund was holding 35% cash (65% invested).

Fund NTA

Net Tangible Assets as at 30 April 2014	Amount (\$)
Pre Tax NTA*	\$1.371
Post Tax NTA*	\$1.392
Share price (ASX Code: CDM)*	\$1.420
Option price (ASX Code: CDMO)*	\$0.053

*These NTA's are after the 5.0c fully franked interim dividend paid on 24th April 2014

Cadence in the Press

Cadence Capital has recently featured in AFR's Smart Money & Chanticleer, The Australian and Under the Radar Report:

AFR Smart Money – [Comeback Kings: Why investors just love LICs](#)

AFR Chanticleer – [Macquarie recovery not finished yet](#)

The Australian – [Cadence hits the right notes](#)

Under The Radar Report – [It pays to listen to Karl Siegling](#)



Dividend Reinvestment Plan and DRP Shortfall Placement

The Company's 5.0 cent fully franked interim dividend was paid on the 24th April 2014. For investors that participated in the Dividend Reinvestment Plan (3% discount), the DRP price was \$1.411.

A DRP Shortfall Placement for Professional and Sophisticated Investors occurred on 30 April/1 May 2014 using the ASX BookBuild facility. This placement was oversubscribed with \$7.2m being raised.

Fully Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2*c	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	4.0c	4.5c	12.5c	17.8c
2013	5.0c	5.0c	1.0c	11.0c	15.7c
2014	5.0c			5.0c	7.1c
TOTAL	23.5c	20.2c	10.5c	54.2c	76.5c

* Off market equal access buy back

Fund Performance

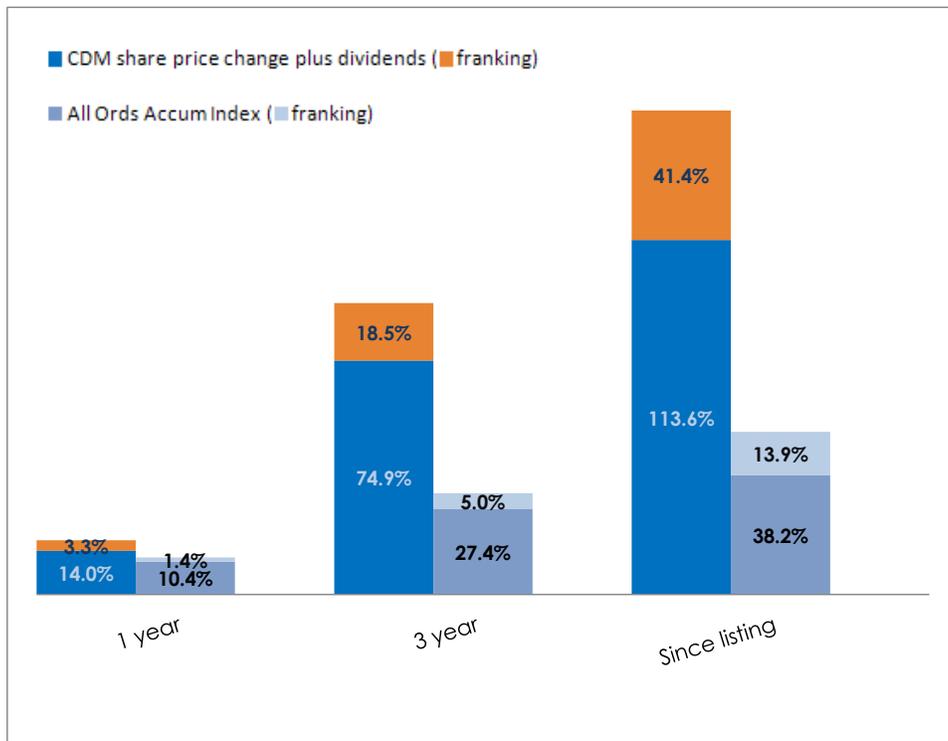
Performance* to 30 April 2014	CDM**	All Ords	Outperformance
1 Month	-1.02%	1.29%	-2.31%
1 Year	12.17%	10.43%	+1.74%
2 Years	34.52%	33.58%	+0.94%
3 Years	60.82%	27.41%	+33.41%
4 Years	134.28%	34.35%	+99.93%
5 Years	246.72%	80.25%	+166.47%
8 Years	241.12%	47.50%	+193.62%
Since Inception (8.6 years)	351.30%	70.94%	+280.36%
Since Inception Annualised (8.6 years)	19.19%	6.45%	+12.74%

* Before Management and Performance Fees

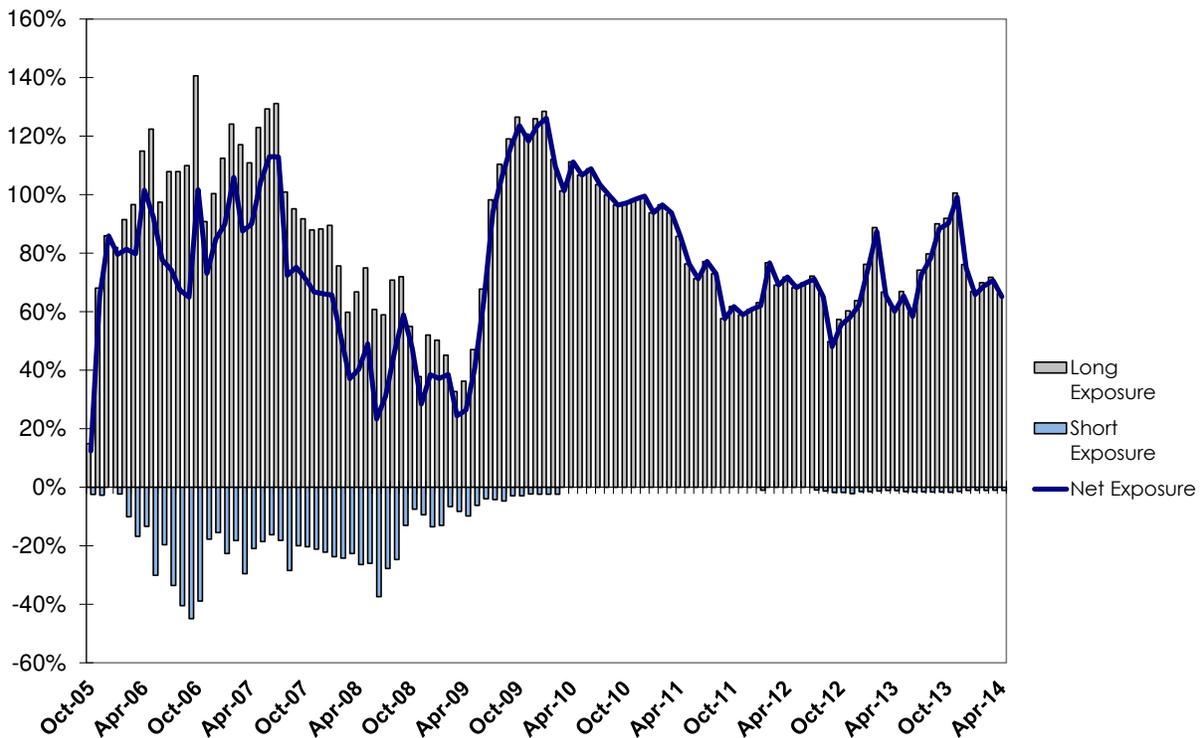
**These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA as this figure more accurately included the material fully franked dividends received from RHG during this month.



CDM Share Price Returns plus Dividends & Franking



Portfolio Exposure





Top Portfolio Positions

ASX Code	Position	Direction	Holding
HGG	Henderson Group Plc	Long	8.3%
MQG	Macquarie Group Limited	Long	7.8%
NAB	National Australia Bank Ltd	Long	4.7%
ANZ	Australia & New Zealand Banking Group	Long	4.5%
MLB	Melbourne IT Ltd	Long	3.7%
BSL	Bluescope Steel Ltd	Long	3.5%
BOQ	Bank of Queensland Ltd	Long	3.2%
IIN	Ilnet Limited	Long	3.2%
RFG	Retail Food Group	Long	3.0%
FXL	Flexigroup Ltd	Long	2.4%
PPT	Perpetual Limited	Long	2.2%
CBA	Commonwealth Bank of Australia	Long	2.0%
ARI	Arrium Limited	Long	1.9%
SDG	Sunland Group Ltd	Long	1.8%
RIO	Rio Tinto Ltd	Long	1.6%
LNG	Liquefied Natural Gas Limited	Long	1.6%
FLT	Flight Centre Travel Group Ltd	Long	1.5%
INA	Ingenia Communities Group Ltd	Long	1.2%
SUN	Suncorp Group Ltd	Long	1.1%
OZL	Oz Minerals Ltd	Short	1.1%
Top Portfolio Holdings Gross Exposure			60.44%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	21.86%		21.86%
Banks	14.45%		14.45%
Materials	9.58%	1.08%	8.50%
Software & Services	5.24%		5.24%
Consumer Services	4.49%		4.49%
Telecommunication Services	4.03%		4.03%
Real Estate	3.00%		3.00%
Energy	1.62%		1.62%
Insurance	1.12%		1.12%
Utilities	0.54%		0.54%
Pharmaceuticals, Biotechnology & Life Sciences	0.30%		0.30%
Exposure	66.24%	1.08%	65.15%
Cash on Hand			34.85%



Disclaimer

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