



INVESTMENT UPDATE

AUGUST 2014

During the month of August 2014, Cadence Capital Limited returned a negative gross performance of 0.55% compared to an increase in the All Ordinaries Accumulation Index of 0.72% and an increase in the Small Ordinaries Accumulation Index 2.34%. Over the past 12 months the fund has returned a positive gross performance of 16.5% outperforming the All Ordinaries Accumulation Index by 2.07%.

Cadence Capital Limited has been ranked the **top performing Australian Equity Listed Investment Company (LIC) over 5 years** in the latest ASX Funds Monthly Update (August 2014), with a 5 Year Total Shareholder Return of 26.44% p.a.

As at the 31 August 2014 the fund was holding 21% cash (79% invested).

Fund NTA

Net Tangible Assets as at 31 August 2014	Amount (\$)
Pre Tax NTA*	\$1.428
Post Tax NTA*	\$1.431
Share price (ASX Code: CDM)*	\$1.515
Option price (ASX Code: CDMO)*	\$0.071

CDM Final Dividend

The Board declared a **5.0 cent per share fully franked final dividend payable on 30th September 2014**. The Ex-Date for the dividend is 17th September 2014. The past years dividends equated to an annualised yield of 6.8% fully franked (9.7% grossed-up).

Cadence will be providing investors the ability to participate in its Dividend Re-Investment Plan ("DRP") at a 3% discount. DRP Record Date is 22nd September 2014.

CDM Options

If you are a CDM Option holder and would like to exercise your Options to receive the 5.0c final dividend, please see the dates below to ensure you are a registered shareholder on dividend record date (19th September 2014):

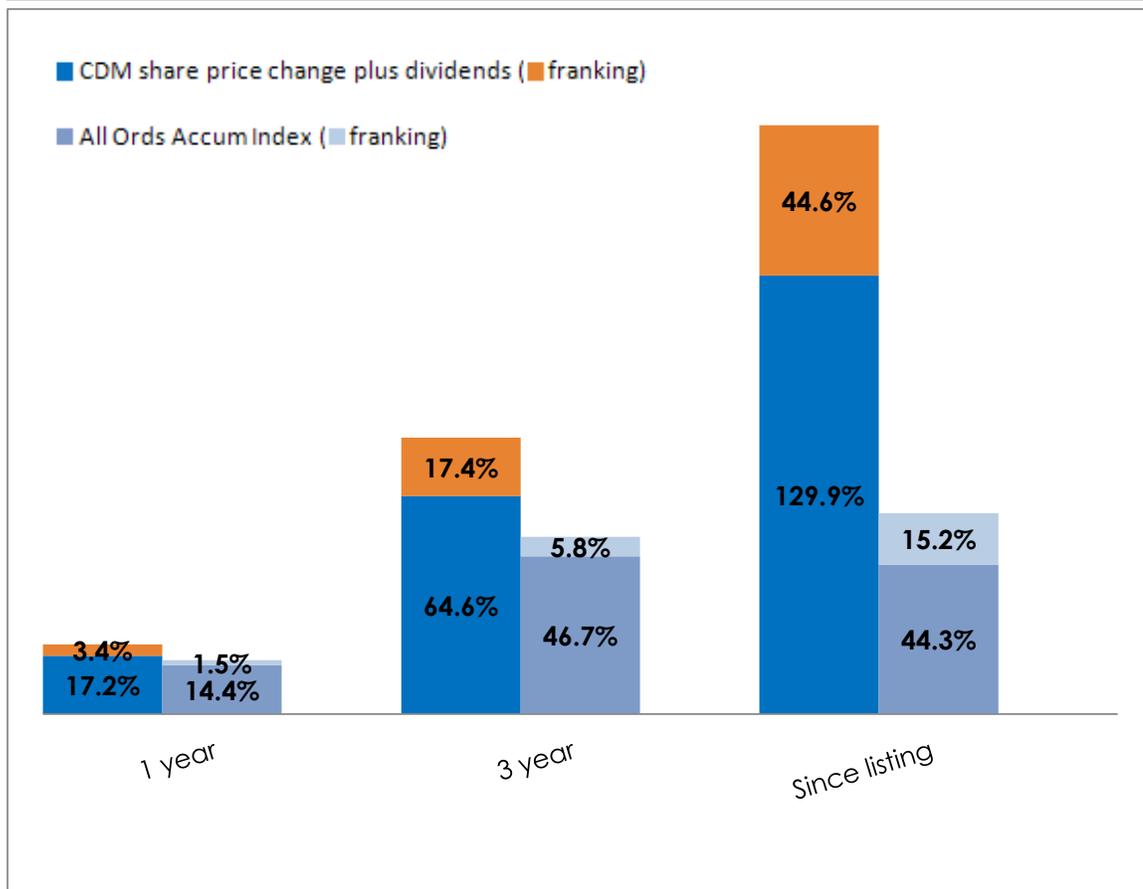
BPay: Funds to be received by 18th September 2014.

Cheque: Cheques must be received by Boardroom Limited by 15th September 2014

Please contact Boardroom Pty Limited on 1300 737 760 if you have any further questions.



CDM Share Price and Option Returns plus Dividends & Franking



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	-	10.0c	14.3c
TOTAL	23.5c	25.2c	10.5c	59.2c	83.7c

* Off market equal access buy back



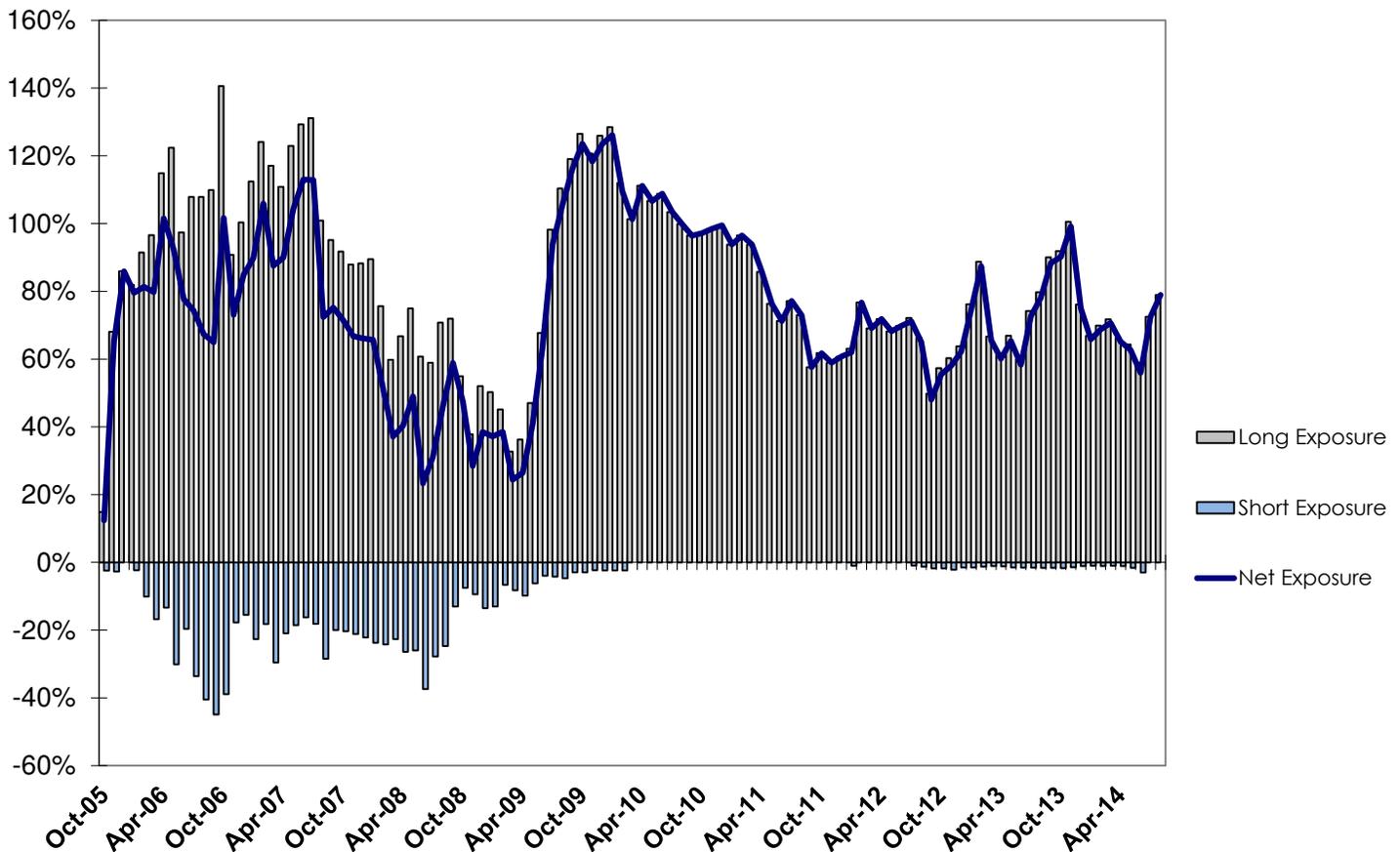
Fund Performance

Performance* to 31 August 2014	CDM**	All Ords	Outperformance
1 Month	-0.55%	0.72%	-1.27%
1 Year	16.50%	14.43%	+2.07%
2 Years	31.57%	41.02%	-9.45%
3 Years	49.69%	46.71%	+2.98%
4 Years	162.50%	50.54%	+111.96%
5 Years	192.65%	54.64%	+138.01%
8 Years	251.07%	55.50%	+195.57%
Since Inception (8.9 years)	371.17%	78.44%	+292.73%
Since Inception Annualised (8.9 years)	18.99%	6.71%	+12.28%

* 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.

Portfolio Exposure





Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	18.32%		18.32%
Banks	14.10%		14.10%
Financial	7.75%		7.75%
Consumer, Non-cyclical	7.51%		7.51%
Materials	6.36%		6.36%
Telecommunication Services	5.12%		5.12%
Software & Services	4.95%		4.95%
Energy	4.93%		4.93%
Consumer Services	3.10%		3.10%
Insurance	3.07%		3.07%
Basic Materials	1.47%		1.47%
Commercial & Professional Services	0.86%		0.86%
Real Estate	0.67%		0.67%
Industrial	0.18%		0.18%
Communications	0.17%		0.17%
Food & Household Products	0.14%		0.14%
Utilities	0.11%		0.11%
Technology	0.10%		0.10%
Exposure	78.91%	0.00%	78.91%
Cash on Hand			21.09%

Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	8.1%
HGG	Henderson Group Plc	Long	5.8%
GILD US	Gilead Sciences Inc	Long	5.0%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	4.7%
NAB	National Australia Bank Ltd	Long	4.3%
MLB	Melbourne IT Ltd	Long	4.0%
ANZ	Australia & New Zealand Banking Group	Long	4.0%
IIN	Ilnet Limited	Long	3.1%
RFG	Retail Food Group	Long	3.1%
SUN	Suncorp Group Ltd	Long	3.1%
BOQ	Bank of Queensland Ltd	Long	3.0%
LNG	Liquefied Natural Gas Limited	Long	3.0%
BEN	Bendigo and Adelaide Bank Limited	Long	2.9%
CBA	Commonwealth Bank of Australia	Long	2.8%
RIO	Rio Tinto Ltd	Long	2.5%
BSL	Bluescope Steel Ltd	Long	2.2%
FXL	Flexigroup Ltd	Long	2.1%
TLS	Telstra Corporation Limited	Long	2.0%
WPL	Woodside Petroleum Limited	Long	1.9%
ORI	Orica Limited	Long	1.5%
Top Portfolio Holdings Gross Exposure			68.97%



Cadence Capital 2014 Year-End Webcast

Please view the [Cadence Capital 2014 Year-End Webcast](#) for a summary of the 2014 full-year results, fund performance and outlook for 2015.

We would also like to remind you to visit both the 'Shareholder Centre' and 'Media Centre' sections of our website www.cadencecapital.com.au where you will find Newsletters, Quarterly Webcasts, Broker Research and Recent News.

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