



## INVESTMENT UPDATE

JANUARY 2015

During the month of January 2015, Cadence Capital Limited returned a positive gross performance of 3.12% compared to an increase in the All Ordinaries Accumulation Index of 3.03% and an increase in the Small Ordinaries Accumulation Index 0.91%.

As at the 31 January 2015 the fund was holding 14% cash (86% invested).

## Fund NTA

Net Tangible Assets as at 31 January 2015	Amount (\$)
Pre Tax NTA	\$1.389
Post Tax NTA	\$1.391
Share price (ASX Code: CDM)	\$1.420
Option price (ASX Code: CDMO)	\$0.014

## Fund Performance

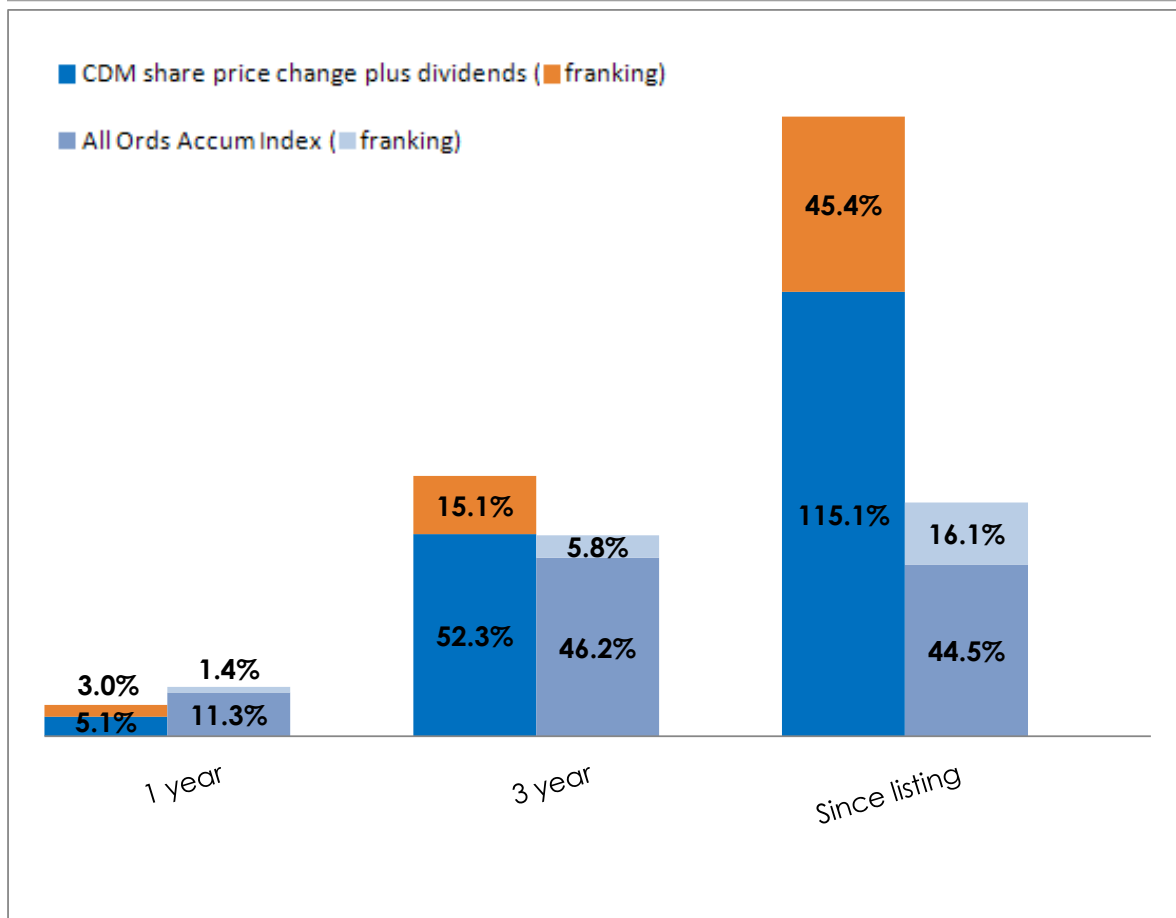
Performance* to 31 January 2015	CDM**	All Ords	Outperformance
1 Month	3.12%	3.03%	+0.09%
1 Year	7.25%	11.28%	-4.03%
2 Years	24.32%	23.21%	+1.11%
3 Years	47.07%	46.22%	+0.85%
4 Years	92.02%	36.19%	+55.83%
5 Years	167.39%	49.53%	+117.86%
8 Years	165.17%	35.45%	+129.72%
Since Inception (9.3 years)	376.44%	78.66%	+297.78%
Since Inception Annualised (9.3 years)	18.21%	6.42%	11.79%

\* 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 and Option Returns plus Dividends & Franking



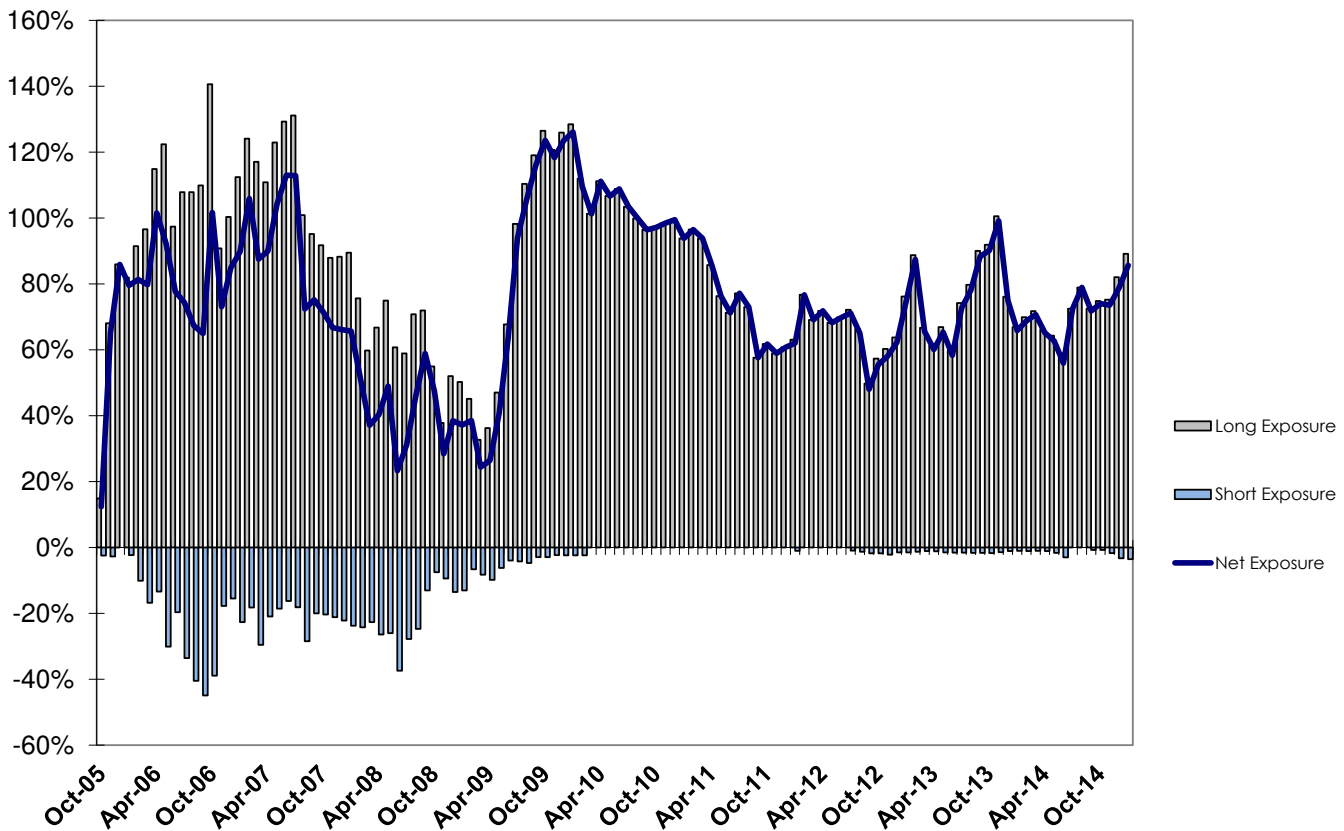
## Fully Franked Dividends Declared Since Listing

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
<b>TOTAL</b>	<b>23.5c</b>	<b>25.2c</b>	<b>10.5c</b>	<b>59.2c</b>	<b>83.7c</b>

\* Off market equal access buy back



## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	16.44%		16.44%
Financial	15.12%		15.12%
Banks	14.21%		14.21%
Consumer, Non-cyclical	14.05%		14.05%
Consumer, Cyclical	6.28%		6.28%
Telecommunication Services	5.53%		5.53%
Consumer Services	4.70%		4.70%
Software & Services	4.54%		4.54%
Insurance	2.88%		2.88%
Energy	1.78%		1.78%
Communications	0.87%		0.87%
Technology	0.66%		0.66%
Real Estate	0.43%		0.43%
Basic Materials	0.87%	1.47%	-0.60%
Materials	0.79%	2.07%	-1.28%
<b>Exposure</b>	<b>89.15%</b>	<b>3.54%</b>	<b>85.61%</b>
<b>Cash on Hand</b>			<b>14.39%</b>



## Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	9.0%
LUX IM	Luxottica Group SPA	Long	EUR	6.3%
HGG	Henderson Group Plc	Long	AUD	4.9%
RFG	Retail Food Group	Long	AUD	4.7%
MLB	Melbourne IT Ltd	Long	AUD	4.5%
GILD US	Gilead Sciences Inc	Long	USD	4.5%
NAB	National Australia Bank Ltd	Long	AUD	4.0%
BOQ	Bank of Queensland Ltd	Long	AUD	3.7%
MA US	Mastercard Inc	Long	USD	3.7%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.6%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	AUD	3.5%
BEN	Bendigo and Adelaide Bank Limited	Long	AUD	3.3%
IIN	Iinet Limited	Long	AUD	3.0%
SUN	Suncorp Group Ltd	Long	AUD	2.9%
CBA	Commonwealth Bank of Australia	Long	AUD	2.8%
TLS	Telstra Corporation Limited	Long	AUD	2.5%
V US	Visa Inc.	Long	USD	2.3%
RIO	Rio Tinto Ltd	Short	AUD	2.1%
WBC	Wespac Banking Corp.	Long	AUD	2.0%
AIG US	American International Group	Long	USD	1.9%
<b>Top Portfolio Holdings Gross Exposure</b>				<b>75.41%</b>

## Recent News Articles

Cadence Capital Limited has been featured as one of the Top LIC investments in the new Brightday SMSF solution. [View the video interview with Karl Siegling.](#)

In the latest article in the Cadence Capital series for Morningstar (and also featured by Livewire Markets), Karl Siegling discusses the importance of the industry a company operates in. Read the article [here](#).

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