



INVESTMENT UPDATE

JULY 2014

During the month of July 2014, Cadence Capital Limited returned a positive gross performance of 2.45% compared to an increase in the All Ordinaries Accumulation Index of 4.49% and an increase in the Small Ordinaries Accumulation Index of 4.91%.

Cadence Capital Limited was recently ranked the **top performing Australian Equity Listed Investment Company (LIC) over 5 years** in the June 2014 ASX Funds Monthly Update, with a 5 Year Total Return of 31.15% p.a.

As at the 31 July 2014 the fund was holding 27% cash (73% invested).

Fund NTA

Net Tangible Assets as at 31 July 2014	Amount (\$)
Pre Tax NTA*	\$1.437
Post Tax NTA*	\$1.435
Share price (ASX Code: CDM)*	\$1.510
Option price (ASX Code: CDMO)*	\$0.073

Cadence Capital Limited 2014 Annual Results

Cadence Capital Limited recently released its 2014 Annual Results. Key financial highlights include:

- **Record net profit before tax of \$26.4m, up 102% on last year**
- **Record net profit after tax of \$20.1m**
- Fully franked **final dividend of 5c** to be paid on 30th September 2014
- Annualised yield of **6.8% fully franked (9.7% grossed-up)** based on 30th June 2014 share price
- Gross performance over the past 12 months of 16.9%
- Gross performance over the last 8.8 years of 19.1% per annum

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. 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 below dates to ensure you are a registered shareholder on dividend record date (19th September 2014):

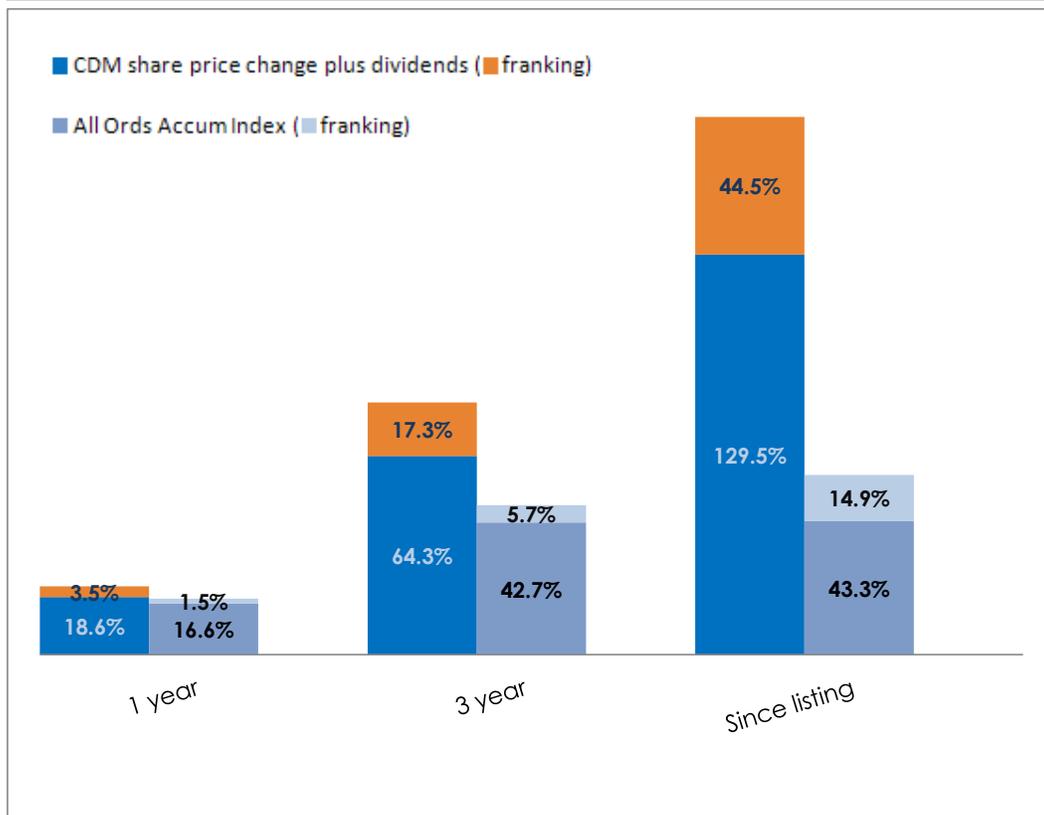
BPay: Funds to be received by 18th September 2014.

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 in relation to exercising your options.



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



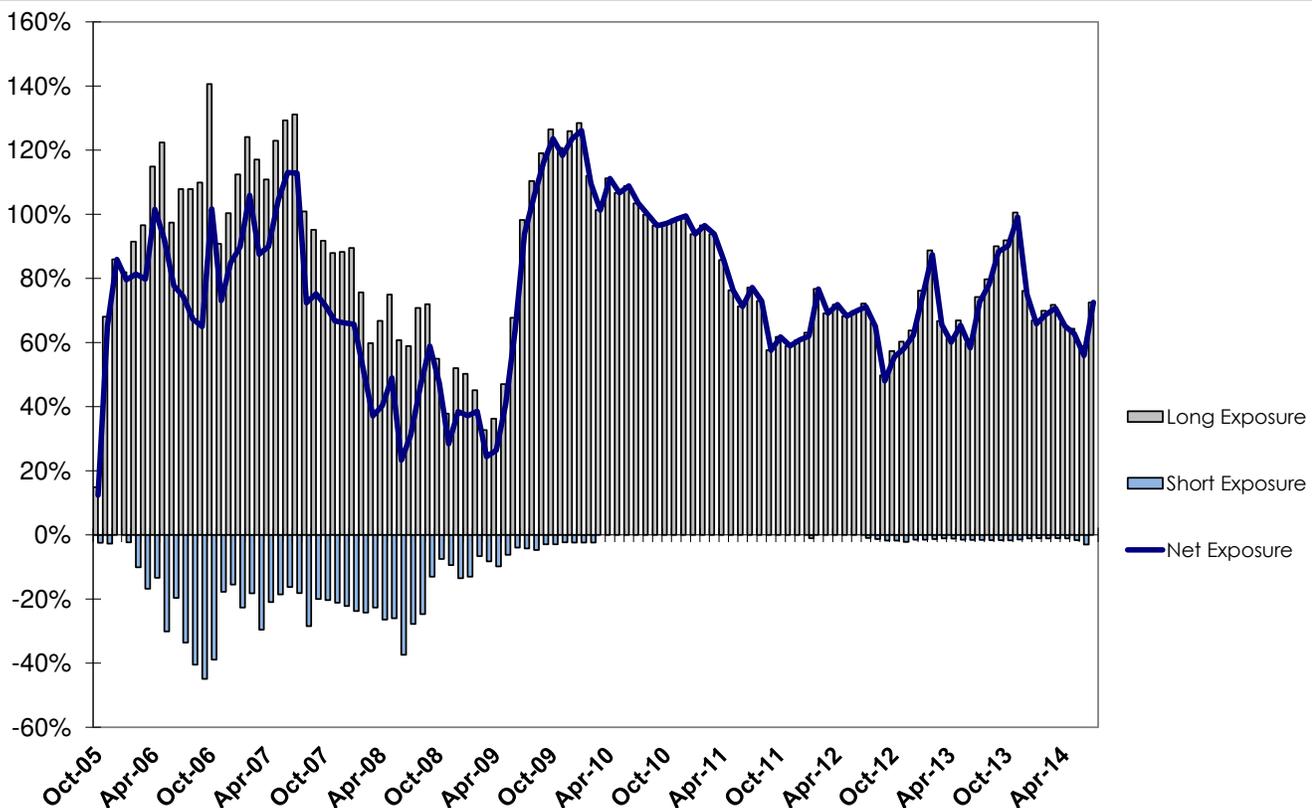
Fund Performance

Performance* to 31 July 2014	CDM**	All Ords	Outperformance
1 Month	2.45%	4.49%	-2.04%
1 Year	17.14%	16.56%	+0.58%
2 Years	40.79%	42.98%	-2.19%
3 Years	52.59%	42.74%	+9.85%
4 Years	168.44%	48.40%	+120.04%
5 Years	217.82%	63.47%	+154.35%
8 Years	262.53%	59.30%	+203.23%
Since Inception (8.8 years)	373.74%	77.17%	+296.57%
Since Inception Annualised (8.8 years)	19.25%	6.69%	+12.56%

* 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
Banks	20.57%		20.57%
Diversified Financials	20.08%		20.08%
Materials	7.69%		7.69%
Software & Services	5.37%		5.37%
Telecommunication Services	4.19%		4.19%
Consumer Services	4.17%		4.17%
Pharmaceuticals, Biotechnology & Life Sciences	3.41%		3.41%
Energy	3.25%		3.25%
Insurance	1.15%		1.15%
Real Estate	1.03%		1.03%
Transportation	1.02%		1.02%
Health Care Equipment & Services	0.19%		0.19%
Media	0.19%		0.19%
Semiconductors & Semiconductor Equipment	0.10%		0.10%
Utilities	0.10%		0.10%
Exposure	72.50%	0.00%	72.50%
Cash on Hand			27.50%

Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	8.3%
HGG	Henderson Group Plc	Long	6.5%
MLB	Melbourne IT Ltd	Long	4.4%
NAB	National Australia Bank Ltd	Long	4.4%
ANZ	Australia & New Zealand Banking Group	Long	4.1%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	3.5%
IIN	Iinet Limited	Long	3.2%
RFG	Retail Food Group	Long	3.1%
BOQ	Bank of Queensland Ltd	Long	3.1%
CBA	Commonwealth Bank of Australia	Long	3.0%
RIO	Rio Tinto Ltd	Long	2.8%
BSL	Bluescope Steel Ltd	Long	2.5%
BEN	Bendigo and Adelaide Bank Limited	Long	2.5%
GILD US	Gilead Sciences Inc	Long	2.4%
PPT	Perpetual Limited	Long	2.1%
FXL	Flexigroup Ltd	Long	2.0%
LNG	Liquefied Natural Gas Limited	Long	1.9%
ORI	Orica Limited	Long	1.7%
SUN	Suncorp Group Ltd	Long	1.1%
TLS	Telstra Corporation Limited	Long	1.0%
Top Portfolio Holdings Gross Exposure			63.61%



Cadence Capital 'Shareholder Centre' and 'Media Centre'

We would like to recommend 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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