



INVESTMENT UPDATE

FEBRUARY 2016

For the month of February 2016, Cadence Capital Fund returned a negative gross performance of 8.20% compared to a decrease in the All Ordinaries Accumulation Index of 1.47%. For the past 12 months the fund has returned a negative gross performance of 10.65% compared to a decrease in the All Ordinaries Accumulation Index of 12.23%.

The 2016 year has begun with high volatility and a number of important long term trends have been tested. These include commodity prices, energy prices, the Australian dollar, diversified financials and the banks. As always we reduce exposure when trends change and increase exposure again when trends re-establish themselves. These volatile periods negatively affect our investment process but the gains to be made when trends are re-established more than offset these losses. The Cadence Capital Limited half year webcast will be sent out next week and will discuss this in more detail.

Fund NTA

Unit price as at 29th February 2016:

NTA (Post fees) – Class A Original series \$1.848

Fund Performance

Performance* to 29th February 2016	CCF**	All Ords	Outperformance
1 Month	-8.20%	-1.47%	-6.73%
1 Year	-10.65%	-12.23%	+1.58%
2 Years	-3.37%	-0.33%	-3.04%
3 Years	11.43%	10.01%	+1.42%
4 Years	38.98%	34.08%	+4.90%
5 Years	72.65%	25.14%	+47.51%
7 Years	289.50%	102.77%	+186.73%
10 Years	160.27%	55.38%	+104.89%
Inception to date accumulated return (12.3 years)	432.17%	154.22%	+277.95%
Annualised return since inception (12.3 years)	14.52%	7.86%	+6.66%

* 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

Stock Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	9.66%
MLB	Melbourne IT Ltd	Long	AUD	7.61%
LUX IM	Luxottica Group SPA	Long	EUR	6.12%
HGG	Henderson Group Plc	Long	AUD	4.23%
FB US	Facebook Inc	Long	USD	3.39%
RIO	Rio Tinto Ltd	Short	AUD	3.12%
RFG	Retail Food Group	Long	AUD	2.98%
WPL	Woodside Petroleum Ltd	Short	AUD	2.65%
ANZ	Australia & New Zealand Banking Group	Long	AUD	2.48%
GOOG US	Alphabet Inc	Long	USD	2.38%
IPH	IPH Ltd	Long	AUD	2.28%
005930 KS	Samsung Electronics Co Ltd	Long	USD	2.28%
MYO	MYOB Group Ltd	Short	AUD	2.17%
TPM	TPG Telecom Ltd	Long	AUD	2.09%
CBA	Commonwealth Bank of Australia	Long	AUD	2.05%
NAB	National Australia Bank Ltd	Long	AUD	2.02%
CYA	Centuary Australia Investments Ltd	Long	AUD	1.68%
MA US	Mastercard Inc.	Long	USD	1.59%
Top Portfolio Holdings - Gross Exposure				60.80%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	17.08%		17.08%
Communications	7.86%		7.86%
Software & Services	7.61%		7.61%
Banks	6.67%		6.67%
Consumer, Cyclical	6.12%		6.12%
Financial	5.43%		5.43%
Consumer, Non-cyclical	5.14%		5.14%
Consumer Services	2.98%		2.98%
Basic Materials	1.69%		1.69%
Technology	3.29%	2.17%	1.12%
Industrial	0.00%	1.20%	-1.20%
Materials	0.35%	3.12%	-2.77%
Energy	0.18%	3.14%	-2.96%
Exposure	64.40%	9.64%	54.77%

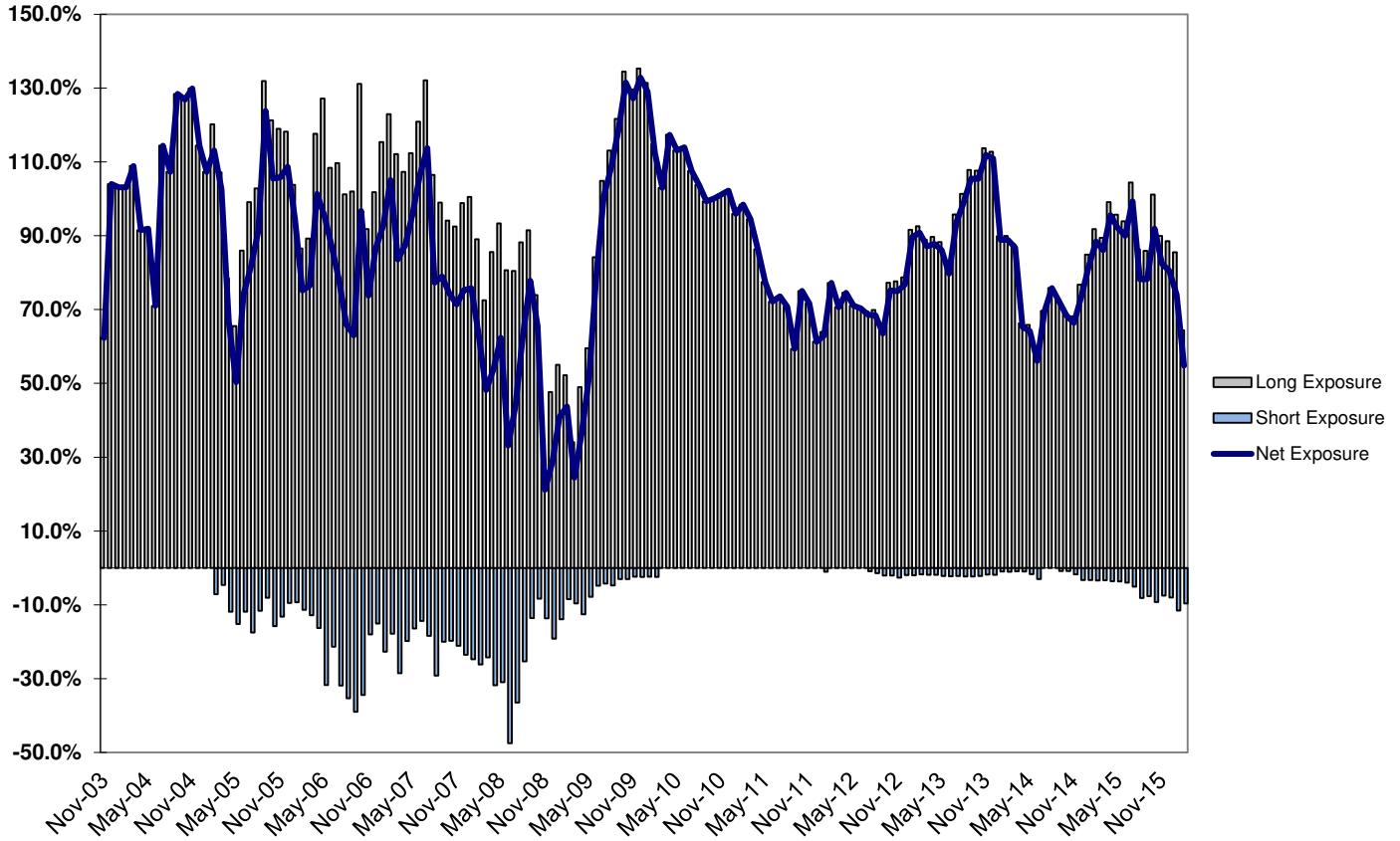
Cash on hand

45.23%

For more information contact Cadence Capital Fund on 02 8298 2444 or email info@cadencecapital.com.au
Register to receive our FREE newsletter at www.cadencecapital.com.au/register-for-free-newsletter



Portfolio Exposure



Recent News Articles

Karl Siegling participated in [the latest Under The Radar report](#), where he discussed some of the stocks he's interested in and why.

Karl Siegling was [quoted by the AFR](#) and questioned whether the market prices are leading fundamentals.

We've added reviews to our [52 Books You Should Read Before Buying Your Next Stock](#) section, including How To Make Money In Stocks by William O'Neil, The Tipping Point by Malcolm Gladwell and Thinking, Fast and Slow by Daniel Kahneman.

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