



INVESTMENT UPDATE

MAY 2016

For the month of May 2016 Cadence Capital Fund returned a positive gross performance of 4.96% compared to an increase in the All Ordinaries Accumulation Index of 3.09%. Over the past 12 months Cadence Capital Fund has returned a negative gross performance of 10.92% compared to a decrease in the All Ordinaries Accumulation Index of 1.25%.

As at the 31st May 2016 the fund was holding 20% cash (80% invested).

Fund NTA

Unit price as at 31st May 2016:

NTA (Post fees) – Class A Original series \$1.915

Fund Performance

Performance* to 31st May 2016	CCF**	All Ords	Outperformance
1 Month	4.96%	3.09%	+1.87%
1 Year	-10.92%	-1.25%	-9.67%
3 Years	13.18%	26.37%	-13.18%
5 Years	60.17%	42.09%	+18.08%
7 Years	259.33%	93.07%	+166.26%
10 Years	150.58%	68.70%	+81.88%
Inception to date accumulated return (12.6 years)	451.27%	183.38%	+267.89%
Annualised return since inception (12.6 years)	14.53%	8.63%	+5.90%

* 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	13.42%
MLB	Melbourne IT Ltd	Long	AUD	7.38%
HGG	Henderson Group Plc	Long	AUD	7.01%
AIO	Asciano Ltd	Long	AUD	5.02%
GOOG US	Alphabet Inc	Long	AUD	4.09%
MA US	Mastercard Inc	Long	AUD	3.80%
RFG	Retail Food Group	Long	AUD	3.68%
9984 JP	Softbank Group Corp	Long	AUD	3.63%
FB US	Facebook Inc	Long	AUD	3.11%
WPL	Woodside Petroleum Ltd	Short	AUD	2.76%
005930 KS	Samsung Electronics Co Ltd	Long	USD	2.46%
AIG US	American International Group	Long	AUD	2.40%
IPH	IPH Ltd	Long	AUD	2.27%
CBA	Commonwealth Bank of Australia	Long	AUD	2.18%
GILD US	Gilead Sciences Inc	Long	AUD	1.83%
MYO	MYOB Group Ltd	Short	AUD	1.78%
ANZ	Australia & New Zealand Banking Group	Long	AUD	1.75%
SHV	Select Harvest Ltd	Long	AUD	1.70%
Top Portfolio Holdings - Gross Exposure				70.27%

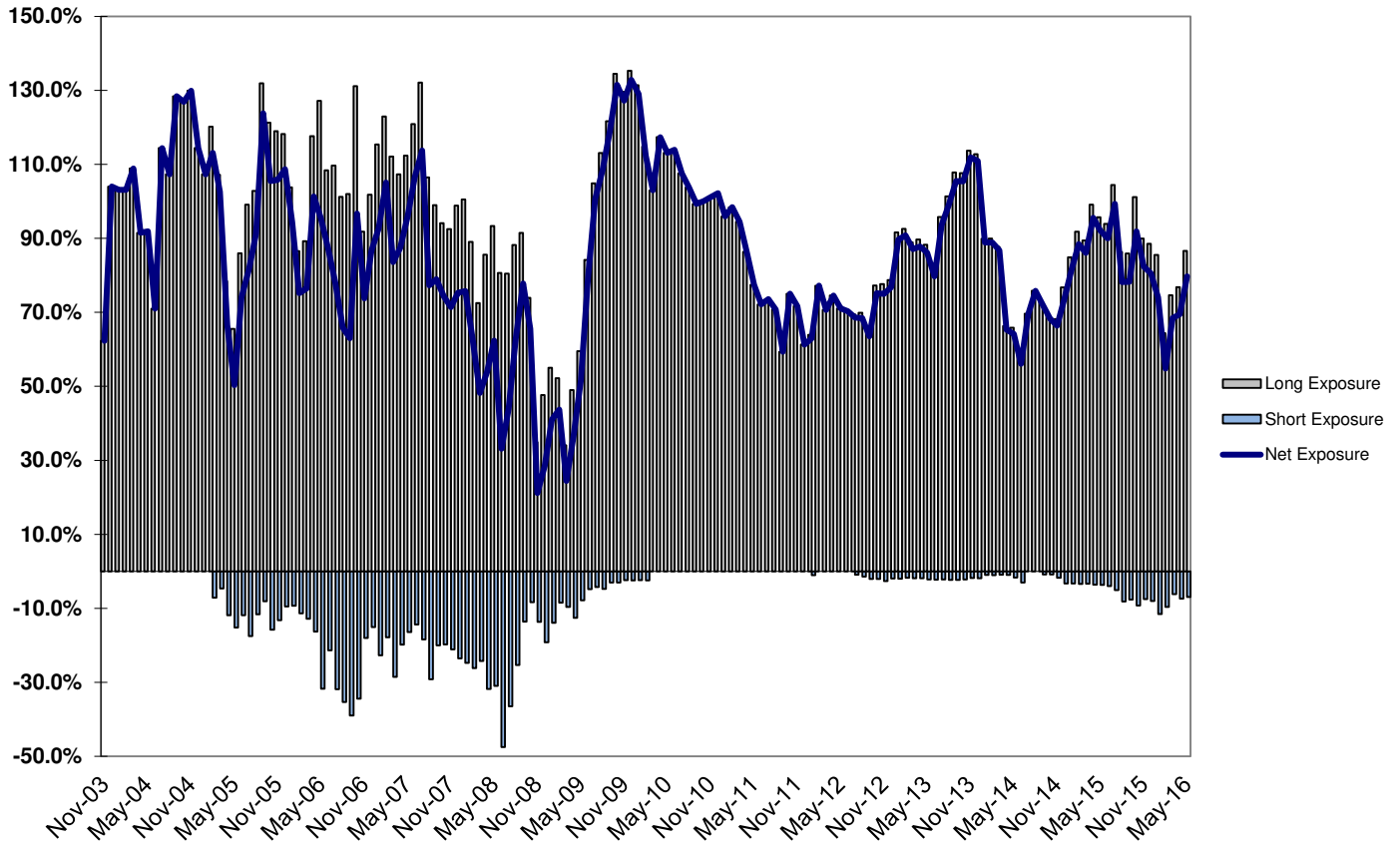
Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	23.39%		23.39%
Communications	12.46%		12.46%
Consumer, Non-cyclical	11.70%		11.70%
Software & Services	7.38%		7.38%
Financial	7.83%	1.01%	6.82%
Industrial	5.67%		5.67%
Banks	5.20%		5.20%
Consumer Services	3.68%		3.68%
Consumer, Cyclical	3.14%		3.14%
Basic Materials	1.97%	0.08%	1.89%
Technology	3.55%	1.78%	1.77%
Materials	0.35%	1.28%	-0.93%
Energy	0.31%	2.76%	-2.44%
Exposure	86.64%	6.91%	79.73%

Cash on hand **20.27%**



Portfolio Exposure



Recent News Articles

Karl Siegling's latest article, "[Commodities: Has the trend changed?](#)", was published in the 157th edition of the Cuffelinks newsletter. The article explains the cyclical nature of commodities, and gives an overview of how we deal with this at Cadence.

Watch our [latest quarterly webcast](#) for an update of the fund's performance, information about the Company's 5.0 cent interim dividend and an update on the Company's outlook. In addition, Karl Siegling shares his views on Macquarie Bank (MQG).

You can read our latest book reviews, including *Hot Commodities* by Jim Rogers, in the [52 Books You Should Read Before Buying Your Next Stock](#) section.

To view all previous Cadence webcasts and press articles, please visit the [Media Section](#) of our Website.



Download Our New Book For Free

Hope, Fear and Greed: Understanding Investment Market Psychology

Understand the 3 key emotions in the market, and follow our live example of how these may affect the Macquarie Group Limited (MQG) share price.

 Download Free Book

Disclaimer

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd and is of a general nature only. It is provided for information purposes only and should not be construed as an offer or solicitation. Nothing contained in this document constitutes investment, legal, financial, business, tax or other advice. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.