



INVESTMENT UPDATE

DECEMBER 2016

For the month of December 2016 Cadence Capital Fund returned a positive gross performance of 2.3% compared to an increase in the All Ordinaries Accumulation Index of 4.2%. For the first half of this financial year, Cadence Capital Fund has returned a positive gross performance of 9.5 compared to an increase in the All Ordinaries Accumulation Index of 9.9%.

As at the 31st December 2016 the fund was holding 22% cash (78% invested).

Fund NTA

Unit price as at 31st December 2016:

NTA – Class A Original series **\$1.959**

Fund Performance

Performance* to 31st December 2016	CCF**	All Ords	Outperformance
1 Month	2.3%	4.2%	-1.9%
YTD	9.5%	9.9%	-0.4%
1 Year	-8.0%	11.6%	-19.6%
3 Years	2.4%	21.7%	-19.3%
5 Years	55.3%	73.0%	-17.7%
7 Years	171.7%	58.3%	+113.4%
10 Years	109.2%	55.4%	+53.8%
Inception to date accumulated return (13.2 years)	466.0%	204.5%	+261.5%
Annualised return since inception (13.2 years)	14.1%	8.8%	+5.3%

* 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

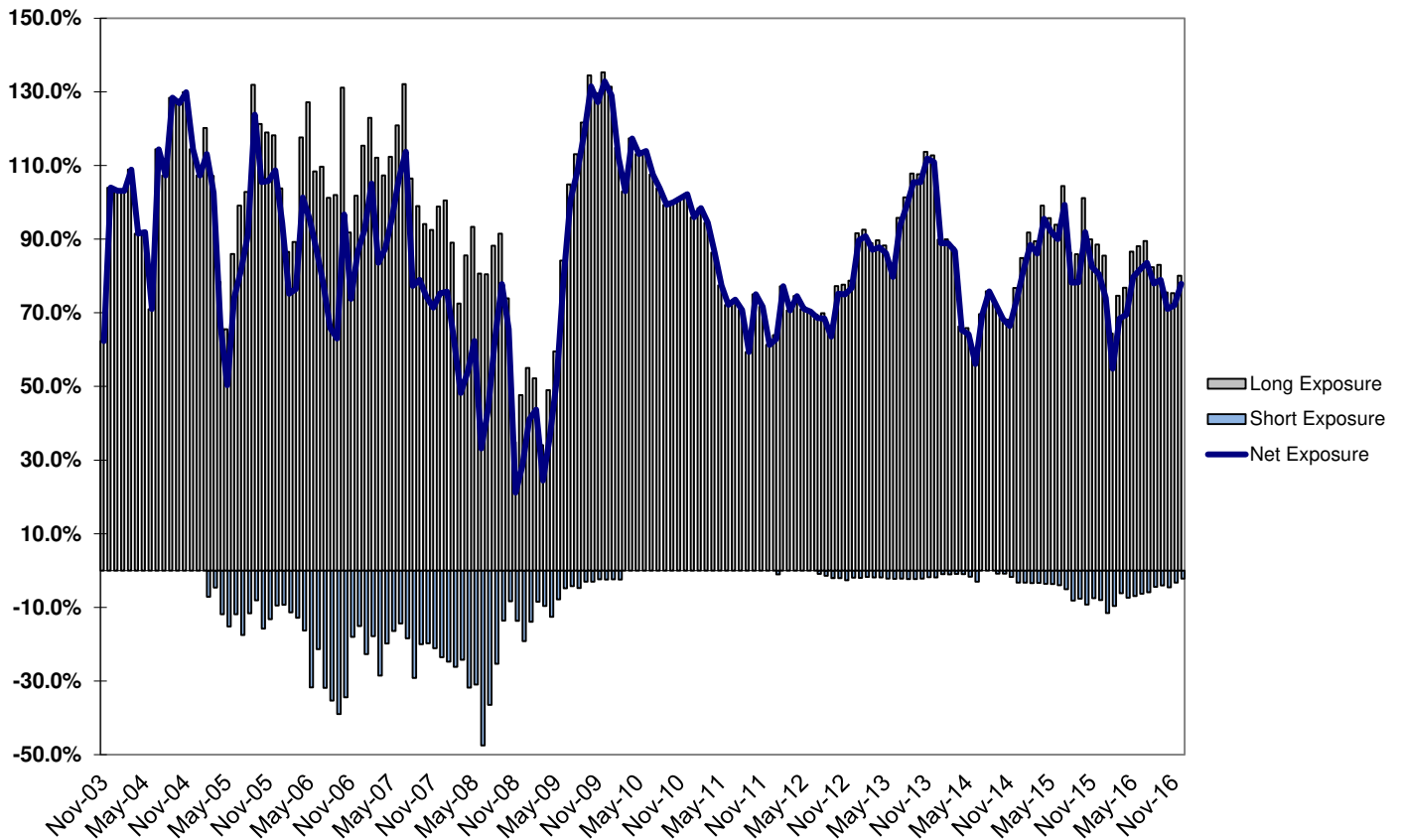
Stock Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	9.3%
MLB	Melbourne IT Ltd	Long	AUD	8.4%
HGG	Henderson Group Plc	Long	AUD	5.8%
RFG	Retail Food Group	Long	AUD	5.7%
9984 JP	Softbank Group Corp	Long	AUD	3.8%
IGO	Independence Group NL	Long	AUD	3.7%
5930 KS	Samsung Electronics Co Ltd	Long	USD	3.6%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.3%
FB US	Facebook Inc	Long	AUD	3.0%
GOOG US	Alphabet Inc	Long	AUD	2.9%
AIG US	American International Group	Long	AUD	2.8%
NAB	National Australia Bank Ltd	Long	AUD	2.7%
CBA	Commonwealth Bank of Australia	Long	AUD	2.4%
ECX	Eclixp Group Ltd	Long	AUD	2.4%
MA US	Mastercard Inc	Long	AUD	1.6%
MND	Monadelphous Group Ltd	Long	AUD	1.4%
CYA	Century Australia Investments Ltd	Long	AUD	1.3%
AAD	Ardent Leisure Group Ltd	Long	AUD	1.2%
Top Portfolio Holdings - Gross Exposure				65.4%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	17.4%		17.4%
Communications	9.8%		9.8%
Financial	8.5%		8.5%
Banks	8.4%		8.4%
Software & Services	8.4%		8.4%
Consumer, Non-cyclical	6.1%		6.1%
Consumer Services	5.7%		5.7%
Basic Materials	4.1%	0.3%	3.8%
Technology	3.8%		3.8%
Consumer, Cyclical	3.0%	0.9%	2.1%
Industrial	1.4%		1.4%
Energy	2.2%	1.0%	1.2%
Capital Goods	1.0%		1.0%
Materials	0.4%		0.4%
Exposure	80.1%	2.2%	77.9%
Cash on hand			22.1%



Portfolio Exposure



Recent News Articles

Karl Siegling was featured in the latest Under the Radar Report discussing the reversal of the downward trend in resource stocks. [View the Under the Radar excerpt here.](#)

The Cadence Capital Limited 2016 AGM and Investor Briefing was held in November 2016. Karl Siegling and Chris Garrard, Portfolio Managers of Cadence Capital Limited, gave an update on the Company's performance, discussed some of the Company's stock holdings and discussed the outlook for 2017. [Click here](#) to watch the AGM & Investor Briefing webcast.

Please also find on our website a recently added book review ['Masters of the Market – Secrets of Australia's leading sharemarket investors'](#).

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