

## INVESTMENT UPDATE

January 2019

For the month of January 2019, Cadence Capital Limited returned a positive gross performance of 0.7% compared to an increase in the All Ordinaries Accumulation Index of 4.0%. For the past month, the largest contributors to the Company's performance were Macquarie Group, Money3 Corporation and Santos. The largest detractors from performance were ARQ Group Ltd and Navigator Global Investments.

At 31 January 2019 the Company was 82% invested (18% cash).

The Company released its [Half Year webcast](#) on 23rd January 2019. We recommend you watch this webcast where Karl Siegling provides an update on the company's performance over the past 6 months. He then discusses in detail our holdings in ARQ Group, Macquarie Group, Money3 Corporation and Noni B Ltd and concludes on the outlook for 2019. The company is planning to announce its half-year results next Friday, 22 February 2019.

## Fund NTA

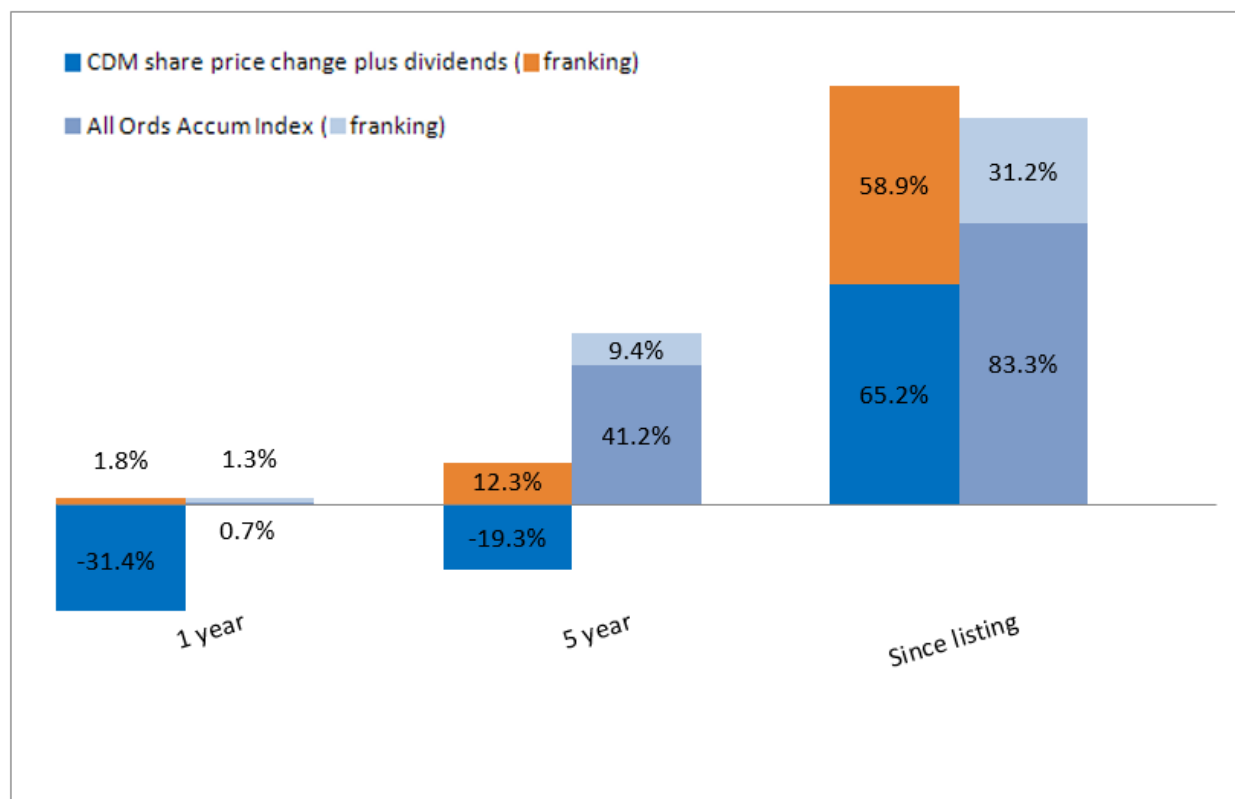
Net Tangible Assets as at 31 January 2018	Amount (\$)
Pre Tax NTA	\$0.941
Post Tax NTA	\$1.080
Share price (ASX Code: CDM)	\$0.840

## Fund Gross Performance

Gross Performance* to 31st Jan 2018	CDM	All Ords Accum	Outperformance
1 Month	0.7%	4.0%	-3.3%
YTD	-19.4%	-3.6%	-15.8%
1 Year	-15.7%	0.6%	-16.3%
3 Years (per annum)	0.3%	10.0%	-9.7%
5 Years (per annum)	2.6%	7.1%	-4.5%
8 Years (per annum)	9.3%	7.1%	+2.2%
10 Years (per annum)	15.3%	10.1%	+5.2%
Since Inception (13.3 years) (per annum)	12.9%	6.3%	+6.6%
Since Inception (13.3 years) (total return)	405.0%	126.7%	+278.3%

\* Gross Performance: before Management and Performance Fees

## CDM Share Price Return Plus Dividends & Franking

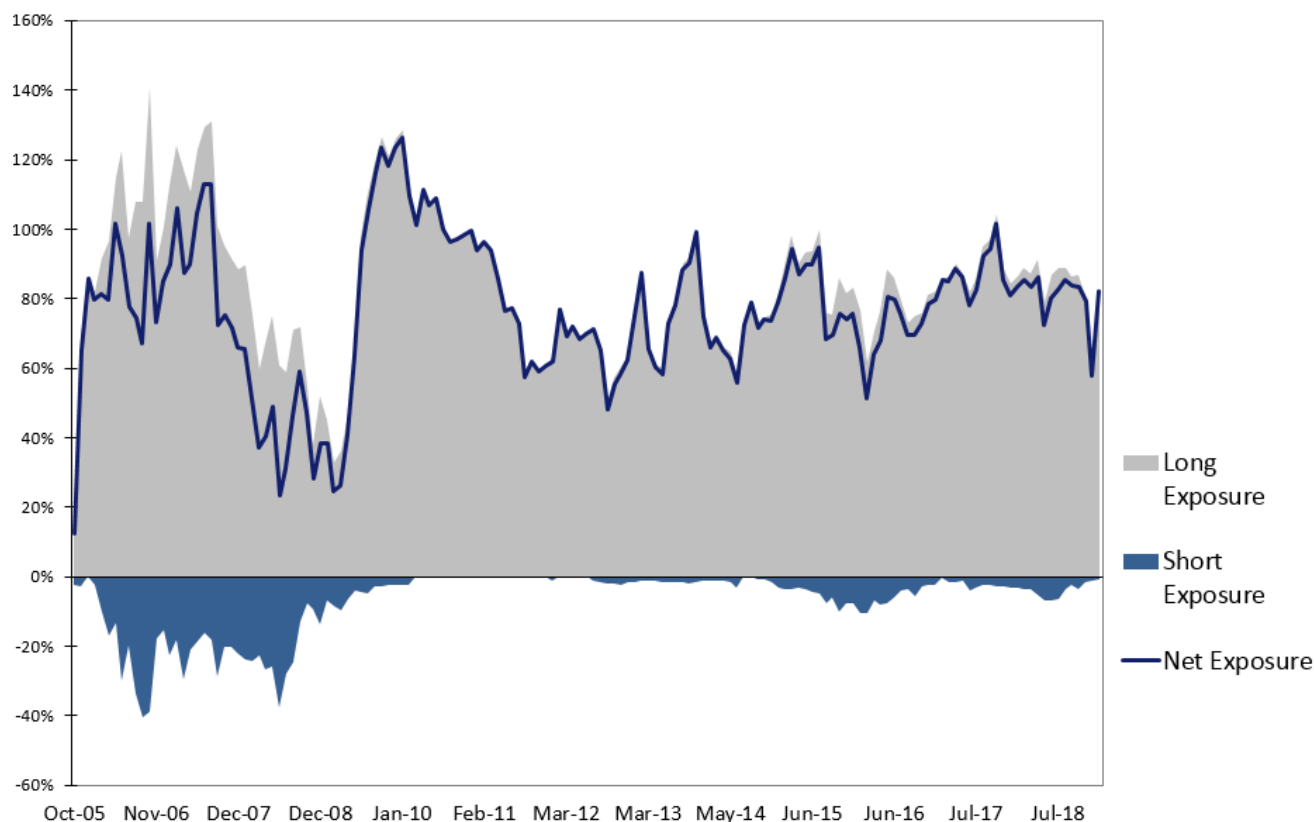


## Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2c*	-	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
2015	5.0c	5.0c	1.0c	11.0c	15.7c
2016	5.0c	4.0c	-	9.0c	12.9c
2017	4.0c	4.0c	-	8.0c	11.4c
2018	4.0c	4.0c	-	8.0c	11.4c
<b>TOTAL</b>	<b>41.5c</b>	<b>42.2c</b>	<b>11.5c</b>	<b>95.2c</b>	<b>135.1c</b>

\* Off market equal access buy back

## Historic Portfolio Exposure



## Portfolio Sector Analysis

Sector	Long	Short	Net
Consumer, Non-cyclical	16.8%		16.8%
Energy	14.7%		14.7%
Technology	12.2%		12.2%
Financial	10.7%		10.7%
Consumer, Cyclical	9.8%	0.6%	9.2%
Industrial	7.7%		7.7%
Diversified Financials	4.9%		4.9%
Communications	2.0%		2.0%
Diversified	1.5%		1.5%
Basic Materials	1.0%		1.0%
Materials	0.8%		0.8%
Health Care Equipment & Services	0.5%		0.5%
<b>Exposure</b>	<b>82.6%</b>	<b>0.6%</b>	<b>82.0%</b>
<b>Cash Holdings</b>			<b>18.0%</b>

## Top Portfolio Positions

Code	Position	Direction	Currency	Holding
ARQ	ARQ Group Ltd	Long	AUD	10.8%
MQG	Macquarie Group Ltd	Long	AUD	4.9%
STO	Santos Ltd	Long	AUD	4.9%
MNY	Money3 Corp Ltd	Long	AUD	4.7%
NBL	Noni B Ltd	Long	AUD	4.4%
WOR	Worleyparsons Ltd	Long	AUD	3.7%
TEVA US	Teva Pharmaceutical-SP	Long	AUD	3.6%
EHL	Emeco Holdings Ltd	Long	AUD	3.1%
ALL	Aristocrat Leisure Ltd	Long	AUD	2.6%
WPL	Woodside Petroleum Ltd	Long	AUD	2.6%
SHJ	Shine Corporate Ltd	Long	AUD	2.6%
MAH	Macmahon Holdings Ltd	Long	AUD	2.3%
RMC	Resimac Group Ltd	Long	AUD	2.2%
TWE	Treasury Wine Estates Ltd	Long	AUD	2.1%
GEM	G8 Education Ltd	Long	AUD	1.8%
SMR	Stanmore Coal Ltd	Long	AUD	1.8%
HLO	Helloworld Travel Ltd	Long	AUD	1.7%
SVW	Seven Group Holdings Ltd	Long	AUD	1.5%
GNW US	Genworth Financial US	Long	AUD	1.4%
CNI	Centuria Capital Ltd	Long	AUD	1.4%
<b>Top Portfolio Holdings Net Exposure</b>				<b>64.0%</b>

## News

We encourage you to visit our [52 books you should read before buying your next stock](#) page on our website. We have compiled a list of books/ documentaries that have influenced our investment style or helped provide insight into the investment process. To view all previous Cadence webcasts and press articles, please visit the [Media Section](#) of the website.

We welcome any of your friends or colleagues that you feel may benefit from our monthly Cadence Capital Limited Newsletter. [Please click here to refer a friend by supplying their name and email address.](#)

## 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.