

INVESTMENT UPDATE

June 2019

Cadence Capital Limited returned a negative gross performance of 4.3% in June. The negative performance for the month was primarily caused by the portfolio's holding in ARQ Group, which had an earnings downgrade during the month. Axxess Today and Vocus Communications also contributed negatively for the month. Stocks that contributed positively during the month were Bingo Industries, Eclipx Group and Qualcomm.

For the year ended 30th June 2019, ARQ Group and Emeco Holdings were two stocks that contributed significant negative performance. In the upcoming weeks we will be releasing the June 2019 year end webcast. This webcast will give shareholders a detailed update on the fund's performance over the past year and will discuss in detail the company's current top positions and outlook for the year ahead.

During the 2019 financial year, the CDM share price has moved from trading at a premium to NTA, to a discount to NTA. In the June 2019 webcast we will outline the reasons for this as well as the initiatives currently underway to move the CDM share price closer to NTA.

At 30th June 2019, the Company was 79.3% invested.

Fund NTA

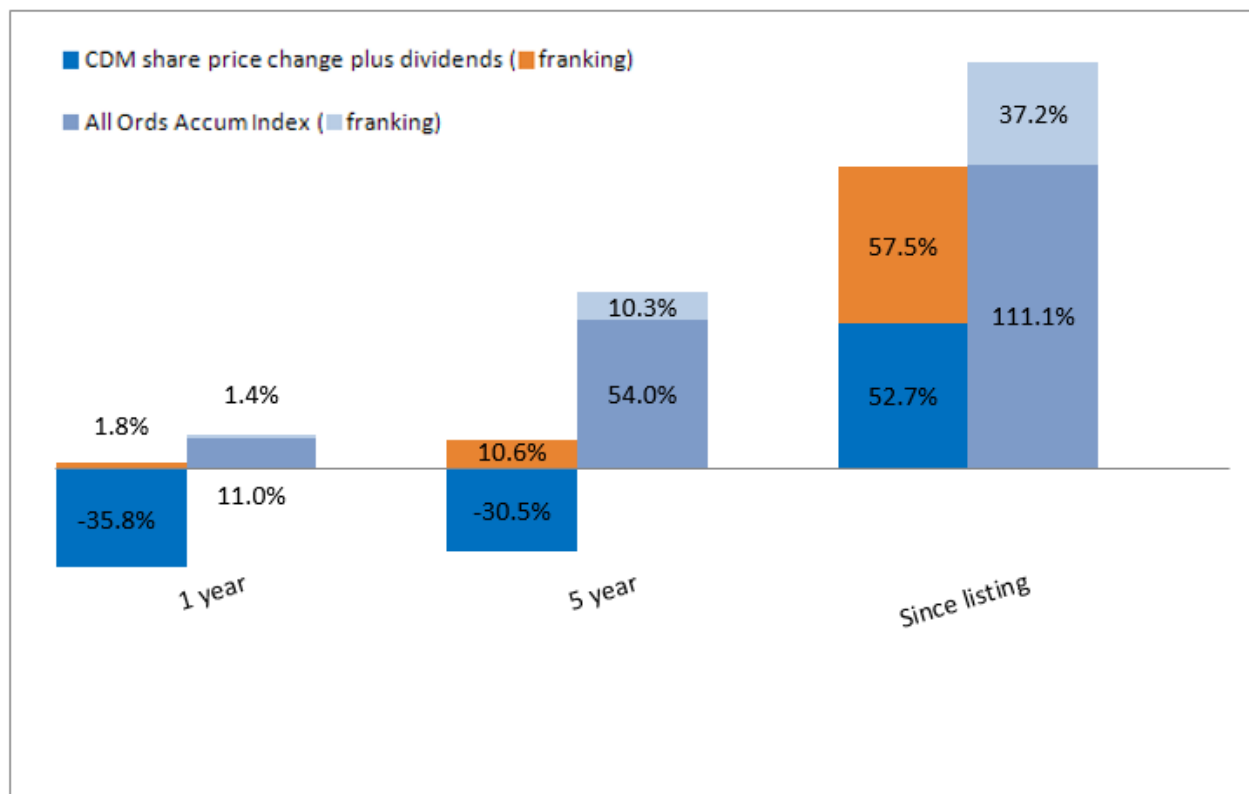
Net Tangible Assets as at 30 June 2019	Amount (\$)
Pre Tax NTA	\$0.894
Post Tax NTA	\$1.042
Share price (ASX Code: CDM)	\$0.750

Fund Gross Performance

Gross Performance* to 30th June 2019	CDM	All Ords Accum	Outperformance
1 Month	-4.3%	3.4%	-7.7%
1 Year	-20.6%	11.0%	-31.6%
3 Years (per annum)	3.2%	12.6%	-9.4%
5 Years (per annum)	1.5%	9.0%	-7.5%
8 Years (per annum)	6.2%	9.3%	-3.1%
10 Years (per annum)	13.7%	10.0%	+3.7%
Since Inception (13.8 years) (per annum)	12.4%	7.2%	+5.2%
Since Inception (13.8 years) (total return)	397.6%	161.1%	+236.5%

* Gross Performance: before Management and Performance Fees

CDM Share Price Return Plus Dividends & Franking

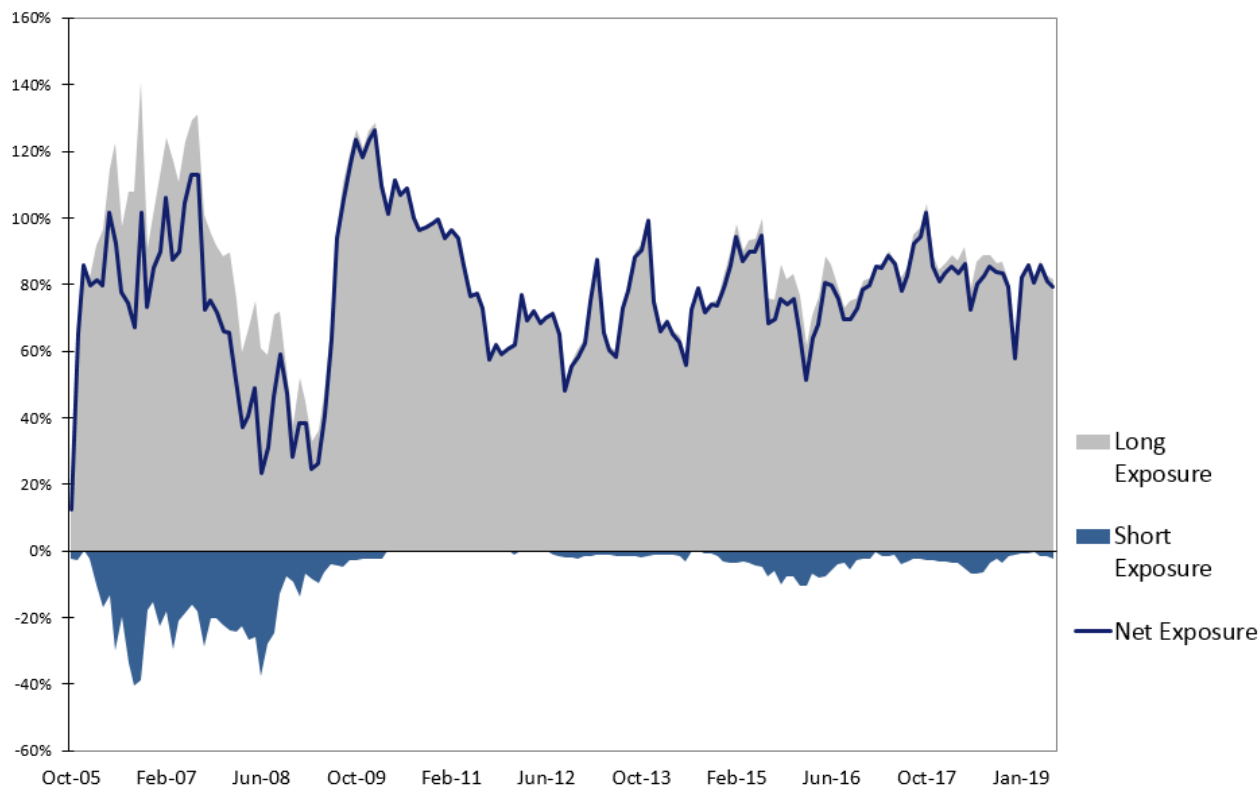


Franked Dividends Declared Since Listing

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
2019	3.0c	-	-	3.0c	4.3c
TOTAL	44.5c	42.2c	11.5c	98.2c	139.4c

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	13.9%		13.9%
Consumer, Non-cyclical	11.0%	0.7%	10.3%
Energy	11.2%	1.0%	10.2%
Technology	9.6%		9.6%
Basic Materials	8.0%	0.5%	7.5%
Consumer, Cyclical	7.3%		7.3%
Industrial	6.2%		6.2%
Communications	5.1%		5.1%
Diversified Financials	4.7%		4.7%
Diversified	4.0%		4.0%
Health Care Equipment & Services	0.3%		0.3%
Materials	0.1%		0.1%
Exposure	81.5%	2.2%	79.3%

Cash Holdings	20.7%
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Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MNY	Money3 Corp Ltd	Long	AUD	5.7%
CIA	Champion Iron Ltd	Long	AUD	5.0%
MQG	Macquarie Group Ltd	Long	AUD	4.7%
STO	Santos Ltd	Long	AUD	4.6%
BIN	Bingo Industries Ltd	Long	AUD	4.5%
ARQ	ARQ Group Ltd	Long	AUD	4.5%
ECX	Eclix Group Ltd	Long	AUD	4.2%
SVW	Seven Group Holdings Ltd	Long	AUD	4.0%
1717 HK	Ausnutria Dairy Corp Ltd	Long	AUD	3.5%
NBL	Noni B Ltd	Long	AUD	3.3%
QCOM US	Qualcomm Inc.	Long	AUD	3.2%
**	Deepgreen Metals	Long	AUD	2.9%
RMC	Resimac Group Ltd	Long	AUD	2.8%
SMR	Stanmore Coal Ltd	Long	AUD	2.6%
SHJ	Shine Corporate Ltd	Long	AUD	2.6%
ALL	Aristocrat Leisure Ltd	Long	AUD	2.3%
TWE	Treasury Wine Estates Ltd	Long	AUD	2.1%
XIP	Xenith IP Group Ltd	Long	AUD	1.6%
JD US	JD.COM Inc	Long	AUD	1.6%
700 HK	Tencent Holdings Ltd	Long	AUD	1.4%
Top Portfolio Holdings Net Exposure				67.0%

** A Pre-IPO investment in the Materials sector

News

Cadence Capital Limited (CDM) was highlighted as a Listed Investment Company (LIC) to watch in the Bell Potter Research article on Livewire Markets titled [Looking for opportunity in LIC land](#). This article discusses the potential investment opportunities presented where a LIC's share price is trading at a discount to its NTA.

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