

## INVESTMENT UPDATE

April 2014

Cadence Offshore Fund NTA as at 30 April 2014:

NTA per share (Series AUD1)	\$ 1,948.82
Net Performance April 2014 (Series AUD1)	-1.98%

### Monthly Detailed Performance

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	YTD
Cadence Cayman Fund	-2.70%	-0.28%	2.21%	6.06%	-9.07%	-2.61%	7.60%	4.02%	5.24%	4.70%	12.35%	2.01%	31.63%
All Ordinaries Acc Index	-5.85%	1.82%	5.83%	-1.18%	-7.57%	-2.60%	4.23%	-0.71%	5.02%	2.17%	-0.70%	3.80%	3.31%
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Cadence Cayman Fund	1.70%	3.78%	-2.52%	5.16%	-1.36%	1.64%	0.66%	2.98%	-1.60%	2.15%	2.20%	-0.19%	15.28%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%	-3.40%	-2.00%	-6.27%	7.17%	-3.43%	-1.57%	-11.43%
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Cadence Cayman Fund	0.92%	2.22%	1.56%	-0.90%	-2.51%	0.60%	1.99%	4.45%	0.09%	3.44%	-0.11%	0.78%	13.08%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%	2.13%	2.97%	0.27%	3.43%	18.84%
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD
Cadence Cayman Fund	2.32%	4.69%	-0.54%	1.46%	0.79%	-1.01%	-1.51%	-0.15%	2.27%	4.23%	1.80%	0.75%	15.97%
All Ordinaries Acc Index	5.08%	5.18%	-2.24%	3.82%	-4.39%	-2.62%	5.46%	2.59%	2.39%	3.91%	-1.38%	0.92%	19.66%
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD
Cadence Cayman Fund	-3.24%	2.80%	0.45%	-1.98%									-2.07%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%									3.52%
												<b>Accumulated return</b>	<b>94.88%</b>
												<b>All Ordinaries Acc Index</b>	<b>34.69%</b>

\* Net of all fees

### Portfolio Commentary

During April 2014 Cadence Cayman Fund returned a negative net performance of 1.98 % compared to an increase in the All Ordinaries Accumulation Index of 1.29% and a decrease in the Small Ordinaries Accumulation Index of 1.24%. For the past 52 months the fund has returned a positive net performance of +16.65% per annum compared to an increase in the All Ordinaries Accumulation Index of +7.11% per annum.

The fund finished the month 78.26% net long. The net exposure for March 2014 was 89.45%.

### Cadence in the Press

Cadence Capital has recently featured in AFR's Smart Money & Chanticleer, The Australian and Under the Radar Report:

AFR Smart Money – [Comeback Kings: Why investors just love LICs](#)

AFR Chanticleer – [Macquarie recovery not finished yet](#)

The Australian – [Cadence hits the right notes](#)

Under The Radar Report – [It pays to listen to Karl Siegling](#)



## Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	25.94%		25.94%
Banks	15.31%		15.31%
Materials	14.06%	1.23%	12.84%
Software & Services	6.33%		6.33%
Telecommunication Services	5.30%		5.30%
Consumer Services	5.10%		5.10%
Real Estate	2.49%		2.49%
Energy	1.87%		1.87%
Insurance	1.69%		1.69%
Utilities	0.94%		0.94%
Pharmaceuticals, Biotechnology & Life Sciences	0.45%		0.45%
<b>Exposure</b>	<b>79.49%</b>	<b>1.23%</b>	<b>78.26%</b>
<b>Cash on Hand</b>			<b>21.74%</b>

## Top Positions

ASX Code	Position	Direction	Holding
HGG	Henderson Group Plc	Long	10.2%
MQG	Macquarie Group Limited	Long	9.2%
NAB	National Australia Bank Ltd	Long	5.5%
ANZ	Australia & New Zealand Banking Group	Long	4.7%
IIN	Ilnet Limited	Long	4.2%
BSL	Bluescope Steel Ltd	Long	4.2%
MLB	Melbourne IT Ltd	Long	4.0%
RFG	Retail Food Group	Long	3.5%
FXL	Flexigroup Ltd	Long	2.8%
BOQ	Bank of Queensland Ltd	Long	2.7%
CBA	Commonwealth Bank of Australia	Long	2.4%
ORI	Orica Limited	Long	2.4%
ARI	Arrium Limited	Long	2.3%
PPT	Perpetual Limited	Long	2.1%
RIO	Rio Tinto Ltd	Long	1.9%
LNG	Liquefied Natural Gas Limited	Long	1.9%
SUN	Suncorp Group Ltd	Long	1.7%
AQG	Alacer Gold Corp	Long	1.7%
FLT	Flight Centre Travel Group Ltd	Long	1.6%
<b>Top Portfolio Holdings Gross Exposure</b>			<b>68.74%</b>



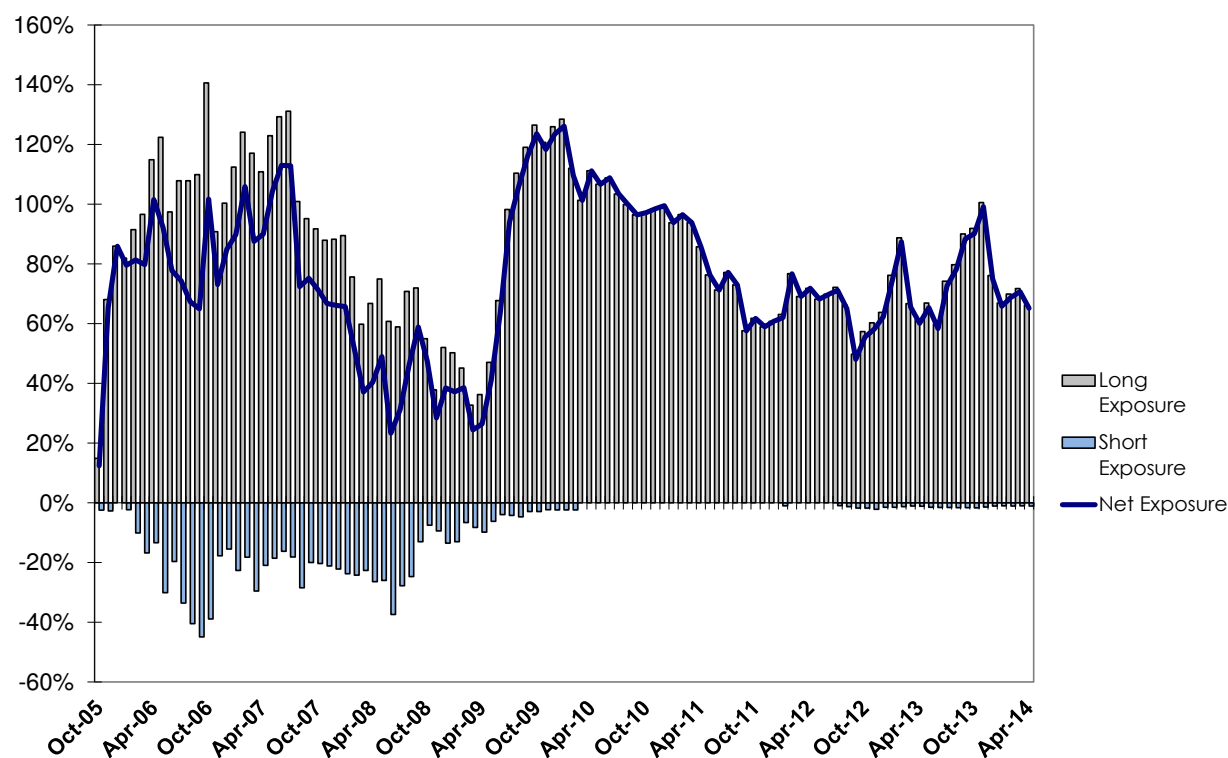
## Historic Strategy Performance & Exposure - 8 Years

Cadence Capital Limited is an ASX listed fund that has been operating the Cadence Long/ Short Australian equities strategy for over five years. Over time the Cadence Cayman Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the 8 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 30 April 2014	CDM**	All Ords	Outperformance
1 Month	-1.02%	1.29%	-2.31%
1 Year	12.17%	10.43%	+1.74%
2 Years	34.52%	33.58%	+0.94%
3 Years	60.82%	27.41%	+33.41%
4 Years	134.28%	34.35%	+99.93%
5 Years	246.72%	80.25%	+166.47%
8 Years	241.12%	47.50%	+193.62%
Since Inception (8.6 years)	351.30%	70.94%	+280.36%
Since Inception Annualised (8.6 years)	19.19%	6.45%	+12.74%

\*Before Management and Performance Fees

\*\*Used the percentage increase in Post Tax NTA for May 2011



## Cadence News

Cadence Capital Limited was **ranked by ASX\* as the top performing Australian Equities Listed Investment Companies** over 5 years in the LMI Quarterly Update as at 31<sup>st</sup> March 2014.

Cadence Capital Limited was a finalist at the 2012 Australian Hedge Fund Awards in the Best Long Short and Absolute Return Fund category.

\* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 31<sup>st</sup> March 2014



## Fund Facts

Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 250 Million
Redemption Notice:	3 Months	Prime Broker:	Citigroup
Lock-up:	None	Administrator:	TMF Group
Management Fee:	1.5%	Fund Domicile:	Cayman Islands
Performance Fee:	20%	Legal Advisers (Cayman)	Walkers

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