


INVESTMENT UPDATE
DECEMBER 2014

Cadence Offshore Fund NTA as at 31 December 2014:

NTA per share (Series AUD1)	\$ 1,986.48
Net Performance December 2014 (Series AUD1)	+0.47%

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%	0.44%	2.78%	2.46%	-1.15%	-3.03%	1.25%	-1.17%	0.47%	-0.18%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%	0.61%	-1.41%	4.49%	0.72%	-5.26%	3.96%	-3.20%	1.93%	5.02%
											Accumulated return	98.65%	
											All Ordinaries Acc Index	36.64%	

* Net of all fees

Portfolio Commentary

During December 2014 Cadence Cayman Fund returned a positive net performance of 0.47% compared to an increase in the All Ordinaries Accumulation Index of 1.93% and an increase in the Small Ordinaries Accumulation Index of 0.47%. For the past 5 years, the fund has returned a positive annualized net performance of +14.71% per annum outperforming the All Ordinaries Accumulation Index 8.27% per annum.

The fund finished the month 58.58% net long.



Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	13.38%		13.38%
Diversified Financials	13.21%		13.21%
Financial	8.44%		8.44%
Telecommunication Services	6.10%		6.10%
Software & Services	4.77%		4.77%
Consumer Services	4.49%		4.49%
Consumer, Non-cyclical	3.24%		3.24%
Insurance	2.66%		2.66%
Energy	2.22%		2.22%
Technology	0.66%		0.66%
Real Estate	0.52%		0.52%
Basic Materials	0.88%	1.15%	-0.27%
Materials	1.31%	2.15%	-0.84%
Exposure	61.88%	3.30%	58.58%
Cash on Hand			41.42%

Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	7.5%
MLB	Melbourne IT Ltd	Long	4.8%
RFG	Retail Food Group	Long	4.5%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	4.1%
NAB	National Australia Bank Ltd	Long	3.8%
BOQ	Bank of Queensland Ltd	Long	3.7%
ANZ	Australia & New Zealand Banking Group	Long	3.5%
HGG	Henderson Group Plc	Long	3.5%
IIN	Iinet Limited	Long	3.1%
TLS	Telstra Corporation Limited	Long	3.0%
SUN	Suncorp Group Ltd	Long	2.7%
CBA	Commonwealth Bank of Australia	Long	2.4%
BEN	Bendigo and Adelaide Bank Limited	Long	2.3%
STO	Santos Limited	Long	2.2%
RIO	Rio Tinto Ltd	Short	2.1%
MQA	Macquarie Atlas Roads Group	Long	2.1%
FXL	Flexigroup Ltd	Long	1.5%
FMG	Fortescue Metals Group Ltd	Short	1.2%
Top Portfolio Holdings Gross Exposure			57.79%

For more information contact Cadence Cayman Fund on 02 8298 2444 or email info@cadencecapital.com.au
 Register to receive our newsletter at www.cadencecapital.com.au and click on the 'Join our Newsletter' link.



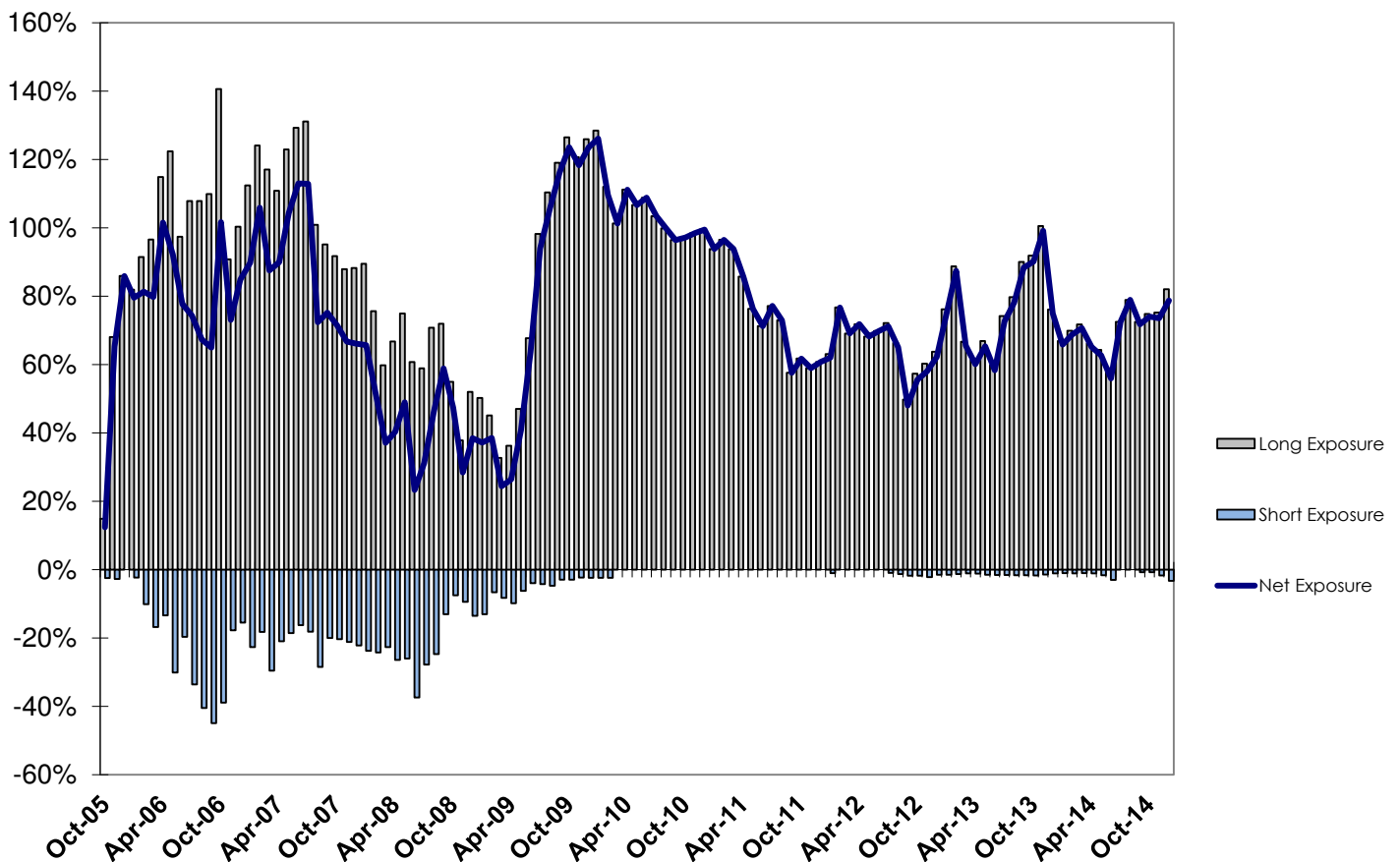
Historic Strategy Performance & Exposure - 9 Years

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

Performance* to 31 December 2014	CDM**	All Ords	Outperformance
1 Month	0.69%	1.93%	-1.24%
1 Year	2.42%	5.02%	-2.60%
2 Years	23.47%	25.66%	-2.19%
3 Years	47.01%	49.34%	-2.33%
4 Years	92.63%	32.27%	+60.36%
5 Years	154.47%	36.64%	+117.83%
8 Years	162.56%	34.11%	+128.45%
Since Inception (9.3 years)	362.04%	73.41%	+288.63%
Since Inception Annualised (9.3 years)	17.99%	6.13%	+11.86%

*Before Management and Performance Fees

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





Recent News Articles

Cadence Capital featured in the January 2015 edition of ASX Investor Update – [‘Six prosperous trends for active investors and traders’](#) and was quoted in the AFR [‘Will 2015 show the same love for IPOs’](#).

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

Fund Facts

Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 280 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

To join our Distribution list for Newsletters, Webcasts and Journal Articles visit www.cadencecapital.com.au and click on the ‘Join our Newsletter’ link.

Disclaimer

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd. 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.

For more information contact Cadence Cayman Fund on 02 8298 2444 or email info@cadencecapital.com.au
Register to receive our newsletter at www.cadencecapital.com.au and click on the ‘Join our Newsletter’ link.