


INVESTMENT UPDATE
OCTOBER 2014

Cadence Offshore Fund NTA as at 31 October 2014:

NTA per share (Series AUD1)	\$ 2,000.58
Net Performance October 2014 (Series AUD1)	+1.25%

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%			0.53%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%	0.61%	-1.41%	4.49%	0.72%	-5.26%	3.96%			6.44%
										Accumulated return		100.06%	
										All Ordinaries Acc Index		38.49%	

* Net of all fees

Portfolio Commentary

During October 2014 Cadence Cayman Fund returned a positive net performance of 1.25% compared to an increase in the All Ordinaries Accumulation Index of 3.96% and a decrease in the Small Ordinaries Accumulation Index of -0.54%. For the past 4 years and 10 months, the fund has returned a positive annualized net performance of +15.43% per annum outperforming the All Ordinaries Accumulation Index 8.46% per annum.

The fund finished the month 54.11% net long.



Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	12.39%		12.39%
Diversified Financials	12.27%		12.27%
Financial	5.82%		5.82%
Telecommunication Services	4.50%		4.50%
Consumer Services	4.00%		4.00%
Materials	3.68%		3.68%
Software & Services	3.45%		3.45%
Insurance	2.79%		2.79%
Energy	1.90%		1.90%
Consumer, Non-cyclical	1.73%		1.73%
Technology	0.70%		0.70%
Real Estate	0.57%		0.57%
Basic Materials	0.91%	0.59%	0.31%
Exposure	54.71%	0.59%	54.11%
Cash on Hand			45.89%

Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	6.7%
RFG	Retail Food Group	Long	4.0%
NAB	National Australia Bank Ltd	Long	3.7%
ANZ	Australia & New Zealand Banking Group	Long	3.7%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	3.6%
MLB	Melbourne IT Ltd	Long	3.5%
IIN	IInet Limited	Long	2.9%
SUN	Suncorp Group Ltd	Long	2.8%
BOQ	Bank of Queensland Ltd	Long	2.7%
HGG	Henderson Group Plc	Long	2.4%
CBA	Commonwealth Bank of Australia	Long	2.3%
BEN	Bendigo and Adelaide Bank Limited	Long	2.3%
FXL	Flexigroup Ltd	Long	1.8%
TLS	Telstra Corporation Limited	Long	1.6%
BSL	Bluescope Steel Ltd	Long	1.2%
MQA	Macquarie Atlas Roads Group	Long	1.1%
RIO	Rio Tinto Ltd	Long	1.0%
WPL	Woodside Petroleum Limited	Long	1.0%
Top Portfolio Holdings Gross Exposure			48.08%



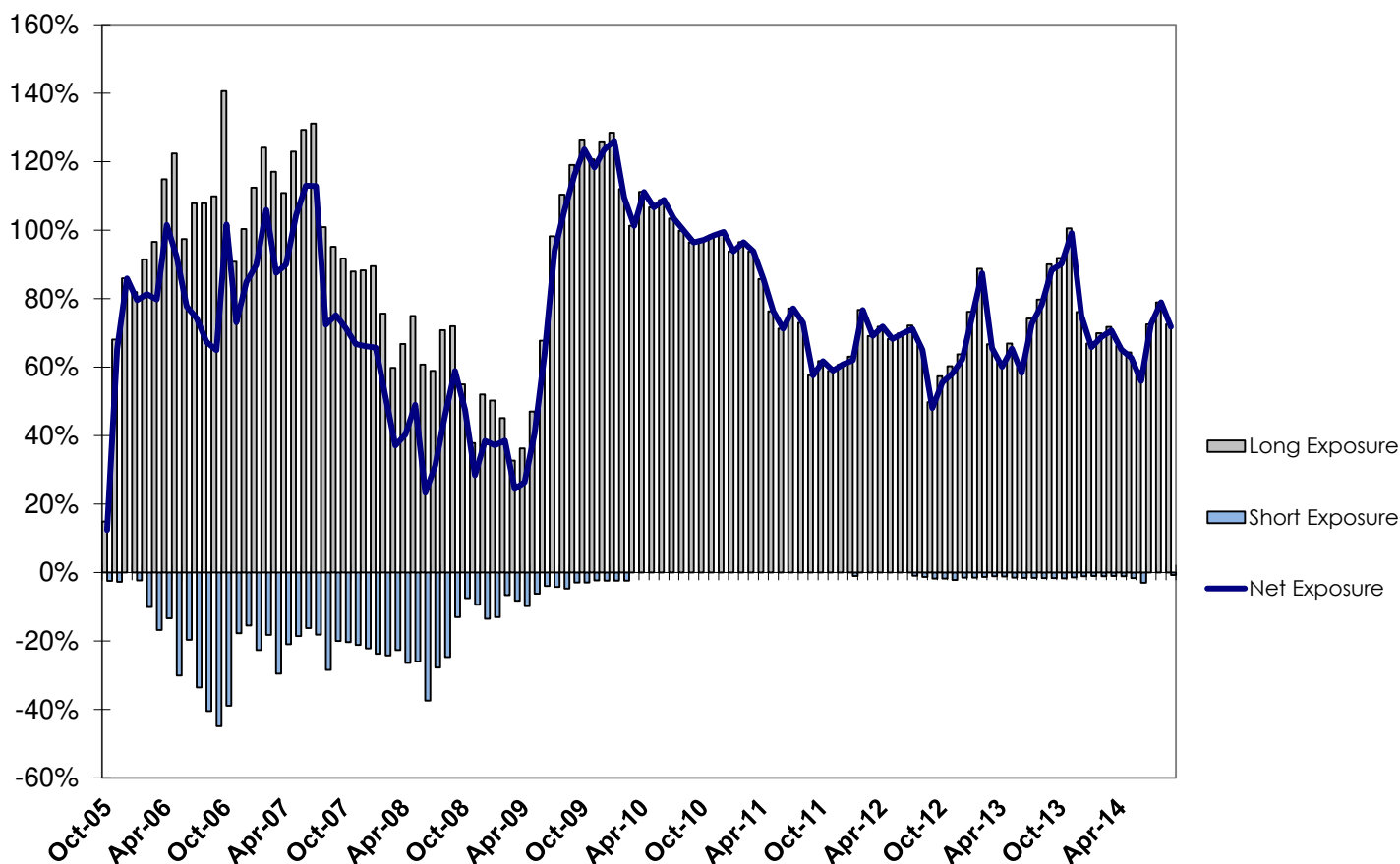
Historic Strategy Performance & Exposure - 9 Years

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 October 2014	CDM**	All Ords	Outperformance
1 Month	1.84%	3.96%	-2.12%
1 Year	7.61%	5.93%	+1.68%
2 Years	26.53%	32.08%	-5.55%
3 Years	47.11%	43.86%	+3.25%
4 Years	144.11%	38.18%	+105.93%
5 Years	152.59%	46.39%	+106.20%
8 Years	209.11%	44.34%	+164.77%
Since Inception (9.1 years)	366.75%	75.75%	+291.00%
Since Inception Annualised (9.1 years)	18.48%	6.40%	+12.08%

*Before Management and Performance Fees

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





Cadence Capital – Media and Presentations

In our latest webcast, we provide a fund update and discuss the fund's offshore investment in Gilead Sciences Inc (GILD US) with Simon Bonouvrie (Cadence Capital Portfolio Manager). To view the webcast [click here](#).

Karl Siegling was recently interviewed by Alan Kohler on Eureka TV '[How Cadence Outperforms](#)' and also appears in the latest Under the Radar Issue '[The Financial Trend is Karl's Friend](#)'.

Cadence Capital was invited to present at the SMSF Owners Alliance Workshop in Sydney where we presented on '[Share Investing Prospects for SMSF investors: What are the Risks and Opportunities](#)'.

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

Cadence Capital Limited AGM and Investor Briefing – Wednesday, 26 November 2014

We would like to remind all shareholders that Cadence Capital Limited will be holding its AGM and Investor Briefing at the Museum of Sydney, AGL Theatre, 37 Phillip Street, Sydney on Wednesday 26th November at 10.30am. We would like to invite all shareholders to extend this invitation to any family, friends and peers that may be interested in Cadence Capital Limited. For more information and to register to attend, please [click here](#). Registration is essential for all non-shareholders (Attendance is free).

Please note that a webcast will be made available after the event. If you would like to send shareholder questions through prior to the event please email info@cadencecapital.com.au.

Latest Broker LIC Research and ASX Reports

Cadence Capital Limited has featured favourably in the latest Broker Research Reports from Morgan Stanley and Patersons Securities. Cadence Capital was also ranked #1 Australian Equities LIC over 5 years in the ASX Funds Monthly Update (August 2014) with a 5 Year Total Shareholder Return of 26.44% p.a.

To view the most recent ASX and Broker LIC Research Reports [click here](#).

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



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