


INVESTMENT UPDATE
SEPTEMBER 2014

Cadence Offshore Fund NTA as at 30 September 2014:

NTA per share (Series AUD1)	\$ 1,975.97
Net Performance September 2014 (Series AUD1)	-3.03%

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%				-0.70%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%	0.61%	-1.41%	4.49%	0.72%	-5.26%				2.38%
										Accumulated return		97.60%	
* Net of all fees										All Ordinaries Acc Index		33.21%	

Portfolio Commentary

During September 2014 Cadence Cayman Fund returned a negative net performance of 3.03% compared to a decrease in the All Ordinaries Accumulation Index of 5.26%. For the past 4 years and 9 months, the fund has returned a positive annualized net performance of +15.42% per annum outperforming the All Ordinaries Accumulation Index 9.19% per annum.

The fund finished the month 74.82% net long. The net exposure for August 2014 was 74.83%.



Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	15.86%		15.86%
Banks	14.44%		14.44%
Financial	7.37%		7.37%
Materials	7.19%		7.19%
Energy	5.55%		5.55%
Telecommunication Services	5.46%		5.46%
Software & Services	4.19%		4.19%
Consumer Services	3.93%		3.93%
Insurance	3.27%		3.27%
Consumer, Non-cyclical	3.06%		3.06%
Basic Materials	2.65%	0.72%	1.93%
Technology	0.93%		0.93%
Commercial & Professional Services	0.73%		0.73%
Real Estate	0.58%		0.58%
Industrial	0.33%		0.33%
Exposure	75.54%	0.72%	74.82%

Cash on Hand	25.18%
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Top Portfolio Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	7.7%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	4.7%
NAB	National Australia Bank Ltd	Long	4.2%
ANZ	Australia & New Zealand Banking Group	Long	4.2%
HGG	Henderson Group Plc	Long	4.0%
RFG	Retail Food Group	Long	3.9%
IIN	Ilnet Limited	Long	3.6%
SUN	Suncorp Group Ltd	Long	3.3%
BOQ	Bank of Queensland Ltd	Long	3.1%
CBA	Commonwealth Bank of Australia	Long	2.9%
MLB	Melbourne IT Ltd	Long	2.8%
BEN	Bendigo and Adelaide Bank Limited	Long	2.6%
RIO	Rio Tinto Ltd	Long	2.6%
FXL	Flexigroup Ltd	Long	2.1%
WPL	Woodside Petroleum Limited	Long	1.9%
LNG	Liquefied Natural Gas Limited	Long	1.9%
BSL	Bluescope Steel Ltd	Long	1.9%
TLS	Telstra Corporation Limited	Long	1.8%
Top Portfolio Holdings Gross Exposure			59.19%



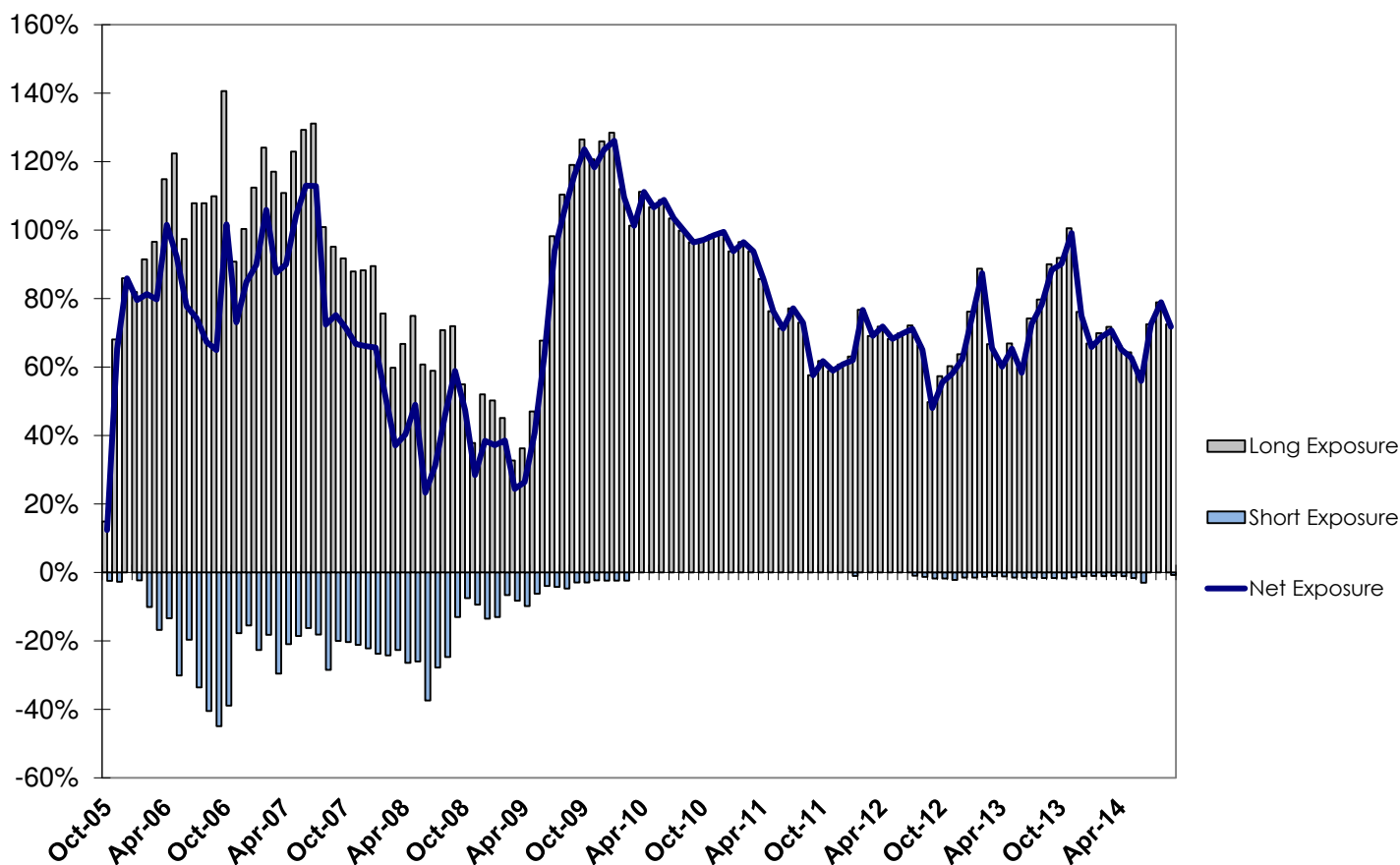
Historic Strategy Performance & Exposure - 9 Years

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 30 September 2014	CDM**	All Ords	Outperformance
1 Month	-2.73%	-5.26%	+2.53%
1 Year	10.66%	5.89%	+4.77%
2 Years	28.46%	30.82%	-2.36%
3 Years	51.27%	48.30%	+2.97%
4 Years	143.45%	35.80%	+107.65%
5 Years	147.78%	38.16%	+109.62%
8 Years	238.11%	45.50%	+192.61%
Since Inception (9.0 years)	358.31%	69.06%	+289.25%
Since Inception Annualised (9.0 years)	18.43%	6.01%	+12.42%

*Before Management and Performance Fees

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





Cadence Capital - In the News

Cadence Capital has featured in a number of press articles and newsletters over the past month:

- Cuffelinks - Cheap stocks: How to find them and how to buy them
- Business Spectator (Alan Kohler) – Super: It’s all about the returns
- The Australian – Busting the industry myths
- The Australian – Macbank funds arm pulls in the profits
- Morningstar – Cash flow: A critical measure

To view all recent articles [click here](#).

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\$ 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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