



## INVESTMENT UPDATE

February 2014

### Summary Update

During the month of February 2014, Cadence Capital Fund returned a positive gross performance of 2.90% compared to an increase in the All Ordinaries Accumulation Index of 4.84% and an increase in the Small Ordinaries Accumulation Index of 4.97%. For the past 12 months, Cadence Capital Fund has generated a gross performance of 15.32% outperforming the All Ordinaries Accumulation Index by +4.95%.

As at the 28th February 2014 the fund was holding 11% cash (89% invested).

### Fund NTA

**Post-Distribution** unit price estimates as at 28<sup>th</sup> February 2014:

NTA (Post fees, Post distribution)                      \$2.0423

### Fund Performance

Performance* to 28 February 2014	CCF**	All Ords	Outperformance
1 Month	2.90%	4.84%	-1.94%
1 Year	15.32%	10.37%	+4.95%
2 Years	43.82%	34.52%	+9.30%
3 Years	78.66%	25.55%	+53.11%
4 Years	173.56%	38.36%	+135.20%
5 Years	303.07%	103.44%	+199.63%
7 Years	99.85%	25.61%	+74.24%
10 Years	367.93%	145.42%	+222.51%
Inception to date accumulated return (10.3 years)	450.71%	155.05%	+295.66%
Annualised return since inception (10.3 years)	17.95%	9.48%	+8.47%

\* Gross Performance before Management and Performance Fees

\*\* Adjusted to include material franking credit of 26.7 cents received from RHG dividend during May 2011



## Top Portfolio Positions

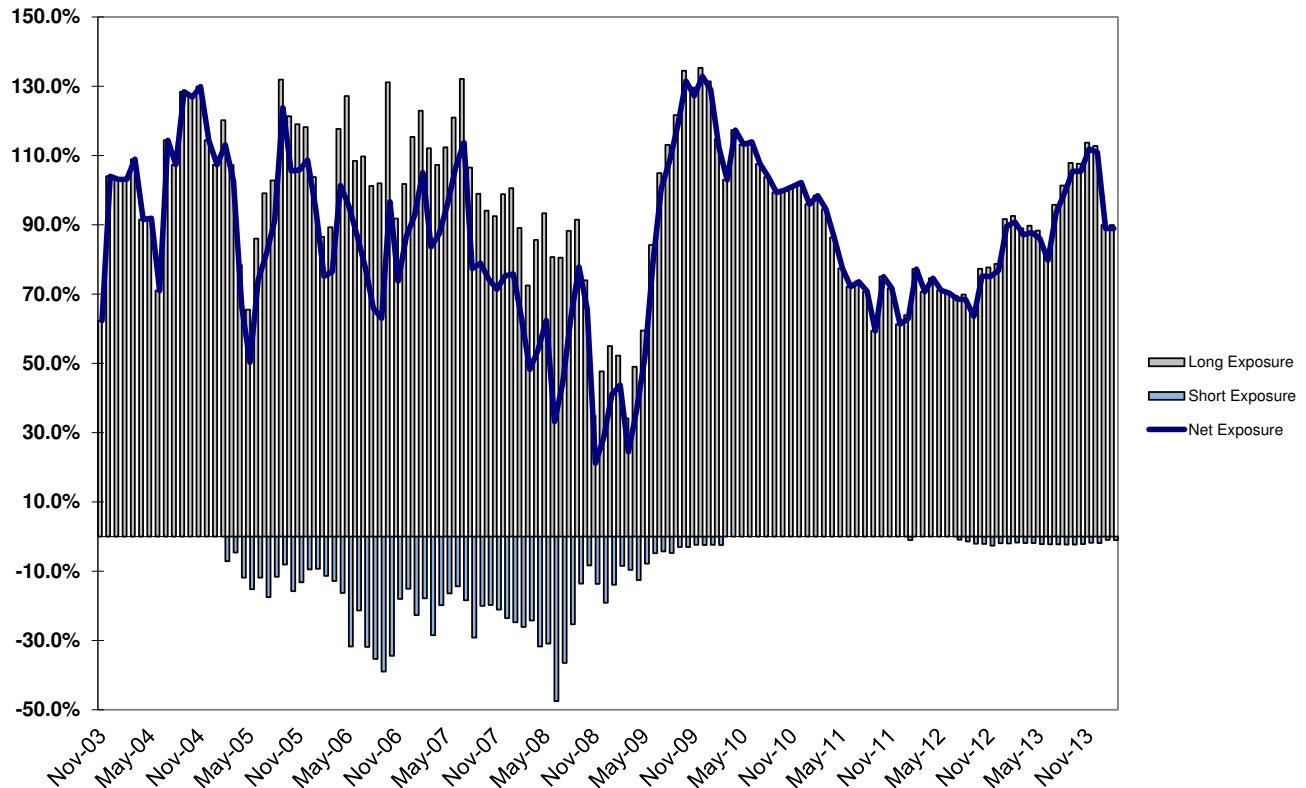
ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	11.2%
HGG	Henderson Group Plc	Long	9.0%
NAB	National Australia Bank Ltd	Long	6.7%
ANZ	Australia & New Zealand Banking Group	Long	6.5%
FXL	Flexigroup Ltd	Long	5.6%
RFG	Retail Food Group	Long	5.4%
ARI	Arrium Limited	Long	4.9%
BSL	Bluescope Steel Ltd	Long	4.2%
IIN	IInet Limited	Long	3.7%
MLB	Melbourne IT Ltd	Long	3.2%
RIO	Rio Tinto Ltd	Long	2.9%
PPT	Perpetual Limited	Long	2.4%
BOQ	Bank of Queensland Ltd	Long	2.3%
ORI	Orica Limited	Long	2.1%
CBA	Commonwealth Bank of Australia	Long	1.9%
TOL	Toll Holdings	Long	1.7%
MMS	McMillan Shakespeare Ltd	Long	1.7%
AQG	Alacer Gold Corp	Long	1.5%
EPW	ERM Power Limited	Long	1.5%
INA	Ingenia Communities Group Ltd	Long	1.4%
<b>Top Portfolio Holdings - Gross Exposure</b>			<b>79.56%</b>

## Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	29.39%		29.39%
Banks	17.26%		17.26%
Materials	17.20%	1.01%	16.19%
Consumer Services	6.62%		6.62%
Telecommunication Services	4.57%		4.57%
Software & Services	4.46%		4.46%
Real Estate	2.58%		2.58%
Transportation	1.69%		1.69%
Commercial & Professional Services	1.66%		1.66%
Utilities	1.45%		1.45%
Insurance	1.30%		1.30%
Energy	1.26%		1.26%
Pharmaceuticals, Biotechnology & Life Sciences	0.48%		0.48%
<b>Exposure</b>	<b>89.92%</b>	<b>1.01%</b>	<b>88.91%</b>
<b>Cash on hand</b>			<b>11.09%</b>



## Portfolio Exposure



## Cadence Capital Limited December 2013 Half-Yearly Results

Cadence Capital Limited announced a record half-year net profit of \$16.1m (up 117% on previous corresponding period), and welcomed a record number of new shareholders to the Company during the period.

Key performers within the portfolio during the period included RHG Limited, Arrium Ltd, Henderson Group Plc and Macquarie Group Ltd.

The Company also announced a 5.0c fully franked interim dividend payable 24<sup>th</sup> April 2014.

For more information regarding the results, please view the [Cadence Capital Half-Yearly Results webcast](#) (5:30 mins).



## Eureka Report & Morningstar and Other News

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We would like to recommend you to visit the **'News and Views'** section of our website [www.cadencecapital.com.au](http://www.cadencecapital.com.au) for our regular and topical contributions to the Eureka Report & Morningstar. Other recent articles, along with our quarterly webcasts, can also be found here.

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