



## INVESTMENT UPDATE

January 2014

### Summary Update

During the month of January 2014, Cadence Capital Fund returned a negative gross performance of 3.19% compared to a decrease in the All Ordinaries Accumulation Index of 2.76% and a decrease in the Small Ordinaries Accumulation Index of 2.76%. Financial year to date to the 31<sup>st</sup> January 2014, Cadence Capital Fund has generated a gross performance of 12.96% outperforming the All Ordinaries Accumulation Index by +1.56%.

The fund finished the month 88.9% net long compared to 110.9% net long in December 2013.

### Fund NTA

**Post-Distribution** unit price estimates as at 31 January 2014:

NTA (Post fees, Post distribution)                      \$1.99716

### Fund Performance

Performance* to 31 January 2014	CCF**	All Ords	Outperformance
1 Month	-3.19%	-2.76%	-0.43%
1 Year	19.15%	10.73%	+8.42%
2 Years	44.06%	31.41%	+12.65%
3 Years	90.45%	22.39%	+68.06%
4 Years	162.07%	34.38%	+127.69%
5 Years	290.26%	85.78%	+204.48%
7 Years	93.94%	21.72%	+72.22%
10 Years	361.45%	141.37%	+220.08%
Inception to date accumulated return (10.2 years)	435.20%	143.28%	+291.92%
Annualised return since inception (10.2 years)	17.78%	9.06%	+8.72%

\* 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

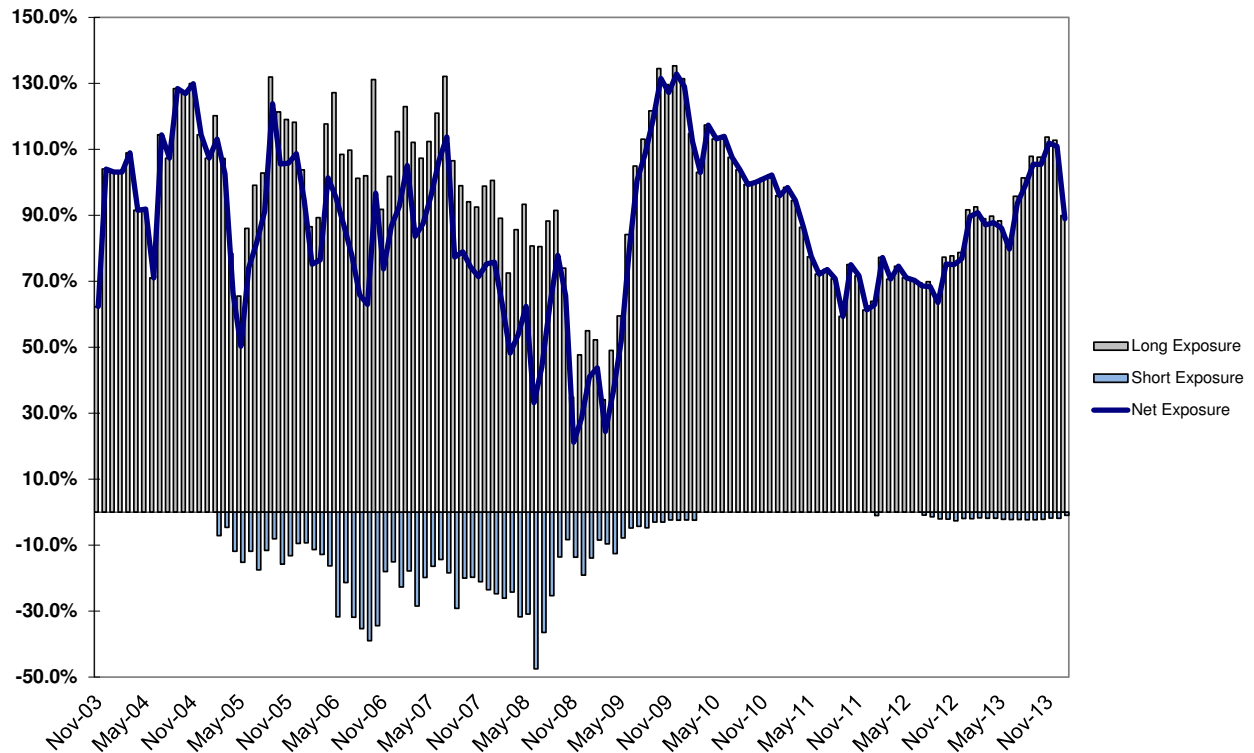
ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	11.3%
HGG	Henderson Group Plc	Long	8.6%
NAB	National Australia Bank Ltd	Long	6.8%
ANZ	Australia & New Zealand Banking Group	Long	6.4%
FXL	Flexigroup Ltd	Long	6.2%
RFG	Retail Food Group	Long	5.3%
ARI	Arrium Limited	Long	5.2%
BSL	Bluescope Steel Ltd	Long	3.4%
IIN	Iinet Limited	Long	3.4%
MLB	Melbourne IT Ltd	Long	3.3%
MMS	McMillan Shakespeare Ltd	Long	3.0%
AMC	Ancor Limited	Long	2.5%
RIO	Rio Tinto Ltd	Long	2.1%
PPT	Perpetual Limited	Long	2.0%
CBA	Commonwealth Bank of Australia	Long	1.9%
TOL	Toll Holdings	Long	1.9%
BOQ	Bank of Queensland Ltd	Long	1.8%
EPW	ERM Power Limited	Long	1.7%
SUN	Sunland Group Ltd	Long	1.4%
FLN	Freelancer Limited	Long	1.4%
<b>Top Portfolio Holdings - Gross Exposure</b>			<b>79.47%</b>

## Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	29.35%		29.35%
Banks	16.86%		16.86%
Materials	13.68%	1.00%	12.68%
Consumer Services	7.44%		7.44%
Software & Services	4.93%		4.93%
Commercial & Professional Services	3.45%		3.45%
Telecommunication Services	3.37%		3.37%
Insurance	2.53%		2.53%
Real Estate	2.07%		2.07%
Transportation	1.87%		1.87%
Utilities	1.74%		1.74%
Energy	1.20%		1.20%
Health Care Equipment & Services	0.85%		0.85%
Pharmaceuticals, Biotechnology & Life Sciences	0.56%		0.56%
<b>Exposure</b>	<b>89.90%</b>	<b>1.00%</b>	<b>88.90%</b>
<b>Cash on hand</b>			<b>11.10%</b>



## Portfolio Exposure



## Successful CDM Placement

As a result of the successful CDM placement in Q4 2013, and Bonus Option issue in January 2014, we would like to welcome all new CDM and CDMO shareholders.

Our aim at Cadence Capital is to keep our shareholders up-to-date with the fund, and as such produce this comprehensive newsletter every month, along with regular webcasts throughout the year.

**We would encourage ALL shareholders to ensure that they are on our distribution list to receive these updates.**

If you would like to subscribe to our newsletter please [click here](#).

Alternatively you can email us at [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au) and we will add you to our newsletter distribution list.



## Eureka Report 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, including the latest story & video interview by Karl Siegling titled 'Spin-offs beat IPOs'. Other recent articles and our Quarterly webcasts can also be found here.

## Disclaimer

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