



INVESTMENT UPDATE

JANUARY 2015

During the month of January 2015, Cadence Capital Fund returned a positive gross performance of 2.51% compared to an increase in the All Ordinaries Accumulation Index of 3.03% and an increase in the Small Ordinaries Accumulation Index 0.91%. As at the 31 January 2015 the fund has been running for 11.3 years. Since its inception the fund has generated annualized gross returns of 16.62% per annum outperforming the All Ordinaries Accumulation Index by 7.36% per annum.

As at the 31 January 2015 the fund was holding 18% cash (82% invested).

Fund NTA

Unit price as at 31 January 2015:

NTA (Post fees) – Class A Original series \$1.998

Fund Performance

Performance* to 31 January 2015	CCF**	All Ords	Outperformance
1 Month	2.51%	3.03%	-0.52%
1 Year	5.35%	11.28%	-5.93%
2 Years	25.53%	23.21%	+2.32%
3 Years	51.78%	46.22%	+5.56%
4 Years	100.64%	36.19%	+64.45%
5 Years	176.09%	49.53%	+126.56%
7 Years	129.66%	31.99%	+97.67%
10 Years	248.48%	106.41%	+142.07%
Inception to date accumulated return (11.3 years)	463.86%	170.72%	+293.14%
Annualised return since inception (11.3 years)	16.62%	9.26%	+7.36%

* 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

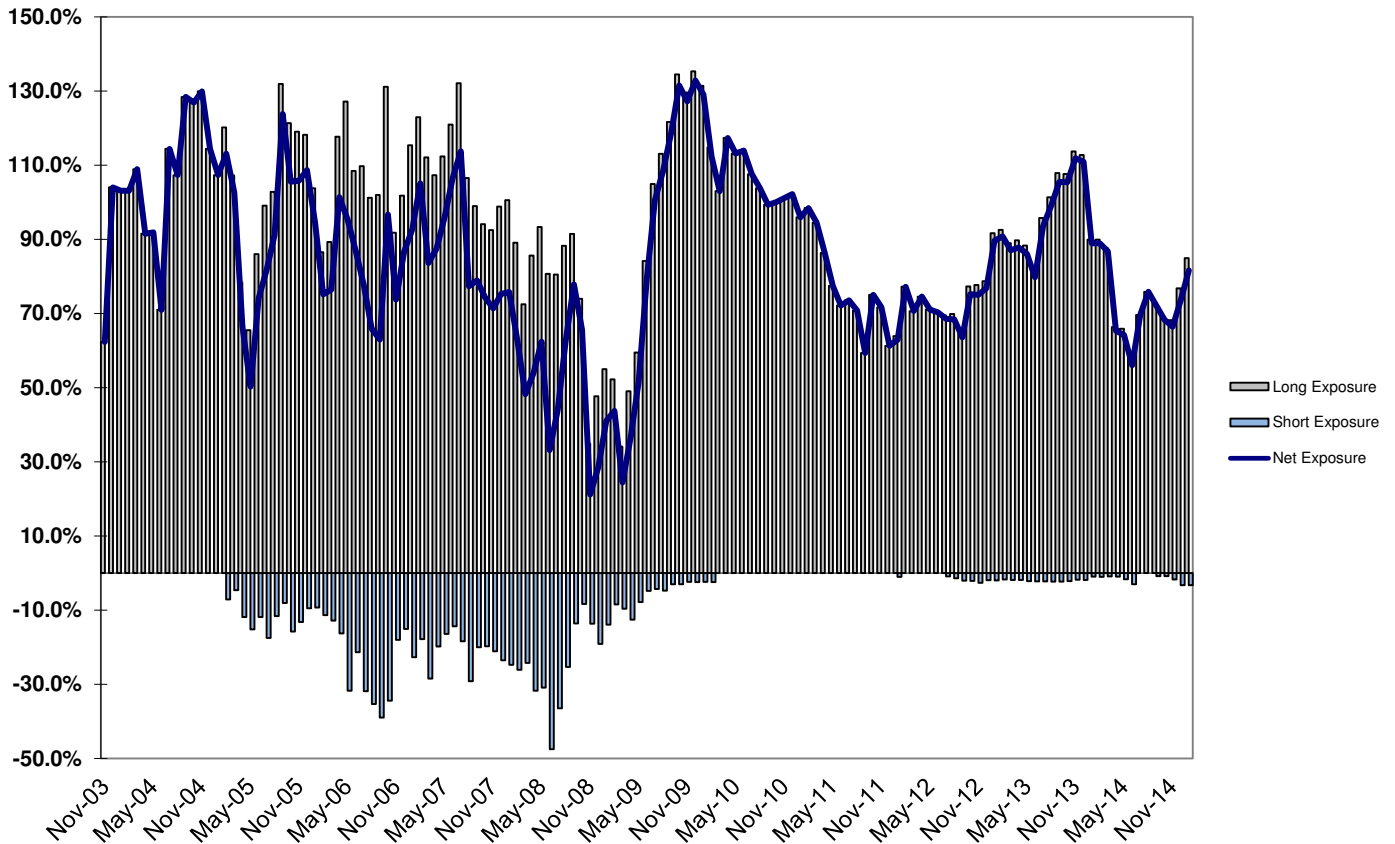
ASX Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	9.6%
HGG	Henderson Group Plc	Long	AUD	5.4%
RFG	Retail Food Group	Long	AUD	4.8%
LUX IM	Luxottica Group SPA	Long	EUR	4.6%
MLB	Melbourne IT Ltd	Long	AUD	4.5%
NAB	National Australia Bank Ltd	Long	AUD	4.2%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.8%
BOQ	Bank of Queensland Ltd	Long	AUD	3.7%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	AUD	3.5%
BEN	Bendigo and Adelaide Bank Limited	Long	AUD	3.4%
SUN	Suncorp Group Ltd	Long	AUD	3.2%
IIN	IInet Limited	Long	AUD	3.1%
CBA	Commonwealth Bank of Australia	Long	AUD	2.9%
GILD US	Gilead Sciences Inc	Long	USD	2.5%
TLS	Telstra Corporation Limited	Long	AUD	2.5%
V US	Visa Inc.	Long	USD	2.4%
MQA	Macquarie Atlas Roads Group	Long	AUD	2.1%
WBC	Wespac Banking Corp.	Long	AUD	2.1%
MPL	Medibank Private Limited	Long	AUD	2.0%
Top Portfolio Holdings - Gross Exposure				70.40%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	17.74%		17.74%
Financial	14.68%		14.68%
Banks	14.62%		14.62%
Consumer, Non-cyclical	9.67%		9.67%
Telecommunication Services	5.59%		5.59%
Consumer Services	4.82%		4.82%
Consumer, Cyclical	4.60%		4.60%
Software & Services	4.47%		4.47%
Insurance	3.25%		3.25%
Energy	1.95%		1.95%
Communications	0.87%		0.87%
Technology	0.74%		0.74%
Basic Materials	0.95%	1.41%	-0.46%
Materials	0.96%	1.90%	-0.94%
Exposure	84.91%	3.31%	81.60%
Cash on hand			18.40%



Portfolio Exposure



Recent News Articles

Cadence Capital Limited has been featured as one of the Top LIC investments in the new Brightday SMSF solution. [View the video interview with Karl Siegling.](#)

In the latest article in the Cadence Capital series for Morningstar (and also featured by Livewire Markets), Karl Siegling discusses the importance of the industry a company operates in. Read the article [here.](#)

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