



INVESTMENT UPDATE

MAY 2014

During the month of May 2014, Cadence Capital Fund returned a positive gross performance of 0.72% compared to an increase in the All Ordinaries Accumulation Index of 0.61% and an increase in the Small Ordinaries Accumulation Index of 0.08%. For the past 10.6 years ended 31 May 2014, Cadence Capital Fund has generated a gross performance of +17.48% per annum, outperforming the All Ordinaries Accumulation Index by 8.01% per annum

As at the 31 May 2014 the fund was holding 36% cash (64% invested).

Fund NTA

Unit price estimates as at 31 May 2014:

NTA (Post fees) \$2.0359

Fund Performance

Performance* to 31 May 2014	CCF**	All Ords	Outperformance
1 Month	0.72%	0.61%	+0.11%
1 Year	12.92%	16.20%	-3.28%
2 Years	50.30%	44.36%	+5.94%
3 Years	59.80%	30.66%	+29.14%
4 Years	182.51%	46.24%	+136.27%
5 Years	258.51%	77.54%	+180.97%
7 Years	87.40%	16.81%	+70.59%
10 Years	370.15%	142.25%	+227.90%
Inception to date accumulated return (10.6 years)	450.02%	160.59%	+289.43%
Annualised return since inception (10.6 years)	17.48%	9.47%	+8.01%



Top Portfolio Positions

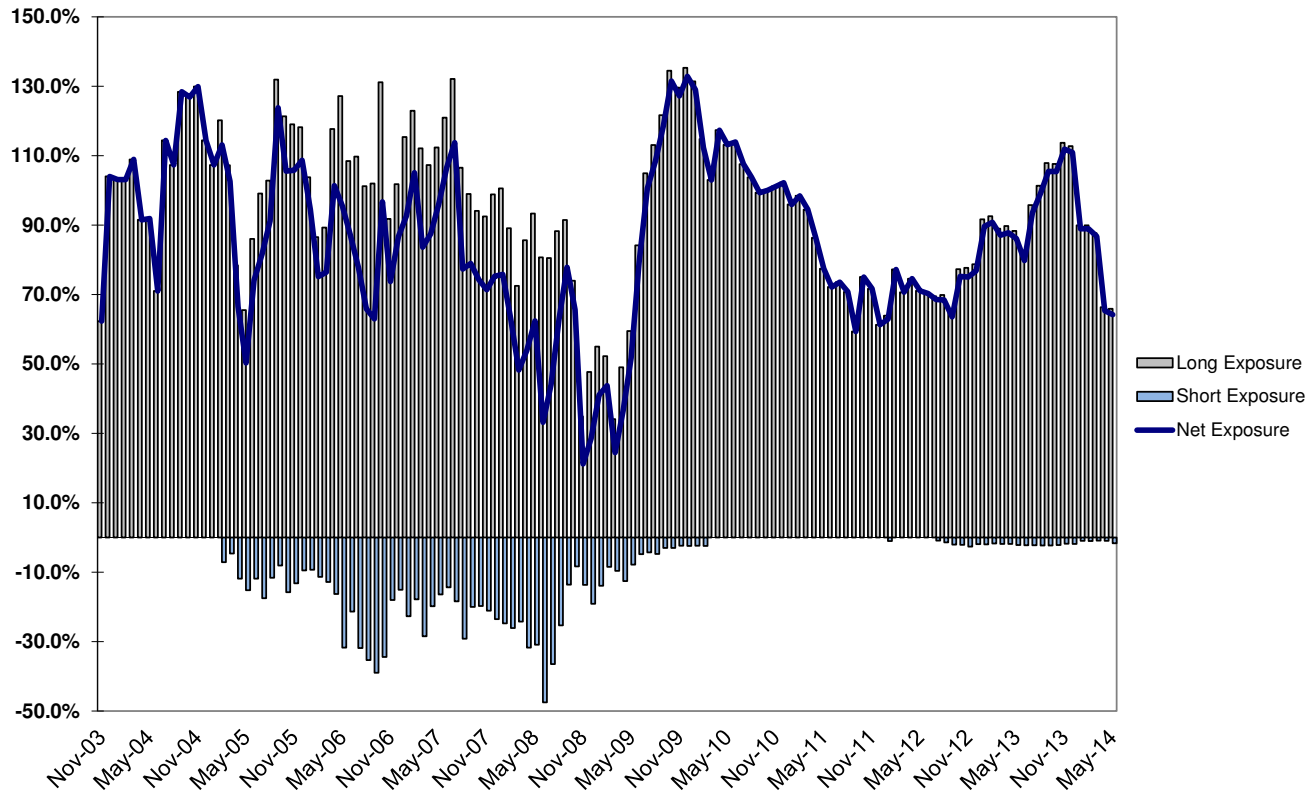
ASX Code	Position	Direction	Holding
HGG	Henderson Group Plc	Long	8.3%
MQG	Macquarie Group Limited	Long	8.1%
NAB	National Australia Bank Ltd	Long	4.4%
MLB	Melbourne IT Ltd	Long	4.3%
ANZ	Australia & New Zealand Banking Group	Long	4.3%
IIN	Ilnet Limited	Long	3.4%
BOQ	Bank of Queensland Ltd	Long	3.1%
RFG	Retail Food Group	Long	3.0%
CBA	Commonwealth Bank of Australia	Long	2.9%
LNG	Liquefied Natural Gas Limited	Long	2.9%
BSL	Bluescope Steel Ltd	Long	2.7%
PPT	Perpetual Limited	Long	2.1%
FXL	Flexigroup Ltd	Long	1.9%
FLT	Flight Centre Travel Group Ltd	Long	1.5%
RIO	Rio Tinto Ltd	Long	1.5%
INA	Ingenia Communities Group Ltd	Long	1.5%
SUN	Suncorp Group Ltd	Long	1.4%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	1.3%
CYA	Century Australia Investments Ltd	Long	1.2%
Top Portfolio Holdings - Gross Exposure			59.97%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	21.59%		21.59%
Banks	16.96%		16.96%
Materials	5.59%	1.04%	4.55%
Software & Services	5.25%		5.25%
Consumer Services	4.67%		4.67%
Telecommunication Services	4.32%		4.32%
Energy	3.00%		3.00%
Real Estate	2.64%		2.64%
Insurance	1.39%		1.39%
Transportation		0.56%	-0.56%
Pharmaceuticals, Biotechnology & Life Sciences	0.37%		0.37%
Food Beverage & Tobacco		0.11%	-0.11%
Media	0.10%		0.10%
Exposure	65.87%	1.71%	64.17%
Cash on hand			35.83%



Portfolio Exposure



'New look' Cadence Capital website

We would welcome you to visit the new look Cadence Capital website at www.cadencecapital.com.au

We have incorporated a number of new features for Shareholders, including a dedicated 'Shareholder Centre' where you will find Monthly Newsletters, Annual Reports and Dividend information. We have also enhanced our 'News & Media' area, where you will find the latest news on Cadence Capital; along with recent contributions to external publications such as ASX Investor Update, Eureka Report and Morningstar.

We hope you find the website useful for your investing needs and welcome your feedback to info@cadencecapital.com.au.

Disclaimer

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For more information contact Cadence Capital Fund on 02 8298 2444 or email info@cadencecapital.com.au
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