



## INVESTMENT UPDATE

SEPTEMBER 2014

During the month of September 2014, Cadence Capital Fund returned a negative gross performance of 3.35% compared to a decrease in the All Ordinaries Accumulation Index of 5.26% and a decrease in the Small Ordinaries Accumulation Index 5.47%. Over the past 12 months the fund has returned a positive gross performance of 9.93% outperforming the All Ordinaries Accumulation Index by 4.04%.

As at the 30 September 2014 the fund was holding 28% cash (72% invested).

## Fund NTA

Unit price estimates (Post Distribution) as at 30 September 2014:

**NTA (Post fees, Post Distribution) – Class A Original series      \$1.952**

## Fund Performance

Performance* to 30 September 2014	CCF**	All Ords	Outperformance
1 Month	-3.35%	-5.26%	+1.91%
1 Year	9.93%	5.89%	+4.04%
2 Years	35.13%	30.82%	+4.31%
3 Years	60.01%	48.30%	+11.71%
4 Years	156.24%	35.80%	+120.44%
5 Years	162.16%	38.16%	+124.00%
7 Years	100.24%	8.93%	+91.31%
10 Years	292.23%	119.98%	+172.25%
Inception to date accumulated return (10.9 years)	450.10%	156.16%	+293.94%
Annualised return since inception (10.9 years)	16.90%	9.00%	+7.90%

\* 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

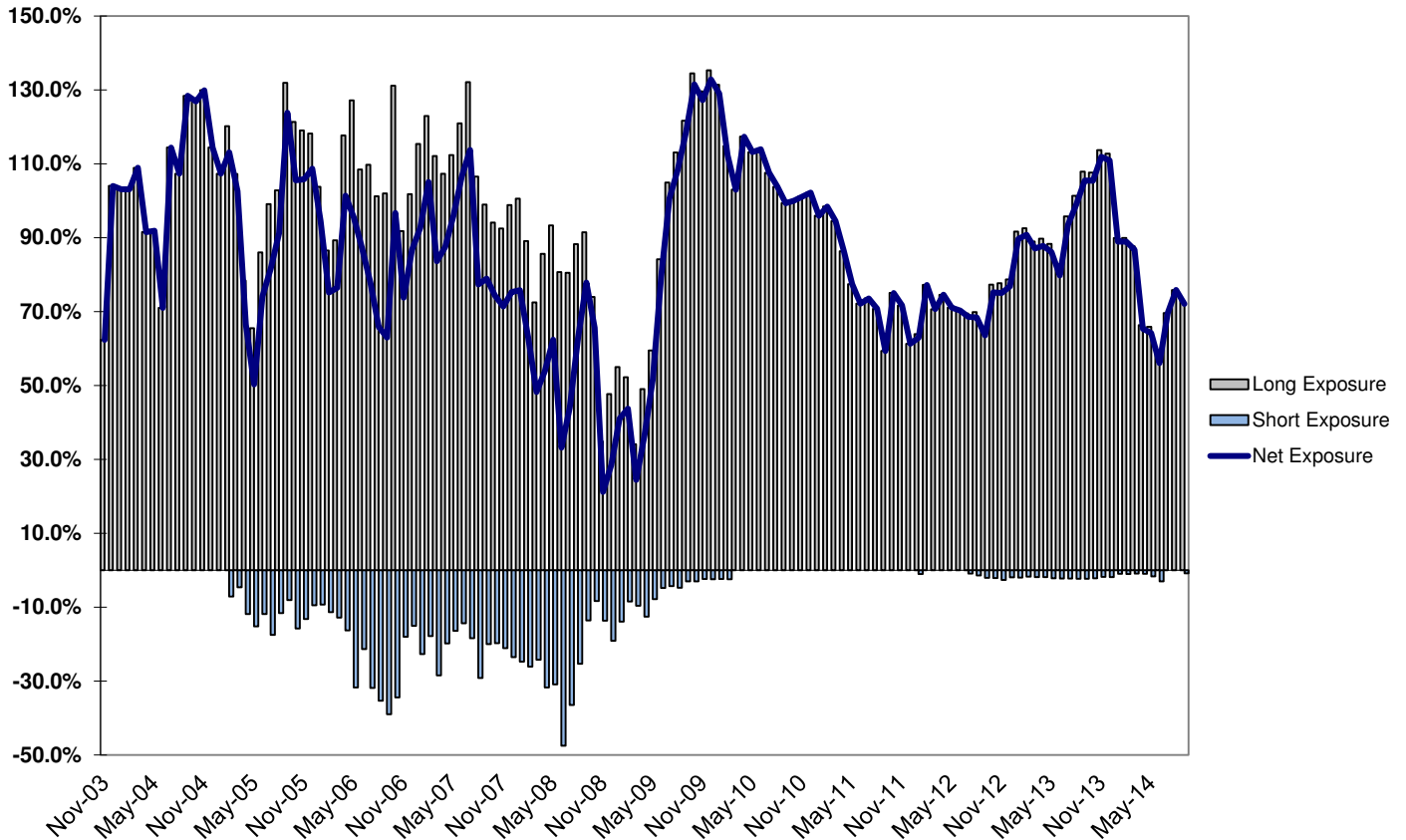
ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	8.2%
HGG	Henderson Group Plc	Long	4.5%
MLB	Melbourne IT Ltd	Long	4.4%
LNG	Liquefied Natural Gas Limited	Long	4.3%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	4.3%
NAB	National Australia Bank Ltd	Long	4.0%
RFG	Retail Food Group	Long	3.8%
ANZ	Australia & New Zealand Banking Group	Long	3.7%
IIN	Ilnet Limited	Long	3.5%
SUN	Suncorp Group Ltd	Long	3.2%
BOQ	Bank of Queensland Ltd	Long	2.8%
BEN	Bendigo and Adelaide Bank Limited	Long	2.7%
CBA	Commonwealth Bank of Australia	Long	2.5%
MQA	Macquarie Atlas Roads Group	Long	2.1%
TLS	Telstra Corporation Limited	Long	2.0%
FXL	Flexigroup Ltd	Long	2.0%
WPL	Woodside Petroleum Limited	Long	1.9%
BSL	Bluescope Steel Ltd	Long	1.9%
ORI	Orica Limited	Long	1.5%
<b>Top Portfolio Holdings - Gross Exposure</b>			<b>63.18%</b>

## Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	16.73%		16.73%
Banks	13.14%		13.14%
Financial	6.99%		6.99%
Energy	6.17%		6.17%
Materials	5.79%		5.79%
Telecommunication Services	5.52%		5.52%
Software & Services	4.36%		4.36%
Consumer Services	3.75%		3.75%
Insurance	3.23%		3.23%
Consumer, Non-cyclical	3.12%		3.12%
Real Estate	0.94%		0.94%
Basic Materials	0.93%	0.87%	0.06%
Technology	0.88%		0.88%
Commercial & Professional Services	0.81%		0.81%
Industrial	0.59%		0.59%
<b>Exposure</b>	<b>72.95%</b>	<b>0.87%</b>	<b>72.08%</b>
<b>Cash on hand</b>			<b>27.92%</b>



## Portfolio Exposure



## 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

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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](#).

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