



## INVESTMENT UPDATE

April 2013

During the month of April 2013, Cadence Capital Limited returned a positive gross performance of +1.82% compared to an increase in the All Ordinaries Accumulation Index of +3.82% and a decrease in the Small Ordinaries Accumulation Index of -4.65%. For the seven years and seven months ended 30 April 2013, Cadence Capital Limited has generated a gross performance of 20.15% per annum, outperforming the All Ordinaries Accumulation Index by 14.22% per annum.

The fund finished the month 60.08% net long compared to 65.58% net long in March 2013.

### Fund NTA

Net Tangible Assets as at 30 April	Amount (\$)
Pre Tax NTA*	\$1.376
Post Tax NTA*	\$1.380
Share price (ASX Code: CDM)**	\$1.385

\*These NTA's are **post the 6.0c April 2013 fully franked interim (5.0c) and special (1.0c) dividend**

\*\*The share price is **post the 6.0c April 2013 fully franked interim (5.0c) and special (1.0c) dividend**

### Fund Highlights

Cadence Capital Limited was **ranked by ASX\*\*\* as the Number 1 Australian Equities Listed Investment Company** over 3 and 5 years in the LMI Quarterly Update as at 31<sup>st</sup> December 2012.

Cadence Capital Limited was **ranked by Baillieu Holst as the No. 1 Listed Investment Company** over both 3 and 5 years in their Listed Investment Company Sector Report dated 31<sup>st</sup> January 2013.

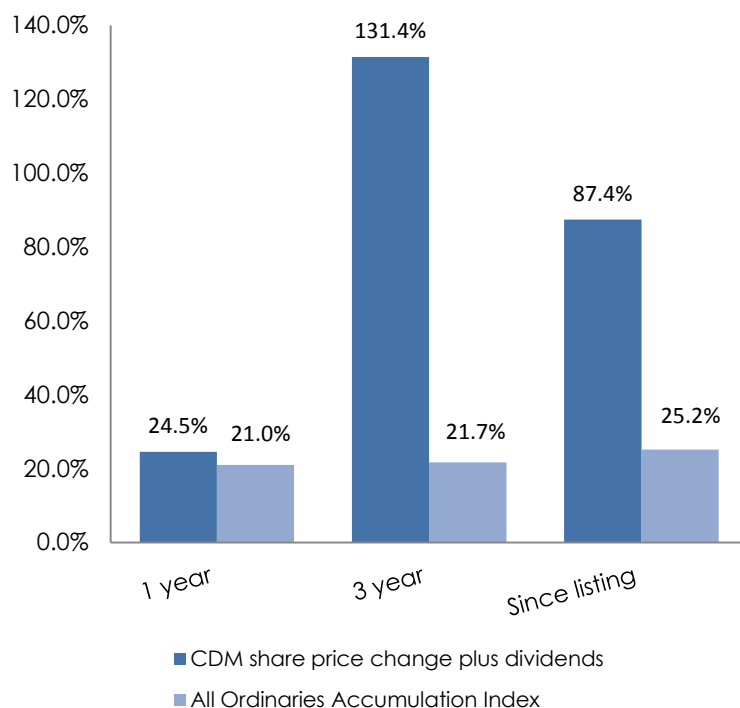
Cadence Capital Limited was a finalist at the 2012 Australian Hedge Fund Awards in the Best Long Short and Absolute Return Fund category.

All of these reports are available on our home page at [www.cadencecapital.com.au](http://www.cadencecapital.com.au)

\*\*\* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 31 December 2012



## Share Price Return Including Dividends



## Fully Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2*c	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	4.0c	4.5c	12.5c	17.8c
2013	5.0c		1.0c	6.0c**	8.6c
<b>TOTAL</b>	<b>18.5c</b>	<b>15.2c</b>	<b>10.5c</b>	<b>44.2c</b>	<b>62.3c</b>

\* Off market equal access buy back

\*\* The 6.0 cent half year fully franked dividend, interim (5.0 cent) and special (1.0 cent), was paid on the 30<sup>th</sup> April 2013.



## Fund Performance

Performance* to 30th April 2013	CDM**	All Ords	Outperformance
1 Month	1.82%	3.82%	-2.00%
1 Year	19.92%	20.97%	-1.05%
2 Years	43.36%	15.38%	+27.98%
3 Years	108.86%	21.66%	+87.20%
4 Years	209.10%	63.23%	+145.87%
5 Years	149.81%	13.67%	+136.14%
Since Inception (91 months)	302.33%	54.79%	+247.54%
Since Inception Annualised (91 months)	20.15%	5.93%	+14.22%

\* Before Management and Performance Fees

\*\*These numbers include the franking value of the substantial RHG dividend received in May 2011

In May 2011 the fund received a substantial fully franked dividend from its RHG holding. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA as this figure more accurately included the material fully franked dividends received from RHG during this month.

## Top Portfolio Positions

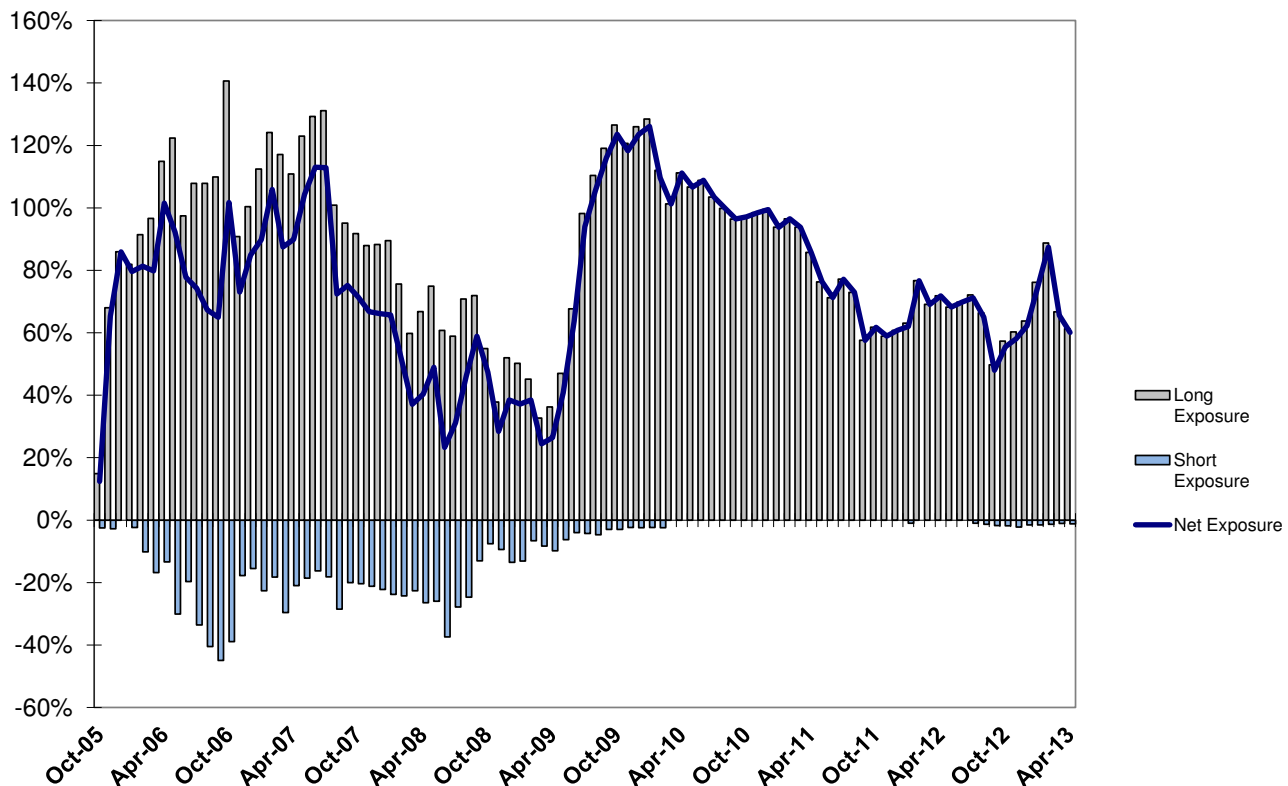
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	8.7%
MQG	Macquarie Group Limited	Long	5.8%
NAB	National Australia Bank Ltd	Long	5.2%
ANZ	Australia & New Zealand Banking Group	Long	4.5%
MMS	McMillan Shakespeare Ltd	Long	4.1%
FXL	Flexigroup Ltd	Long	3.6%
BSL	Bluescope Steel Ltd	Long	3.3%
QBE	QBE Insurance Group Ltd	Long	3.0%
ARI	Arrium Ltd	Long	2.8%
RFG	Retail Food Group	Long	2.1%
IIN	Iinet Limited	Long	1.9%
RKN	Reckon Ltd	Long	1.8%
TOL	Toll Holdings Ltd	Long	1.7%
BVA	Bravura Solutions Ltd	Long	1.4%
FXJ	Fairfax Media Ltd	Long	1.4%
HGG	Henderson Group Plc	Long	1.3%
<b>Top Portfolio Holdings</b>			<b>52.63%</b>



## Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	19.05%		19.05%
Diversified Financials	11.70%		11.70%
Materials	7.43%	1.20%	6.23%
Commercial & Professional Services	5.69%		5.69%
Software & Services	4.14%		4.14%
Insurance	3.05%		3.05%
Consumer Services	2.07%		2.07%
Telecommunication Services	1.87%		1.87%
Transportation	1.66%		1.66%
Retailing	1.48%		1.48%
Media	1.38%		1.38%
Real Estate	1.07%		1.07%
Energy	0.69%		0.69%
Capital Goods	0.01%		0.01%
<b>Exposure</b>	<b>61.28%</b>	<b>1.20%</b>	<b>60.08%</b>
<b>Cash on Hand</b>			<b>39.92%</b>

## Portfolio Exposure





## Cadence News

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### Half Year Dividend

The half year fully franked dividend of 6.0 cents (Interim 5.0 cents and special 1.0 cent) was paid out on the 30<sup>th</sup> April 2013. This represents a 4.3% half year fully franked yield (8.6% annualised) based on the 30<sup>th</sup> April 2013 share price of \$1.385 per share. The Dividend Re-Investment Plan (DRP) was in operation for the half year dividend. The issue price of the DRP was \$1.35519 (being a 3.0% discount to the share price). If you would like to participate in future DRP's please contact Boardroom Pty Limited on 1300 737 760 for the DRP application form.

### Latest Webcast discussing Cadence's Investment Process

We would like to invite you to watch Cadence Capital Limited's most recent Quarterly Webcast. This webcast firstly gives a brief update on the fund's performance and its recent capital raise. This is followed with Karl Siegling giving an explanation of Cadence Capital Limited's Investment Philosophy and a detailed insight into its Investment Process.

### Other News

We would like to once again recommend that you visit the 'News and Views' section of our website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au) as all past company webcasts, interviews and press articles involving Cadence can be found here.

## Disclaimer

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