



INVESTMENT UPDATE

DECEMBER 2014

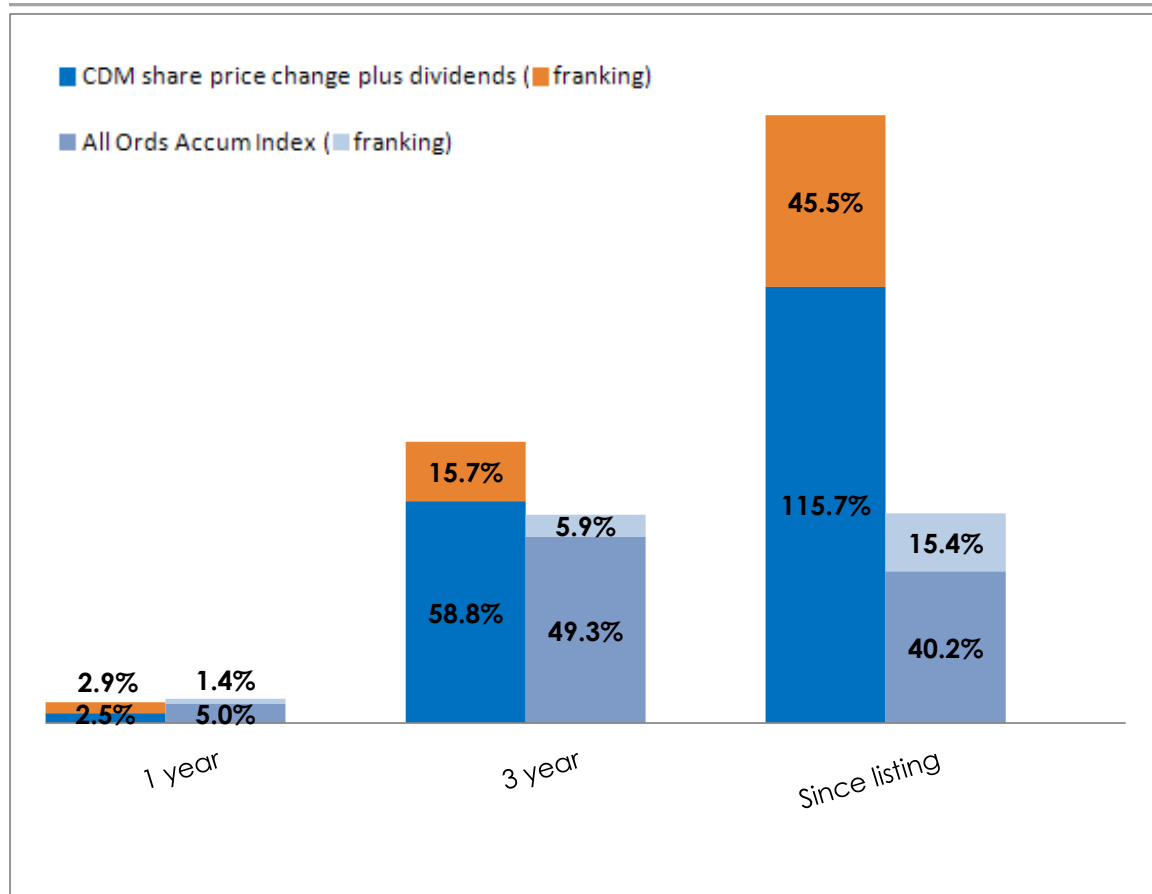
During the month of December 2014, Cadence Capital Limited returned a positive gross performance of 0.69% compared to an increase in the All Ordinaries Accumulation Index of 1.93% and an increase in the Small Ordinaries Accumulation Index 0.47%.

As at the 31 December 2014 the fund was holding 21% cash (79% invested).

Fund NTA

Net Tangible Assets as at 31 December 2014	Amount (\$)
Pre Tax NTA	\$1.348
Post Tax NTA	\$1.360
Share price (ASX Code: CDM)	\$1.420
Option price (ASX Code: CDMO)	\$0.018

CDM Share Price and Option Returns plus Dividends & Franking





Fund Performance

Performance* to 31 December 2014	CDM**	All Ords	Outperformance
1 Month	0.69%	1.93%	-1.24%
1 Year	2.42%	5.02%	-2.60%
2 Years	23.47%	25.66%	-2.19%
3 Years	47.01%	49.34%	-2.33%
4 Years	92.63%	32.27%	+60.36%
5 Years	154.47%	36.64%	+117.83%
8 Years	162.56%	34.11%	+128.45%
Since Inception (9.3 years)	362.04%	73.41%	+288.63%
Since Inception Annualised (9.3 years)	17.99%	6.13%	+11.86%

* Before Management and Performance Fees

**These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011. 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.

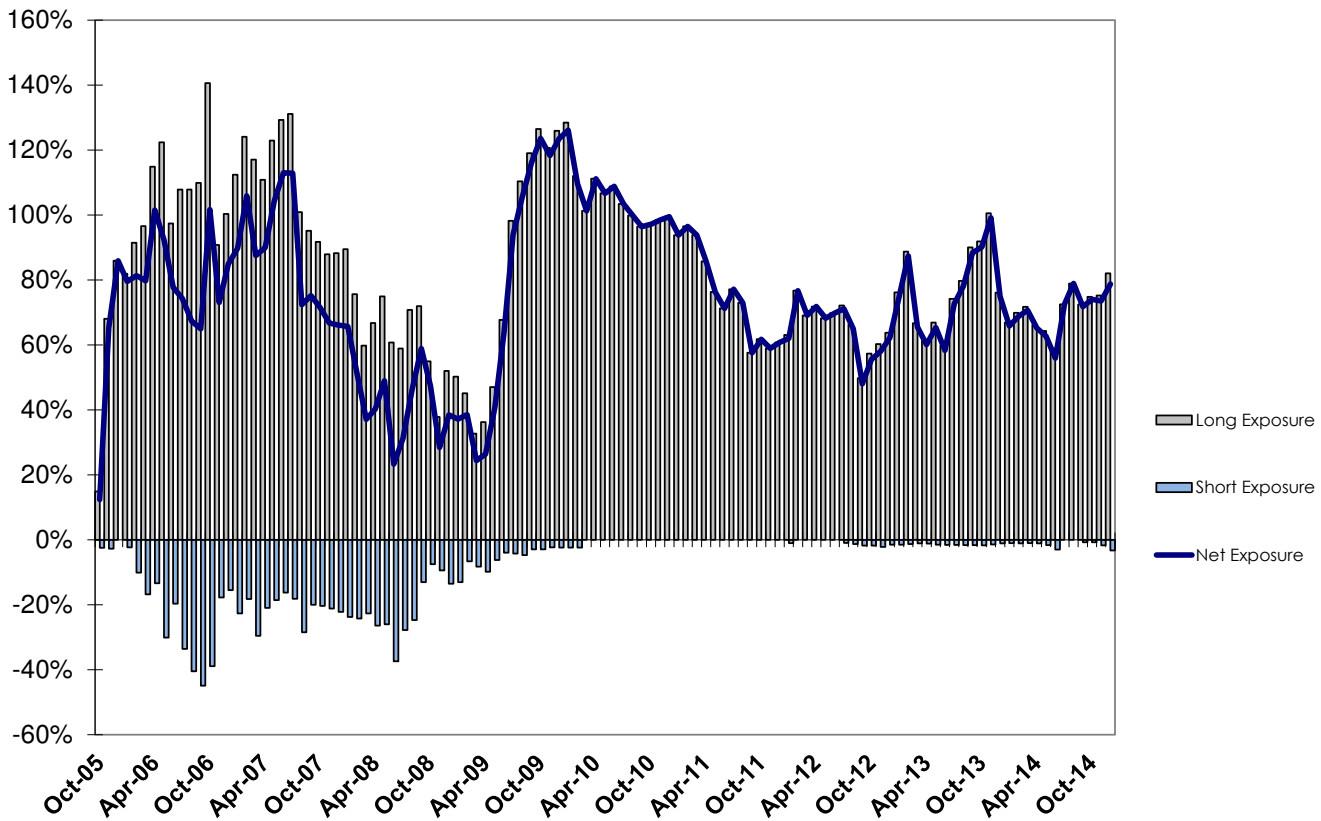
Fully Franked Dividends Declared Since Listing

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	5.0c	1.0c	11.0c	15.7c
2014	5.0c	5.0c	-	10.0c	14.3c
TOTAL	23.5c	25.2c	10.5c	59.2c	83.7c

* Off market equal access buy back



Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	13.95%		13.95%
Financial	13.88%		13.88%
Diversified Financials	13.69%		13.69%
Consumer, Non-cyclical	11.76%		11.76%
Telecommunication Services	6.23%		6.23%
Software & Services	4.76%		4.76%
Consumer Services	4.48%		4.48%
Consumer, Cyclical	3.53%		3.53%
Insurance	2.81%		2.81%
Energy	1.90%		1.90%
Communications	1.47%		1.47%
Technology	0.67%		0.67%
Real Estate	0.66%		0.66%
Basic Materials	0.92%	1.16%	-0.25%
Materials	1.33%	2.13%	-0.80%
Exposure	82.04%	3.30%	78.74%
Cash on Hand			21.26%



Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	7.6%
MLB	Melbourne IT Ltd	Long	AUD	4.8%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	AUD	4.6%
RFG	Retail Food Group	Long	AUD	4.5%
NAB	National Australia Bank Ltd	Long	AUD	3.8%
MA US	Mastercard Inc	Long	USD	3.8%
BOQ	Bank of Queensland Ltd	Long	AUD	3.7%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.6%
LUX IM	Luxottica Group SPA	Long	EUR	3.5%
HGG	Henderson Group Plc	Long	AUD	3.5%
IIN	Iinet Limited	Long	AUD	3.2%
TLS	Telstra Corporation Limited	Long	AUD	3.0%
GILD US	Gilead Sciences Inc	Long	USD	3.0%
SUN	Suncorp Group Ltd	Long	AUD	2.8%
CBA	Commonwealth Bank of Australia	Long	AUD	2.8%
BEN	Bendigo and Adelaide Bank Limited	Long	AUD	2.8%
V US	Visa Inc.	Long	USD	2.2%
RIO	Rio Tinto Ltd	Short	AUD	2.1%
AIG US	American International Group	Long	USD	2.1%
MQA	Macquarie Atlas Roads Group	Long	AUD	2.0%
Top Portfolio Holdings Gross Exposure				69.60%

Recent News Articles

Cadence Capital featured in the January 2015 edition of ASX Investor Update – [‘Six prosperous trends for active investors and traders’](#) and was quoted in the AFR [‘Will 2015 show the same love for IPOs’](#).

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