



INVESTMENT UPDATE

June 2013

Cadence Capital Limited has had a good past financial year and for the past 12 months has returned a gross performance of +22.16%, outperforming the All Ordinaries Accumulation Index by 1.49%. The Small Ordinaries Accumulation Index was down -5.32% over the year and therefore Cadence Capital Limited outperformed the Small Ordinaries by 27.48%.

The fund finished the month 58.30% net long compared to 65.37% net long in May 2013.

Fund NTA

Net Tangible Assets as at 30 June	Amount (\$)
Pre Tax NTA*	\$1.347
Post Tax NTA*	\$1.364
Share price (ASX Code: CDM)*	\$1.300

*These NTA's and the share price are **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 31st 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 31st January 2013.

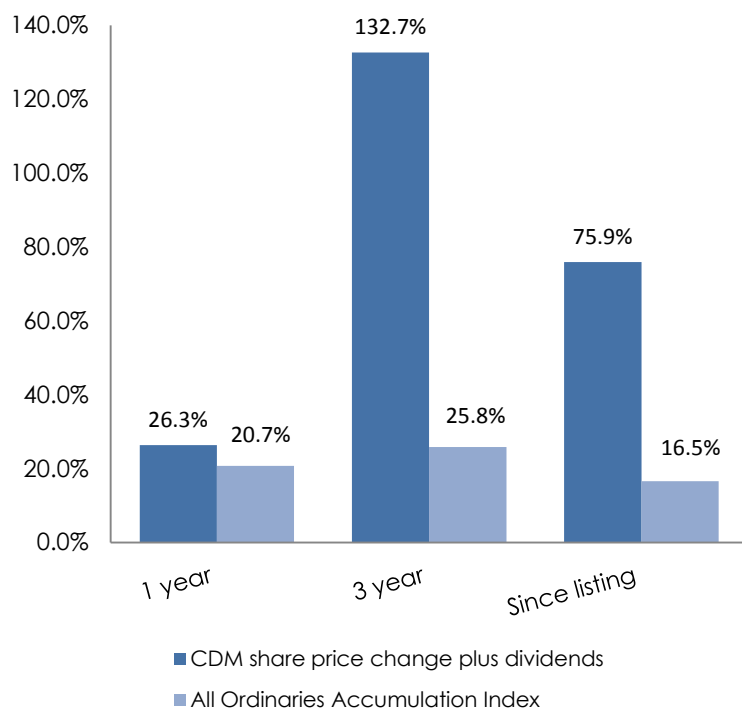
Cadence Capital Limited was a finalist at the 2012 Australian Hedge Fund Awards in the Best Long Short and Absolute Return Fund category.

All of these reports are available on our home page at www.cadencecapital.com.au

*** 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
TOTAL	18.5c	15.2c	10.5c	44.2c	62.3c

* 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 30th April 2013.



Fund Performance

Performance* to 30th June 2013	CDM**	All Ords	Outperformance
1 Month	-1.99%	-2.62%	+0.63%
1 Year	22.16%	20.67%	+1.49%
2 Years	28.86%	12.17%	+16.69%
3 Years	134.54%	25.83%	+108.71%
4 Years	186.89%	43.16%	+143.73%
5 Years	142.63%	11.46%	+131.17%
Since Inception (93 months)	295.49%	44.12%	+251.37%
Since Inception Annualised (93 months)	19.41%	4.83%	+14.58%

* 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.

Top Portfolio Positions

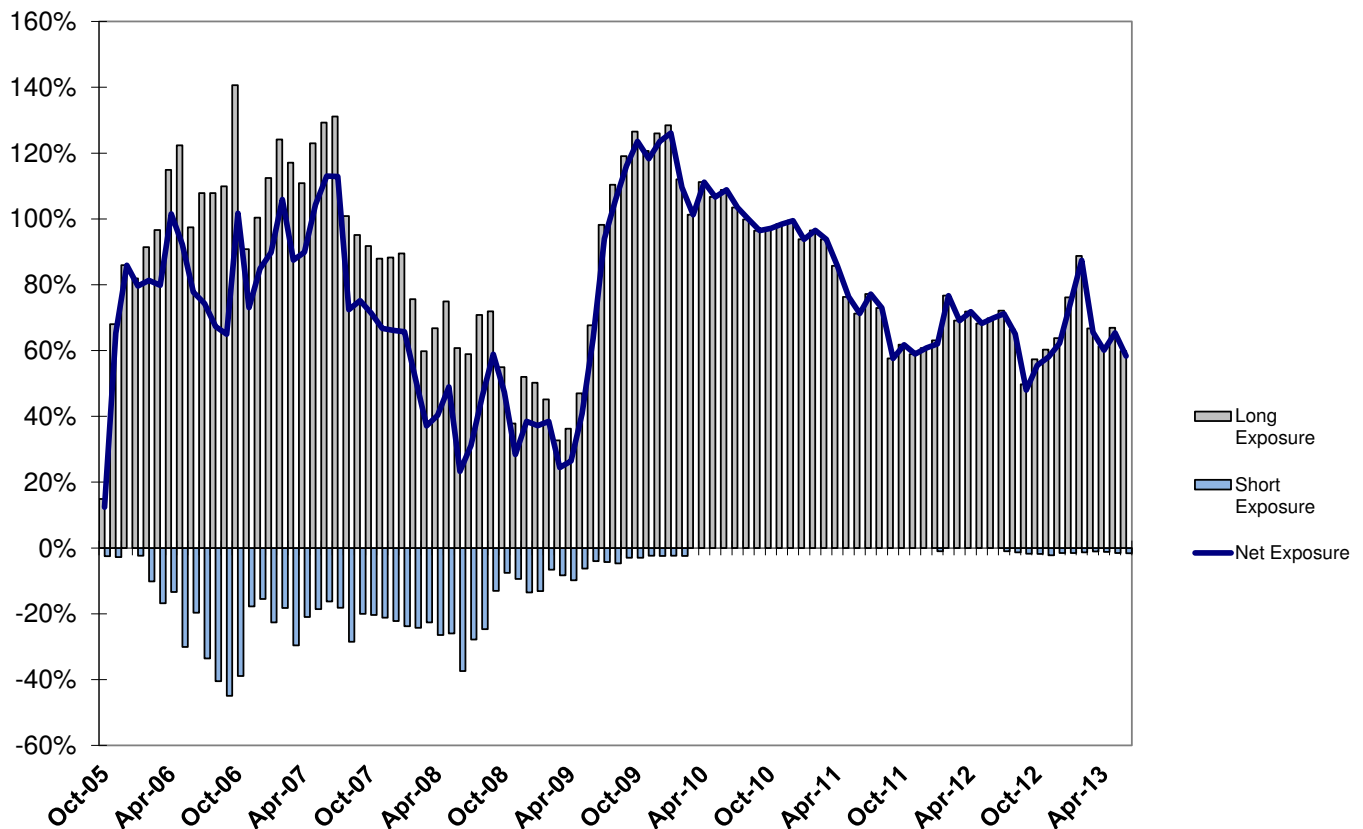
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	8.2%
MQG	Macquarie Group Limited	Long	6.7%
MMS	McMillan Shakespeare Ltd	Long	4.8%
NAB	National Australia Bank Ltd	Long	4.5%
ANZ	Australia & New Zealand Banking Group	Long	4.5%
FXL	Flexigroup Ltd	Long	4.2%
QBE	QBE Insurance Group Ltd	Long	3.3%
RFG	Retail Food Group	Long	3.0%
IIN	IInet Limited	Long	2.8%
BSL	Bluescope Steel Ltd	Long	2.6%
HGG	Henderson Group Plc	Long	2.3%
AMC	Amcor Limited	Long	1.9%
SDG	Sunland Group Ltd	Long	1.8%
RKN	Reckon Ltd	Long	1.8%
BVA	Bravura Solutions Ltd	Long	1.8%
OZL	Oz Minerals Ltd	Short	1.6%
Top Portfolio Holdings			55.89%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	17.21%		17.21%
Diversified Financials	14.02%		14.02%
Commercial & Professional Services	6.63%		6.63%
Materials	5.19%	1.60%	3.60%
Software & Services	4.64%		4.64%
Insurance	3.33%		3.33%
Consumer Services	3.00%		3.00%
Telecommunication Services	2.82%		2.82%
Real Estate	1.90%		1.90%
Transportation	0.53%		0.53%
Energy	0.44%		0.44%
Utilities	0.18%		0.18%
Capital Goods	0.01%		0.01%
Exposure	59.89%	1.60%	58.30%
Cash on Hand			41.70%

Portfolio Exposure





Cadence News

Cadence in the press

Cadence Capital Limited (CDM) has been quoted in the press last week with positive references to two of our largest shareholdings, RHG Limited and Macquarie Group Ltd. Karl Siegling has also been profiled by the Australian Financial Review's Jake Mitchell, 'Siegling's Cadence'. We would highly recommend that you visit the 'News and Views' section of our website at www.cadencecapital.com.au to view these articles:

- Siegling's Cadence (AFR 8 July 2013)
- 'End of an era' with RHG on brink of Resimac takeover (AFR 9 July 2013)
- Macquarie long-term looking attractive (AFR 8 July 2013)
- Pepper Australia enters RHG race (AFR 11 July 2013)
- Rival Bid in RHG Pursuit (The Australian 11 July 2013)

Year-end Webcast

Cadence Capital Limited will be announcing its results and sending out the year end Quarterly Webcast later this month. This webcast will give an update on the fund's performance and stock markets in general, for the past financial year. This will be followed by a discussion on the outlook for the coming financial year.

Disclaimer

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