

## INVESTMENT UPDATE

March 2014

During the month of March 2014, Cadence Capital Limited returned a positive gross performance of 0.37% compared to an increase in the All Ordinaries Accumulation Index of 0.25% and a decrease in the Small Ordinaries Accumulation Index of -1.16%.

For the past twelve months Cadence Capital Limited has returned 15.39% outperforming the All Ordinaries Accumulation Index by 2.20%. For the eight years and six months ended 31<sup>st</sup> March 2014, Cadence Capital Limited has generated a gross performance of +19.54% per annum, outperforming the All Ordinaries Accumulation Index by 13.19% per annum.

As at the 31<sup>st</sup> March 2014 the fund was holding 29% cash (71% invested).

## Fund NTA

Net Tangible Assets as at 31 March 2014	Amount (\$)
Pre Tax NTA*	\$1.438
Post Tax NTA*	\$1.454
Share price (ASX Code: CDM)*	\$1.510
Option price (ASX Code: CDMO)*	\$0.070

\*These NTA's are before the 5.0c fully franked interim dividend to be paid on 24<sup>th</sup> April 2014

## Cadence Capital Limited Dividend and Franking Account Update

The Company's 5.0 cent fully franked interim dividend will be paid on the 24<sup>th</sup> April 2014. For those investors looking to participate in the DRP for the upcoming dividend, please ensure that you have registered to participate in the DRP with our registry, Boardroom Limited, **by Tuesday, 15<sup>th</sup> April 2014**. Please [click here](#) for the DRP form.

Post the 5.0 cent fully franked April 2014 Interim Dividend, Cadence Capital Limited will have franking account balance of approximately \$6.0 Million which places the Company in a position to distribute, over time, future fully franked dividends of around 8.5 cents per share, before earning any future profits.

For further information regarding the Company's Dividend Reinvestment Plan, please email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) or call Boardroom Limited on 1300 737 760.



## 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	7.1c
<b>TOTAL</b>	<b>23.5c</b>	<b>20.2c</b>	<b>10.5c</b>	<b>54.2c</b>	<b>76.5c</b>

\* Off market equal access buy back

## Fund Performance

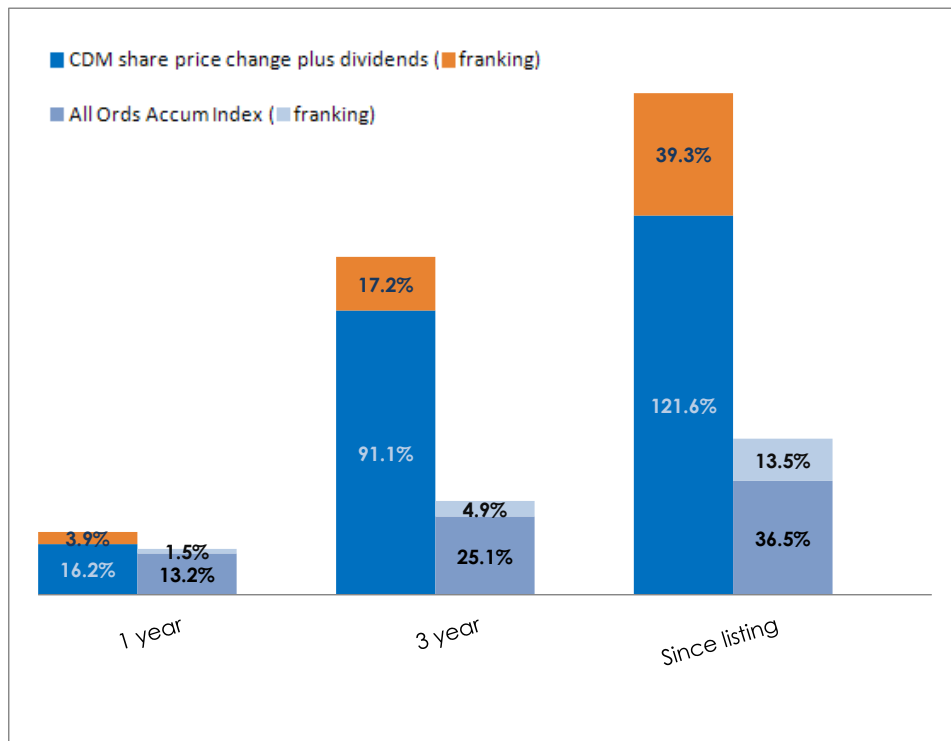
Performance* to 31 March 2014	CDM**	All Ords	Outperformance
1 Month	0.37%	0.25%	+0.12%
1 Year	15.39%	13.19%	+2.20%
2 Years	33.84%	33.33%	+0.51%
3 Years	74.46%	25.07%	+49.39%
4 Years	138.93%	31.07%	+107.86%
5 Years	262.34%	88.76%	+173.58%
8 Years	263.90%	49.11%	+214.79%
Since Inception (8.5 years)	355.96%	68.76%	+287.20%
Since Inception Annualised (8.5 years)	19.54%	6.35%	+13.19%

\* Before Management and Performance Fees

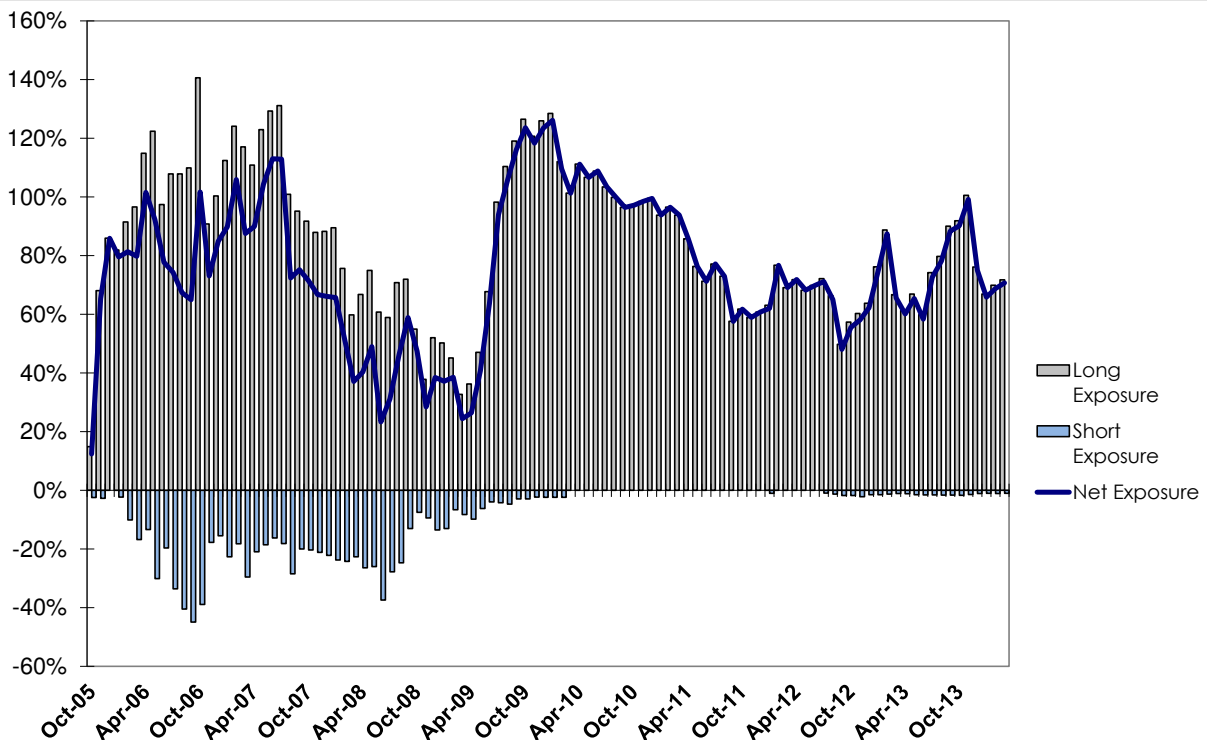
\*\*These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA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



## CDM Share Price Returns plus Dividends & Franking



## Portfolio Exposure





## Top Portfolio Positions

ASX Code	Position	Direction	Holding
HGG	Henderson Group Plc	Long	8.7%
MQG	Macquarie Group Limited	Long	7.6%
NAB	National Australia Bank Ltd	Long	4.6%
ANZ	Australia & New Zealand Banking Group	Long	3.6%
BSL	Bluescope Steel Ltd	Long	3.3%
IIN	Iinet Limited	Long	3.3%
MLB	Melbourne IT Ltd	Long	3.1%
RFG	Retail Food Group	Long	3.0%
BOQ	Bank of Queensland Ltd	Long	2.5%
RIO	Rio Tinto Ltd	Long	2.4%
PPT	Perpetual Limited	Long	2.3%
ARI	Arrium Limited	Long	2.1%
FXL	Flexigroup Ltd	Long	2.1%
CBA	Commonwealth Bank of Australia	Long	2.0%
AMC	Ancor Limited	Long	1.9%
SDG	Sunland Group Ltd	Long	1.8%
FLT	Flight Centre Travel Group Ltd	Long	1.5%
TOL	Toll Holdings	Long	1.4%
EPW	ERM Power Limited	Long	1.4%
LNG	Liquefied Natural Gas Limited	Long	1.3%
<b>Top Portfolio Holdings Gross Exposure</b>			<b>59.80%</b>

## Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	21.87%		21.87%
Banks	12.68%		12.68%
Materials	11.90%	1.05%	10.85%
Software & Services	5.15%		5.15%
Consumer Services	4.42%		4.42%
Telecommunication Services	4.11%		4.11%
Real Estate	3.04%		3.04%
Transportation	2.30%		2.30%
Commercial & Professional Services	1.95%		1.95%
Utilities	1.38%		1.38%
Energy	1.32%		1.32%
Insurance	1.11%		1.11%
Pharmaceuticals, Biotechnology & Life Sciences	0.39%		0.39%
Health Care Equipment & Services	0.11%		0.11%
<b>Exposure</b>	<b>71.73%</b>	<b>1.05%</b>	<b>70.68%</b>
<b>Cash on Hand</b>			<b>29.32%</b>



## Cadence Capital 'News & Views'

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We would like to recommend you to visit the **'News and Views'** section of our website [www.cadencecapital.com.au](http://www.cadencecapital.com.au) for our regular and topical contributions to the Eureka Report, Morningstar & ASX.

Our most recent contribution to the **ASX Investor Update Newsletter** was titled ['Top Turnaround Situations'](#), by Karl Siegling (March 2014 edition).

Other recent articles, along with our quarterly webcasts, can also be found here. We will be releasing the third Quarter's Webcast at the end of this month.

## Disclaimer

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