



INVESTMENT UPDATE

MAY 2014

During the month of May 2014, Cadence Capital Limited returned a positive gross performance of 0.63% compared to an increase in the All Ordinaries Accumulation Index of 0.61% and an increase in the Small Ordinaries Accumulation Index of 0.08%.

For the eight years and eight months ended 31 May 2014, Cadence Capital Limited has generated a gross performance of +19.08% per annum, outperforming the All Ordinaries Accumulation Index by 12.62% per annum.

As at the 31 May 2014 the fund was holding 37% cash (63% invested).

Fund NTA

Net Tangible Assets as at 31 May 2014	Amount (\$)
Pre Tax NTA*	\$1.380
Post Tax NTA*	\$1.399
Share price (ASX Code: CDM)*	\$1.450
Option price (ASX Code: CDMO)*	\$0.043

*These NTA's are after the 5.0c fully franked interim dividend paid on 24th April 2014

'New look' Cadence Capital website

We would welcome you to visit the new look Cadence Capital website at www.cadencecapital.com.au

We have incorporated a number of new features for Shareholders, including a dedicated 'Shareholder Centre' where you will find Monthly Newsletters, Annual Reports and Dividend information. We have also enhanced our 'News & Media' area, where you will find the latest news on Cadence Capital; along with recent contributions to external publications such as ASX Investor Update, Eureka Report and Morningstar.

We hope you find the website useful for your investing needs and welcome your feedback to info@cadencecapital.com.au



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
TOTAL	23.5c	20.2c	10.5c	54.2c	76.5c

* Off market equal access buy back

Fund Performance

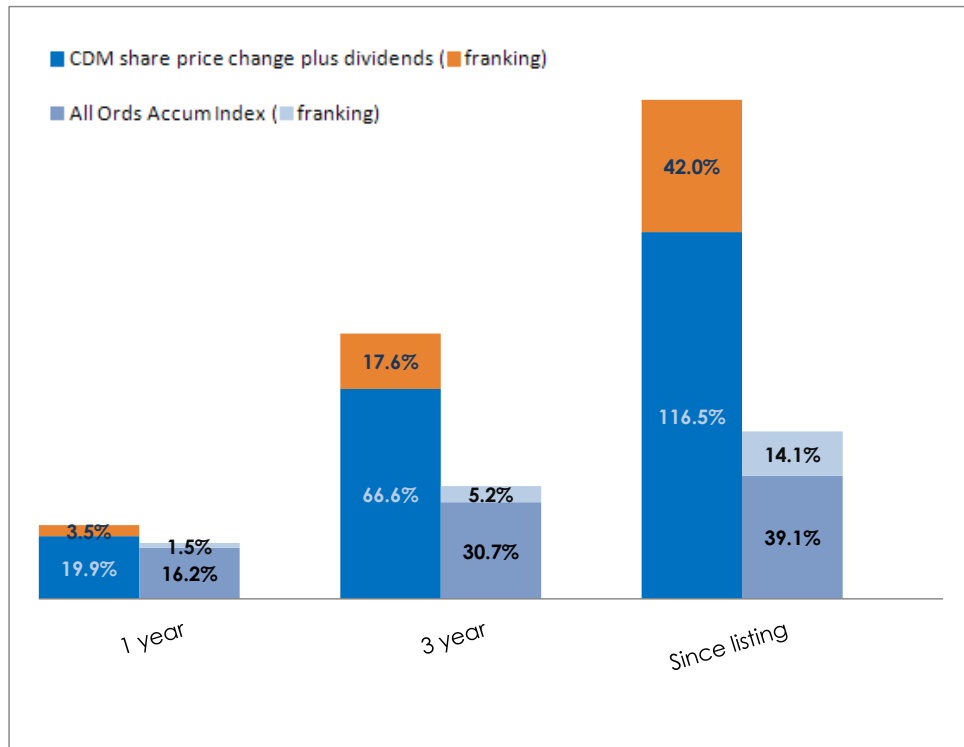
Performance* to 31 May 2014	CDM**	All Ords	Outperformance
1 Month	0.63%	0.61%	+0.02%
1 Year	12.54%	16.20%	-3.66%
2 Years	41.86%	44.36%	-2.50%
3 Years	49.84%	30.66%	+19.18%
4 Years	166.91%	46.24%	+120.67%
5 Years	234.00%	77.54%	+156.46%
8 Years	235.37%	55.13%	+180.24%
Since Inception (8.7 years)	354.15%	71.98%	+282.17%
Since Inception Annualised (8.7 years)	19.08%	6.46%	+12.62%

* Before Management and Performance Fees

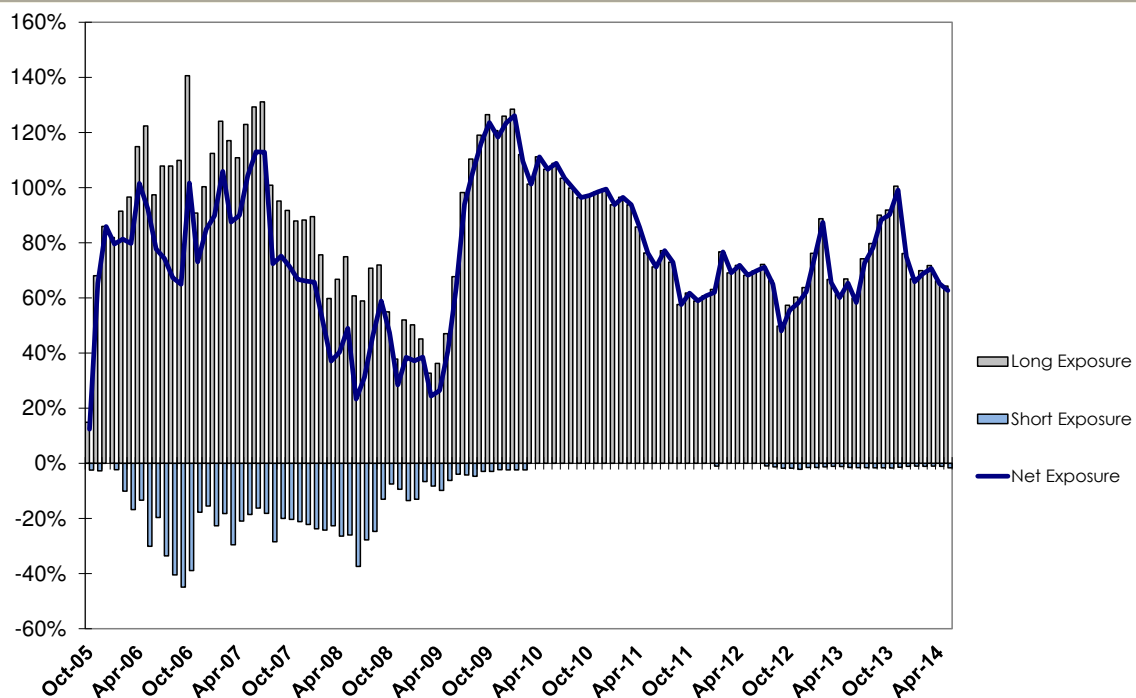
**These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA as 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
MQG	Macquarie Group Limited	Long	7.9%
HGG	Henderson Group Plc	Long	7.8%
MLB	Melbourne IT Ltd	Long	4.3%
NAB	National Australia Bank Ltd	Long	4.3%
ANZ	Australia & New Zealand Banking Group	Long	4.2%
IIN	Ilnet Limited	Long	3.2%
BOQ	Bank of Queensland Ltd	Long	3.1%
CBA	Commonwealth Bank of Australia	Long	3.0%
RFG	Retail Food Group	Long	2.9%
LNG	Liquefied Natural Gas Limited	Long	2.8%
BSL	Bluescope Steel Ltd	Long	2.6%
PPT	Perpetual Limited	Long	2.1%
FXL	Flexigroup Ltd	Long	2.0%
SDG	Sunland Group Ltd	Long	1.6%
RIO	Rio Tinto Ltd	Long	1.5%
FLT	Flight Centre Travel Group Ltd	Long	1.3%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	1.3%
INA	Ingenia Communities Group Ltd	Long	1.2%
SUN	Suncorp Group Ltd	Long	1.1%
OZL	Oz Minerals Ltd	Short	1.0%
Top Portfolio Holdings Gross Exposure			59.36%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	20.88%		20.88%
Banks	16.87%		16.87%
Materials	5.68%	1.04%	4.64%
Software & Services	5.26%		5.26%
Consumer Services	4.42%		4.42%
Telecommunication Services	4.02%		4.02%
Energy	2.87%		2.87%
Real Estate	2.82%		2.82%
Insurance	1.11%		1.11%
Pharmaceuticals, Biotechnology & Life Sciences	0.31%		0.31%
Transportation		0.51%	-0.51%
Media	0.10%		0.10%
Food Beverage & Tobacco		0.10%	-0.10%
Exposure	64.33%	1.66%	62.67%
Cash on Hand			37.33%



Disclaimer

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