



## INVESTMENT UPDATE

NOVEMBER 2014

During the month of November 2014, Cadence Capital Limited returned a negative gross performance of 1.68% compared to a decrease in the All Ordinaries Accumulation Index of 3.20% and a decrease in the Small Ordinaries Accumulation Index 3.81%.

As at the 30 November 2014 the fund was holding 26% cash (74% invested).

### Fund NTA

| Net Tangible Assets as at 30 November 2014 | Amount (\$) |
|--|-------------|
| Pre Tax NTA*                               | \$1.339     |
| Post Tax NTA*                              | \$1.352     |
| Share price (ASX Code: CDM)*               | \$1.425     |
| Option price (ASX Code: CDMO)*             | \$0.025     |

*\*After the 5.0 cent fully franked dividend paid on 30<sup>th</sup> September 2014*

### Cadence Capital Limited – Media and Presentations

During the month of November, Cadence Capital Limited featured in the following articles and interviews:

Morningstar Online '[A brief look at the Balance Sheet](#)'

Livewire Markets '[Cadence Capital: The art of selling](#)' and '[Cadence Capital: The one IPO that we've taken a position in](#)'

To view all previous Cadence webcasts and media, please visit the [Media Section](#) of our Website.

### Cadence Capital Limited AGM and Investor Briefing Webcast

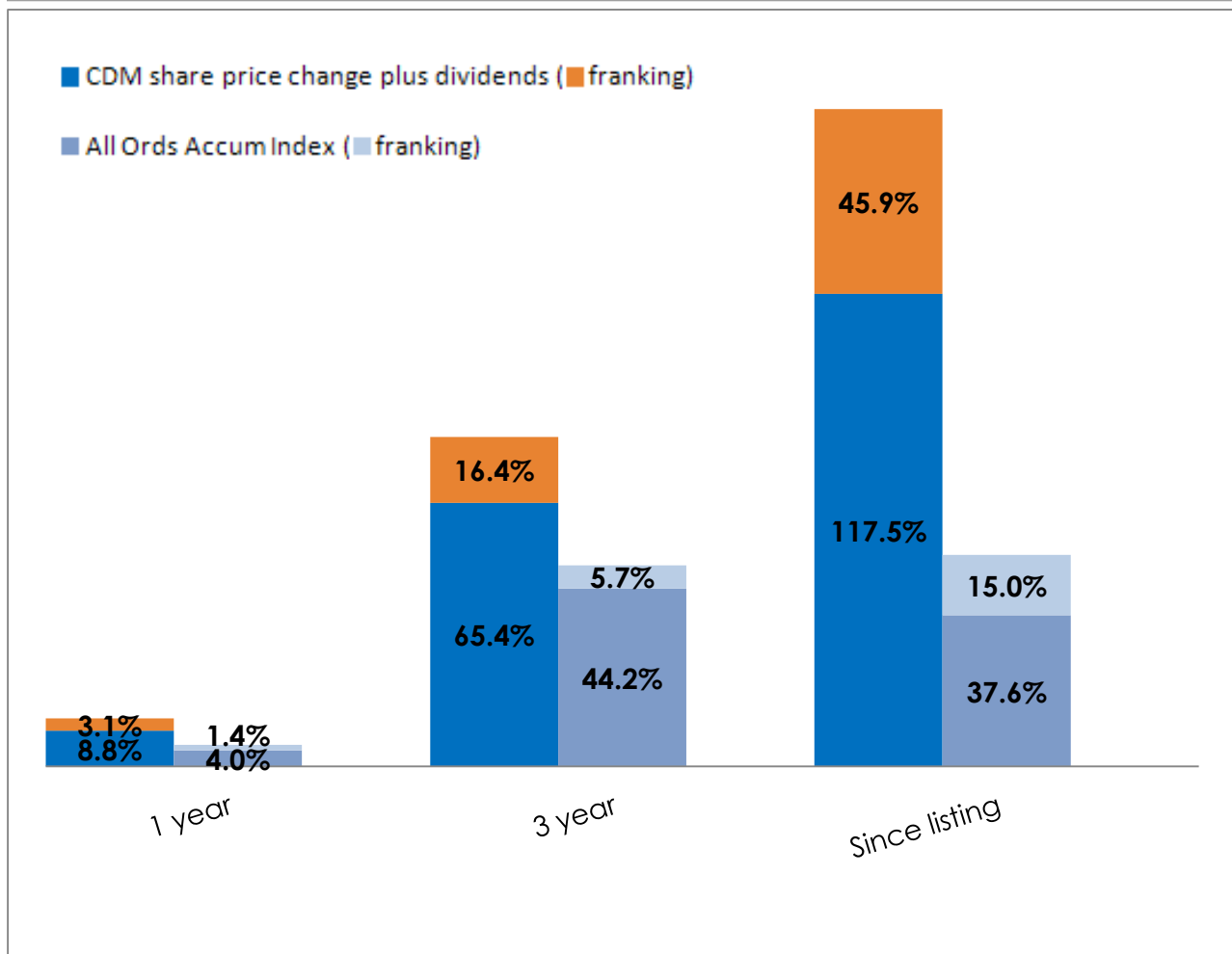
The Cadence Capital Limited AGM and Investor Briefing was held on Wednesday, 26<sup>th</sup> November 2014. This presentation has been recorded as a Webcast.

The webcast commences with a presentation by Wayne Davies on the Cadence Capital Investment Process. This is then followed with presentations by Portfolio Managers Chris Garrard and Simon Bonouvrie who discuss 4 stock positions in the Cadence Capital portfolio. Karl Siegling concludes with a summary of the past year and the outlook for 2015.

Please [click here](#) to view this Webcast.



## CDM Share Price and Option Returns plus Dividends & Franking



## 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                 |
| <b>TOTAL</b>  | <b>23.5c</b> | <b>25.2c</b> | <b>10.5c</b> | <b>59.2c</b> | <b>83.7c</b>          |

\* Off market equal access buy back



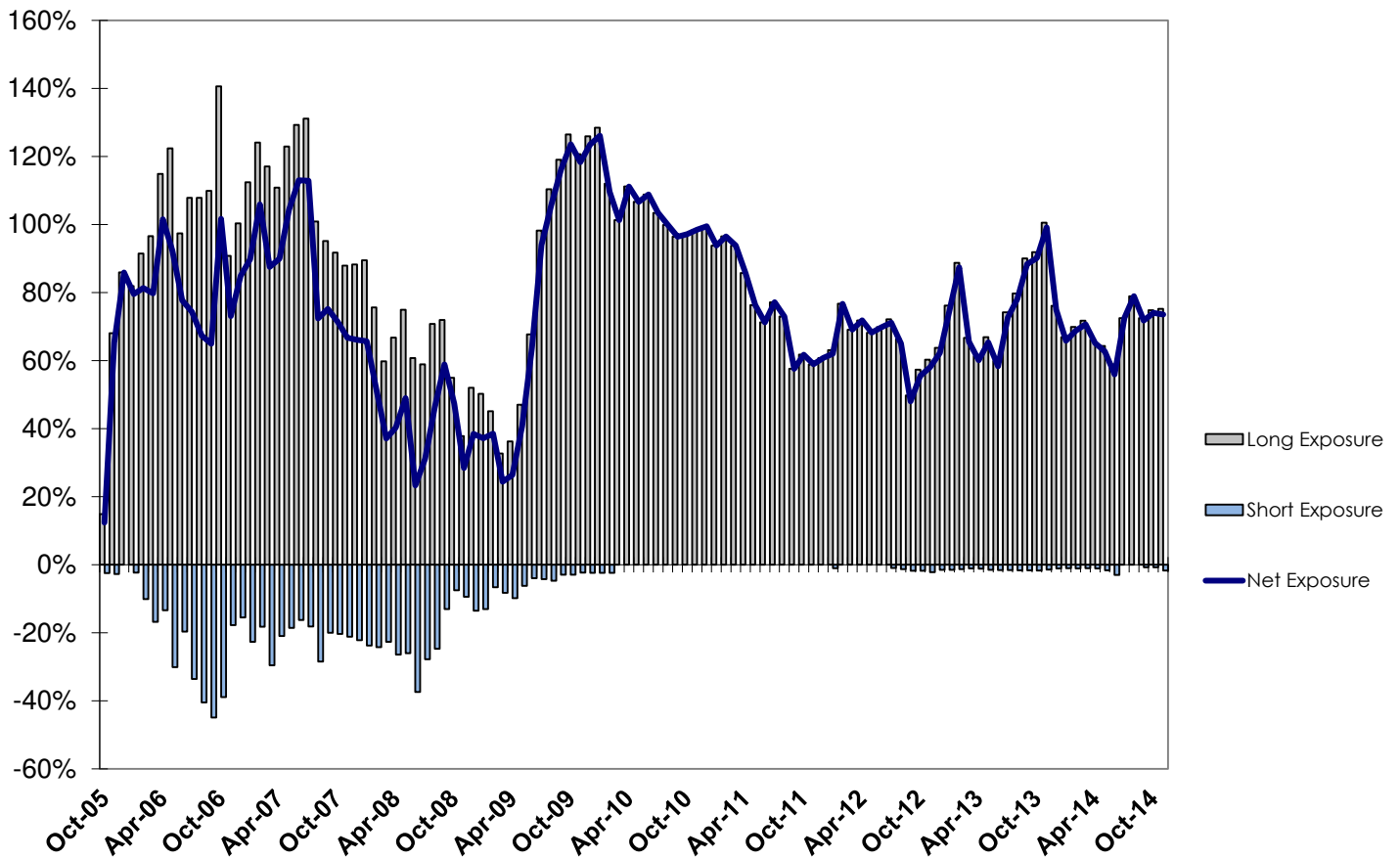
## Fund Performance

| Performance* to 30 November 2014       | CDM**   | All Ords | Outperformance |
|--|---------|----------|----------------|
| 1 Month                                | -1.68%  | -3.20%   | +1.52%         |
| 1 Year                                 | 3.05%   | 3.98%    | -0.93%         |
| 2 Years                                | 23.86%  | 27.52%   | -3.66%         |
| 3 Years                                | 44.63%  | 44.21%   | +0.42%         |
| 4 Years                                | 117.78% | 34.70%   | +83.08%        |
| 5 Years                                | 149.08% | 39.01%   | +110.07%       |
| 8 Years                                | 181.28% | 36.34%   | +144.94%       |
| Since Inception (9.2 years)            | 358.90% | 70.13%   | +288.77%       |
| Since Inception Annualised (9.2 years) | 18.08%  | 5.97%    | +12.11%        |

\* 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.

## Portfolio Exposure





## Portfolio Sector Analysis

| Sector                     | Long          | Short        | Net           |
|----------------------------|---------------|--------------|---------------|
| Diversified Financials     | 14.74%        |              | 14.74%        |
| Banks                      | 13.80%        |              | 13.80%        |
| Consumer, Non-cyclical     | 11.55%        |              | 11.55%        |
| Financial                  | 9.49%         |              | 9.49%         |
| Telecommunication Services | 5.25%         |              | 5.25%         |
| Consumer Services          | 4.43%         |              | 4.43%         |
| Software & Services        | 4.21%         |              | 4.21%         |
| Insurance                  | 2.89%         |              | 2.89%         |
| Consumer, Cyclical         | 2.51%         |              | 2.51%         |
| Energy                     | 1.67%         |              | 1.67%         |
| Materials                  | 1.92%         | 1.09%        | 0.83%         |
| Technology                 | 0.82%         |              | 0.82%         |
| Real Estate                | 0.67%         |              | 0.67%         |
| Basic Materials            | 0.96%         | 0.63%        | 0.33%         |
| Communications             | 0.22%         |              | 0.22%         |
| Industrial                 | 0.13%         |              | 0.13%         |
| <b>Exposure</b>            | <b>75.25%</b> | <b>1.72%</b> | <b>73.53%</b> |
| <b>Cash on Hand</b>        |               |              | <b>26.47%</b> |

## Top Portfolio Positions

| Code   | Position                                  | Direction | Holding       |
|--|---|-----------|---------------|
| MQG  | Macquarie Group Limited                   | Long      | 7.7%          |
| GILD US                                      | Gilead Sciences Inc                       | Long      | 5.3%          |
| GMA  | Genworth Mortgage Insurance Australia Ltd | Long      | 4.6%          |
| RFG  | Retail Food Group                         | Long      | 4.4%          |
| MLB  | Melbourne IT Ltd                          | Long      | 4.2%          |
| BOQ  | Bank of Queensland Ltd                    | Long      | 3.8%          |
| NAB  | National Australia Bank Ltd               | Long      | 3.8%          |
| ANZ  | Australia & New Zealand Banking Group     | Long      | 3.6%          |
| HGG  | Henderson Group Plc                       | Long      | 3.5%          |
| IIN  | Iinet Limited                             | Long      | 3.3%          |
| SUN  | Suncorp Group Ltd                         | Long      | 2.9%          |
| BEN  | Bendigo and Adelaide Bank Limited         | Long      | 2.8%          |
| CBA  | Commonwealth Bank of Australia            | Long      | 2.6%          |
| LUX IM                                       | Luxottica Group SPA                       | Long      | 2.3%          |
| MA US  | Mastercard Inc                            | Long      | 2.3%          |
| TLS  | Telstra Corporation Limited               | Long      | 1.9%          |
| MQA  | Macquarie Atlas Roads Group               | Long      | 1.9%          |
| FXL  | Flexigroup Ltd                            | Long      | 1.7%          |
| BSL  | Bluescope Steel Limited                   | Long      | 1.3%          |
| RIO  | Rio Tinto Ltd                             | Short     | 1.1%          |
| <b>Top Portfolio Holdings Gross Exposure</b> |   |           | <b>65.18%</b> |



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