



INVESTMENT UPDATE

SEPTEMBER 2014

During the month of September 2014, Cadence Capital Limited returned a negative gross performance of 2.73% compared to a decrease in the All Ordinaries Accumulation Index of 5.26% and a decrease in the Small Ordinaries Accumulation Index 5.47%. Over the past 12 months the fund has returned a positive gross performance of 10.66% outperforming the All Ordinaries Accumulation Index by 4.77%.

As at the 30 September 2014 the fund was holding 28% cash (72% invested).

Fund NTA

Net Tangible Assets as at 30 September 2014	Amount (\$)
Pre Tax NTA*	\$1.340
Post Tax NTA*	\$1.354
Share price (ASX Code: CDM)*	\$1.410
Option price (ASX Code: CDMO)*	\$0.040

**After the 5.0 cent fully franked dividend paid on 30th September 2014*

Latest Broker LIC Research and ASX Reports

Cadence Capital Limited has featured favourably in the latest Broker Research Reports from Morgan Stanley and Patersons Securities. Cadence Capital was also ranked #1 Australian Equities LIC over 5 years in the ASX Funds Monthly Update (August 2014) with a 5 Year Total Shareholder Return of 26.44% p.a.

To view the most recent ASX and Broker LIC Research Reports [click here](#).

Cadence Capital - In the News

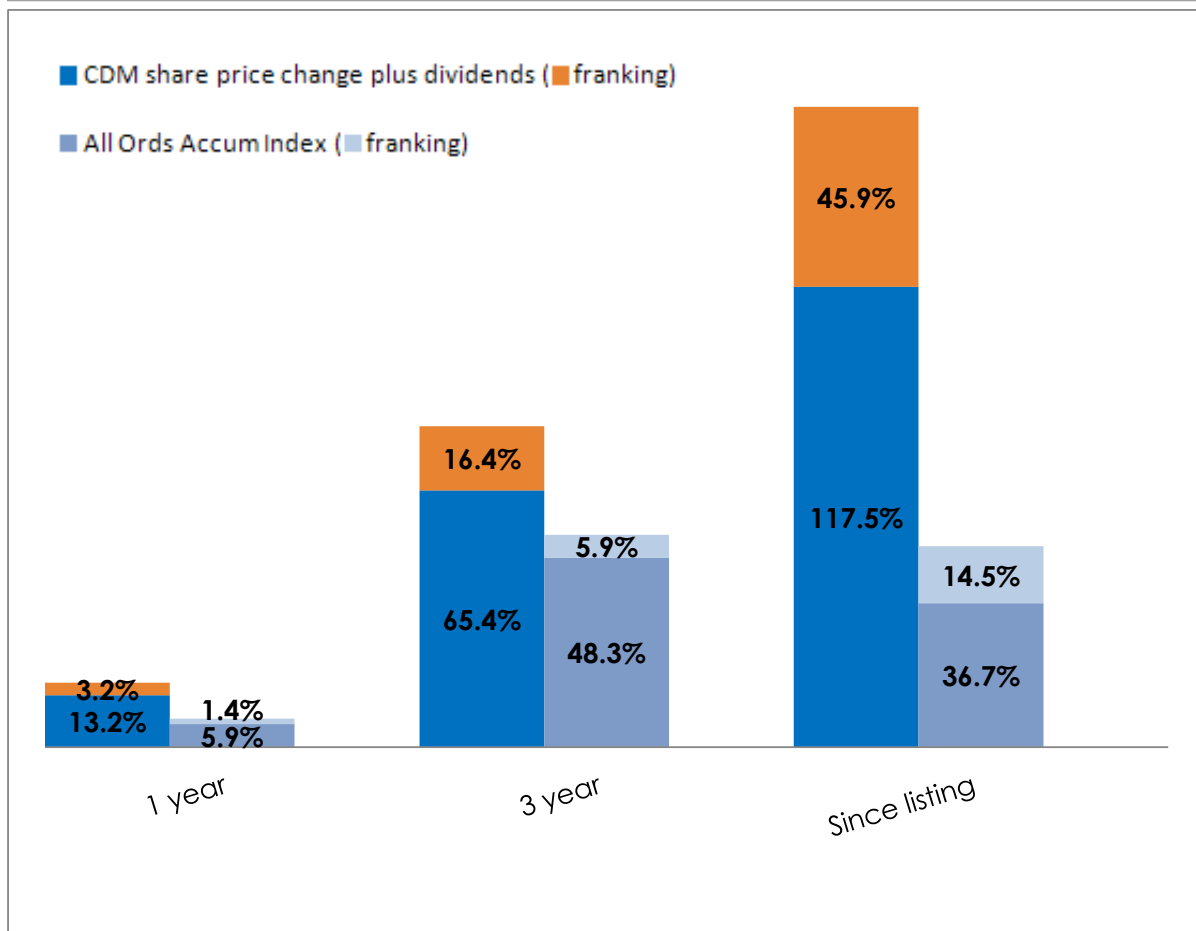
Cadence Capital Limited has featured in a number of press articles and newsletters throughout September 2014:

- Cuffelinks - Cheap stocks: How to find them and how to buy them
- Business Spectator (Alan Kohler) – Super: It’s all about the returns
- The Australian – Busting the industry myths
- The Australian – Macbank funds arm pulls in the profits
- Morningstar – Cash flow: A critical measure

To view all recent articles [click here](#).



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
TOTAL	23.5c	25.2c	10.5c	59.2c	83.7c

* Off market equal access buy back



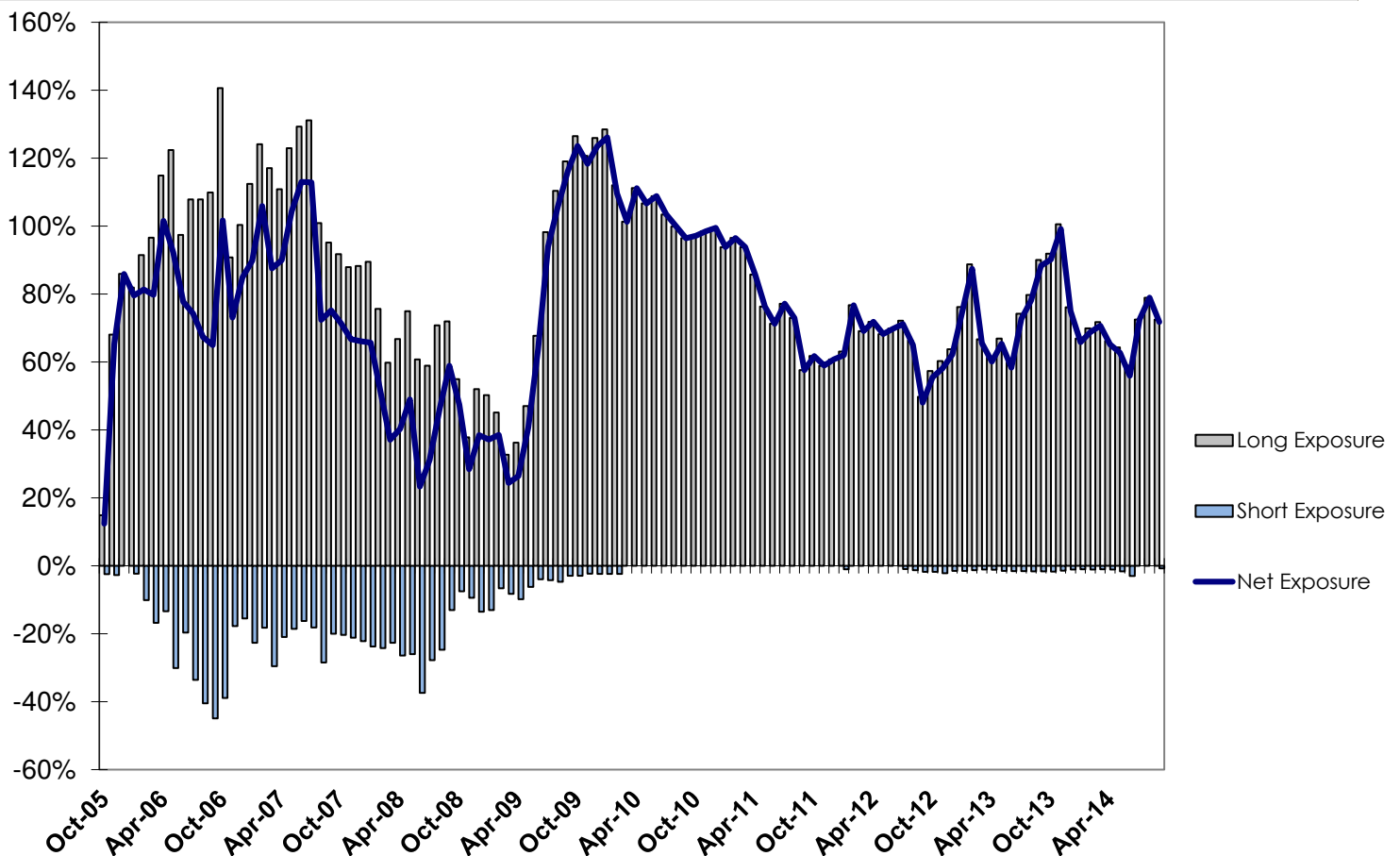
Fund Performance

Performance* to 30 September 2014	CDM**	All Ords	Outperformance
1 Month	-2.73%	-5.26%	+2.53%
1 Year	10.66%	5.89%	+4.77%
2 Years	28.46%	30.82%	-2.36%
3 Years	51.27%	48.30%	+2.97%
4 Years	143.45%	35.80%	+107.65%
5 Years	147.78%	38.16%	+109.62%
8 Years	238.11%	45.50%	+192.61%
Since Inception (9.0 years)	358.31%	69.06%	+289.25%
Since Inception Annualised (9.0 years)	18.43%	6.01%	+12.42%

* 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	15.35%		15.35%
Banks	12.39%		12.39%
Consumer, Non-cyclical	7.98%		7.98%
Financial	6.66%		6.66%
Energy	5.57%		5.57%
Materials	5.28%		5.28%
Telecommunication Services	4.92%		4.92%
Software & Services	4.16%		4.16%
Consumer Services	3.51%		3.51%
Insurance	2.83%		2.83%
Technology	0.87%		0.87%
Commercial & Professional Services	0.73%		0.73%
Industrial	0.65%		0.65%
Real Estate	0.61%		0.61%
Basic Materials	1.01%	0.74%	0.27%
Exposure	72.52%	0.74%	71.78%
Cash on Hand			28.22%

Top Portfolio Positions

Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	7.6%
GILD US	Gilead Sciences Inc	Long	5.0%
MLB	Melbourne IT Ltd	Long	4.2%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	4.1%
HGG	Henderson Group Plc	Long	4.0%
LNG	Liquefied Natural Gas Limited	Long	3.8%
NAB	National Australia Bank Ltd	Long	3.7%
RFG	Retail Food Group	Long	3.5%
ANZ	Australia & New Zealand Banking Group	Long	3.5%
IIN	IInet Limited	Long	3.1%
SUN	Suncorp Group Ltd	Long	2.8%
BOQ	Bank of Queensland Ltd	Long	2.7%
BEN	Bendigo and Adelaide Bank Limited	Long	2.6%
CBA	Commonwealth Bank of Australia	Long	2.5%
FXL	Flexigroup Ltd	Long	1.9%
BSL	Bluescope Steel Ltd	Long	1.9%
MQA	Macquarie Atlas Roads Group	Long	1.8%
TLS	Telstra Corporation Limited	Long	1.8%
WPL	Woodside Petroleum Limited	Long	1.7%
ORI	Orica Limited	Long	1.3%
Top Portfolio Holdings Gross Exposure			63.57%



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