


**INVESTMENT UPDATE**
**FEBRUARY 2016**

 Cadence Cayman Fund NTA as at 29<sup>th</sup> February 2016:

 NTA per share (Series AUD1) \$ 1,902.36  
 Net Performance February 2016 (Series AUD1) -7.91%
**Monthly Detailed Performance**

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	YTD
Cadence Cayman Fund	-2.70%	-0.28%	2.21%	6.06%	-9.07%	-2.61%	7.60%	4.02%	5.24%	4.70%	12.35%	2.01%	31.63%
All Ordinaries Acc Index	-5.85%	1.82%	5.83%	-1.18%	-7.57%	-2.60%	4.23%	-0.71%	5.02%	2.17%	-0.70%	3.80%	3.31%
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Cadence Cayman Fund	1.70%	3.78%	-2.52%	5.16%	-1.36%	1.64%	0.66%	2.98%	-1.60%	2.15%	2.20%	-0.19%	15.28%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%	-3.40%	-2.00%	-6.27%	7.17%	-3.43%	-1.57%	-11.43%
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Cadence Cayman Fund	0.92%	2.22%	1.56%	-0.90%	-2.51%	0.60%	1.99%	4.45%	0.09%	3.44%	-0.11%	0.78%	13.08%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%	2.13%	2.97%	0.27%	3.43%	18.84%
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD
Cadence Cayman Fund	2.32%	4.69%	-0.54%	1.46%	0.79%	-1.01%	-1.51%	-0.15%	2.27%	4.23%	1.80%	0.75%	15.97%
All Ordinaries Acc Index	5.08%	5.18%	-2.24%	3.82%	-4.39%	-2.62%	5.46%	2.59%	2.39%	3.91%	-1.38%	0.92%	19.66%
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD
Cadence Cayman Fund	-3.24%	2.80%	0.45%	-1.98%	0.44%	2.78%	2.46%	-1.15%	-3.03%	1.25%	-1.17%	0.47%	-0.18%
All Ordinaries Acc Index	-2.76%	4.84%	0.25%	1.29%	0.61%	-1.41%	4.49%	0.72%	-5.26%	3.96%	-3.20%	1.93%	5.02%
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	YTD
Cadence Cayman Fund	1.50%	5.44%	2.01%	-1.08%	1.39%	-1.42%	3.65%	-4.66%	-0.80%	4.83%	-1.13%	0.75%	10.49%
All Ordinaries Acc Index	3.03%	7.00%	-0.03%	-1.47%	0.58%	-5.40%	4.23%	-7.30%	-2.50%	4.59%	-0.69%	2.65%	3.78%
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	YTD
Cadence Cayman Fund	-5.88%	-7.91%											-13.33%
All Ordinaries Acc Index	-5.38%	-1.47%											-6.78%
												<b>Accumulated return</b>	<b>90.24%</b>
												<b>All Ordinaries Acc Index</b>	<b>32.20%</b>

\* Net of all fees

**Portfolio Commentary**

During February 2016 Cadence Cayman Fund returned a negative net performance of 7.91% compared to a decrease in the All Ordinaries Accumulation Index of 1.47%. For the past 12 months the fund has returned a negative net performance of 10.51% compared to a decrease in the All Ordinaries Accumulation Index of 12.23%.

The 2016 year has begun with high volatility and a number of important long term trends have been tested. These include commodity prices, energy prices, the Australian dollar, diversified financials and the banks. As always we reduce exposure when trends change and increase exposure again when trends re-establish themselves. These volatile periods negatively affect our investment process but the gains to be made when trends are re-established more than offset these losses. The Cadence Capital Limited half year webcast will be sent out next week and will discuss this in more detail.



## Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	14.88%		14.88%
Software & Services	10.84%		10.84%
Communications	7.80%		7.80%
Financial	6.71%		6.71%
Banks	5.46%		5.46%
Consumer, Non-cyclical	5.14%		5.14%
Technology	3.17%	0.89%	2.28%
Energy	0.22%	3.00%	-2.78%
Materials	0.41%	2.76%	-2.36%
Consumer Services	2.63%		2.63%
Basic Materials	2.20%		2.20%
Industrial	0.00%	1.16%	-1.16%
<b>Exposure</b>	<b>59.46%</b>	<b>7.82%</b>	<b>51.64%</b>
<b>Cash on Hand</b>			<b>48.36%</b>

## Top Portfolio Positions

Stock Code	Position	Direction	Holding
MLB	Melbourne IT Ltd	Long	10.8%
MQG	Macquarie Group Limited	Long	9.9%
FB US	Facebook Inc.	Long	3.1%
RIO	Rio Tinto Ltd	Short	2.8%
RFG	Retail Food Group	Long	2.6%
WPL	Woodside Petroleum Ltd	Short	2.5%
IPH	IPH Ltd	Long	2.5%
ANZ	Australia & New Zealand Banking Group	Long	2.4%
TPM	TPG Telecom Ltd.	Long	2.4%
GOOG US	Alphabet Inc.	Long	2.3%
005930 KS	Samsung Electronics Compnay Ltd	Long	2.0%
NAB	National Australia Bank Ltd	Long	2.0%
PEP	Pepper Group	Long	1.8%
HGG	Henderson Group Plc	Long	1.7%
CYA	Century Australia Investment	Long	1.7%
NCM	Newcrest Mining Ltd	Long	1.6%
FXL	Flexigroup Ltd	Long	1.6%
MA US	Mastercard Inc	Long	1.6%
<b>Top Portfolio Holdings Gross Exposure</b>			<b>55.30%</b>



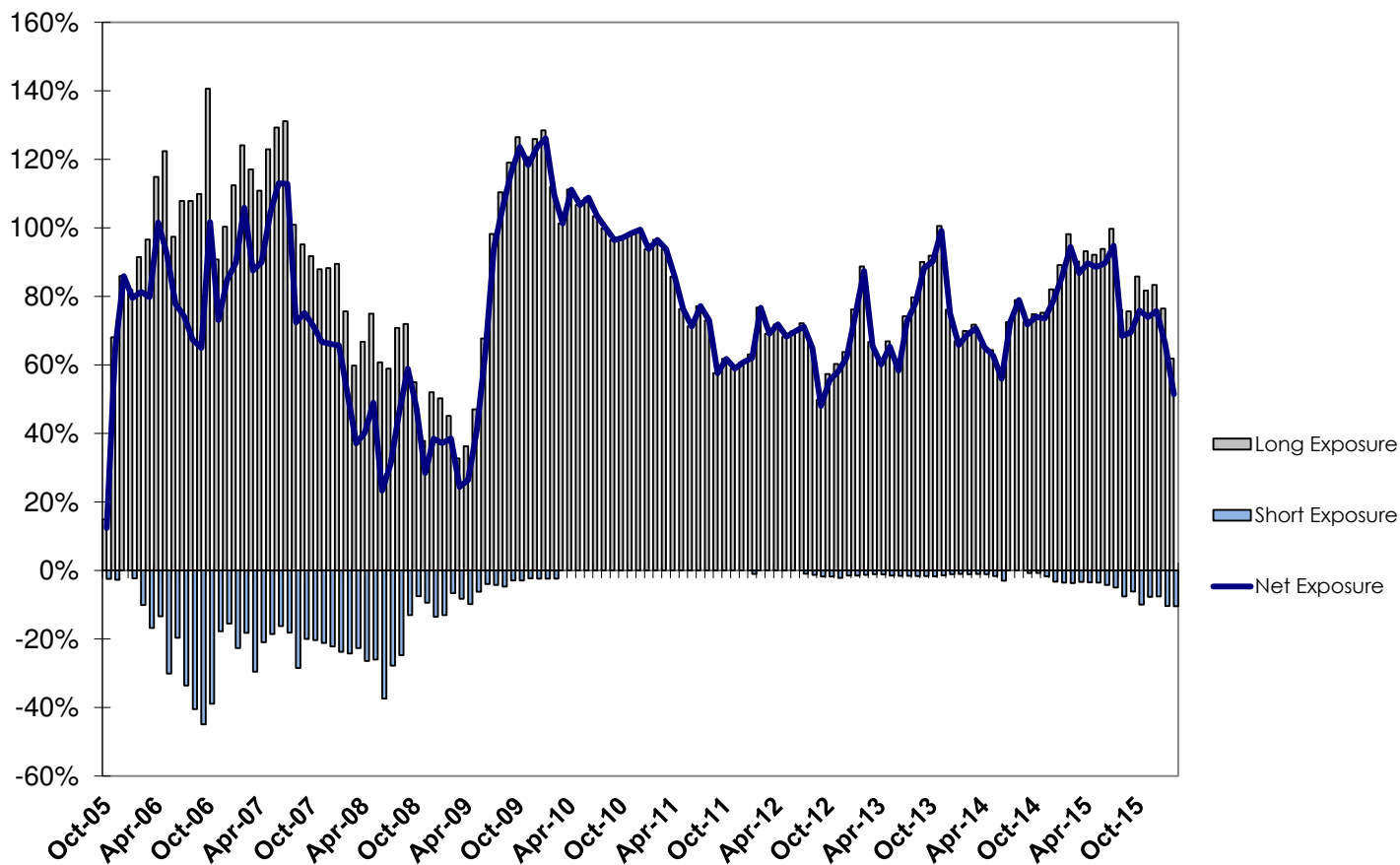
## Historic Strategy Performance & Exposure - 10 Years

Cadence Capital Limited is an ASX listed fund that has been operating the Cadence Long/ Short equities strategy for ten years. Over time the Cadence Cayman Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 29th February 2016	CDM**	All Ords	Outperformance
1 Month	-7.38%	-1.47%	-5.91%
1 Year	-8.00%	-12.23%	+4.23%
2 Years	2.12%	-0.33%	+2.45%
3 Years	14.97%	10.01%	+4.96%
5 Years	69.08%	25.14%	+43.94%
8 Years	175.29%	23.62%	+151.67%
10 Years	289.03%	55.38%	+233.65%
Since Inception (10.4 years)	363.88%	67.77%	+296.11%
Since Inception Annualised (10.4 years)	15.87%	5.09%	+10.78%

\*Before Management and Performance Fees

\*\*Used the percentage increase in Post Tax NTA for May 2011





## Recent News Articles

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Karl Siegling participated in [the latest Under The Radar report](#), where he discussed some of the stocks he's interested in and why.

Karl Siegling was [quoted by the AFR](#) and questioned whether the market prices are leading fundamentals.

We've added reviews to our [52 Books You Should Read Before Buying Your Next Stock](#) section, including How To Make Money In Stocks by William O'Neil, The Tipping Point by Malcolm Gladwell and Thinking, Fast and Slow by Daniel Kahneman.

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

## Fund Facts

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Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 400 Million
Redemption Notice:	3 Months	Prime Broker:	Deutsche Bank
Lock-up:	None	Administrator:	TMF Group
Management Fee:	1.5%	Fund Domicile:	Cayman Islands
Performance Fee:	20%	Legal Advisers (Cayman)	Walkers

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