



INVESTMENT UPDATE

MAY 2016

Cadence Cayman Fund NTA as at 31st May 2016:

NTA per share (Series AUD1) **\$ 1,969.54**
 Net Performance May 2016 (Series AUD1) **+ 3.68%**

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%	0.32%	-0.46%	3.68%								-10.27%
All Ordinaries Acc Index	-5.38%	-1.47%	4.74%	3.24%	3.09%								3.92%
* Net of all fees										Accumulated return		96.96%	
										All Ordinaries Acc Index		47.37%	

Portfolio Commentary

During May 2016 Cadence Cayman Fund returned a positive net performance of 3.68% compared to an increase in the All Ordinaries Accumulation Index of 3.09%. For the past 12 months the fund has returned a negative net performance of 9.45% compared to a decrease in the All Ordinaries Accumulation Index of 1.25%.

As at the 31st May 2016 the fund was 66.9% net long.



Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	20.06%		20.06%
Communications	11.11%		11.11%
Consumer, Non-cyclical	9.71%		9.71%
Software & Services	8.84%		8.84%
Financial	8.43%	0.99%	7.44%
Banks	3.95%		3.95%
Consumer Services	3.15%		3.15%
Basic Materials	2.59%		2.59%
Technology	3.36%	0.96%	2.40%
Consumer, Cyclical	0.89%		0.89%
Industrial	0.18%		0.18%
Materials	0.40%	1.52%	-1.12%
Energy	0.20%	2.49%	-2.29%
Exposure	72.87%	5.95%	66.91%
Cash on Hand			33.09%

Top Portfolio Positions

Stock Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	14.30%
MLB	Melbourne IT Ltd	Long	8.84%
GOOG US	Alphabet Inc.	Long	3.53%
MA US	Mastercard Inc	Long	3.43%
9984 JP	Softbank Group Corp.	Long	3.32%
FB US	Facebook Inc.	Long	3.18%
RFG	Retail Food Group	Long	3.15%
HGG	Henderson Group Plc	Long	2.84%
WPL	Woodside Petroleum Ltd	Short	2.49%
IPH	IPH Ltd	Long	2.37%
AIG US	American International Group	Long	2.31%
005930 KS	Samsung Electronics Company Ltd	Long	2.11%
PEP	Pepper Group	Long	1.85%
ANZ	Australia & New Zealand Banking Group	Long	1.74%
GILD US	Gilead Sciences Inc.	Long	1.63%
NCM	Newcrest Mining Ltd	Long	1.63%
CYA	Century Australia Investment	Long	1.59%
Top Portfolio Holdings Gross Exposure			61.83%

For more information contact Cadence Cayman Fund on 02 8298 2444 or email info@cadencecapital.com.au
 Register to receive our newsletter at www.cadencecapital.com.au and click on the 'Join our Newsletter' link.



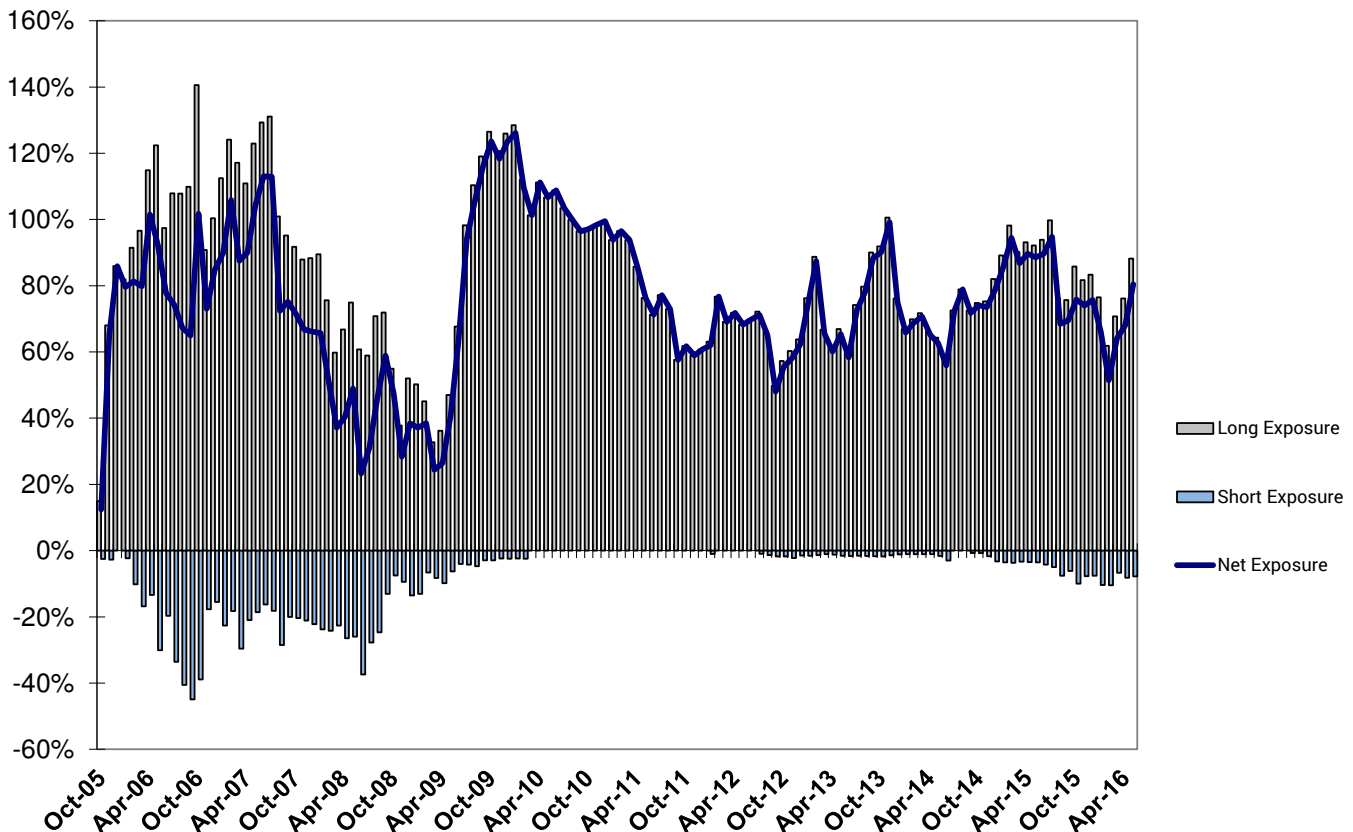
Historic Strategy Performance & Exposure - 10 Years

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 31st May 2016	CDM**	All Ords	Outperformance
1 Month	4.11%	3.09%	1.02%
1 Year	-8.82%	-1.25%	-7.57%
3 Years	18.97%	26.37%	-7.40%
5 Years	58.39%	42.09%	+16.30%
8 Years	184.37%	34.05%	+150.32%
10 Years	254.52%	68.70%	+185.82%
Since Inception (10.7 years)	380.07%	87.03%	+293.04%
Since Inception Annualised (10.7 years)	15.84%	6.05%	+9.79%

*Before Management and Performance Fees

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





Recent News Articles

Karl Siegling's latest article, "[Commodities: Has the trend changed?](#)", was published in the 157th edition of the Cuffelinks newsletter. The article explains the cyclical nature of commodities, and gives an overview of how we deal with this at Cadence.

Watch our [latest quarterly webcast](#) for an update of the fund's performance, information about the Company's 5.0 cent interim dividend and an update on the Company's outlook. In addition, Karl Siegling shares his views on Macquarie Bank (MQG).

You can read our latest book reviews, including *Hot Commodities* by Jim Rogers, in the [52 Books You Should Read Before Buying Your Next Stock](#) section.

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

Fund Facts

Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 350 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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Hope, Fear and Greed: Understanding Investment Market Psychology

Understand the 3 key emotions in the market, and follow our live example of how these may affect the Macquarie Group Limited (MQG) share price.

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