



INVESTMENT UPDATE

JUNE 2016

For the month of June 2016 Cadence Capital Fund returned a negative gross performance of 6.23% compared to a decrease in the All Ordinaries Accumulation Index of 2.28%.

During June the Brexit result had a negative impact on a number of Cadence Capital Fund's larger holdings, in particular Macquarie Group (ASX code MQG) and Henderson Group (ASX code HGG). Uncertainty plagued the market and these positions have been impacted in the short term. The fundamentals of these Companies remain sound and we believe over time the fundamentals will be reflected in the share prices. In time some of these significant price moves may even present opportunities. [Both of these investments are discussed in more detail in the June 2016 quarterly Webcast.](#)

During the first two weeks of July markets are starting to show early signs of recovery from a point of pessimism for Britain and Europe. The US market has recently reached all-time highs and the Asian stock market is showing some signs of strength.

As at the 30th June 2016 the fund was holding 18% cash (82% invested).

Fund NTA

Unit price as at 30th June 2016:

NTA (Post fees) – Class A Original series **\$1.795**

Fund Performance

Performance* to 30th June 2016	CCF**	All Ords	Outperformance
1 Month	-6.23%	-2.28%	-3.95%
1 Year	-14.17%	2.01%	-16.18%
3 Years	9.10%	26.81%	-17.71%
5 Years	48.10%	42.24%	+5.86%
7 Years	238.07%	81.54%	+156.53%
10 Years	137.02%	61.85%	+75.17%
Inception to date accumulated return (12.6 years)	416.90%	176.93%	+239.97%
Annualised return since inception (12.6 years)	13.85%	8.37%	+5.48%

* Gross Performance before Management and Performance Fees

** Adjusted to include material franking credit of 26.7 cents received from RHG dividend during May 2011



Top Portfolio Positions

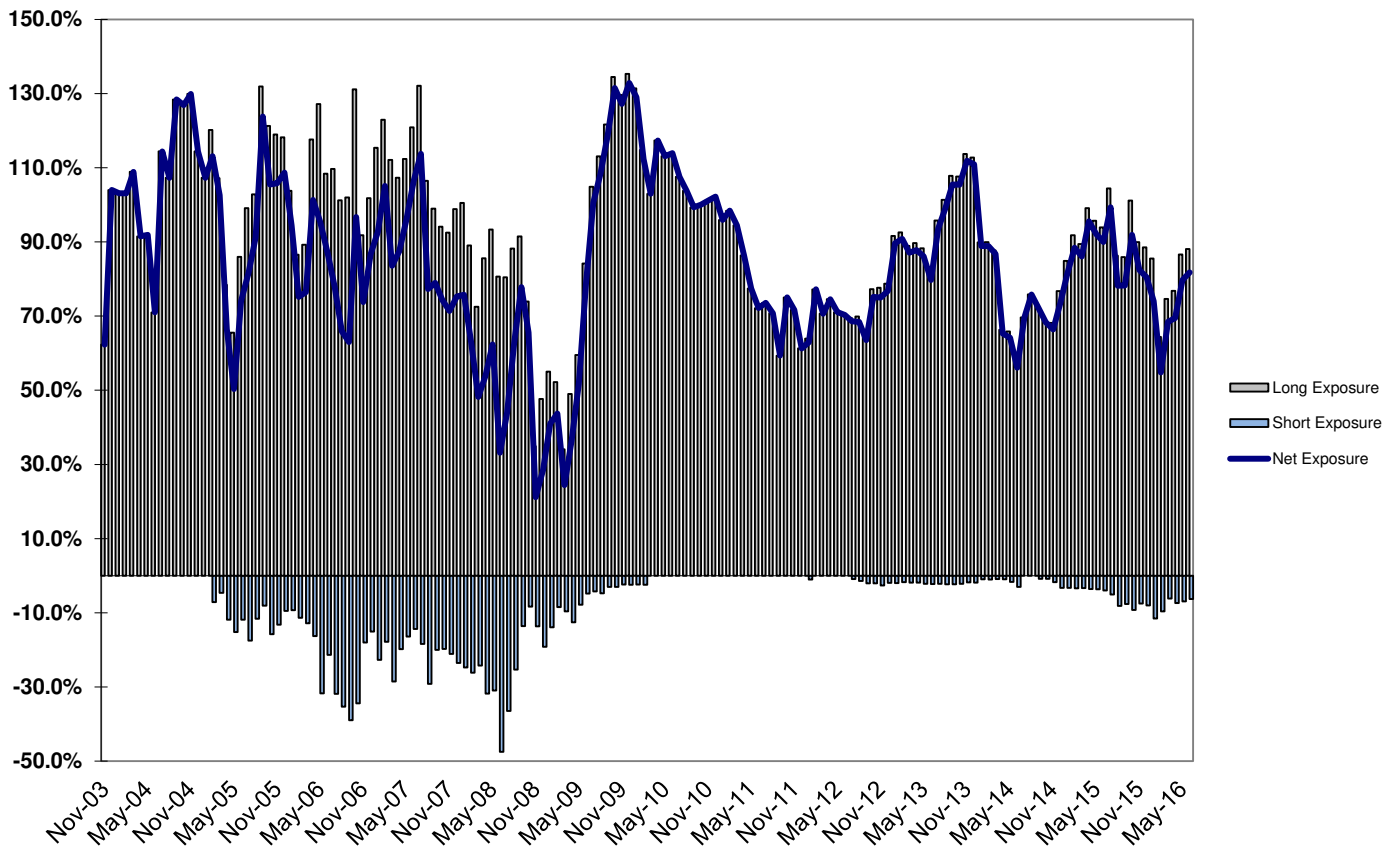
Stock Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	13.14%
MLB	Melbourne IT Ltd	Long	AUD	8.11%
HGG	Henderson Group Plc	Long	AUD	5.62%
AIO	Asciano Ltd	Long	AUD	5.33%
GOOG US	Alphabet Inc	Long	AUD	3.98%
RFG	Retail Food Group	Long	AUD	3.92%
9984 JP	Softbank Group Corp	Long	AUD	3.74%
MA US	Mastercard Inc	Long	AUD	3.60%
FB US	Facebook Inc	Long	AUD	3.09%
SHV	Select Harvest Ltd	Long	AUD	3.03%
5930 KS	Samsung Electronics Co Ltd	Long	USD	2.90%
WPL	Woodside Petroleum Ltd	Short	AUD	2.87%
AIG US	American International Group	Long	AUD	2.26%
CBA	Commonwealth Bank of Australia	Long	AUD	2.23%
IPH	IPH Ltd	Long	AUD	2.21%
NCM	Newcrest Mining Ltd	Long	AUD	2.12%
MYO	MYOB Group Ltd	Short	AUD	1.89%
GILD US	Gilead Sciences Inc	Long	AUD	1.81%
Top Portfolio Holdings - Gross Exposure				71.85%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	21.70%		21.70%
Consumer, Non-cyclical	12.91%		12.91%
Communications	12.84%		12.84%
Software & Services	8.11%		8.11%
Financial	6.89%		6.89%
Industrial	6.51%		6.51%
Banks	5.25%		5.25%
Consumer Services	3.92%		3.92%
Consumer, Cyclical	2.93%		2.93%
Technology	4.14%	1.89%	2.25%
Basic Materials	2.25%	0.17%	2.09%
Materials	0.36%	1.39%	-1.03%
Energy	0.29%	2.87%	-2.58%
Exposure	88.10%	6.31%	81.79%
Cash on hand			18.21%



Portfolio Exposure



Recent News Articles

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The Cadence team shares links to interesting articles, you can access those articles through the [Interesting Links](#) section. The team has also put together a list of tools, resources and articles relevant to SMSF's, we encourage SMSF's to visit the [SMSF Resources section](#) of our website.

Our June 2016 Quarterly Webcast can be watched by [clicking here](#).

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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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