



INVESTMENT UPDATE

JULY 2016

Cadence Cayman Fund NTA as at 31st July 2016:

NTA per share (Series AUD1) **\$ 1,953.32**
 Net Performance July 2016 (Series AUD1) **+3.81%**

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%	-4.46%	3.81%						-11.00%
All Ordinaries Acc Index	-5.38%	-1.47%	4.74%	3.24%	3.09%	-2.28%	6.29%						7.94%
										Accumulated return		95.34%	
										All Ordinaries Acc Index		53.07%	

* Net of all fees

Portfolio Commentary

For the month of July 2016 Cadence Cayman Fund returned a positive gross performance of 3.81% compared to an increase in the All Ordinaries Accumulation Index of 6.29%.

July has seen a recovery in equity markets and in particular a change in sentiment away from 'panic' in relation to the 'Brexit' vote. Many world equity markets are actually recording all-time highs. This recovery has been assisted in Australia by a cut in interest rates to all time record low cash rates of 1.5%. Approximately 40% of the developed world currently has negative interest rates. Our portfolio has benefitted from these developments in July and continues to do so in August. Examples of stocks with significant change in sentiment have been Macquarie Group (ASX code MQG) and Henderson Group (ASX code HGG).

As at the 31st July 2016 the fund was 69.57% net long.



Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	20.99%		20.99%
Communications	10.97%		10.97%
Software & Services	8.78%		8.78%
Consumer, Non-cyclical	8.50%		8.50%
Financial	8.27%		8.27%
Banks	4.48%		4.48%
Consumer Services	3.42%		3.42%
Basic Materials	3.76%	0.43%	3.33%
Technology	3.32%	1.08%	2.23%
Industrial	1.65%		1.65%
Materials	0.43%	1.23%	-0.80%
Energy	0.25%	2.50%	-2.25%
Exposure	74.81%	5.24%	69.57%

Cash on Hand **30.43%**

Top Portfolio Positions

Stock Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	14.76%
MLB	Melbourne IT Ltd	Long	8.78%
RFG	Retail Food Group	Long	3.42%
FB US	Facebook Inc.	Long	3.28%
HGG	Henderson Group Plc	Long	3.27%
9984 JP	Softbank Group Corp.	Long	3.26%
5930 KS	Samsung Electronics Company Ltd	Long	2.64%
WPL	Woodside Petroleum Ltd	Short	2.50%
MA US	Mastercard Inc	Long	2.39%
IPH	IPH Ltd	Long	2.36%
GOOG US	Alphabet Inc.	Long	2.33%
NCM	Newcrest Mining Ltd	Long	2.22%
AIG US	American International Group	Long	2.15%
PEP	Pepper Group	Long	2.02%
ANZ	Australia & New Zealand Banking Group	Long	2.00%
CYA	Century Australia Investment	Long	1.74%
MND	Monadelphous Group Ltd	Long	1.65%
NAB	National Australia Bank	Long	1.50%
Top Portfolio Holdings Gross Exposure			62.27%

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.



Recent News Articles

Our latest Quarterly Webcast was released last month, and you can [watch the full webcast on our website](#). We also released the stock-specific section of the webcast as a separate video titled [Karl Siegling Discusses Top Portfolio Positions: MQG, MLB, AIO & HGG](#).

Following up on Karl Siegling's article titled "[Commodities: Has the trend changed?](#)" which was published in May, Cadence portfolio manager Chris Garrard wrote an article focusing on two of our current commodity positions: Rio Tinto (RIO) and Woodside Petroleum (WPL). You can read the article here: [Rio Tinto & Woodside Petroleum: Has the trend changed?](#)

Karl Siegling was quoted by the AFR in an article titled [Macquarie Group's Nicholas Moore coy on Brexit impact](#), where he shares his views on Macquarie Group's outlook for the year.

We've updated our [52 Books You Should Read Before Buying Your Next Stock](#) list with our latest book reviews including *The Rise And Rise of Kerry Packer* by Paul Barry, *The Next Great Bubble Boom* by Harry S. Dent Jr. and *When Genius Failed* by Roger Lowenstein. The Cadence team also shares links to interesting articles which you can find in the [Interesting Links section](#).

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

For more information contact Cadence Cayman Fund on 02 8298 2444 or email info@cadencecapital.com.au
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