



INVESTMENT UPDATE

JANUARY 2017

For the month of January 2017 Cadence Capital Fund returned a negative gross performance of 0.7% compared to a decrease in the All Ordinaries Accumulation Index of 0.8%. For the financial year to date, Cadence Capital Fund has returned a positive gross performance of 9.5% compared to an increase in the All Ordinaries Accumulation Index of 9.9%.

As at the 31st January 2017 the fund was holding 18.1% cash (81.9% invested).

Fund NTA

Unit price as at 31st January 2017:

NTA – Class A Original series \$1.945

Fund Performance

Performance* to 31st January 2017	CCF**	All Ords	Outperformance
1 Month	-0.7%	-0.8%	+0.10%
YTD	8.7%	9.1%	-0.40%
1 Year	-3.1%	17.1%	-20.20%
3 Years	5.0%	24.2%	-19.20%
5 Years	51.3%	63.2%	-11.90%
7 Years	175.2%	66.9%	+108.30%
10 Years	103.6%	51.2%	+52.40%
Inception to date accumulated return (13.3 years)	462.0%	202.1%	+259.90%
Annualised return since inception (13.3 years)	13.9%	8.7%	+5.20%

* 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

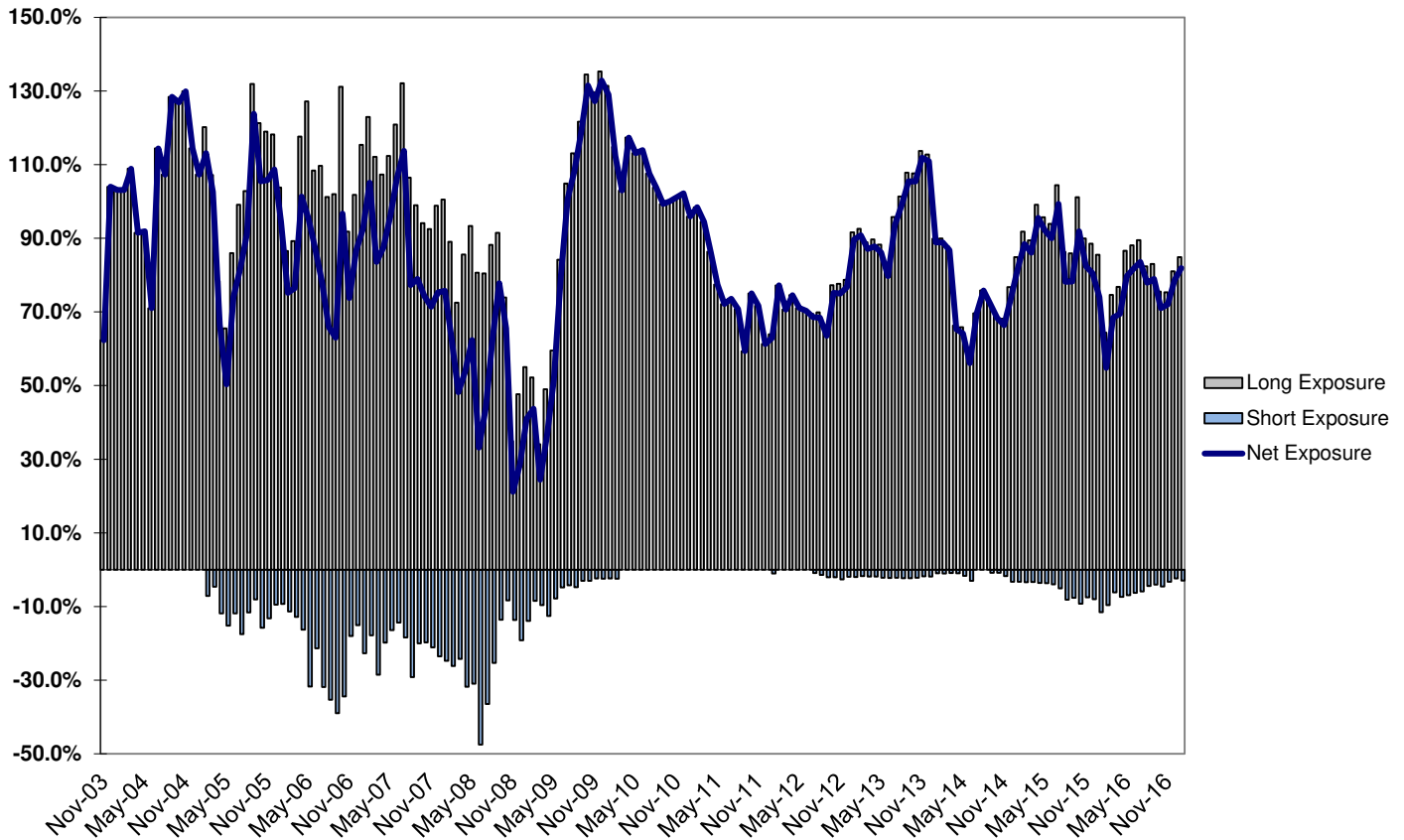
Stock Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	9.51%
MLB	Melbourne IT Ltd	Long	AUD	9.43%
HGG	Henderson Group Plc	Long	AUD	5.46%
RFG	Retail Food Group	Long	AUD	5.46%
9984 JP	Softbank Group Corp	Long	AUD	4.44%
5930 KS	Samsung Electronics Co Ltd	Long	USD	4.08%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.89%
IGO	Independence Group NL	Long	AUD	3.42%
FB US	Facebook Inc	Long	AUD	3.40%
NAB	National Australia Bank Ltd	Long	AUD	3.30%
GOOG US	Alphabet Inc	Long	AUD	3.05%
AIG US	American International Group	Long	AUD	2.78%
CBA	Commonwealth Bank of Australia	Long	AUD	2.54%
ECX	Eclix Group Ltd	Long	AUD	2.49%
MA US	Mastercard Inc	Long	AUD	1.60%
CYA	Century Australia Investments Ltd	Long	AUD	1.34%
MND	Monadelphous Group Ltd	Long	AUD	1.32%
PEP	Pepper Group Ltd	Long	AUD	1.30%
Top Portfolio Holdings - Gross Exposure				68.8%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	17.31%		17.31%
Communications	10.89%		10.89%
Banks	9.73%		9.73%
Financial	9.54%		9.54%
Software & Services	9.43%		9.43%
Consumer, Non-cyclical	6.09%		6.09%
Consumer Services	5.46%		5.46%
Technology	4.24%		4.24%
Basic Materials	3.72%	0.13%	3.59%
Consumer, Cyclical	3.61%	1.84%	1.77%
Industrial	1.32%		1.32%
Energy	2.09%	1.02%	1.07%
Capital Goods	1.06%		1.06%
Materials	0.39%		0.39%
Exposure	84.9%	3.0%	81.9%
Cash on hand			18.1%



Portfolio Exposure



Recent News Articles

Karl Siegling was featured in the January ASX Investor Update Newsletter with his article [‘Is the next resources boom starting?’](#). The article was also featured by Share Café [‘Are we in a resources boom ... or not?’](#).

Cadence Capital was also quoted extensively in an AFR article on Macquarie Bank (MQG), one of the fund’s largest positions [‘Macquarie Group’s Nicholas Moore eyes mooted US tax cuts, infrastructure spend.’](#)

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