

INVESTMENT UPDATE

MAY 2017

For the month of May 2017 Cadence Capital Fund returned a positive gross performance of 1.5% outperforming the All Ordinaries Accumulation Index by 4.1%. For the financial year to date, Cadence Capital Fund has returned a positive gross performance of 14.9% compared to an increase in the All Ordinaries Accumulation Index of 12.8%.

As at the 31st May 2017 the fund was holding 8% cash (92% invested).

Fund NTA

Unit price as at 31st May 2017:

NTA – Class A Original series **\$2.055**

Fund Performance

Performance* to 31st May 2017	CCF**	All Ords	Outperformance
1 Month	1.5%	-2.6%	+4.1%
YTD	14.9%	12.8%	+2.1%
1 Year	7.7%	10.2%	-2.5%
3 Years (per annum)	2.6%	6.2%	-3.6%
5 Years (per annum)	10.2%	11.6%	-1.4%
7 Years (per annum)	17.3%	8.3%	+9.0%
10 Years (per annum)	7.3%	3.4%	+3.9%
Inception to date accumulated return (13.6 years)	493.8%	212.4%	+281.4%
Annualised return since inception (13.6 years)	14.0%	8.7%	+5.3%

* 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

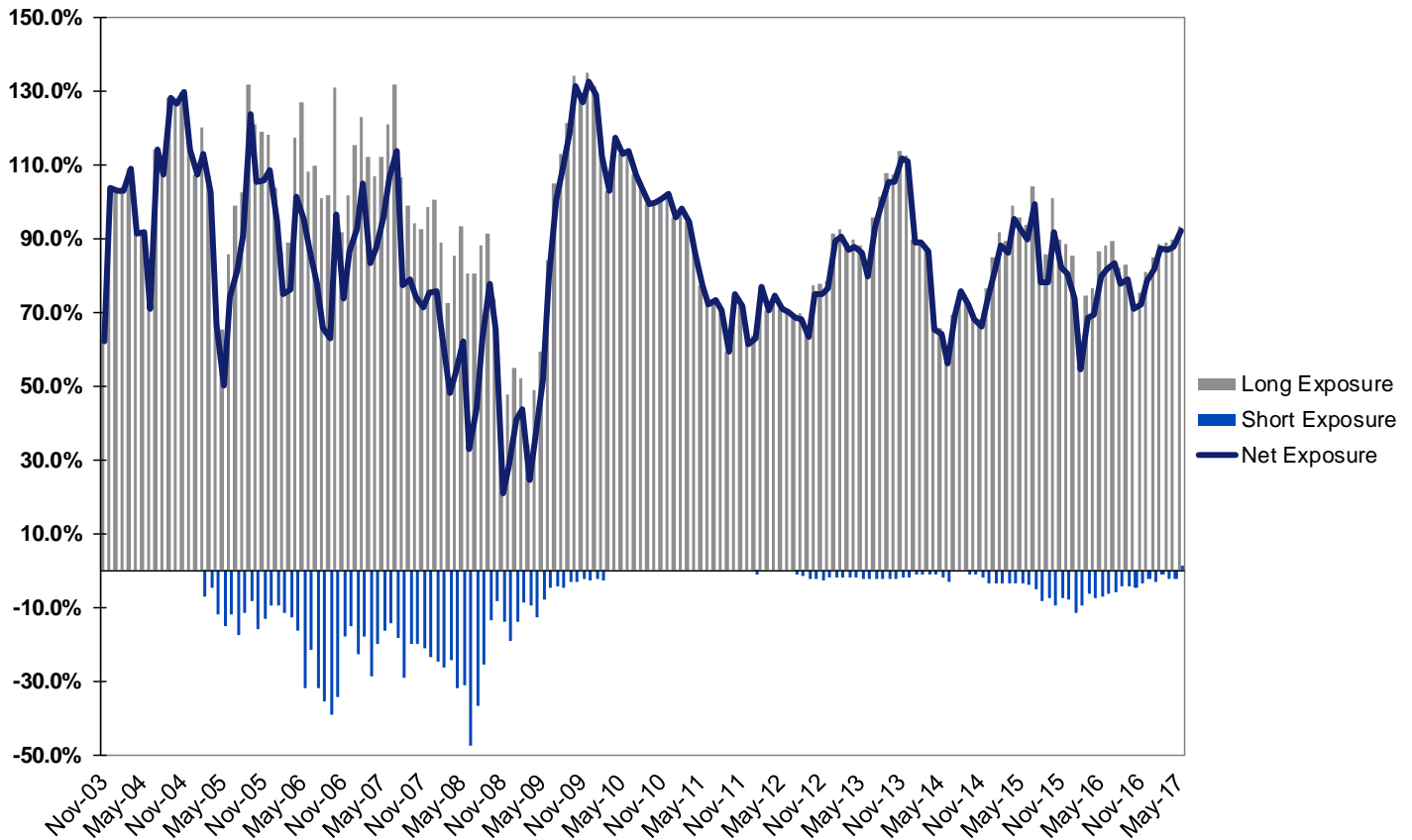
Stock Code	Position	Direction	Currency	Holding
MLB	Melbourne IT Ltd	Long	AUD	14.8%
MQG	Macquarie Group Limited	Long	AUD	11.4%
HGG	Janus Henderson Group Plc	Long	AUD	6.2%
5930 KS	Samsung Electronics Co Ltd	Long	USD	4.8%
9984 JP	Softbank Group Corp	Long	AUD	4.7%
RFG	Retail Food Group	Long	AUD	3.9%
FB US	Facebook Inc	Long	AUD	3.9%
GOOG US	Alphabet Inc	Long	AUD	3.7%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.6%
ECX	Eclix Group Ltd	Long	AUD	3.3%
NAB	National Australia Bank Ltd	Long	AUD	3.2%
EHE	Estia Health Ltd	Long	AUD	3.1%
AAD	Ardent Leisure Group Ltd	Long	AUD	3.1%
AIG US	American International Group	Long	AUD	2.7%
CBA	Commonwealth Bank of Australia	Long	AUD	2.4%
IGO	Independence Group NL	Long	AUD	2.1%
MA US	Mastercard Inc	Long	AUD	1.8%
MND	Monadelphous Group Ltd	Long	AUD	1.6%
Top Portfolio Holdings - Gross Exposure				80.3%

Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	19.5%		19.5%
Software & Services	14.8%		14.8%
Communications	13.6%		13.6%
Financial	10.6%		10.6%
Banks	9.2%		9.2%
Consumer, Non-cyclical	6.5%		6.5%
Technology	4.9%		4.9%
Consumer Services	3.9%		3.9%
Basic Materials	3.8%		3.8%
Industrial	2.7%		2.7%
Consumer, Cyclical	3.3%	1.0%	2.3%
Energy	0.7%	0.3%	0.4%
Materials	0.1%		0.1%
Exposure	93.6%	1.3%	92.3%
Cash on hand			7.7%



Portfolio Exposure



Recent News Articles

Please view the [March 2017 Quarterly Webcast](#) which provides an update on the fund's performance and a brief outlook for the Company. It then discusses the portfolio's holdings, and gives a detailed update of the Company's largest holding Melbourne IT (ASX:MLB).

Cadence Capital was quoted in the press in May in the following news articles [The Australian – PM's former firm Melbourne IT making its mark](#), [AFR Chanticleer – Macquarie deserves re-rating as a fund manager](#) and [The Australian – Macquarie chief calls for infrastructure blitz](#).

Karl Siegling was also featured in Cuffelinks Newsletter on the [impact of global migration of millionaires](#).

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Are resources gains sustainable? How does the Cadence Capital approach to investing enable us to profit from resources in the current environment? Two 'live' examples of current resource investments – Monadelphous Group Ltd (MND) and Fortescue Metals Group (FMG).

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