

INVESTMENT UPDATE

AUGUST 2017

For the month of August 2017 Cadence Capital Limited returned a positive gross performance of 2.7% compared to an increase in the All Ordinaries Accumulation Index of 0.8%. For the past 12 months, Cadence Capital Limited returned a positive gross performance of 13.5% outperforming the All Ordinaries Accumulation Index by 4.6%.

During the month of August the Company announced a record full year profit and declared a 4.0 cent fully-franked final dividend. To watch the June 2017 year-end webcast [please click here](#).

The [4.0 cent fully-franked final dividend](#) equates to a 6.3% annual fully franked yield, or a 9.0% gross yield (grossed up for franking credits), based on the CDM share price at the time of the announcement. The Ex-Date for the dividend is the 8th September 2017 and the payment date is the 18th September 2017. Shareholders can participate in the Dividend Re-Investment Plan (“DRP”) at a 3% discount. The closing date for the DRP election is the 13th September 2017. If you would like to participate in the DRP please complete the [DRP Application Form](#) and return it to our Share Registry, BoardRoom Pty Limited by this date. Directors Karl Siegling and Wayne Davies intend to fully participate in the DRP.

As at the 31st August 2017 the fund was holding 7% cash (93% invested).

Fund NTA

Net Tangible Assets as at 31 August 2017	Amount (\$)
Pre Tax NTA	\$1.194
Post Tax NTA	\$1.265
Share price (ASX Code: CDM)	\$1.310

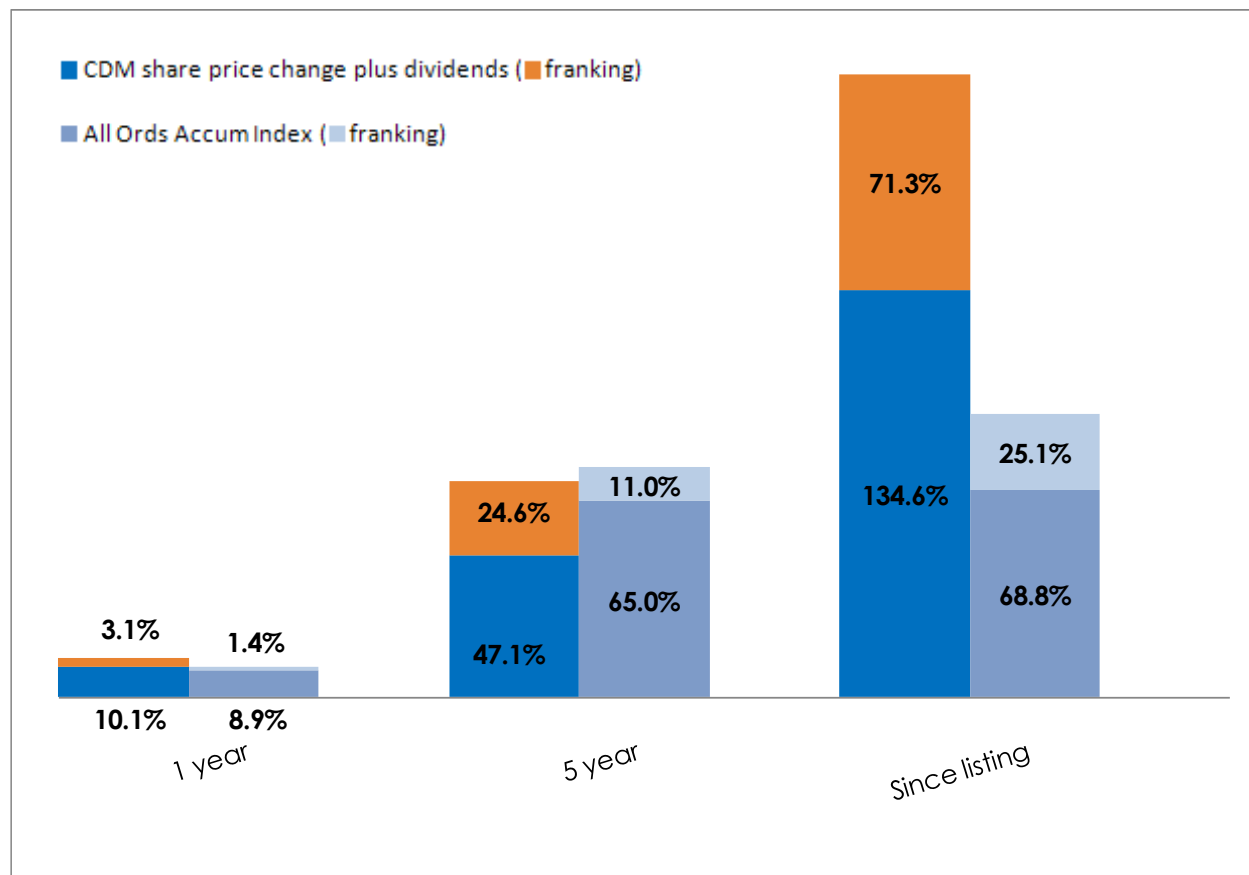
Fund Performance

Performance* to 31st August 2017	CDM**	All Ords	Outperformance
1 Month	2.7%	0.8%	+1.9%
YTD	3.4%	1.0%	+2.4%
1 Year	13.5%	8.9%	+4.6%
3 Years (per annum)	5.2%	5.4%	-0.2%
5 Years (per annum)	8.9%	10.5%	-1.6%
8 Years (per annum)	16.5%	7.7%	+8.8%
10 Years (per annum)	11.9%	3.6%	+8.3%
Since Inception (11.9 years) (per annum)	15.3%	6.4%	+8.9%
Since Inception (11.9 years) (total return)	447.9%	108.8%	+339.1%

* Before Management and Performance Fees

**These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011.

CDM Share Price and Option Returns plus Dividends & Franking



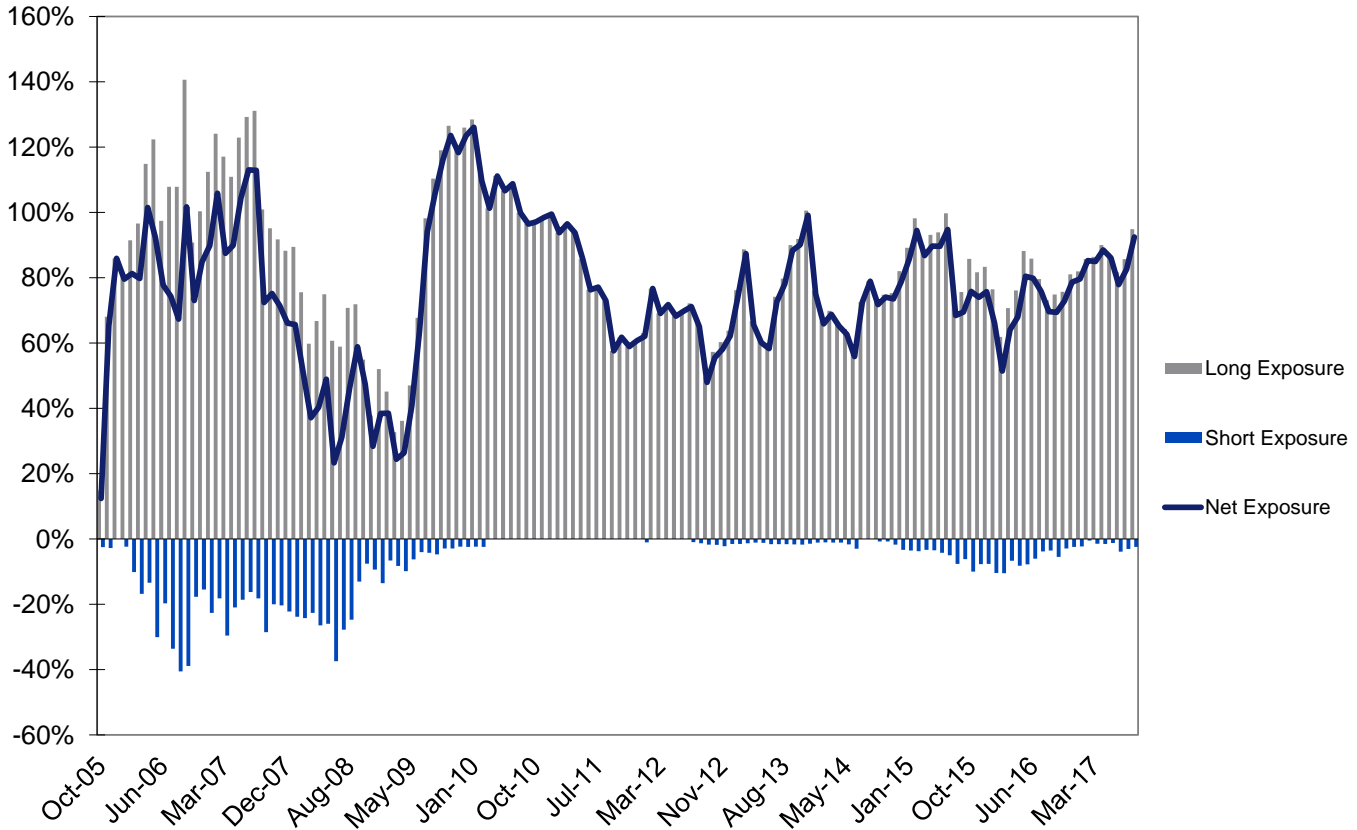
Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2c*	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	4.0c	4.5c	12.5c	17.8c
2013	5.0c	5.0c	1.0c	11.0c	15.7c
2014	5.0c	5.0c	-	10.0c	14.3c
2015	5.0c	5.0c	1.0c	11.0c	15.7c
2016	5.0c	4.0c	-	9.0c	12.9c
2017	4.0c	4.0c	-	8.0c	11.4c
TOTAL	37.5c	38.2c	11.5c	87.2c	123.7c

* Off market equal access buy back



Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Financial	18.5%		18.5%
Software & Services	17.8%		17.8%
Diversified Financials	10.6%		10.6%
Banks	10.2%		10.2%
Consumer, Non-cyclical	9.1%		9.1%
Industrial	7.8%		7.8%
Communications	7.3%		7.3%
Technology	4.8%		4.8%
Consumer, Cyclical	4.4%	1.8%	2.6%
Basic Materials	2.7%	0.7%	2.0%
Energy	1.6%		1.6%
Materials	0.1%		0.1%
Exposure	94.9%	2.4%	92.5%
Cash on Hand			7.5%

Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MLB	Melbourne IT Ltd	Long	AUD	17.6%
MQG	Macquarie Group Ltd	Long	AUD	10.4%
JHG	Janus Henderson Group Plc	Long	AUD	5.9%
5930 KS	Samsung Electronics Co Ltd	Long	USD	4.5%
9984 JP	Softbank Group Corp	Long	AUD	4.2%
ANZ	Australia and New Zealand Banking Group	Long	AUD	3.7%
CBA	Commonwealth Bank of Australia	Long	AUD	3.3%
ECX	Eclipx Group Ltd	Long	AUD	3.2%
NAB	National Australia Bank Ltd	Long	AUD	3.2%
DOW	Downer EDI Ltd	Long	AUD	3.1%
EHE	Estia Health Ltd	Long	AUD	3.0%
AAD	Ardent Leisure Group	Long	AUD	2.9%
MND	Monadelphous Group Ltd	Long	AUD	2.3%
AIG US	American International Group	Long	AUD	2.2%
FB US	Facebook Inc	Long	AUD	2.0%
SHJ	Shine Corporate Ltd	Long	AUD	2.0%
EHL	Emeco Holdings Ltd	Long	AUD	1.9%
DMP	Domino's Pizza Enterprises Ltd	Short	AUD	1.8%
PEP	Pepper Group Ltd	Long	AUD	1.7%
CNI	Centuria Capital Ltd	Long	AUD	1.3%
Top Portfolio Holdings Gross Exposure				80.3%

Recent News Articles

Chris Garrard, Cadence Portfolio Manager, was quoted in the AFR story [Domino's pizza short-sellers see 'ridiculously expensive' shares falling further](#).

A new book review has been added to the [52 books you should read before buying your next stock](#) list on our website being [Methods of Trading](#) by Richard D Wyckoff and Jesse Livermore.

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

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