

For the month of October 2018, Cadence Capital Fund returned a negative gross performance of 10.8%, compared to a decrease in the All Ordinaries Accumulation Index of 6.5%.

As at the 31st October 2018 the fund is 92.1% invested (7.9% cash).

October was a volatile month with global markets recording the worst monthly return since 2012. Market participants are grappling with the prospect of increasing US interest rates against the relatively strong economic growth backdrop. The fund's underperformance was driven primarily by its holdings in a number of small and mid-capitalization companies, with the Small Ordinaries Accumulation Index down 9.6% during the month. In our [September 2018 Quarterly Webcast](#) a detailed update was given on ARQ group.

Fund NTA

Unit price estimate (Post-Distribution) as at 31st October 2018:

NTA (Post Fees, Post Distribution) – Class A Original series **\$1.52**

Fund Performance

Performance ** to 31 October 2018	CCF	All Ords Accum	Outperformance
1 Month	-10.8%	-6.5%	-4.3%
YTD	-13.3%	-4.7%	-8.6%
1 Year	-7.7%	3.1%	-10.8%
3 Years (per annum)	0.6%	8.3%	-7.7%
5 Years (per annum)	3.8%	6.2%	-2.4%
8 Years (per annum)	14.4%	7.3%	+7.1%
10 Years (per annum)	14.5%	8.6%	+5.9%
Annualised return since inception (15.0 years)	13.1%	8.5%	+4.6%
Inception to date accumulated return (15.0 years)	537.7%	239.4%	+298.3%

** Gross Performance before Management and Performance Fees

Top Portfolio Positions

Stock Code	Position	Direction	Currency	Holding
ARQ	ARQ Group Ltd	Long	AUD	14.4%
MQG	Macquarie Group Limited	Long	AUD	6.7%
EHL	Emeco Holdings Ltd	Long	AUD	6.2%
NBL	Noni B Ltd	Long	AUD	5.5%
WOR	Worleyparsons Ltd	Long	AUD	5.2%
MNY	Money3 Corp Ltd	Long	AUD	4.6%
STO	Santos Ltd	Long	AUD	3.9%
TEVA US	Teva Pharmaceutical-SP	Long	AUD	3.5%
SHJ	Shine Corporate Ltd	Long	AUD	3.0%
HVN	Harvey Norman Holdings Ltd	Long	AUD	2.7%
MYX	Mayne Pharma Group Ltd	Long	AUD	2.6%
CNI	Centuria Capital Ltd	Long	AUD	2.3%
CLH	Collection House Ltd	Long	AUD	2.3%
HLO	Helloworld Travel Ltd	Long	AUD	2.1%
HOM	Homeloans Ltd	Long	AUD	2.0%
ASL	Ausdrill Ltd	Long	AUD	2.0%
JHG	Janus Henderson Group Plc	Long	AUD	1.8%
MIN	Mineral Resources Ltd	Short	AUD	(1.5%)
Top Portfolio Holdings - Net Exposure				69.2%

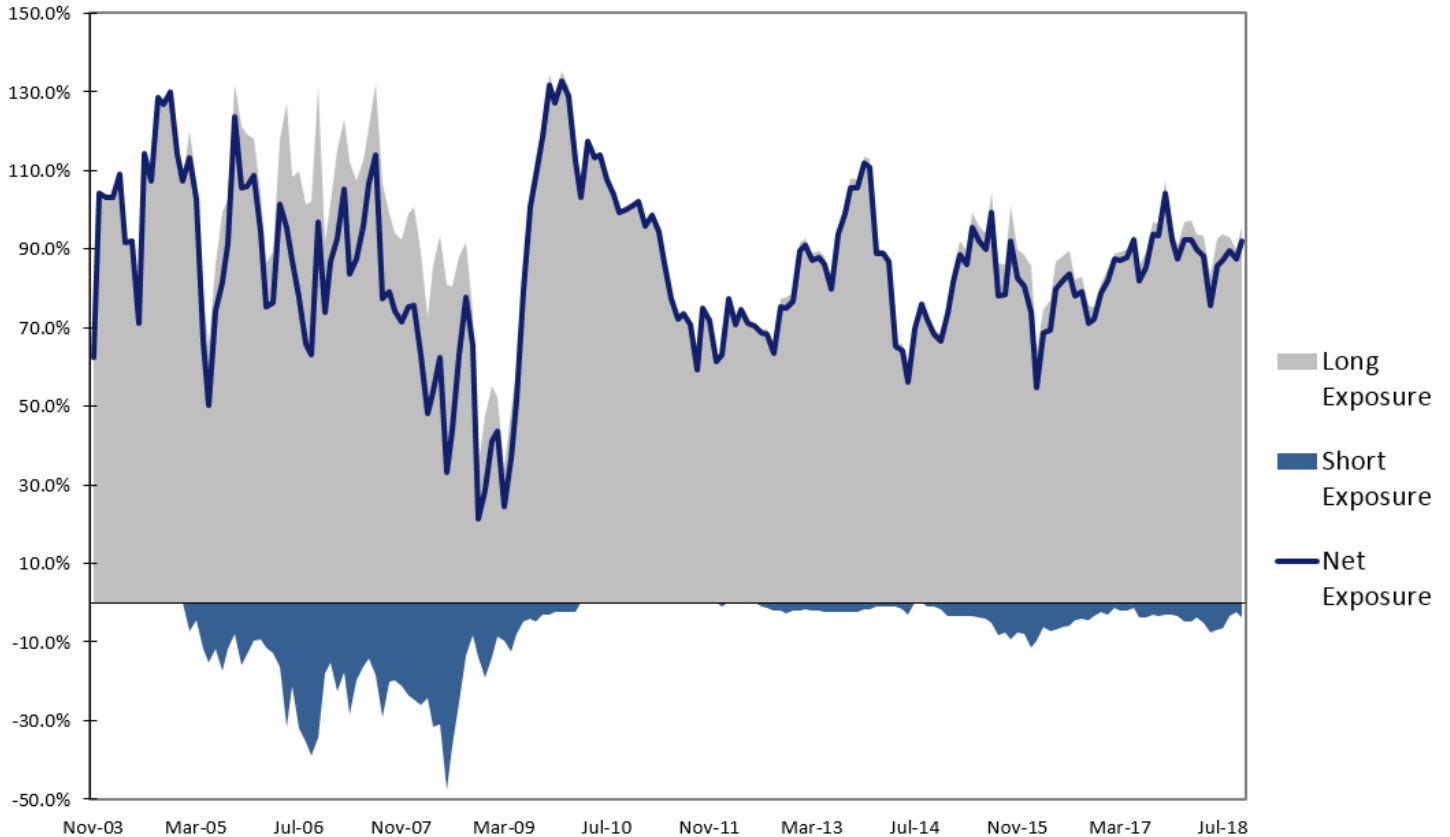
Portfolio Sector Analysis

Sector	Long	Short	Net
Consumer, Non-cyclical	20.2%		20.2%
Technology	14.6%		14.6%
Financial	12.5%		12.5%
Energy	12.3%		12.3%
Industrial	11.2%		11.2%
Consumer, Cyclical	10.9%	2.2%	8.7%
Diversified Financials	6.7%		6.7%
Materials	2.0%		2.0%
Basic Materials	3.4%	1.6%	1.8%
Communications	1.5%		1.5%
Health Care Equipment & Services	0.6%		0.6%
	95.9%	3.8%	92.1%

Cash on hand **7.9%**



Portfolio Exposure



News

We are pleased to announce that the [Prospectus is now open](#) for Cadence Opportunities Fund (ASX:CDO). All CDM shareholders and newsletter readers have a **priority offer to this IPO**. Please feel free to watch a short [introductory Webcast](#) about this fund and read the [Independent Investment Research \(IIR\) report](#), which has a Recommended rating. The Fund will have a greater focus on shorter-term price trends than CDM and will look to capture alpha from these shorter-term price trends.

In October we released our [September 2018 Webcast](#), Karl Siegling discusses the company's performance, including a detailed review of two current positions in the portfolio, ARG Group (ASX:ARQ) and Teva Pharmaceutical Industries (NYSE:TEVA).

Karl Siegling warns ["Australian banks are on a slide and investors should keep their distance as the industry reaches, maximum pessimism"](#) in an interview with RFI Group's, Lucas Baird.



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We welcome any of your friends or colleagues that you feel may benefit from our monthly Cadence Capital Limited Newsletter. [Please click here to refer a friend by supplying their name and email address.](#)

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