

## INVESTMENT UPDATE

December 2018

For the month of December 2018, Cadence Capital Fund returned a negative gross performance of 6.7%, compared to a decrease in the All Ordinaries Accumulation Index of 0.45%.

As at the 31<sup>st</sup> December 2018 the fund is 65.8% invested (34.2% cash).

For the past month, the largest detractors from performance were ARQ Group Ltd, Emeco Holdings Ltd, Teva Pharmaceutical Industries Ltd, Nine Entertainment and Ausdrill Ltd. The largest contributors to performance were Liquified Natural Gas Ltd and Longtable Group Ltd.

We will release the half year webcast over the coming week. In this webcast we will discuss the company's performance over the past 6 months, the current top positions in the portfolio, and the outlook for 2019.

## Fund NTA

Unit price estimate (Post-Distribution) as at 31<sup>st</sup> December 2018:

**NTA (Post Fees, Post Distribution) – Class A Original series      \$1.36**

## Fund Performance

Performance* to 31 December 2018	CCF	All Ords Accum	Outperformance
1 Month	-6.7%	-0.5%	-6.2%
YTD	-23.2%	-7.3%	-15.9%
1 Year	-21.8%	-3.5%	-18.3%
3 Years (per annum)	-2.8%	6.6%	-9.4%
5 Years (per annum)	0.4%	5.7%	-5.3%
8 Years (per annum)	9.6%	6.6%	+3.0%
10 Years (per annum)	15.0%	9.1%	+5.9%
Annualised return since inception (15.2 years)	12.1%	8.2%	+3.9%
Inception to date accumulated return (15.2 years)	464.9%	230.3%	+234.5%

\* Gross Performance before Management and Performance Fees

## Top Portfolio Positions

Stock Code	Position	Direction	Currency	Holding
ARQ	ARQ Group Ltd	Long	AUD	14.5%
MQG	Macquarie Group Limited	Long	AUD	5.3%
MNY	Money3 Corp Ltd	Long	AUD	5.2%
NBL	Noni B Ltd	Long	AUD	4.3%
SHJ	Shine Corporate Ltd	Long	AUD	3.0%
MAH	Mamahon Holdings Ltd	Long	AUD	2.7%
EHL	Emeco Holdings Ltd	Long	AUD	2.5%
SMR	Stanmore Coal Ltd	Long	AUD	2.1%
HLO	Helloworld Travel Ltd	Long	AUD	2.0%
RMC	Resimac Group Ltd	Long	AUD	2.0%
CNI	Centuria Capital Ltd	Long	AUD	1.9%
BKL	Blackmores Ltd	Long	AUD	1.8%
MCP	Mcperson's Ltd	Long	AUD	1.4%
DOW	Downer EDI Ltd	Long	AUD	1.2%
LNG	Liquefied Natural Gas	Long	AUD	1.0%
IMD	Imdex Ltd	Long	AUD	1.0%
MUA	Mitula Group Ltd	Long	AUD	1.0%
BOL	Boom Logistics Ltd	Long	AUD	0.8%
<b>Top Portfolio Holdings - Net Exposure</b>				<b>53.7%</b>

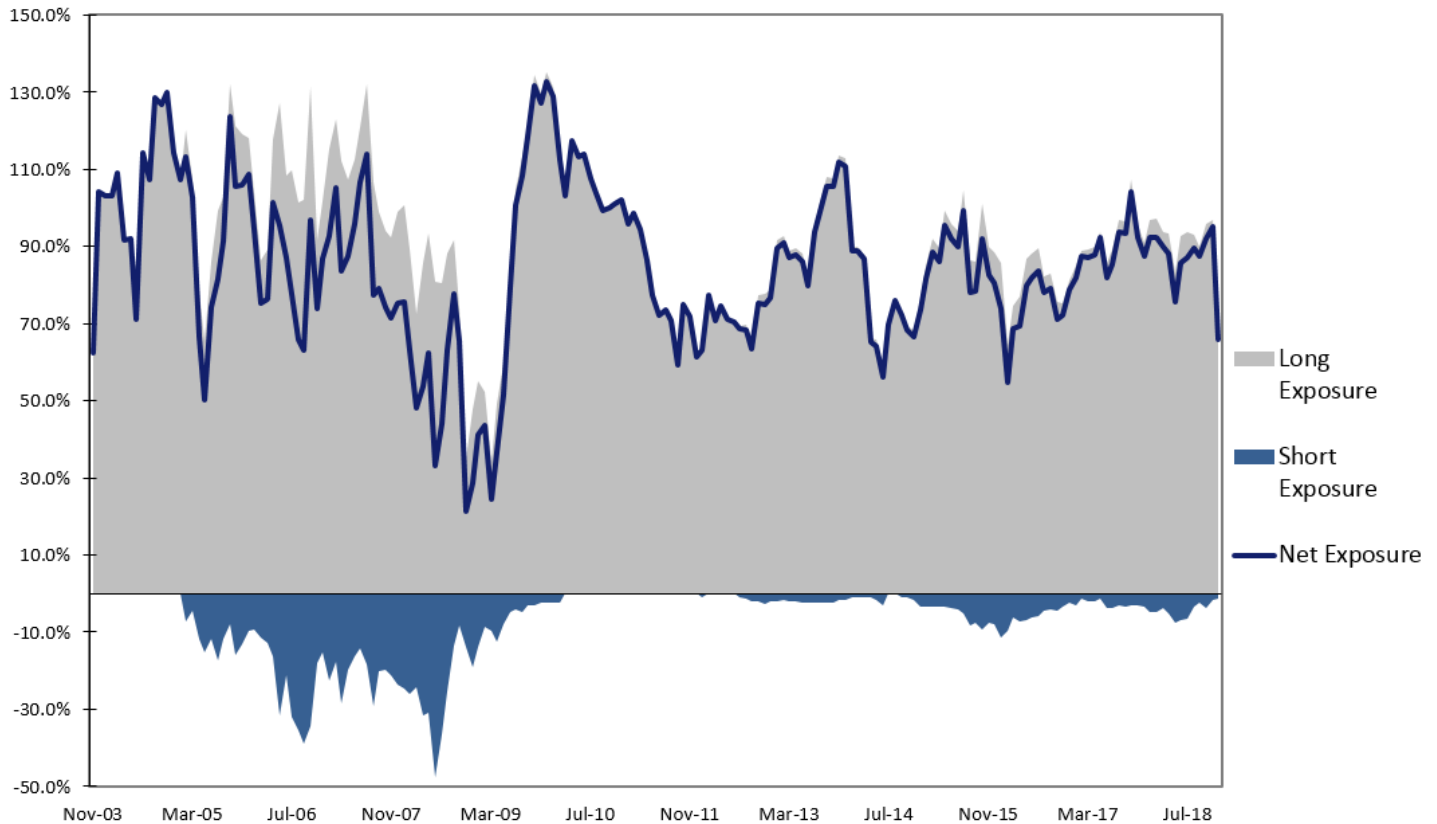
## Portfolio Sector Analysis

Sector	Long	Short	Net
Technology	15.1%		15.1%
Consumer, Non-cyclical	10.4%		10.4%
Financial	10.3%		10.3%
Energy	7.4%		7.4%
Consumer, Cyclical	7.4%	1.1%	6.3%
Industrial	5.8%		5.8%
Diversified Financials	5.3%		5.3%
Basic Materials	1.9%		1.9%
Materials	1.9%		1.9%
Communications	1.0%	0.1%	0.9%
Health Care Equipment & Services	0.5%		0.5%
	<b>67.0%</b>	<b>1.2%</b>	<b>65.8%</b>

**Cash on hand** **34.2%**



## Portfolio Exposure



## News

We encourage you to visit our [52 books you should read before buying your next stock](#) page on our website. We have compiled a list of books/ documentaries that have influenced our investment style or helped provide insight into the investment process. To view all previous Cadence webcasts and press articles, please visit the [Media Section](#) of the website.

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.](#)

## Disclaimer

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd and is of a general nature only. It is provided for information purposes only and should not be construed as an offer or solicitation. Nothing contained in this document constitutes investment, legal, financial, business, tax or other advice. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.

For more information contact Cadence Capital Fund on 02 8298 2444 or email [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
Register to receive our FREE newsletter at [www.cadencecapital.com.au/register-for-free-newsletter](http://www.cadencecapital.com.au/register-for-free-newsletter)