



**Cadence Capital Limited (ASX: CDM)
Investment Update and NTA Report
February 2017**

Please click on the link below to view the February 2017 Investment Update and NTA Report,
or view the PDF attached.

[View the Cadence Capital Limited February 2017 Newsletter](#)

INVESTMENT UPDATE

FEBRUARY 2017

For the month of February 2017 Cadence Capital Limited returned a positive gross performance of 1.1% compared to an increase in the All Ordinaries Accumulation Index of 2.1%. For the financial year to date, Cadence Capital Limited has returned a positive gross performance of 10.4% compared to an increase in the All Ordinaries Accumulation Index of 11.4%.

On the 15th February 2017 the Company announced a 4.0 cent fully-franked interim dividend. This equates to a 6.7% annual fully franked yield, or a 9.6% 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 12th April 2017 and the payment date is the 28th April 2017. Shareholders can participate in the Dividend Re-Investment Plan ("DRP") at a 3% discount. The DRP Record Date is 19th April 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. (Boardroom's address is on the form).

As at the 28th February 2017 the fund was holding 15% cash (85% invested).

Fund NTA

| Net Tangible Assets as at 28 February 2017 | Amount (\$) |
|--|-------------|
| Pre Tax NTA | \$1.157 |
| Post Tax NTA | \$1.236 |
| Share price (ASX Code: CDM) | \$1.265 |

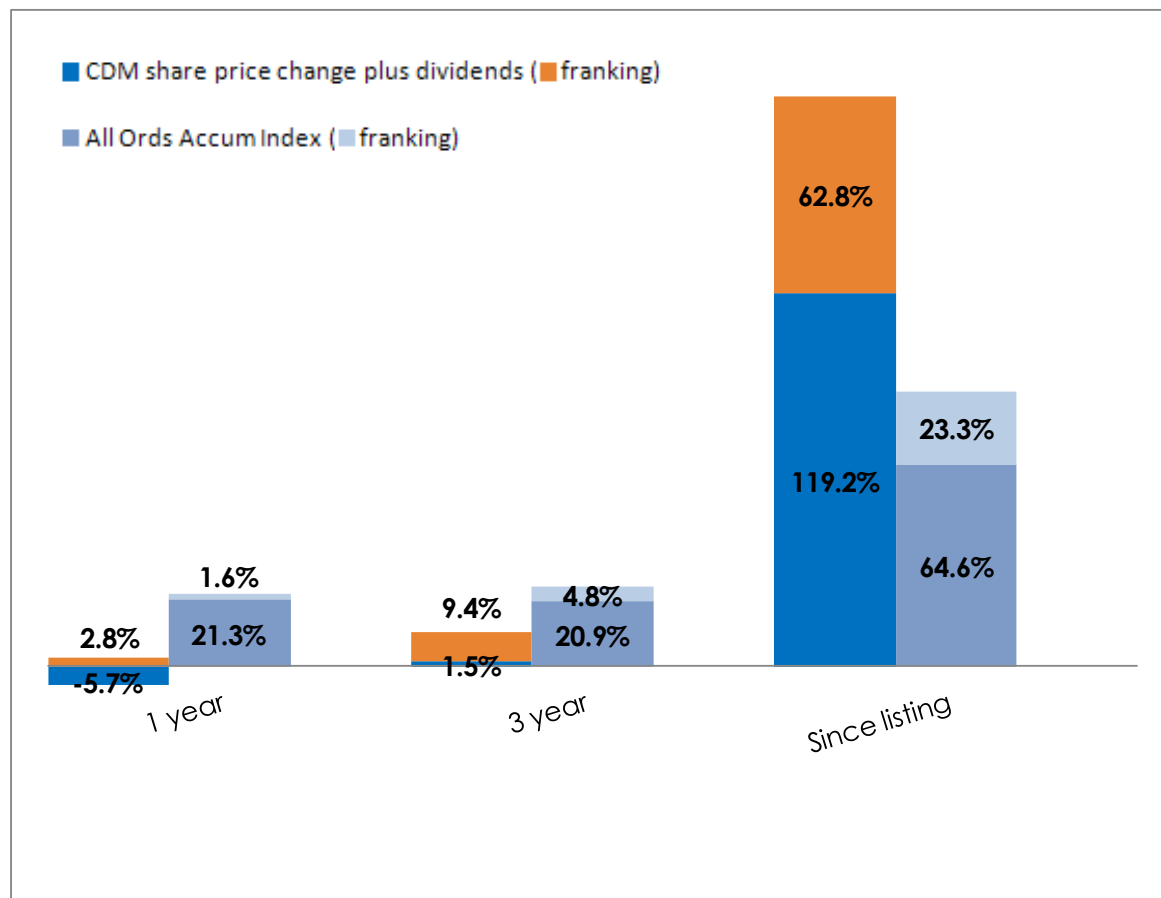
Fund Performance

| Performance* to 28th February 2017 | CDM** | All Ords | Outperformance |
|---|--------|----------|----------------|
| 1 Month | 1.1% | 2.1% | -1.0% |
| YTD | 10.4% | 11.4% | -1.0% |
| 1 Year | 7.7% | 21.3% | -13.6% |
| 3 Years | 10.0% | 20.9% | -10.9% |
| 5 Years | 50.1% | 62.7% | -12.6% |
| 8 Years | 303.7% | 146.0% | +157.7% |
| 10 Years | 179.0% | 51.9% | +127.1% |
| Since Inception (11.4 years) | 399.6% | 103.6% | +296.0% |
| Since Inception Annualised (11.4 years) | 15.1% | 6.4% | +8.7% |

* 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

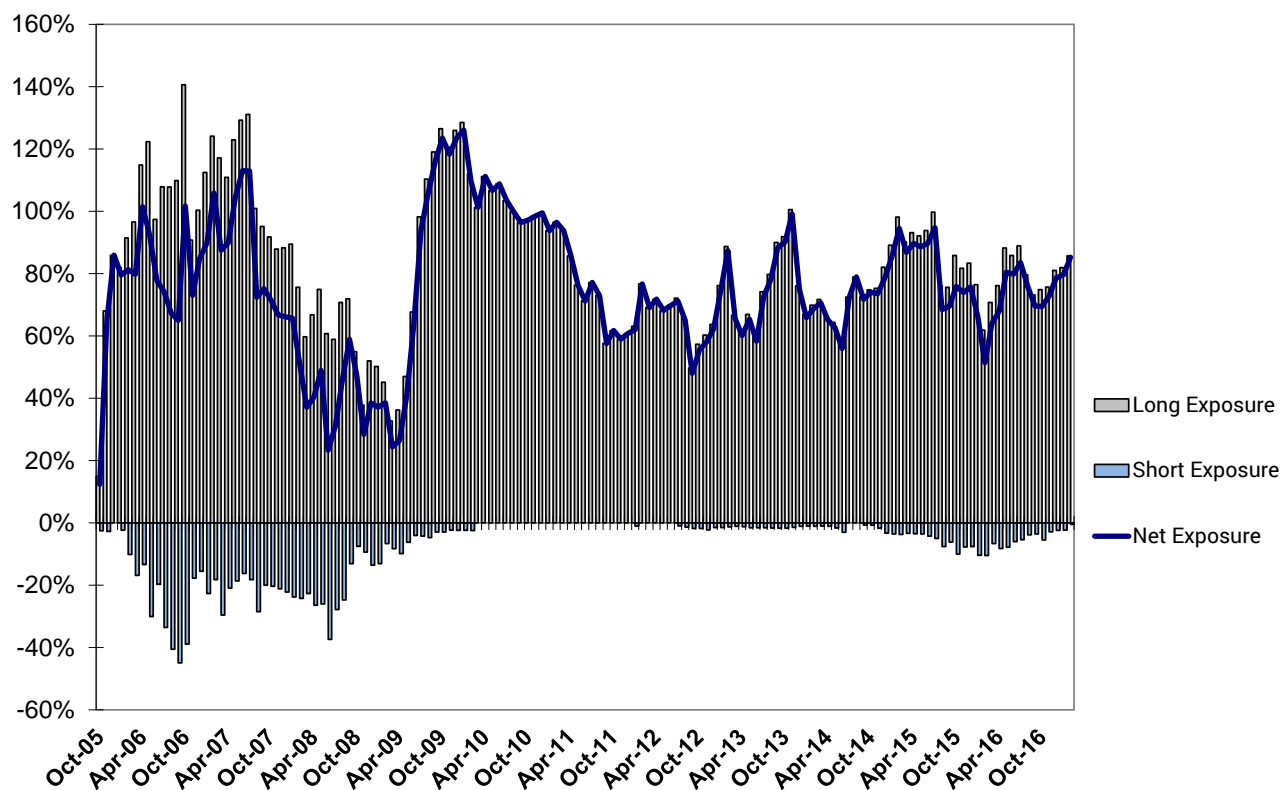


Franked Dividends Declared Since Listing

| 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 | 5.7c |
| TOTAL | 37.5c | 34.2c | 11.5c | 83.2c | 118.0c |

* Off market equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

| Sector | Long | Short | Net |
|------------------------|--------------|-------------|--------------|
| Diversified Financials | 16.9% | | 16.9% |
| Communications | 10.5% | | 10.5% |
| Software & Services | 10.4% | | 10.4% |
| Banks | 9.8% | | 9.8% |
| Financial | 9.0% | | 9.0% |
| Basic Materials | 6.6% | | 6.6% |
| Consumer, Non-cyclical | 6.1% | | 6.1% |
| Consumer Services | 4.5% | | 4.5% |
| Technology | 4.0% | | 4.0% |
| Consumer, Cyclical | 3.1% | | 3.1% |
| Industrial | 1.6% | | 1.6% |
| Energy | 2.0% | 0.5% | 1.6% |
| Capital Goods | 1.0% | | 1.0% |
| Materials | 0.1% | | 0.1% |
| Exposure | 85.7% | 0.5% | 85.2% |
| Cash on Hand | | | 14.8% |

Top Portfolio Positions

| Code | Position | Direction | Currency | Holding |
|--|---|-----------|----------|--------------|
| MLB | Melbourne IT Ltd | Long | AUD | 10.4% |
| MQG | Macquarie Group Ltd | Long | AUD | 9.5% |
| HGG | Henderson Group Plc | Long | AUD | 5.0% |
| RFG | Retail Food Group | Long | AUD | 4.5% |
| 9984 JP | Softbank Group Corp | Long | AUD | 4.1% |
| ANZ | Australia and New Zealand Banking Group | Long | AUD | 4.0% |
| 5930 KS | Samsung Electronics Co Ltd | Long | USD | 3.9% |
| NAB | National Australia Bank Ltd | Long | AUD | 3.5% |
| FB US | Facebook Inc | Long | AUD | 3.4% |
| IGO | Independence Group NL | Long | AUD | 3.1% |
| GOOG US | Alphabet Inc | Long | AUD | 3.0% |
| AIG US | American International Group | Long | AUD | 2.5% |
| ECX | Eclixp Group Ltd | Long | AUD | 2.5% |
| CBA | Commonwealth Bank of Australia | Long | AUD | 2.4% |
| MA US | Mastercard Inc | Long | AUD | 1.6% |
| MND | Monadelphous Group Ltd | Long | AUD | 1.6% |
| CYA | Century Australia Investments Ltd | Long | AUD | 1.3% |
| AAD | Ardent Leisure Group | Long | AUD | 1.3% |
| PEP | Pepper Group Ltd | Long | AUD | 1.3% |
| EHE | Estia Health Ltd | Long | AUD | 1.3% |
| Top Portfolio Holdings Gross Exposure | | | | 70.2% |

Recent News Articles

The Australian Investors Association featured an article by Karl Siegling '[Understanding PEG ratio's and how to use them](#)' in the February 2017 Investor Update newsletter.

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