



Cadence Capital Limited (ASX: CDM) Record Half Year Profit

Sydney, 15th February 2017: Cadence Capital Limited (ASX: CDM) today announced a record half year profit after tax of \$23.2m, up 320% on last year. Karl Siegling, Chairman, said "Our portfolio has performed well delivering strong risk adjusted returns for our investors over the past 6 months."

Karl Siegling, Chairman, said "During the first half of this financial year our portfolio has strongly benefitted from a recovery in its diversified financial services holdings, both domestically and overseas. More recently the fund has started to benefit from holdings in resource related companies. Large diversified Asian technology companies Samsung and Softbank have also performed well."

Half Year Results to 31 December 2016:

- Record Profit before tax of \$29.1m, up 336%
- Record Profit after tax of \$23.2m, up 320%
- Fund gross performance of 9.8% whilst holding on average 25% cash
- 4.0c fully-franked Interim Dividend payable on the 28th April 2017
- Yield of 6.7% fully-franked (9.6% when grossed up for franking credits)

Fully-franked Interim Dividend

The Board is pleased to announce a 4.0 cent fully-franked interim dividend. The Ex-Date for the dividend is the 12th April 2017. 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 this announcement of \$1.195. The payment date for the dividend is the 28th April 2017.

Karl Siegling, Chairman, said "Given the ongoing low interest rate environment in Australia, we are pleased that the Company has once again delivered a healthy fully franked dividend yield. Cadence will be providing current investors with the ability to participate in its Dividend Re-Investment Plan ("DRP") at a 3% discount."

Fund Outlook

Karl Siegling, Chairman, said "The falling resource price trend ended in 2016 with the resource



market up more than 50% since the S&P/ASX 200 Resources Index 'bottomed out' at around 2,000 in January 2016. With resources being such a key part of the Australian economy it will be important in 2017 to watch the resources sector closely, particularly some of the 'later cycle' commodities, for signs of a continued resources sector recovery." Karl Siegling continued "Australia has had falling interest rates for 30 years, and markets are questioning whether this trend is also coming to an end. In the shorter term a rising US interest rate with a static Australian interest rate could see the US Dollar appreciate further against the Australian Dollar. Valuations on interest rate sensitive stocks will have to be closely monitored for a change in long term trend."

Karl Siegling added "Cadence has been finding new stock opportunities that meet Cadence's fundamental criteria. We will continue to enter new positions on both the long and the short side, following the Cadence investment process, which over time has proven to outperform the market."

Karl Siegling
Chairman, Cadence Capital Limited

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