



INVESTMENT UPDATE FEBRUARY 2015

During the month of February 2015, Cadence Capital Limited returned a positive gross performance of 5.83% compared to an increase in the All Ordinaries Accumulation Index of 7.00% and an increase in the Small Ordinaries Accumulation Index 8.43%.

As at the 28 February 2015 the fund was holding 6% cash (94% invested).

Fund NTA

Net Tangible Assets as at 28th February 2015	Amount (\$)
Pre Tax NTA	\$1.464
Post Tax NTA	\$1.449
Share price (ASX Code: CDM)	\$1.450
Option price (ASX Code: CDMO)	\$0.023

CDM Interim Dividend

The Board declared a **5.0 cent per share fully franked interim dividend payable on 10th April 2015**. The Ex-Date for the dividend is 25th March 2015. The past year's dividends equated to an annualised yield of 7.0%* fully franked (10.0% grossed-up).

CDM shareholders are able to participate in the Dividend Re-Investment Plan ("DRP") at a 3% discount. The DRP Record Date is 30th March 2015.

CDM Options

If you are a CDM Option holder and would like to exercise your Options to receive the 5.0c interim dividend, please see the dates below to ensure you are a registered shareholder on dividend record date (27th March 2015):

BPay: Funds to be received by 26th March 2015.

Cheque: Cheques must be received by Boardroom Limited by 23rd March 2015

Please contact Boardroom Pty Limited on 1300 737 760 if you have any further questions.

^{*} Based off the 31st December 2014 share price



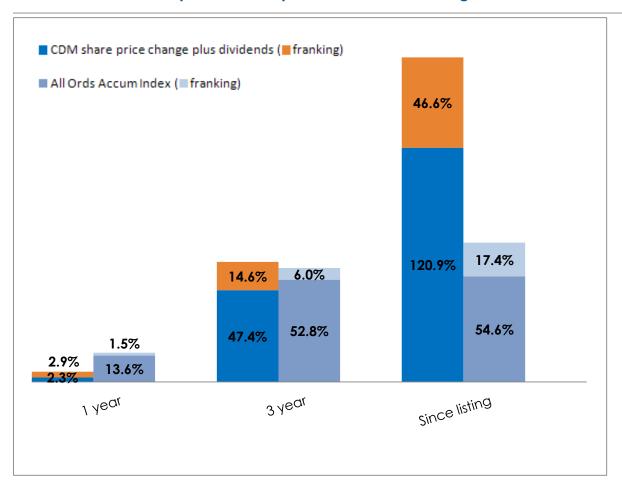


Fund Performance

Performance* to 28 February 2015	CDM**	All Ords	Outperformance
1 Month	5.83%	7.00%	-1.17%
1 Year	10.99%	13.57%	-2.58%
2 Years	24.96%	25.34%	-0.38%
3 Years	51.47%	52.77%	-1.30%
4 Years	83.77%	42.58%	+41.19%
5 Years	187.83%	57.13%	+130.70%
8 Years	181.59%	42.65%	+138.94%
Since Inception (9.4 years)	404.20%	91.16%	+313.04%
Since Inception Annualised (9.4 years)	18.74%	7.12%	11.62%

^{*} Before Management and Performance Fees

CDM Share Price and Option Returns plus Dividends & Franking



^{**}These numbers include the franking value of the substantial dividend from its RHG holding received in May 2011. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA as this figure more accurately included the material fully franked dividends received from RHG during this month.



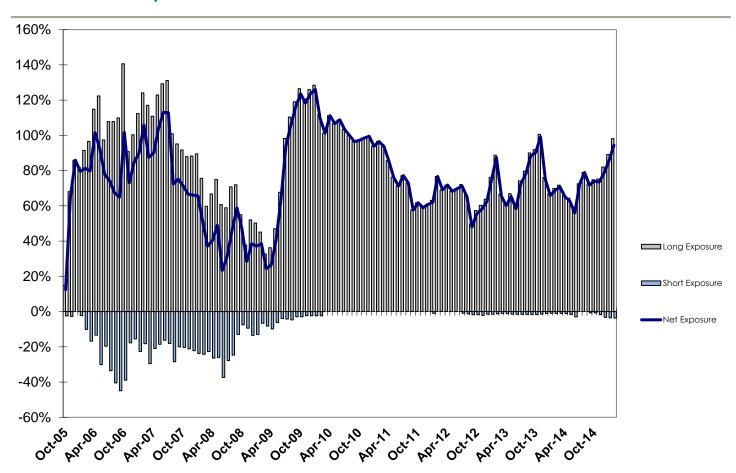


Fully Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2*c	-	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	7.1c
TOTAL	28.5c	25.2c	10.5c	64.2c	90.8c

^{*} Off market equal access buy back

Historic Portfolio Exposure







Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	20.31%		20.31%
Banks	17.53%		17.53%
Financial	15.67%		15.67%
Consumer, Non-cyclical	15.57%		15.57%
Consumer, Cyclical	6.19%		6.19%
Consumer Services	5.53%		5.53%
Telecommunication Services	4.89%		4.89%
Software & Services	4.38%		4.38%
Insurance	2.09%		2.09%
Energy	1.72%		1.72%
Technology	1.19%		1.19%
Transportation	0.93%		0.93%
Basic Materials	1.41%	1.49%	-0.08%
Materials	0.77%	2.22%	-1.45%
Exposure	98.18%	3.71%	94.46%
Cash on Hand			5.54%

Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	11.7%
LUX IM	Luxottica Group SPA	Long	EUR	6.2%
BOQ	Bank of Queensland Ltd	Long	AUD	5.9%
HGG	Henderson Group Plc	Long	AUD	5.7%
RFG	Retail Food Group	Long	AUD	5.5%
MA US	Mastercard Inc	Long	USD	4.9%
NAB	National Australia Bank Ltd	Long	AUD	4.6%
MLB	Melbourne IT Ltd	Long	AUD	4.4%
GILD US	Gilead Sciences Inc	Long	USD	4.2%
ANZ	Australia & New Zealand Banking Group	Long	AUD	4.2%
BEN	Bendigo and Adelaide Bank Limited	Long	AUD	3.5%
WBC	Westpac Banking Corp.	Long	AUD	3.1%
CBA	Commonwealth Bank of Australia	Long	AUD	2.8%
IIN	Ilnet Limited	Long	AUD	2.5%
TLS	Telstra Corporation Limited	Long	AUD	2.4%
V US	Visa Inc.	Long	USD	2.3%
GMA	Genworth Mortgage Insurance Australia Ltd	Long	AUD	2.2%
RIO	Rio Tinto Ltd	Short	AUD	2.2%
MPL	Medibank Private Ltd	Long	AUD	2.2%
SUN	Suncorp Group Ltd	Long	AUD	2.1%
Top Portfo	lio Holdings Gross Exposure			82.82%





Recent News Articles

Cadence Capital Limited was recently quoted in the Australian Financial Review on Macquarie Bank Limited. "The stars are aligning," Karl Siegling said, of factors including a recovery in the US economy, a lower local currency and historically low interest rates. "This would have to be one of the best positioned stocks in the country." <u>Click here</u> to view the article.

Simon Bonouvrie was quoted in the Australian Financial Review on Genworth Mortgage Insurance Limited. <u>Click here</u> to view the article.

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