



**Cadence Capital Limited (ASX: CDM)
Investment Update and NTA Report
July 2016**

Please click on the link below to view the July 2016 Investment Update and NTA Report,
or view the PDF attached.

[View the Cadence Capital Limited July 2016 Newsletter](#)



INVESTMENT UPDATE

JULY 2016

For the month of July 2016 Cadence Capital Limited returned a positive gross performance of 4.30% compared to an increase in the All Ordinaries Accumulation Index of 6.29%.

July has seen a recovery in equity markets and in particular a change in sentiment away from 'panic' in relation to the 'Brexit' vote. Many world equity markets are actually recording all-time highs. This recovery has been assisted in Australia by a cut in interest rates to all time record low cash rates of 1.5%. Approximately 40% of the developed world currently has negative interest rates. Our portfolio has benefitted from these developments in July and continues to do so in August. Examples of stocks with significant change in sentiment have been Macquarie Group (ASX code MQG) and Henderson Group (ASX code HGG).

As at the 31st July 2016 the fund was holding 16% cash (84% invested).

Fund NTA

Net Tangible Assets as at 31st July 2016	Amount (\$)
Pre Tax NTA	\$1.140
Post Tax NTA	\$1.221
Share price (ASX Code: CDM)	\$1.275

Fund Performance

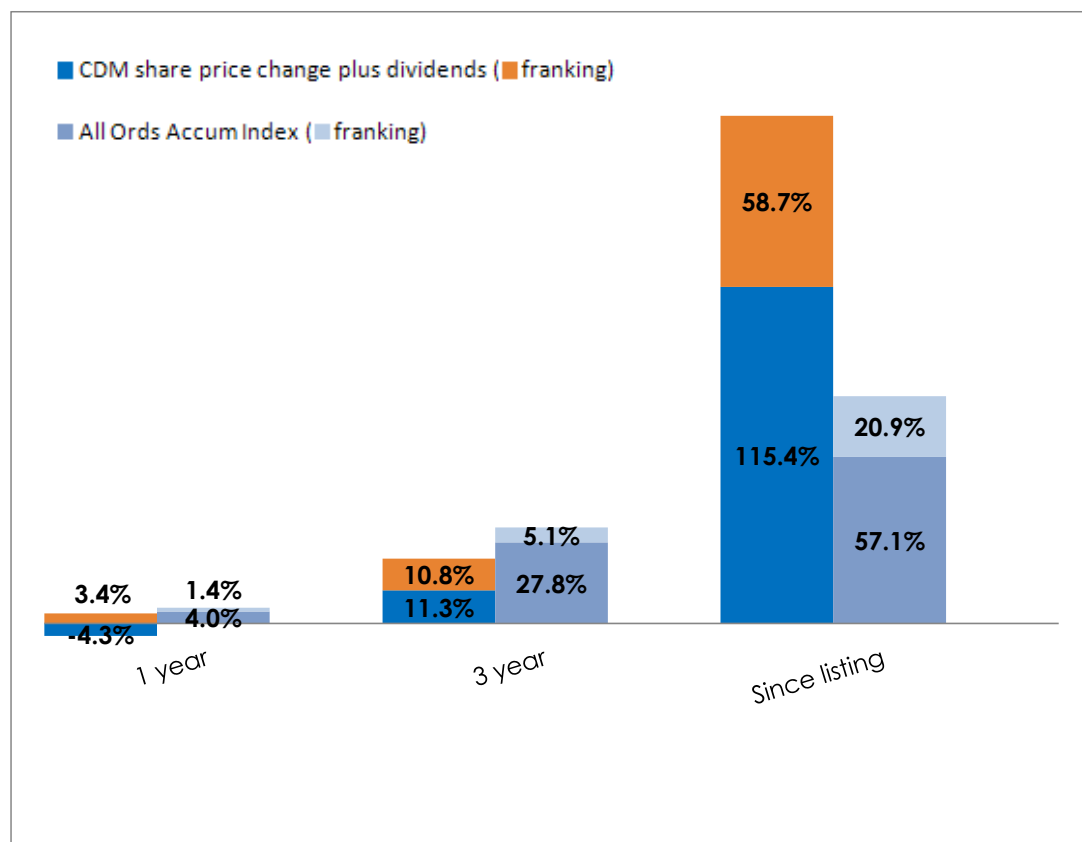
Performance* to 31st July 2016	CDM**	All Ords	Outperformance
1 Month	4.30%	6.29%	-1.99%
1 Year	-14.23%	4.02%	-18.25%
3 Years	16.68%	27.80%	-11.12%
5 Years	52.00%	56.51%	-4.51%
8 Years	199.79%	58.52%	+141.27%
10 Years	261.11%	74.66%	+186.45%
Since Inception (10.8 years)	371.88%	94.25%	+277.63%
Since Inception Annualised (10.8 years)	15.40%	6.37%	+9.03%

* 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



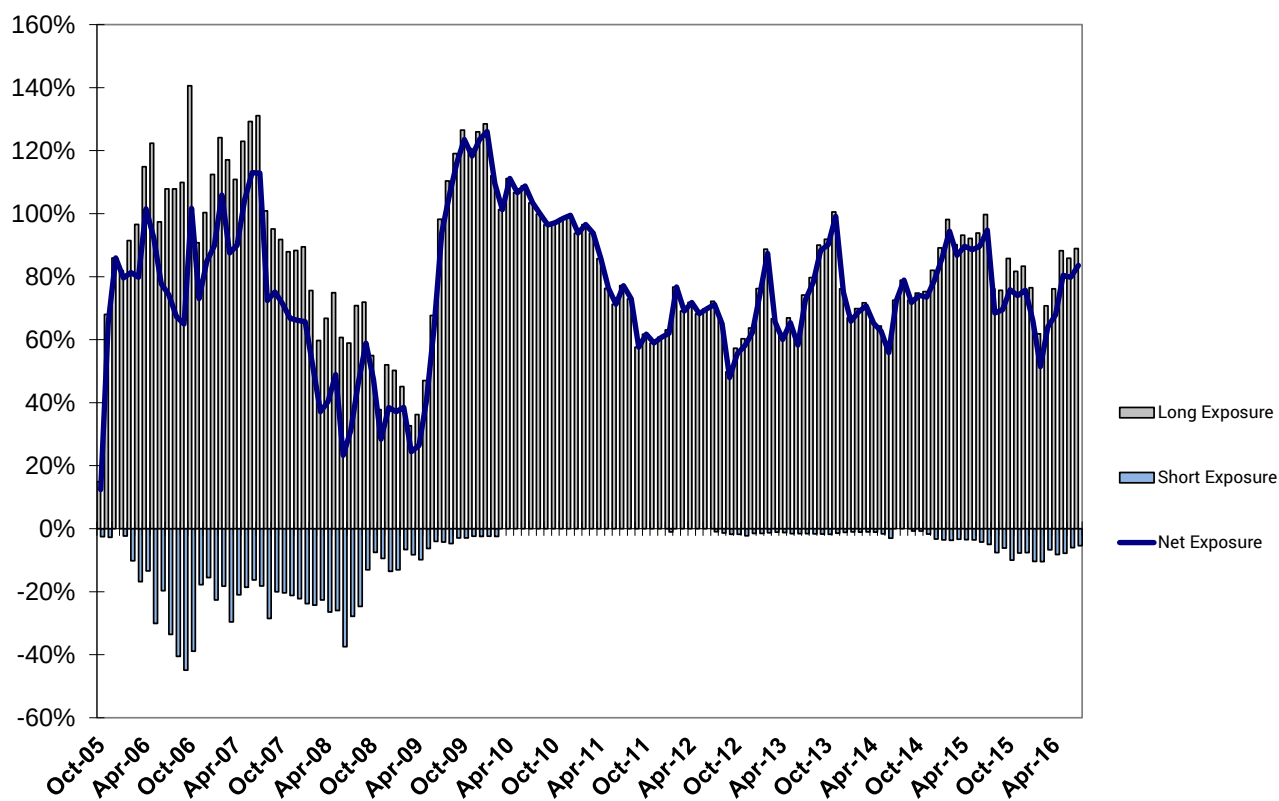
Fully Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2c*	-	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			5.0c	7.1c
TOTAL	33.5c	30.2c	11.5c	75.2c	106.5c

* Off market equal access buy back



Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	24.66%		24.66%
Communications	11.95%		11.95%
Consumer, Non-cyclical	11.54%		11.54%
Industrial	8.34%		8.34%
Software & Services	7.57%		7.57%
Financial	7.54%		7.54%
Banks	4.93%		4.93%
Consumer Services	4.10%		4.10%
Consumer, Cyclical	2.68%		2.68%
Technology	3.72%	1.58%	2.14%
Basic Materials	1.48%	0.39%	1.09%
Materials	0.11%	1.23%	-1.12%
Energy	0.30%	2.17%	-1.87%
Exposure	88.92%	5.38%	83.54%
Cash on Hand			16.46%



Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Ltd	Long	AUD	14.0%
MLB	Melbourne IT Ltd	Long	AUD	7.6%
HGG	Henderson Group Plc	Long	AUD	7.0%
AIO	Asciano Ltd	Long	AUD	6.6%
RFG	Retail Food Group	Long	AUD	4.1%
SHV	Select Harvest Ltd	Long	AUD	3.3%
FB US	Facebook Inc	Long	AUD	3.3%
9984 JP	Softbank Group Corp	Long	AUD	3.2%
GOOG US	Alphabet Inc	Long	AUD	2.9%
5930 KS	Samsung Electronics Co Ltd	Long	USD	2.7%
LUX IM	Luxottica Group SPA	Long	EUR	2.7%
IPH	IPH Ltd	Short	AUD	2.2%
AIG US	American International Group	Long	AUD	2.2%
MA US	Mastercard Inc	Long	AUD	2.2%
WPL	Woodside Petroleum Ltd	Short	AUD	2.2%
ANZ	Australia and New Zealand banking Group	Long	AUD	2.0%
MND	Monadelphous Group Ltd	Long	AUD	1.8%
GILD US	Gilead Sciences Inc	Long	AUD	1.6%
MYO	MYOB Group Ltd	Short	AUD	1.6%
TPM	TPG Telecom Ltd	Long	AUD	1.6%
Top Portfolio Holdings Gross Exposure				74.69%

Recent News Articles

Our latest Quarterly Webcast was released last month, and you can [watch the full webcast on our website](#). We also released the stock-specific section of the webcast as a separate video titled [Karl Siegling Discusses Top Portfolio Positions: MQG, MLB, AIO & HGG](#).

Following up on Karl Siegling's article titled "[Commodities: Has the trend changed?](#)" which was published in May, Cadence portfolio manager Chris Garrard wrote an article focusing on two of our current commodity positions: Rio Tinto (RIO) and Woodside Petroleum (WPL). You can read the article here: [Rio Tinto & Woodside Petroleum: Has the trend changed?](#)



Karl Siegling was quoted by the AFR in an article titled [Macquarie Group's Nicholas Moore coy on Brexit impact](#), where he shares his views on Macquarie Group's outlook for the year.

We've updated our [52 Books You Should Read Before Buying Your Next Stock](#) list with our latest book reviews including *The Rise And Rise of Kerry Packer* by Paul Barry, *The Next Great Bubble Boom* by Harry S. Dent Jr. and *When Genius Failed* by Roger Lowenstein. The Cadence team also shares links to interesting articles which you can find in the [Interesting Links section](#).

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