



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

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

View the Cadence Capital Limited March 2016 Newsletter



INVESTMENT UPDATE

MARCH 2016

For the month of March 2016 Cadence Capital Limited returned a negative gross performance of 0.61% compared to an increase in the All Ordinaries Accumulation Index of 4.74%. Over the past 12 months Cadence Capital Limited has returned a negative gross performance of 11.11% compared to a decrease in the All Ordinaries Accumulation Index of 8.05%.

The market remains volatile, however the market has managed to recover some of its losses for the year. Breaking the market up into some of the underlying trends, we are seeing a continued recovery in energy prices. Similarly we are seeing a reversal in the trend for a number of commodities, in particular iron ore. Other commodities have also shown early signs of recovery. Banks and diversified financials whilst volatile have shown tentative signs of stabilising. The Australian dollar continues to track higher as well, firmly reversing the longer term trend which has seen the Australian dollar fall from \$1.08 to \$0.68 against the US dollar before recovering to current levels around \$0.77. As always, the Fund continues to scale into and out of trends which since the start of the year have seen us reduce short positions in commodities and energy, reduce overall exposure to banks and financials and reduce our overseas currency exposure. The reversal in a number of key trends, combined with volatility, tends to affect the short term performance of a fund that invests in underlying trends. We know in the medium and longer term however that trends re-emerge and should, over time, lead to outperformance against the broader market.

On 16th February 2016, the Company declared a 5.0 cent fully franked interim dividend to be paid on 12 May 2016. The Ex-Date for this dividend is 27 April 2016 and the Record Date is 28 April 2016. CDM shareholders are able to participate in the Dividend Re-Investment Plan ("DRP") at a 3% discount. The DRP Record Date is 2 May 2016.

As at the 31st March 2016 the fund was holding 36% cash (64% invested).

Fund NTA

Net Tangible Assets as at 31st March 2016	Amount (\$)
Pre Tax NTA	\$1.164
Post Tax NTA	\$1.248
Share price (ASX Code: CDM)	\$1.440



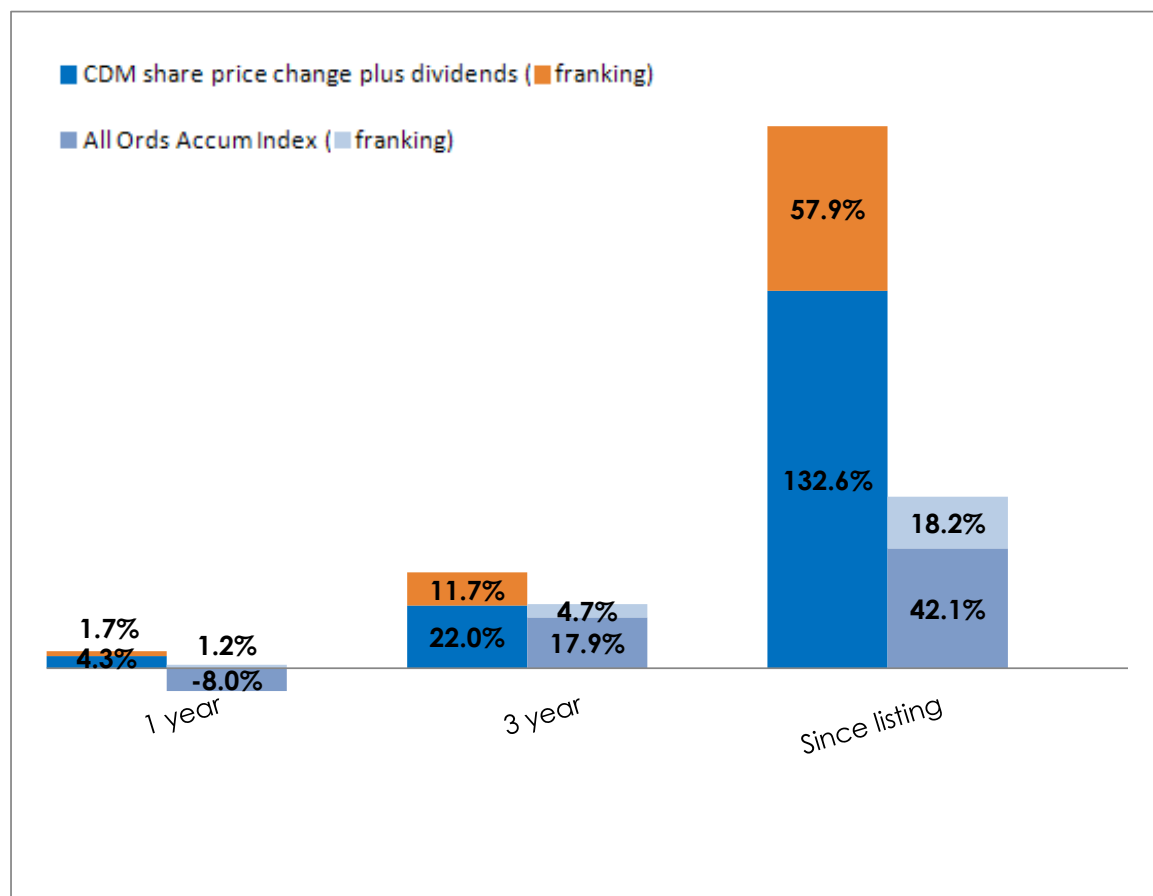
Fund Performance

Performance* to 31st March 2016	CDM**	All Ords	Outperformance
1 Month	-0.61%	4.74%	-5.35%
1 Year	-11.11%	-8.05%	-3.06%
3 Years	16.68%	17.87%	-1.19%
5 Years	76.40%	30.24%	+46.16%
8 Years	190.33%	35.04%	+155.29%
10 Years	267.96%	55.28%	+212.68%
Since Inception (10.5 years)	361.04%	75.73%	+285.31%
Since Inception Annualised (10.5 years)	15.67%	5.52%	+10.15%

* 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



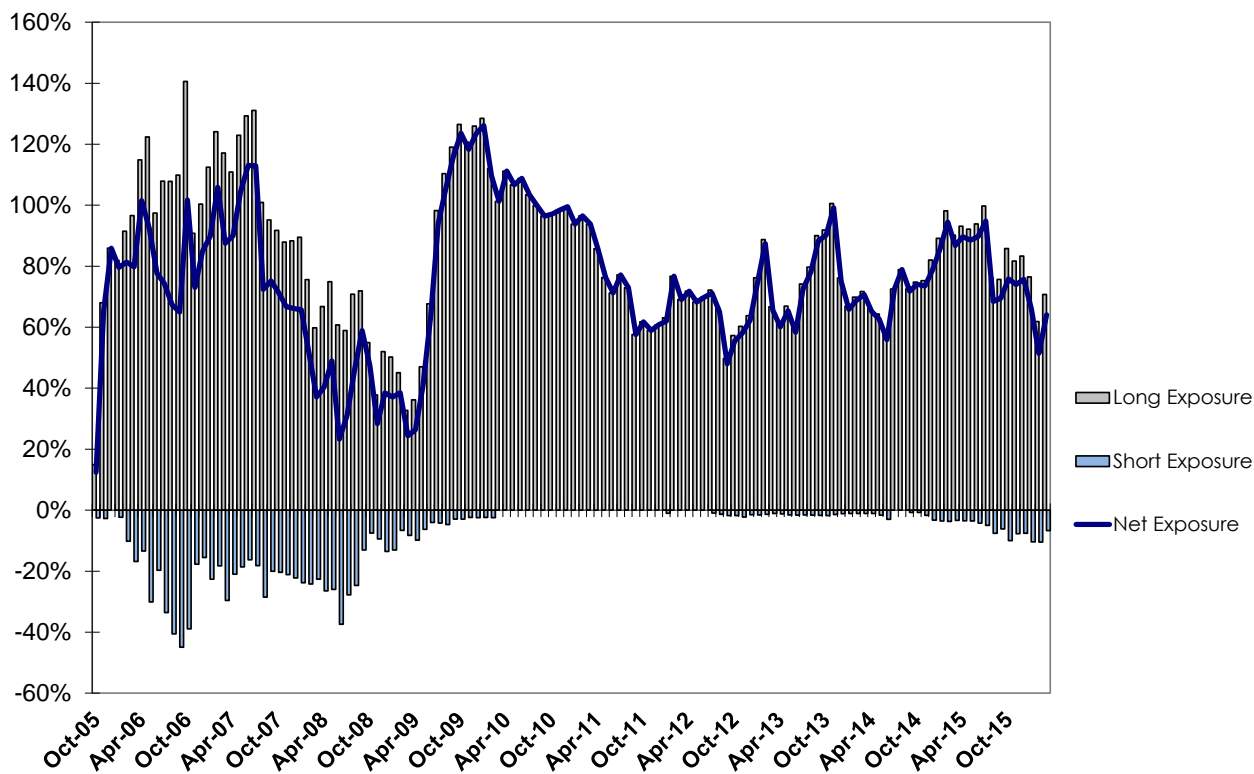


Fully Franked Dividends Declared Since Listing

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	22.21%		22.21%
Communications	8.39%		8.39%
Software & Services	7.91%		7.91%
Consumer, Non-cyclical	7.15%		7.15%
Banks	6.49%		6.49%
Financial	6.43%	1.12%	5.31%
Consumer, Cyclical	3.80%		3.80%
Consumer Services	3.61%		3.61%
Industrial	1.30%		1.30%
Technology	2.86%	1.69%	1.17%
Basic Materials	0.32%		0.32%
Materials	0.10%	1.56%	-1.46%
Energy	0.16%	2.29%	-2.13%
Exposure	70.73%	6.67%	64.07%
Cash on Hand			35.93%

Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Ltd	Long	AUD	13.4%
MLB	Melbourne IT Ltd	Long	AUD	7.9%
HGG	Henderson Group Plc	Long	AUD	6.2%
LUX IM	Luxottica Group SPA	Long	EUR	3.8%
RFG	Retail Food Group	Long	AUD	3.6%
FB US	Facebook Inc	Long	USD	3.3%
GOOG US	Alphabet Inc	Long	AUD	3.1%
MA US	Mastercard Inc	Long	AUD	3.0%
ANZ	Australia & New Zealand Banking Group	Long	AUD	2.4%
WPL	Woodside Petroleum Ltd	Short	AUD	2.3%
005930 KS	Samsung Electronics Co Ltd	Long	USD	2.2%
IPH	IPH Ltd	Long	AUD	2.1%
NAB	National Australia Bank Ltd	Long	AUD	2.1%
CBA	Commonwealth Bank of Australia	Long	AUD	2.0%
MYO	MYOB Group Ltd	Short	AUD	1.7%
BTT	BT Investment Management Ltd	Long	AUD	1.6%
RIO	Rio Tinto Ltd	Short	AUD	1.6%
FXL	Flexigroup Ltd	Long	AUD	1.5%
AIO	Asciano Ltd	Long	AUD	1.3%
AIG US	American International Group	Long	USD	1.2%
Top Portfolio Holdings Gross Exposure				66.39%



Recent News Articles

Karl Siegling will deliver a presentation about investing internationally at the [Australian Shareholders Association Grow Your Portfolio Conference](#). The conference will be held in Sydney from the 16th to the 18th of May 2016. You can find more information [on the ASA website](#).

Karl Siegling's article [Market psychology and emotions in action](#), which uses Macquarie Group Limited (ASX: MQG) as a 'live' example of market psychology in action, was featured in the Livewire newsletter.

Simon Bonouvrie shared his views on which [companies are benefitting from emerging trends in](#) Livewire's Buy Hold Sell video series.

We've added reviews to our [52 Books You Should Read Before Buying Your Next Stock](#) section, including *Masters of The Market* by Geoff Wilson, Anthony Hughes and Matthew Kidman as well as *Valuation: Measuring and Managing the Value of Companies* by McKinsey & Company Inc.

To view all previous Cadence webcasts and press articles, please visit the [Media Section](#) of our Website.

Download Our New Book For Free

Hope, Fear and Greed: Understanding Investment Market Psychology

Understand the 3 key emotions in the market, and follow our live example of how these may affect the Macquarie Group Limited (MQG) share price.

 Download Free Book

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