



28th September 2015

### **Cadence Capital Limited Placement**

The Board of Cadence Capital Limited is seeking to place up to 37.9 million fully paid ordinary shares at \$1.43 per share (up to \$54.2 million), pursuant to ASX Listing Rule 7.1.

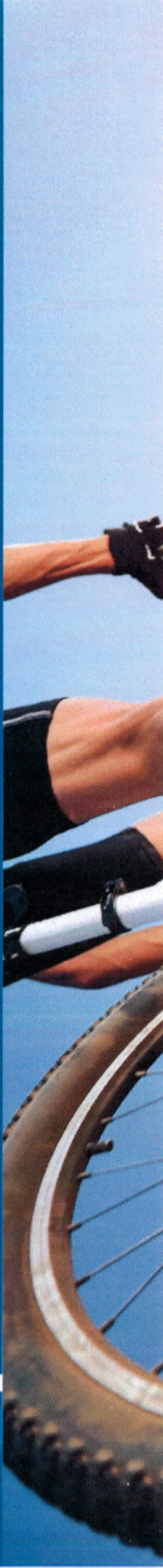
For further details please refer to the attached presentation.

Regards,


Karl Siegling  
**Cadence Capital Limited**



Cadence Capital Limited




# Placement Presentation September 2015



# Placement

- Placement (37.9 M shares) – Options shortfall
- Pre Tax NTA \$1.38 (28 September 2015)
- Post Tax NTA \$1.40 (28 September 2015)
- **Placement Price: \$1.43 (4% discount to Last Price of \$1.49)**
- Placement shares are entitled to fully franked 5.0c final dividend and 1.0c special dividend (*total value of franking is 2.6 cents*) - payable 29 October 2015
- **7.6% fully franked annualised yield (10.9% grossed up)**





# Indicative Timetable

Indicative Time Table	Date
Trading Halt	28th September 2015
Return of signed acceptance forms	1st October 2015
Settlement (DVP)	7th October 2015
Date of Allotment	8th October 2015
Dividend ex date	20th October 2015
Dividend record date	22nd October 2015
Dividend payment date	29th October 2015



## Key Fund Facts

- Funds Under Management (FUM) of \$375 million
- One of the top ranked LICs – ASX Ranking
- One of the most actively traded LICs - ASX Ranking
- 7,000 shareholders - 65% of current investors are SMSFs
- Cadence Management team are ***the largest Investor*** in the Company
- “**Recommended Plus**” by Independent Investment Research
- Broker research by Morgan Stanley, Evans & Partners, Baillieu Holst, Bell Potter & Patersons
- The fund invests in both local and overseas stocks





# Performance and Yield

Estimated Performance* to 28th September 2015	CDM**	All Ords	Outperformance
1 Month	-0.43%	-2.17%	+1.74%
1 Year	10.89%	0.18%	+10.71%
2 Years	22.72%	6.08%	+16.64%
3 Years	42.45%	31.06%	+11.39%
4 Years	67.75%	48.57%	+19.18%
5 Years	169.97%	36.05%	+133.92%
8 Years	175.34%	9.13%	+166.21%
Since Inception (10 years)	408.24%	69.37%	+338.87%
Since Inception Annualised (10 years)	17.65%	5.41%	+12.24%

\* Before Management and Performance Fees

\*\*These numbers include the franking value of the substantial RHG dividend received in May 2011

- **10 year numbers: 17.65% pa**
- **3.2 times the All Ords Acc Index whilst holding on average 24.2 % cash**
- Outperformance over time and through different market cycles.
- 5 cent final and 1 cent special dividend equating to 7.6% fully franked annualised yield (10.9% grossed up) based on \$1.43 placement price





# Overseas Investments Performance


- In 2015 overseas investments delivered four times the returns of domestic investments. Currency contributed 1.3% to overall fund performance.
- CDM is a **trader** for tax purposes. CDM pays **Australian income tax** on **any** profits made (including on overseas investments). This enables CDM to pay **fully franked dividends** on **all** profits.
- CDM has continued to add to overseas investments, currently 48% (Cash 28%, Domestic investments 24%):
  - 31% invested directly in global listed equities
  - 17% are ASX listed but earn the majority of income overseas
- The investment universe and liquidity of the portfolio has significantly improved due to expansion into overseas investments.



# Portfolio Top 20 Positions

Code	Position	Direction	Currency	Holding
MQG	Macquarie Group Limited	Long	AUD	10.1%
HGG	Henderson Group Plc	Long	AUD	6.7%
LUX IM	Luxottica Group SPA	Long	EUR	5.8%
MLB	Melbourne IT Ltd	Long	AUD	5.5%
GILD US	Gilead Sciences Inc	Long	USD	5.3%
MA US	Mastercard Inc	Long	USD	4.6%
ANZ	Australia & New Zealand Banking Group	Long	AUD	3.3%
V US	Visa Inc.	Long	USD	3.1%
NAB	National Australia Bank Ltd	Long	AUD	2.8%
RIO	Rio Tinto Ltd	Short	AUD	2.6%
RFG	Retail Food Group	Long	AUD	2.6%
AIG US	American International Group	Long	USD	2.4%
IPH	IPH Ltd.	Long	AUD	1.9%
TPM	TPG Telecom Ltd.	Long	AUD	1.9%
BOQ	Bank of Queensland	Long	AUD	1.9%
MYO	MYOB Group Ltd	Short	AUD	1.9%
CBA	Commonwealth Bank of Australia	Long	AUD	1.8%
BARC LN	Barclays Plc.	Long	GPB	1.8%
WPL	Woodside Petroleum Ltd	Short	AUD	1.7%
PEP	Pepper Group Ltd.	Long	AUD	1.4%
<b>Top Portfolio Holdings Gross Exposure</b>				<b>69.09%</b>





# Summary

- Fund with a 10 year track record of 17.65% pa against an All Ords. Accumulation Index of 5.41% (**3.2 times the All Ords Acc Index**)
- Running yield of 7.6% fully franked (10.9% grossed up) based on \$1.43 placement price
- Investment process designed to invest over time and through market cycles
- Investment team are the largest investor in the strategy
- Investing in stocks both domestically and internationally
- Investment trends of lower \$AUD, lower resource prices, lower energy prices and a move towards international diversification have been in place for several years