



INVESTMENT UPDATE

MAY 2017

For the month of May 2017 Cadence Capital Limited returned a positive gross performance of 1.2% outperforming the All Ordinaries Accumulation Index by 3.8%. For the financial year to date, Cadence Capital Limited has returned a positive gross performance of 15.3% compared to an increase in the All Ordinaries Accumulation Index of 12.8%.

As at the 31st May 2017 the fund was holding 14% cash (86% invested).

Fund NTA

Net Tangible Assets as at 31 May 2017	Amount (\$)
Pre Tax NTA*	\$1.150
Post Tax NTA*	\$1.230
Share price (ASX Code: CDM)*	\$1.210

* Post the 4.0 cent fully franked interim dividend

Fund Performance

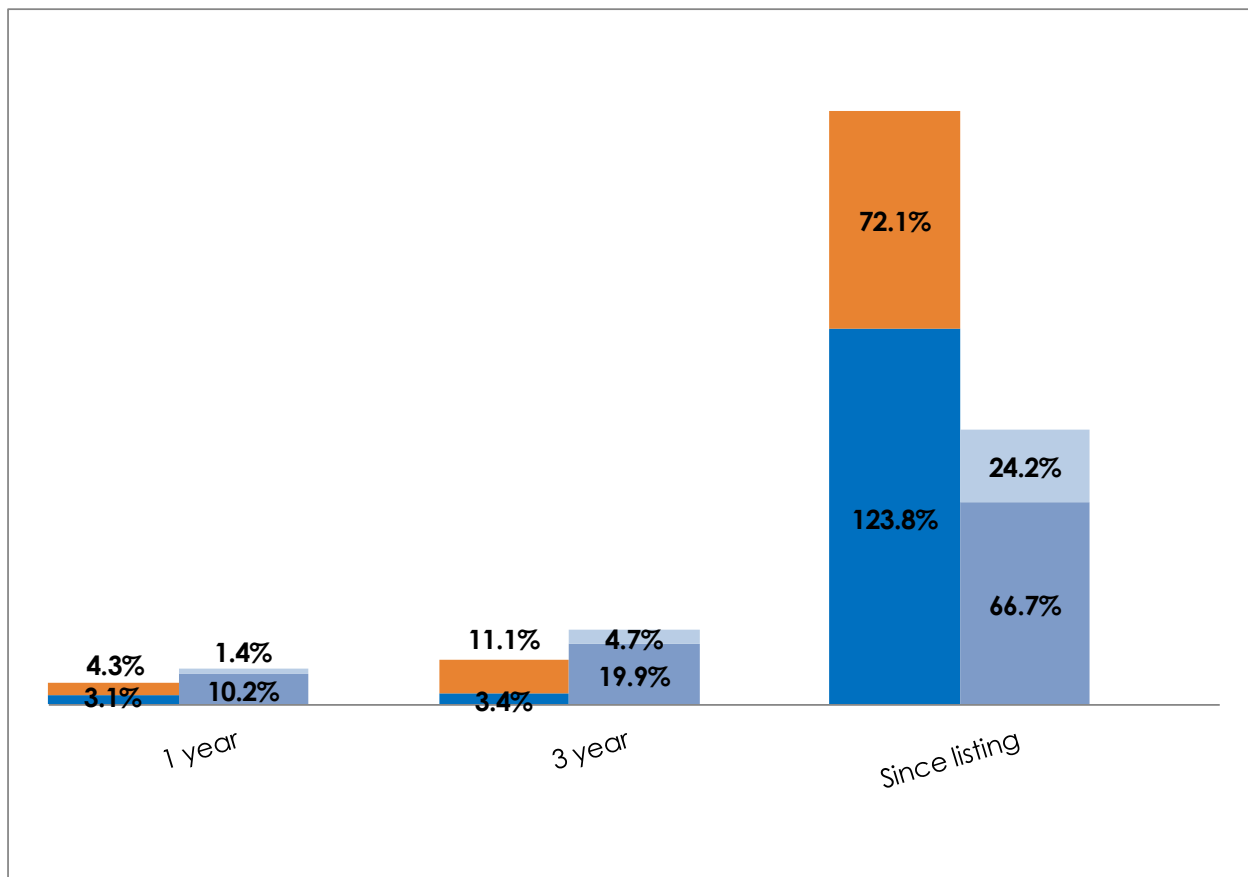
Performance* to 31st May 2017	CDM**	All Ords	Outperformance
1 Month	1.2%	-2.6%	+3.8%
YTD	15.3%	12.8%	+2.5%
1 Year	8.7%	10.2%	-1.5%
3 Years (per annum)	4.7%	6.2%	-1.5%
5 Years (per annum)	10.3%	11.6%	-1.3%
8 Years (per annum)	18.3%	9.9%	+8.4%
10 Years (per annum)	10.3%	3.4%	+6.9%
Since Inception (11.7 years) (per annum)	15.2%	6.4%	+8.8%
Since Inception (11.7 years) (total return)	421.7%	106.2%	+315.5%

* 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



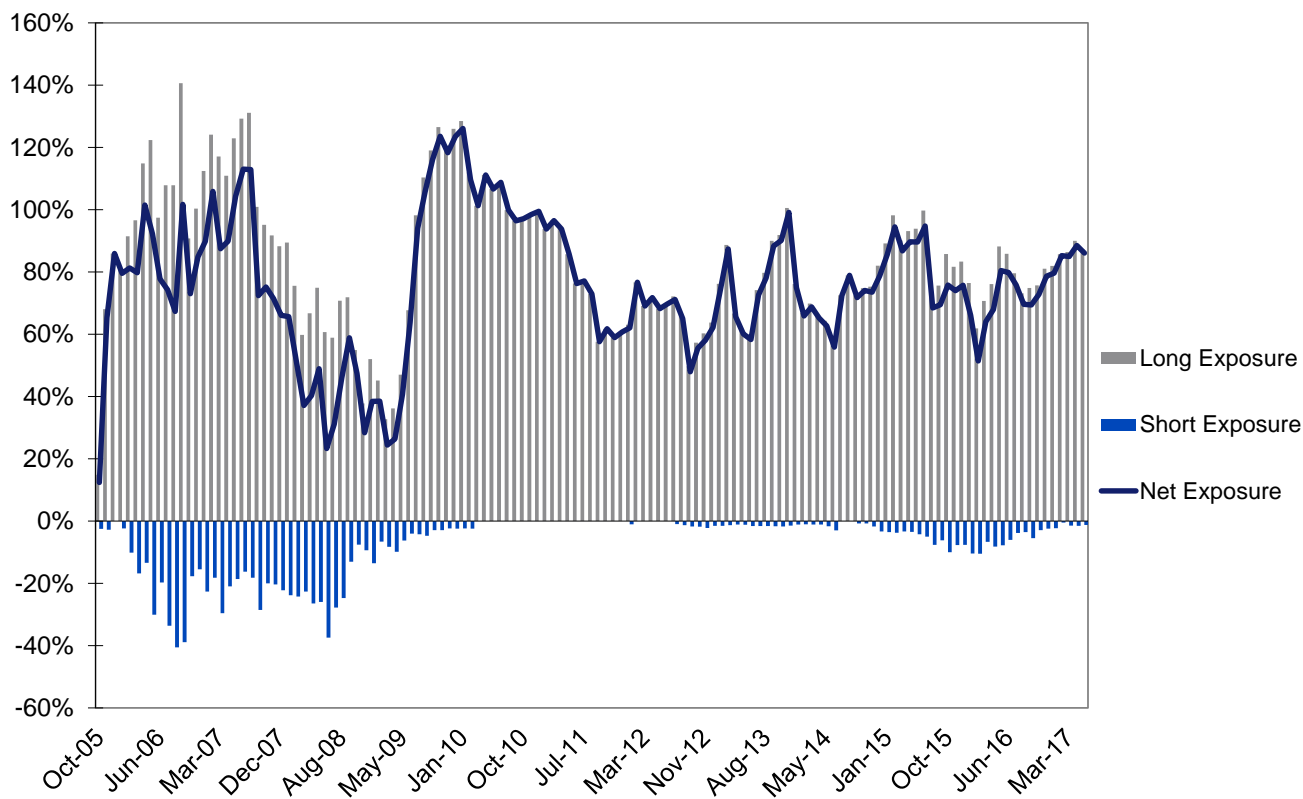
Franked Dividends Declared Since Listing

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	4.0c	-	9.0c	12.9c
2017	4.0c	-	-	4.0c	5.7c
TOTAL	37.5c	34.2c	11.5c	83.2c	118.0c

* Off market equal access buy back



Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Diversified Financials	18.7%		18.7%
Software & Services	14.9%		14.9%
Financial	10.2%		10.2%
Banks	9.2%		9.2%
Communications	7.9%		7.9%
Consumer, Non-cyclical	6.7%		6.7%
Technology	4.8%		4.8%
Consumer Services	3.9%		3.9%
Basic Materials	3.8%		3.8%
Consumer, Cyclical	3.7%	0.9%	2.8%
Industrial	2.7%		2.7%
Energy	0.9%	0.3%	0.6%
Materials	0.0%		0.0%
Exposure	87.4%	1.3%	86.1%
Cash on Hand			13.9%



Top Portfolio Positions

Code	Position	Direction	Currency	Holding
MLB	Melbourne IT Ltd	Long	AUD	14.8%
MQG	Macquarie Group Ltd	Long	AUD	10.9%
HGG	Janus Henderson Group Plc	Long	AUD	5.8%
5930 KS	Samsung Electronics Co Ltd	Long	USD	4.8%
9984 JP	Softbank Group Corp	Long	AUD	4.7%
RFG	Retail Food Group	Long	AUD	3.9%
ANZ	Australia and New Zealand Banking Group	Long	AUD	3.6%
NAB	National Australia Bank Ltd	Long	AUD	3.3%
ECX	Eclipx Group Ltd	Long	AUD	3.2%
AAD	Ardent Leisure Group	Long	AUD	3.2%
EHE	Estia Health Ltd	Long	AUD	3.1%
AIG US	American International Group	Long	AUD	2.6%
CBA	Commonwealth Bank of Australia	Long	AUD	2.4%
IGO	Independence Group NL	Long	AUD	2.1%
FB US	Facebook Inc	Long	AUD	2.0%
MA US	Mastercard Inc	Long	AUD	1.9%
MND	Monadelphous Group Ltd	Long	AUD	1.6%
PEP	Peper Group Ltd	Long	AUD	1.4%
CYA	Century Australia Investments Ltd	Long	AUD	1.4%
VOC	Vocus Communications Ltd	Long	AUD	1.3%
Top Portfolio Holdings Gross Exposure				77.9%

Recent News Articles

Please view the [March 2017 Quarterly Webcast](#) which provides an update on the fund's performance and a brief outlook for the Company. It then discusses the portfolio's holdings, and gives a detailed update of the Company's largest holding Melbourne IT (ASX:MLB).

Cadence Capital was quoted in the press in May in the following news articles [The Australian – PM's former firm Melbourne IT making its mark](#), [AFR Chanticleer – Macquarie deserves re-rating as a fund manager](#) and [The Australian – Macquarie chief calls for infrastructure blitz](#).

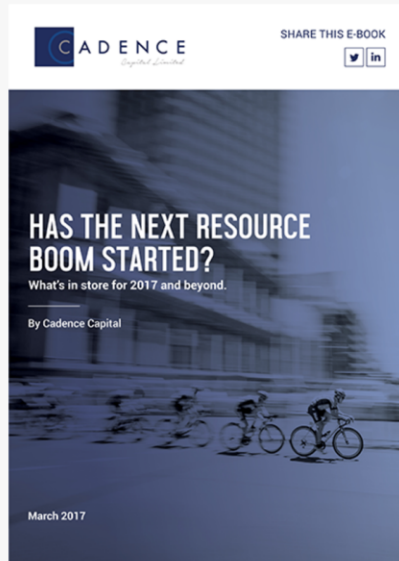
Karl Siegling was also featured in Cuffelinks Newsletter on the [impact of global migration of millionaires](#).

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Are resources gains sustainable? How does the Cadence Capital approach to investing enable us to profit from resources in the current environment? Two 'live' examples of current resource investments – Monadelphous Group Ltd (MND) and Fortescue Metals Group (FMG).

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