

## INVESTMENT UPDATE AND NTA – AUGUST 2010

### FUND NTA

Cadence Capital Limited NTA estimates as at 31st August 2010:

Pre Tax NTA	\$1.03225
Post Tax NTA*	\$1.04701

*These NTA's are post a 2.0c fully franked dividend that was paid on 24<sup>th</sup> June 2010*

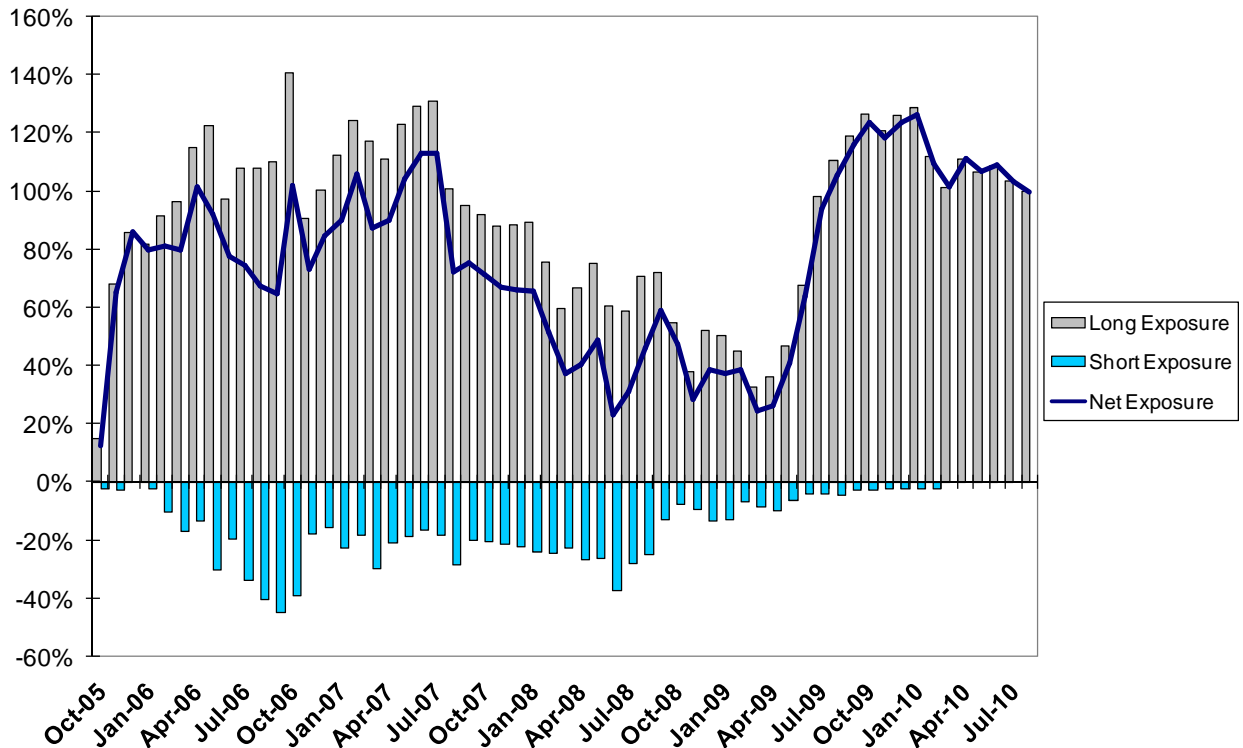
*\*Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

### FUND PERFORMANCE\*

Performance to 31st August 2010	CDM	All Ords	Outperformance
1 Month	1.71%	-0.71%	
1 Year	11.49%	2.73%	+8.76%
Annualised return since inception (59 months)	12.64%	3.52%	+9.12%
Inception to date accumulated return (59 months)	79.50%	18.54%	+60.96%

\* Before Management and Performance Fees

### PORTFOLIO EXPOSURE ANALYSIS



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	31.00%		31.00%
Materials	25.38%		25.38%
Software & Services	17.30%		17.30%
Telecommunication Services	6.37%		6.37%
Commercial Services & Supplies	5.99%		5.99%
Diversified Financials	3.97%		3.97%
Technology Hardware & Equipment	2.85%		2.85%
Consumer Services	2.00%		2.00%
Capital Goods	1.97%		1.97%
Real Estate	1.55%		1.55%
Insurance	1.38%		1.38%
Media	0.10%		0.10%
<b>Exposure</b>	<b>99.87%</b>	<b>0.00%</b>	<b>99.87%</b>
<b>Cash on Hand</b>			<b>0.13%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	20.7%
RKN	Reckon Ltd	Long	8.8%
BVA	Bravura Solutions Ltd	Long	7.9%
MMS	McMillan Shakespeare Limited	Long	6.0%
AVO	Avoca Resources Limited	Long	5.9%
TPM	TPG Telecom Ltd	Long	5.6%
CFE	Cape Lambert Iron Ore Ltd	Long	4.4%
MCC	MacArthur Coal Ltd	Long	4.0%
RIO	Rio Tinto Ltd	Long	4.0%
FFF	Firstfolio Limited	Long	3.6%
NAB	National Australia Bank Ltd	Long	3.6%
ANZ	Australia & New Zealand Banking Group	Long	3.1%
AGO	Atlas Iron Ltd	Long	2.2%
VMG	VDM Group Limited	Long	2.0%
HSKG	Heemskirk Consolidated Convertible Note	Long	1.9%
FSA	FSA Group Ltd	Long	1.9%
RFG	Retail Food Group Limited	Long	1.7%
STB	South Boulder Mines Ltd	Long	1.7%
PBD	Port Bouvard Limited	Long	1.5%
MIK	Mikoh Corporation Limited	Long	1.4%
<b>Top Twenty Portfolio Holdings</b>			<b>91.9%</b>

## **MARKET AND COMMENTARY**

We are pleased to report that Cadence Capital Limited has performed well over the past twelve months and the fund is up 11.5% (Gross) outperforming the All Ordinaries Accumulation Index by 8.8%. During the month of August, Cadence Capital Limited returned a positive gross performance of +1.71% compared to a decrease in the All Ordinaries Accumulation Index of -0.71% and an increase in the Small Ordinaries Accumulation Index of +1.80%.

Since its inception four years and eleven months ago, Cadence Capital Limited has returned a gross performance of 79.50% compared to an increase in the All Ordinaries Accumulation Index of 18.54% and an increase in the Small Ordinaries Accumulation Index of 8.57%.

The fund finished the month 99.87% long and with no shorts, i.e. net long exposure of 99.87%. The net long exposure for July 2010 was 103.4%.

## **CADENCE CAPITAL LIMITED NEWS**

On the 25<sup>th</sup> August 2010, Karl Siegling, Portfolio Manager for Cadence Capital Limited was interviewed by Sky Business. In this interview he discusses one of the positions currently in the portfolio, Firstfolio Limited (ASX Code: FFF). This interview and previous interviews and quarterly webcasts can be accessed through the 'News' section of the Cadence Capital Limited website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

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