

INVESTMENT UPDATE AND NTA – DECEMBER 2009

FUND NTA

Cadence Capital Limited NTA estimates as at 31st December 2009:

Pre Tax NTA	\$1.10041
Post Tax NTA*	\$1.10255

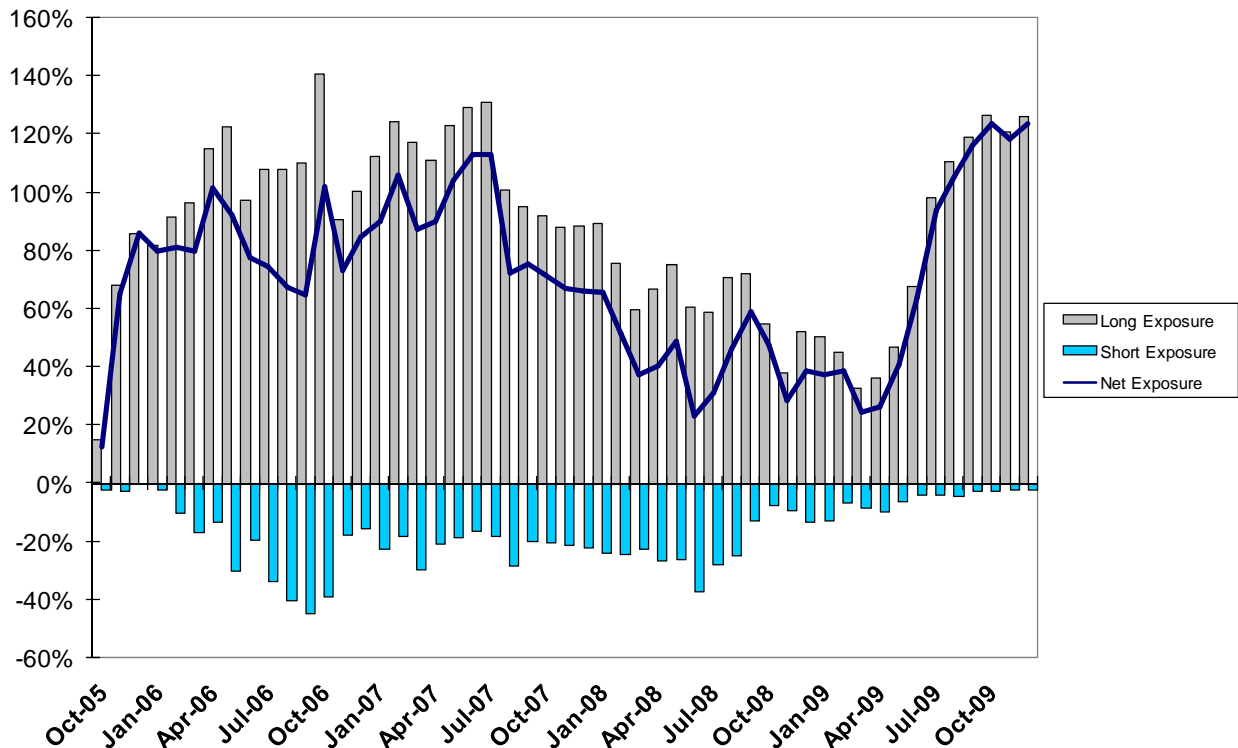
*Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)

FUND PERFORMANCE*

Performance to 31st December 2009	CDM	All Ords	Outperformance
1 Month	-1.45%	3.69%	
1 Year	47.24%	39.58%	+7.66%
Annualised return since inception (51 months)	15.07%	5.77%	+9.30%
Inception to date accumulated return (51 months)	81.57%	26.91%	+54.66%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	45.48%		45.48%
Banks	25.33%		25.33%
Software & Services	24.27%		24.27%
Diversified Financials	11.95%		11.95%
Telecommunication Services	5.20%		5.20%
Utilities	3.87%		3.87%
Energy	3.50%		3.50%
Technology Hardware & Equipment	1.84%		1.84%
Consumer Services	1.74%		1.74%
Capital Goods	1.55%		1.55%
Retailing	1.24%		1.24%
Transportation		-2.42%	-2.42%
Exposure	125.96%	-2.42%	123.54%
Cash Borrowings			23.54%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	15.8%
RIO	Rio Tinto Ltd	Long	9.3%
CUS	Customers Ltd	Long	8.1%
BVA	Bravura Solutions Ltd	Long	7.9%
RKN	Reckon Ltd	Long	6.7%
DIO	Dioro Exploration NL	Long	6.0%
NAB	National Australia Bank Ltd	Long	5.4%
MCC	MacArthur Coal Ltd	Long	5.1%
HGG	Henderson Group PLC	Long	4.8%
CFE	Cape Lambert Iron Ore Ltd	Long	4.6%
PNA	PanAust Ltd	Long	4.1%
TPM	TPG Telecom Ltd	Long	4.0%
PIH	Prime Infrastructure Group	Long	3.9%
AGO	Atlas Iron Ltd	Long	3.4%
AOE	Arrow Energy Ltd/Australia	Long	2.4%
TCL	Transurban Group	Short	-2.4%
FSA	FSA Group Ltd	Long	2.3%
NKP	Nkwe Platinum Limited	Long	2.2%
FFF	Firstfolio Limited	Long	2.2%
ANZ	Australia & New Zealand Banking Group	Long	1.9%
Top Twenty Portfolio Holdings			97.7%

MARKET AND COMMENTARY

For the four years and three months to 31st December 2009, Cadence Capital Limited has returned a gross performance of 81.57% compared to an increase in the All Ordinaries Accumulation Index of 26.91%.

We are pleased to report that the fund has had a very good start to the year and for the half year ended 31st December 2009 the fund is up 31.71% (Gross) outperforming the All Ordinaries Accumulation Index by 5.65%. During the month of December, Cadence Capital Limited returned a negative gross performance of -1.45% compared to an increase in the All Ordinaries Accumulation Index of 3.69% and an increase in the Small Ordinaries Accumulation Index of 4.29%.

The fund finished the month 125.9% long, 2.4% short and with a net long exposure of 123.5%. The net exposure for November 2009 was 118.3%.

CADENCE CAPITAL LIMITED NEWS

Over the past 12 months, Karl Siegling, Portfolio Manager for Cadence Capital Limited has been interviewed numerous times by CNBC Australia where he has amongst other topics discussed various positions currently in the Cadence Capital portfolio. To watch these interviews please visit the 'News' section of the Cadence Capital website at www.cadencecapital.com.au. Please note that you may be required to register online with CNBC to view their video links. This is a once off registration that is free.

Please note that we will be complementing these interviews with our own web broadcasts. It is the intention that these webcasts will be broadcast once a quarter and that they will cover amongst other things, updates on both the market and more specifically discussions around positions that the fund is invested in. These webcasts will also be able to be accessed through the 'News' section of the Cadence Capital website.

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