

## INVESTMENT UPDATE AND NTA – FEBRUARY 2010

### FUND NTA

Cadence Capital Limited NTA estimates as at 28<sup>th</sup> February 2010:

Pre Tax NTA \$1.05841  
Post Tax NTA\* \$1.07452

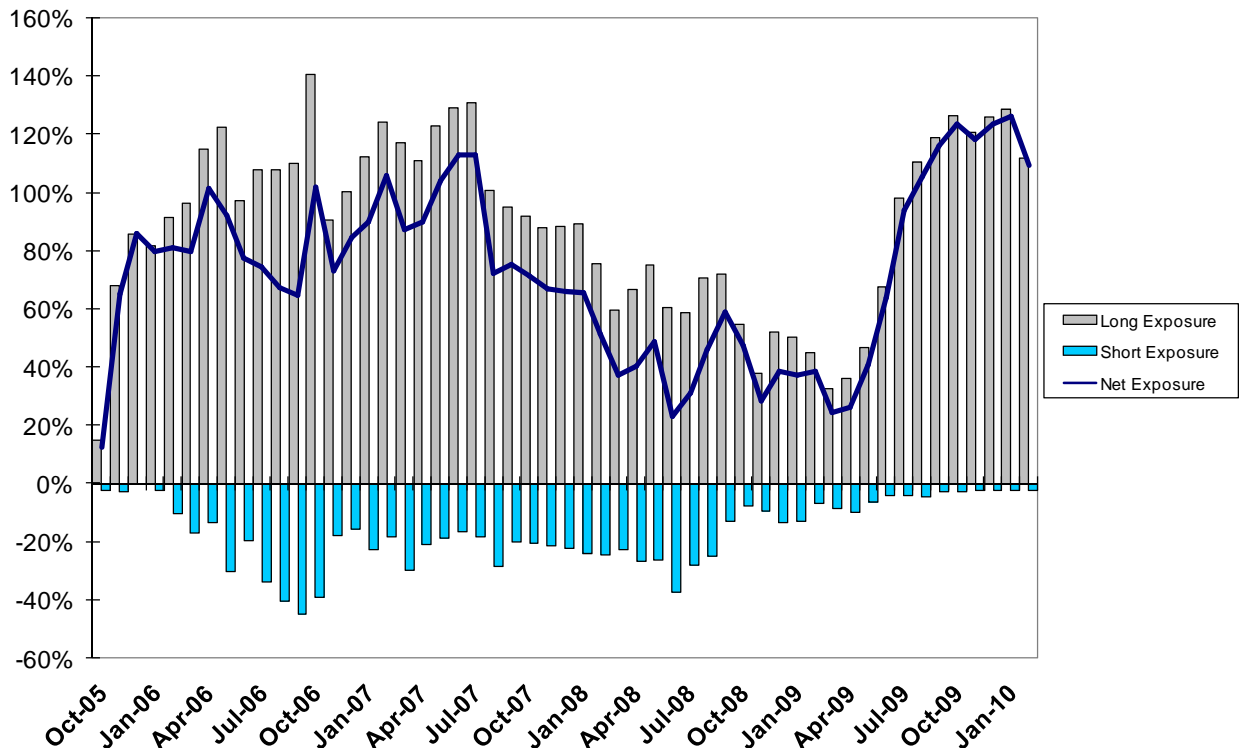
*\*Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

### FUND PERFORMANCE\*

Performance to 28th February 2010	CDM	All Ords	Outperformance
1 Month	-1.69%	1.82%	
1 Year	41.54%	47.03%	-5.49%
Annualised return since inception (53 months)	13.53%	4.54%	+8.99%
Inception to date accumulated return (53 months)	75.17%	21.66%	+53.51%

\* Before Management and Performance Fees

### PORTFOLIO EXPOSURE ANALYSIS



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	30.82%		30.82%
Banks	28.55%		28.55%
Software & Services	23.90%		23.90%
Diversified Financials	10.99%		10.99%
Telecommunication Services	6.04%		6.04%
Utilities	2.35%		2.35%
Capital Goods	2.08%		2.08%
Consumer Services	1.89%		1.89%
Energy	1.73%		1.73%
Commercial Services & Supplies	1.72%		1.72%
Technology Hardware & Equipment	1.34%		1.34%
Retailing	0.63%		0.63%
Transportation		-2.43%	-2.43%
<b>Exposure</b>	<b>112.05%</b>	<b>-2.43%</b>	<b>109.62%</b>
<b>Cash Borrowings</b>			<b>9.62%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	18.5%
CUS	Customers Ltd	Long	8.3%
RIO	Rio Tinto Ltd	Long	7.3%
RKN	Reckon Ltd	Long	6.9%
BVA	Bravura Solutions Ltd	Long	6.8%
NAB	National Australia Bank Ltd	Long	5.2%
TPM	TPG Telecom Ltd	Long	4.9%
MCC	MacArthur Coal Ltd	Long	3.2%
CFE	Cape Lambert Iron Ore Ltd	Long	3.2%
HGG	Henderson Group PLC	Long	3.1%
PNA	PanAust Ltd	Long	3.0%
NKP	Nkwe Platinum Limited	Long	2.9%
FFF	Firstfolio Limited	Long	2.8%
AGO	Atlas Iron Ltd	Long	2.5%
TCL	Transurban Group	Short	-2.4%
PIH	Prime Infrastructure Group	Long	2.3%
FSA	FSA Group Ltd	Long	2.2%
VMG	VDM Group Limited	Long	2.1%
ANZ	Australia & New Zealand Banking Group	Long	2.0%
AVO	Avoca Resources Limited	Long	2.0%
<b>Top Twenty Portfolio Holdings</b>			<b>86.9%</b>

## **MARKET AND COMMENTARY**

For the four years and five months to 28<sup>th</sup> February 2010, Cadence Capital Limited has returned a gross performance of 75.15% compared to an increase in the All Ordinaries Accumulation Index of 21.66%.

We are pleased to report that the fund has performed well so far this year and for the eight months ended 28<sup>th</sup> February 2010 the fund is up 27.07% (Gross) outperforming the All Ordinaries Accumulation Index by 6.22%. During the month of February, Cadence Capital Limited returned a negative gross performance of -1.69% compared to an increase in the All Ordinaries Accumulation Index of +1.82% and a decrease in the Small Ordinaries Accumulation Index of -0.48%.

The fund finished the month 112.0% long, 2.4% short and with a net long exposure of 109.6%. The net exposure for January 2010 was 126.1%.

## **CADENCE CAPITAL LIMITED NEWS**

Last month on the 25<sup>th</sup> January 2010, Karl Siegling, Portfolio Manager for Cadence Capital Limited was interviewed by CNBC Australia on the resources sector. To watch both this and all past interviews please visit the 'News' section of the Cadence Capital website at [www.cadencecapital.com.au](http://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 also 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.

## **DISCLAIMER**

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