

## INVESTMENT UPDATE AND NTA – FEBRUARY 2011

### FUND NTA

Cadence Capital Limited NTA estimates as at 28th February 2011:

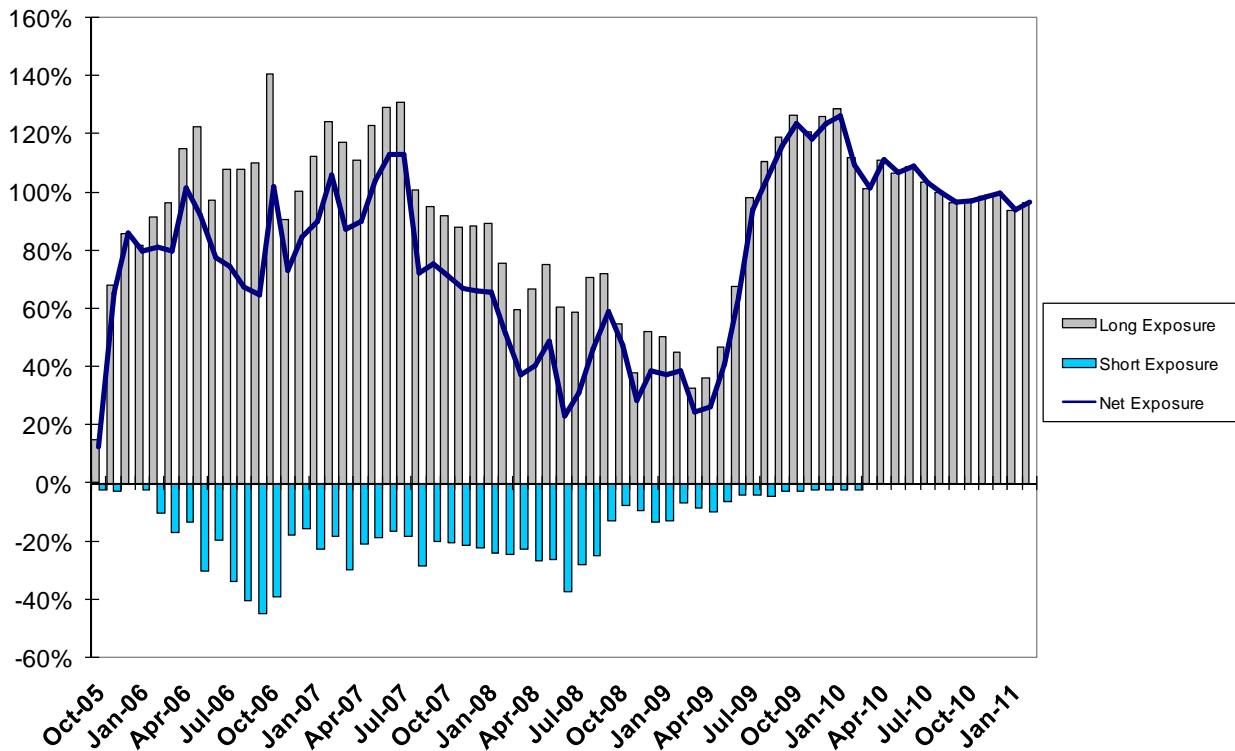
Pre Tax NTA	\$1.46964
Post Tax NTA	\$1.36061

### FUND PERFORMANCE\*

Performance to 28th February 2011	CDM	All Ords	Outperformance
1 Month	10.58%	2.19%	
1 Year	56.64%	10.20%	+46.44%
2 Years	121.70%	62.03%	+59.67%
3 Years	62.83%	-1.21%	+64.04%
4 Years	53.24%	0.05%	+53.19%
5 Years	130.11%	24.16%	+105.95%
Inception to date accumulated return (65 months)	174.38%	34.07%	+140.31%
Annualised return since inception (65 months)	20.48%	5.56%	+14.92%

\* Before Management and Performance Fees

### PORTFOLIO EXPOSURE ANALYSIS



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	35.86%		35.86%
Banks	32.61%		32.61%
Software & Services	16.83%		16.83%
Commercial Services & Supplies	6.76%		6.76%
Diversified Financials	3.06%		3.06%
Consumer Services	0.93%		0.93%
Technology Hardware & Equipment	0.27%		0.27%
Telecommunication Services	0.18%		0.18%
<b>Exposure</b>	<b>96.52%</b>	<b>0.00%</b>	<b>96.52%</b>
<b>Cash on hand</b>			<b>3.48%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	25.0%
STB	South Boulder Mines Ltd	Long	9.2%
BVA	Bravura Solutions Ltd	Long	9.1%
RKN	Reckon Ltd	Long	7.4%
MMS	McMillan Shakespeare Limited	Long	6.8%
CFE	Cape Lambert Iron Ore Ltd	Long	5.0%
AQG	Alacer Gold Corp	Long	4.5%
AWC	Alumina Limited	Long	3.4%
RIO	Rio Tinto Ltd	Long	3.2%
ANZ	Australia & New Zealand Banking Group	Long	3.0%
NAB	National Australia Bank Ltd	Long	2.6%
FXL	Flexigroup Limited	Long	2.5%
AGO	Atlas Iron Ltd	Long	2.4%
FFF	Firstfolio Limited	Long	2.1%
BTU	Bathurst Resources Limited	Long	1.9%
ZRL	Zambezi Resources Limited	Long	1.9%
MCC	MacArthur Coal Ltd	Long	1.8%
HSKG	Heemskirk Consolidated Convertible Note	Long	1.4%
AKI	African Iron Limited	Long	0.8%
RFG	Retail Food Group Limited	Long	0.8%
<b>Top Twenty Portfolio Holdings</b>			<b>94.7%</b>

## **MARKET AND COMMENTARY**

We are pleased to report that the fund has had a good year to date and for the eight months ended 28th February 2011 the fund is up 62.72% (Gross) outperforming the All Ordinaries Accumulation Index by 45.67%. During the month of February, Cadence Capital Limited returned a positive gross performance of +10.58% compared to an increase in the All Ordinaries Accumulation Index of +2.19% and an increase in the Small Ordinaries Accumulation Index of +1.27%.

For the five years and five months to 28<sup>th</sup> February 2011, Cadence Capital Limited has generated a gross performance of 20.48% per annum, outperforming the All Ordinaries Accumulation Index by 14.92% per annum.

The fund finished the month 96.52% long and with no shorts, i.e. net long exposure of 96.52%. The net long exposure for January 2011 was 93.80%.

## **CADENCE CAPITAL LIMITED NEWS**

During the month of March, the Cadence Capital Limited quarterly webcast will be available to be viewed on our website. This webcast will firstly give an update on the Company's half year results and secondly will discuss in some detail the top five positions in the portfolio being: RHG Limited; Bravura Solutions Limited; Reckon Limited; South Boulder Mines Limited; and McMillan Shakespeare Limited. All five of these positions have performed well for the fund over the last six months. This webcast and previous webcasts can all be accessed through the 'News' section of the Cadence Capital website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

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