



## INVESTMENT UPDATE July 2011

### Fund NTA & Performance

Cadence Offshore Fund NTA as at 31st July 2011:

NTA per share (Series AUD1)	\$1,437.29
Net Performance July 2011 (Series AUD1)	+0.66%

### Monthly Detailed Performance

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	YTD
Cadence Offshore Fund	-2.70%	-0.28%	2.21%	6.06%	-9.07%	-2.61%	7.60%	4.02%	5.24%	4.70%	12.35%	2.01%	31.63%
All Ordinaries Acc Index	-5.85%	1.82%	5.83%	-1.18%	-7.57%	-2.60%	4.23%	-0.71%	5.02%	2.17%	-0.70%	3.80%	3.31%
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Cadence Offshore Fund	1.70%	3.78%	-2.52%	5.16%	-1.36%	1.64%	0.66%						9.19%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%	-3.40%						-5.33%
* Net of all fees												Accumulated return	43.72%

### Portfolio Commentary

The Fund has had a good start to the year and for the seven months ended the fund has returned +9.19% (net) outperforming the All Ordinaries Accumulation Index by 14.52%. During July 2011, its nineteenth month in operation, Cadence's Offshore Fund returned a positive net performance of +0.66% compared to a decrease in the All Ordinaries Accumulation Index of -3.40% and an increase in the Small Ordinaries Accumulation Index of +1.40%. For the eighteen months to 31st July 2011, the Fund has returned a positive net performance of +43.72% compared to a decrease in the All Ordinaries Accumulation Index of -2.20% and an increase in the Small Ordinaries Accumulation Index of +2.72% during the same period.

The fund finished the month 33.76% net long. The net exposure for June 2011 was 31.84%.

### Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	22.49%		22.49%
Materials	3.64%		3.64%
Software & Services	2.77%		2.77%
Commercial Services & Supplies	1.50%		1.50%
Retailing	1.03%		1.03%
Transportation	0.88%		0.88%
Diversified Financials	0.78%		0.78%
Telecommunication Services	0.69%		0.69%
<b>Exposure</b>	<b>33.76%</b>	<b>0.00%</b>	<b>33.76%</b>
<b>Cash on Hand</b>			<b>66.24%</b>



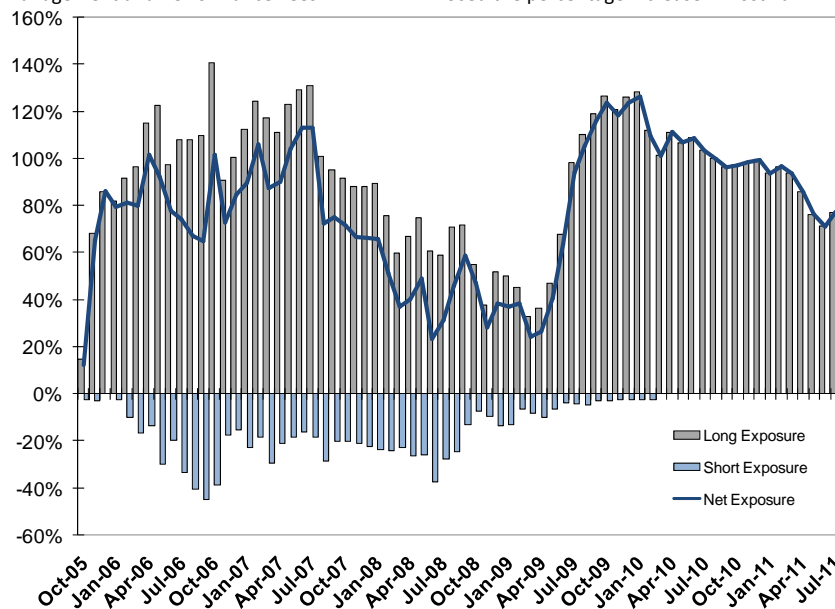
## Historic Strategy Performance & Exposure – 5 Years

Cadence Capital Limited is an ASX listed fund that has been operating the Cadence Long/ Short Australian equities strategy for over five years. Over time the Cadence Offshore Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the 5 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 31st July 2011	CDM**	All Ords	Outperformance
1 Month	1.16%	-3.40%	+4.56%
1 Year	75.92%	3.96%	+71.96%
2 Years	108.28%	14.52%	+93.76%
3 Years	97.24%	1.29%	+95.95%
4 Years	57.02%	-13.97%	+70.99%
5 Years	137.58%	11.60%	+125.98%
Since Inception (70 months)	210.46%	24.12%	+186.34%
Since Inception Annualised (70 months)	21.43%	3.77%	+17.66%

\*Before Management and Performance Fees

\*\*Used the percentage increase in Post Tax NTA for May 2011



### Fund Facts

Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 55 Million
Redemption Notice:	3 Months	Prime Broker:	Citigroup
Lock-up:	None	Administrator:	TMF Group
Management Fee:	1.5%	Fund Domicile:	Cayman Islands
Performance Fee:	20%	Legal Advisers (Cayman):	Walkers

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