

## INVESTMENT UPDATE AND NTA – JUNE 2010

### FUND NTA

Cadence Capital Limited NTA estimates as at 30th June 2010:

Pre Tax NTA \$0.97477  
Post Tax NTA\* \$1.00669

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

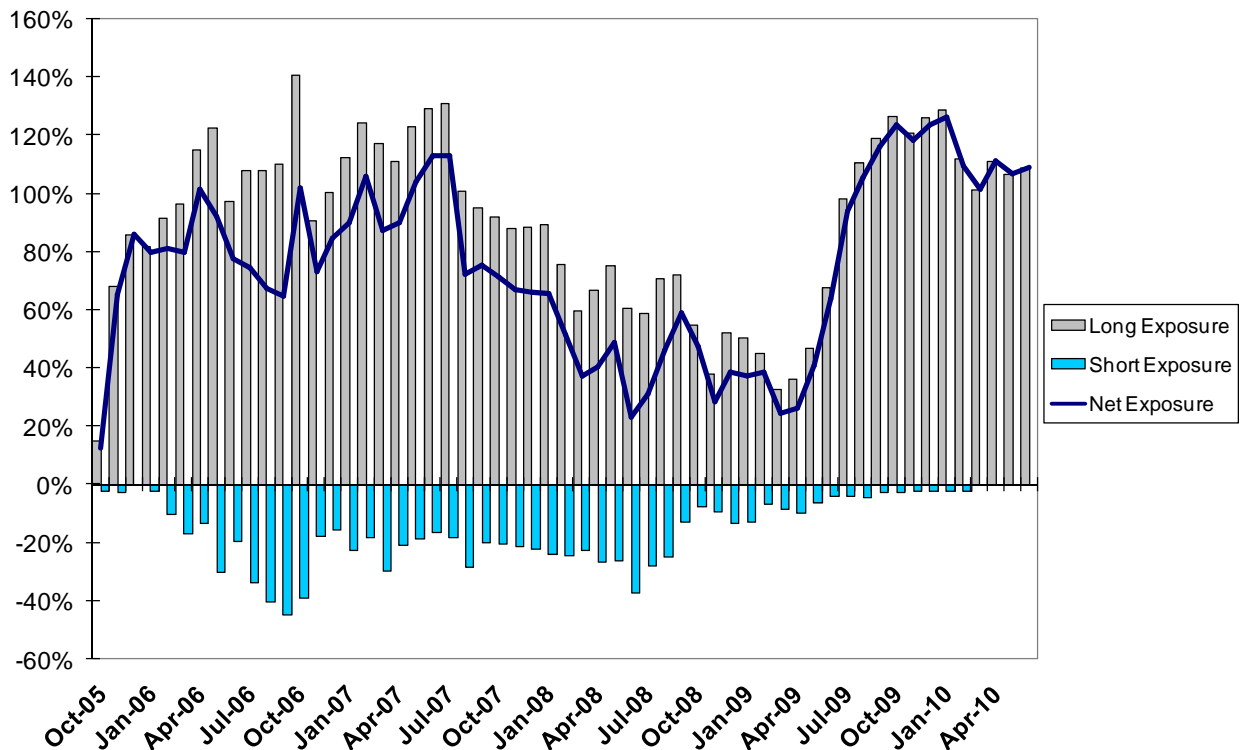
*\*Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

### FUND PERFORMANCE\*

Performance to 30th June 2010	CDM	All Ords	Outperformance
1 Month	-0.90%	-2.60%	
1 Year	22.32%	13.78%	+8.54%
Annualised return since inception (57 months)	11.63%	2.90%	+8.73%
Inception to date accumulated return (57 months)	68.63%	14.54%	+54.09%

\* Before Management and Performance Fees

### PORTFOLIO EXPOSURE ANALYSIS



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Total
Materials	33.02%		33.02%
Banks	30.62%		30.62%
Software & Services	16.90%		16.90%
Telecommunication Services	7.54%		7.54%
Diversified Financials	5.63%		5.63%
Commercial Services & Supplies	4.45%		4.45%
Technology Hardware & Equipment	3.31%		3.31%
Insurance	2.30%		2.30%
Consumer Services	2.27%		2.27%
Capital Goods	1.77%		1.77%
Retailing	1.02%		1.02%
<b>Exposure</b>	<b>108.81%</b>	<b>0.00%</b>	<b>108.81%</b>
<b>Cash Borrowings</b>			<b>-8.81%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	20.1%
RKN	Reckon Ltd	Long	8.3%
TPM	TPG Telecom Ltd	Long	6.4%
BVA	Bravura Solutions Ltd	Long	6.0%
AVO	Avoca Resources Limited	Long	5.6%
MMS	McMillan Shakespeare Limited	Long	4.4%
CFE	Cape Lambert Iron Ore Ltd	Long	4.4%
RIO	Rio Tinto Ltd	Long	3.9%
NAB	National Australia Bank Ltd	Long	3.7%
MCC	MacArthur Coal Ltd	Long	3.7%
ANZ	Australia & New Zealand Banking Group	Long	3.0%
FFF	Firstfolio Limited	Long	2.9%
AGO	Atlas Iron Ltd	Long	2.3%
FSA	FSA Group Ltd	Long	2.2%
MIK	Mikoh Corporation Limited	Long	2.0%
PNA	PanAust Ltd	Long	2.0%
RFG	Retail Food Group Limited	Long	1.9%
HSKG	Heemskirk Consolidated Convertible Notes	Long	1.8%
CUS	Customers Ltd	Long	1.8%
FXL	Flexigroup Limited	Long	1.8%
<b>Top Twenty Portfolio Holdings</b>			<b>88.2%</b>

## **MARKET AND COMMENTARY**

We are pleased to report that Cadence Capital Limited has performed well this financial year and for the twelve months ended 30<sup>th</sup> June 2010 the fund is up 22.3% (Gross) outperforming the All Ordinaries Accumulation Index by 8.5%. During the month of June, Cadence Capital Limited returned a negative gross performance of -0.90% compared to a decrease in the All Ordinaries Accumulation Index of -2.60% and a decrease in the Small Ordinaries Accumulation Index of -3.73%.

Since its inception four years and nine months ago, Cadence Capital Limited has returned a gross performance of 68.63% compared to an increase in the All Ordinaries Accumulation Index of 14.54% and an increase in the Small Ordinaries Accumulation Index of 1.36%.

The fund finished the month 108.8% long and with no shorts, i.e. net long exposure of 108.8%. The net long exposure for May 2010 was 106.7%.

## **CADENCE CAPITAL LIMITED NEWS**

Cadence Capital Limited will be broadcasting the June 2010 quarterly webcast during the month of July 2010. This webcast will give an update on the funds performance throughout the past financial year. It will also give an update on certain positions in the portfolio and discuss it's positioning for the 2011 financial year. This and previous webcasts are able to 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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