

CADENCE OFFSHORE FUND JUNE 2011 INVESTOR REPORT

FUND NTA & PERFORMANCE

Cadence Offshore Fund NTA as at 30th June 2011:

NTA per share (Series AUD1) \$1,427.89

Net Performance June 2011 (Series AUD1) + 1.64%

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%							8.47%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%							-2.00%
* Net of all fees												Accumulated return	42.78%

PORTFOLIO COMMENTARY

The Fund has had a good start to the year and for the half year ended the fund has returned +8.47% (net) outperforming the All Ordinaries Accumulation Index by 10.47%. During June 2011, its eighteenth month in operation, Cadence's Offshore Fund returned a positive net performance of +1.64% compared to a decrease in the All Ordinaries Accumulation Index of -2.39% and a decrease in the Small Ordinaries Accumulation Index of -5.09%. For the seventeen months to 30th June 2011, the Fund has returned a positive net performance of +42.78% compared to an increase in the All Ordinaries Accumulation Index of +1.24% and an increase in the Small Ordinaries Accumulation Index of +1.30% during the same period.

The fund finished the month 31.84% long and with no shorts, i.e. net long exposure of 31.84%. The net exposure for May 2011 was 57.72%.

PORTFOLIO SECTOR EXPOSURE

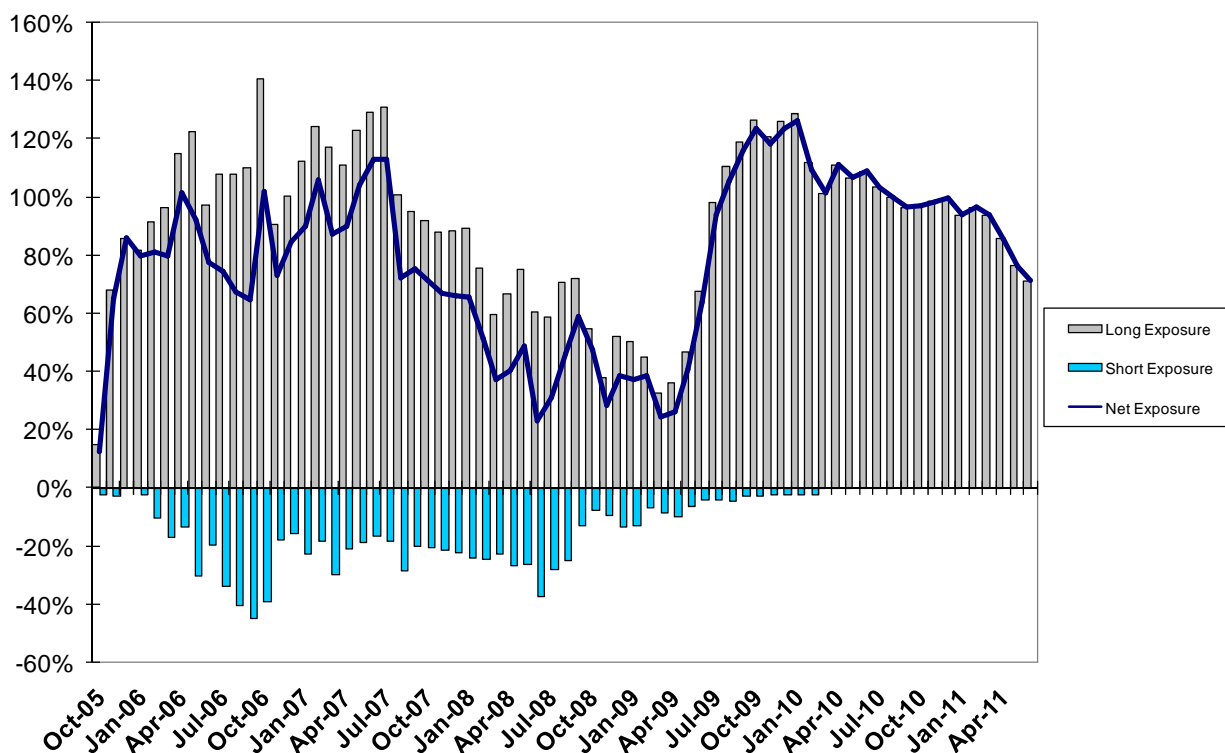
Sector	Long	Short	Net
Banks	21.91%		21.91%
Materials	3.50%		3.50%
Software & Services	2.71%		2.71%
Commercial Services & Supplies	1.56%		1.56%
Diversified Financials	0.78%		0.78%
Telecommunication Services	0.76%		0.76%
Technology Hardware & Equipment	0.63%		0.63%
Exposure	31.84%	0.00%	31.84%
Cash on hand			68.16%

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 Limited. Detailed below is the 5 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance to 30th June 2011	CDM	All Ords	Outperformance
1 Month	1.26%	-2.39%	
1 Year	82.00%	12.17%	+69.83%
2 Years	122.63%	27.63%	+95.00%
3 Years	88.28%	-0.64%	+88.92%
4 Years	54.78%	-12.68%	+67.46%
5 Years	130.67%	13.78%	+116.89%
Inception to date accumulated return (69 months)	206.91%	28.49%	+178.42%
Annualised return since inception (69 months)	21.53%	4.46%	+17.07%

* Gross Performance: before Management and Performance Fees
 ** Percentage increase in Post Tax NTA for May 2011



OFFSHORE 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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