

INVESTMENT UPDATE AND NTA – MARCH 2011

FUND NTA

Cadence Capital Limited NTA estimates as at 31st March 2011:

Pre Tax NTA*	\$1.38959
Post Tax NTA*	\$1.29736

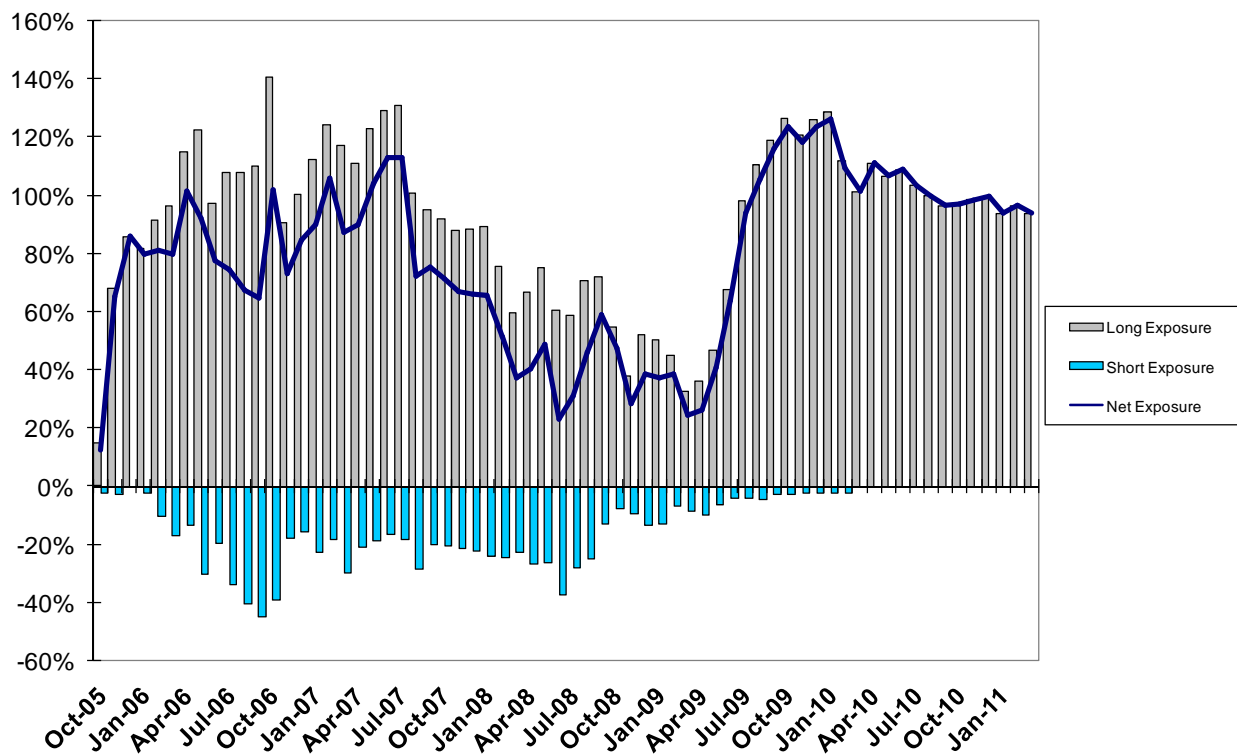
* These NTA's are post a 3.0c fully franked dividend that was paid on 14th March 2011

FUND PERFORMANCE*

Performance to 31st March 2011	CDM	All Ords	Outperformance
1 Month	-4.74%	0.64%	
1 Year	36.96%	4.80%	+32.16%
2 Years	107.69%	50.93%	+56.76%
3 Years	64.58%	3.69%	+60.89%
4 Years	46.45%	-2.55%	+49.00%
5 Years	108.59%	19.23%	+89.36%
Inception to date accumulated return (66 months)	161.36%	34.93%	+126.43%
Annualised return since inception (66 months)	19.09%	5.60%	+13.49%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	33.79%		33.79%
Materials	30.50%		30.50%
Software & Services	16.39%		16.39%
Commercial Services & Supplies	7.44%		7.44%
Diversified Financials	2.72%		2.72%
Telecommunication Services	1.05%		1.05%
Consumer Services	1.02%		1.02%
Energy	0.91%		0.91%
Exposure	93.81%	0.00%	93.81%
Cash on hand			6.19%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	25.9%
RKN	Reckon Ltd	Long	8.1%
BVA	Bravura Solutions Ltd	Long	7.9%
MMS	McMillan Shakespeare Limited	Long	7.4%
AQG	Alacer Gold Corp.	Long	5.0%
CFE	Cape Lambert Iron Ore Ltd	Long	4.6%
RIO	Rio Tinto Ltd	Long	4.4%
STB	South Boulder Mines Ltd	Long	4.2%
ANZ	Australia & New Zealand Banking Group	Long	3.1%
NAB	National Australia Bank Ltd	Long	2.8%
FXL	Flexigroup Limited	Long	2.7%
AWC	Alumina Limited	Long	2.4%
BTU	Bathurst Resources Limited	Long	2.4%
FFF	Firstfolio Limited	Long	2.1%
MCC	MacArthur Coal Ltd	Long	1.9%
ZRL	Zambezi Resources Limited	Long	1.8%
AGO	Atlas Iron Ltd	Long	1.6%
HSKG	Heemskirk Consolidated Convertible Note	Long	1.5%
NMS	Neptune Marine Services Limited	Long	0.9%
RFG	Retail Food Group Limited	Long	0.8%
Top Twenty Portfolio Holdings			91.6%

MARKET AND COMMENTARY

We are pleased to report that the fund has had a good year to date and for the nine months ended 31st March 2011 the fund is up 54.99% (Gross) outperforming the All Ordinaries Accumulation Index by 37.19%. During the month of March, Cadence Capital Limited returned a negative gross performance of -4.74% compared to an increase in the All Ordinaries Accumulation Index of +0.64% and a decrease in the Small Ordinaries Accumulation Index of -0.26%.

For the five years and six months to 31st March 2011, Cadence Capital Limited has generated a gross performance of 19.09% per annum, outperforming the All Ordinaries Accumulation Index by 13.49% per annum.

The fund finished the month 93.81% long and with no shorts, i.e. net long exposure of 93.81%. The net long exposure for February 2011 was 96.52%.

CADENCE CAPITAL LIMITED NEWS

As you may be aware, during the past month, Cadence Asset Management along with Wilson Asset Management requisitioned a RHG shareholder's meeting. The reasoning for this requisition can be found in the two page letter headed 'Proposed Requisition of Meeting' in the Cadence Capital Limited ASX announcement on the 31st March 2011.

Cadence Asset Management and Wilson Asset Management have also released a detailed Question and Answers document explaining why they have requisitioned a RHG shareholders' meeting and why they believe shareholders should vote AGAINST the upcoming RHG Extraordinary General Meeting on the 28th April 2011. This Question and Answers document as well as the original requisition are available in the 'News' section on our website at www.cadencecapital.com.au

We would encourage all Cadence Capital Limited shareholders to read these documents and would encourage all RHG shareholders to vote AGAINST the RHG Resolution concerning a buyback on the 28th April 2011.

During the past month, Karl Siegling of Cadence Capital Limited has also been quoted numerous times in the press regarding the RHG buyback. If you would like to read any of the press articles on the RHG buyback please also visit the 'News' section of the Cadence Capital Limited website at www.cadencecapital.com.au

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