

## INVESTMENT UPDATE

August 2013

Cadence Offshore Fund NTA as at 31<sup>st</sup> August 2013:

NTA per share (Series AUD1) \$ 1,820.14

Net Performance August 2013 (Series AUD1) -0.15%

### 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 Cayman 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 Cayman Fund	1.70%	3.78%	-2.52%	5.16%	-1.36%	1.64%	0.66%	2.98%	-1.60%	2.15%	2.20%	-0.19%	15.28%
All Ordinaries Acc Index	0.07%	2.19%	0.64%	-0.58%	-1.89%	-2.39%	-3.40%	-2.00%	-6.27%	7.17%	-3.43%	-1.57%	-11.43%
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Cadence Cayman Fund	0.92%	2.22%	1.56%	-0.90%	-2.51%	0.60%	1.99%	4.45%	0.09%	3.44%	-0.11%	0.78%	13.08%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%	2.13%	2.97%	0.27%	3.43%	18.84%
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD
Cadence Cayman Fund	2.32%	4.69%	-0.54%	1.46%	0.79%	-1.01%	-1.51%	-0.15%					6.07%
All Ordinaries Acc Index	5.08%	5.18%	-2.24%	3.82%	-4.39%	-2.62%	5.46%	2.59%					13.00%
												<b>Accumulated return</b>	<b>82.02%</b>
												<b>All Ordinaries Acc Index</b>	<b>22.87%</b>

\* Net of all fees

### Portfolio Commentary

During August 2013 Cadence Cayman Fund returned a negative net performance of -0.15% compared to an increase in the All Ordinaries Accumulation Index of +2.59%. Year to date the fund is up +6.07% compared to an increase in the All Ordinaries Accumulation Index of +13.00% and a decrease in the Small Ordinaries Accumulation Index of -2.26%. The fund finished the month 77.63% net long. The net exposure for July 2013 was 76.33%.

### Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	25.22%		25.22%
Banks	13.29%		13.29%
Materials	10.16%	1.95%	8.21%
Software & Services	7.85%		7.85%
Consumer Services	5.89%		5.89%
Insurance	5.00%		5.00%
Commercial & Professional Services	3.55%		3.55%
Telecommunication Services	3.26%		3.26%
Real Estate	1.50%		1.50%
Transportation	1.45%		1.45%
Health Care Equipment & Services	0.98%		0.98%
Utilities	0.80%		0.80%
Energy	0.62%		0.62%
Capital Goods	0.01%		0.01%
<b>Exposure</b>	<b>79.58%</b>	<b>1.95%</b>	<b>77.63%</b>
<b>Cash on Hand</b>			<b>22.37%</b>



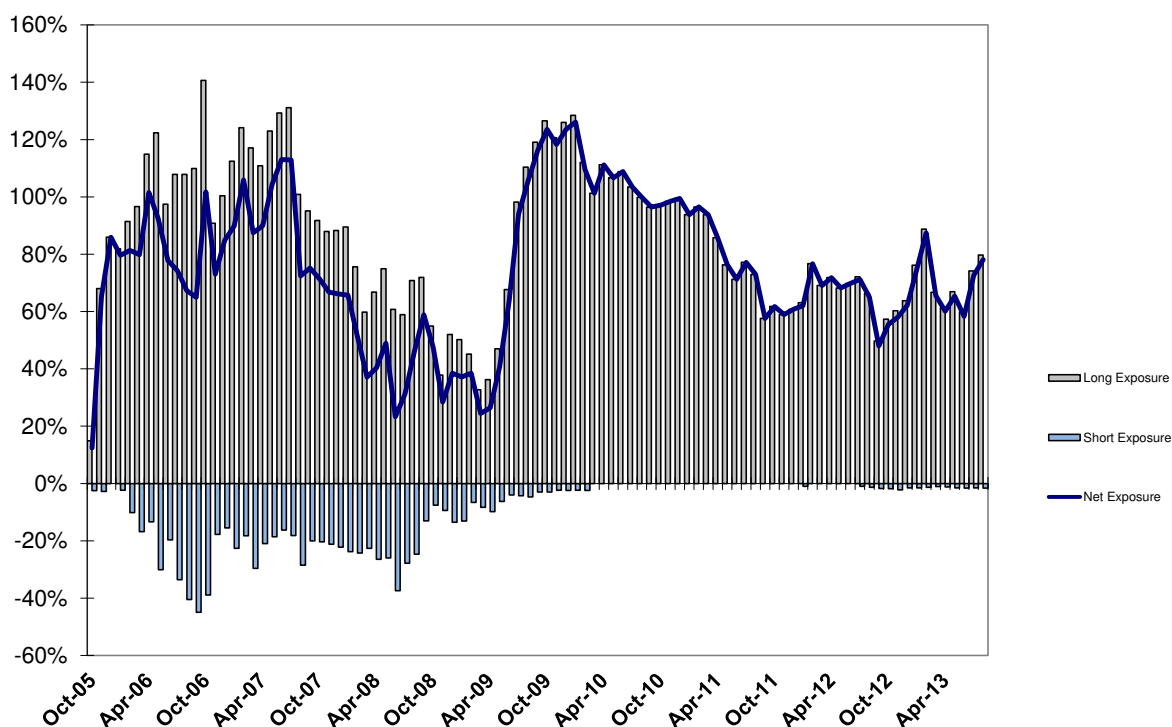
## Historic Strategy Performance & Exposure - 7 Years

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 Cayman Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the 7 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 31st August 2013	CDM**	All Ords	Outperformance
1 Month	0.01%	2.59%	-2.58%
1 Year	12.94%	23.23%	-10.29%
2 Years	28.49%	28.21%	+0.28%
3 Years	125.33%	31.55%	+93.78%
4 Years	151.21%	35.14%	+116.07%
5 Years	148.84%	22.33%	+126.51%
Since Inception (95 months)	304.46%	55.94%	+248.52%
Since Inception Annualised (95 months)	19.30%	5.77%	+13.53%

\*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\$ 180 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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