

INVESTMENT UPDATE AND NTA – AUGUST 2009

FUND NTA

Cadence Capital Limited NTA estimates as at 31st August 2009:

Pre Tax NTA	\$0.98315
Post Tax NTA*	\$1.02379

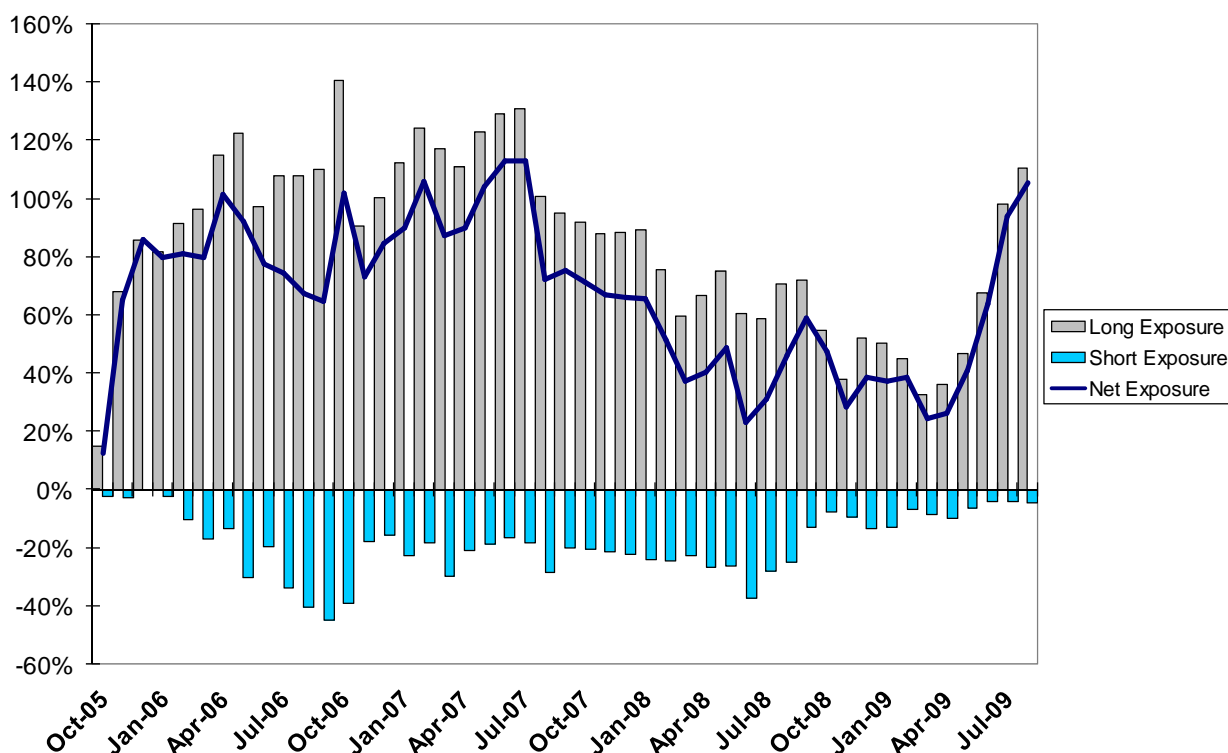
**Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

FUND PERFORMANCE*

Performance to 31st August 2009	<u>CDM</u>	<u>All Ords</u>	<u>Outperformance</u>
1 Month	8.00%	6.47%	
1 Year	-0.96%	-9.48%	+8.52%
Annualised return since inception (47 months)	12.93%	3.72%	+9.21%
Inception to date accumulated return (47 months)	60.99%	15.39%	+45.60%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	41.13%	-0.31%	40.81%
Banks	22.52%		22.52%
Software & Services	17.04%		17.04%
Diversified Financials	10.99%		10.99%
Energy	10.62%	-1.38%	9.24%
Telecommunication Services	2.91%		2.91%
Insurance	2.05%		2.05%
Retailing	1.47%		1.47%
Consumer Services	1.42%		1.42%
Transportation	0.23%	-3.00%	-2.77%
Exposure	110.37%	-4.69%	105.68%
Cash borrowings			-5.68%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	16.6%
RIO	Rio Tinto Ltd	Long	9.9%
CUS	Customers Ltd	Long	8.6%
AOE	Arrow Energy Ltd	Long	6.9%
RKN	Reckon Ltd	Long	6.3%
NAB	National Australia Bank Ltd	Long	5.3%
HGG	Henderson Group PLC	Long	5.2%
DIO	Dioro Exploration NL	Long	4.3%
IGO	Independence Group NL	Long	4.2%
MCC	MacArthur Coal Ltd	Long	3.4%
AGO	Atlas Iron Ltd	Long	3.3%
TCL	Transurban Group	Short	-3.0%
MBN	Mirabela Nickel Ltd	Long	2.4%
CFE	Cape Lambert Iron Ore Ltd	Long	2.3%
CDU	Cudoco Ltd	Long	2.1%
QBE	QBE Insurance Group Ltd	Long	2.1%
ICN	Icon Energy Ltd/Australia	Long	1.7%
PNA	PanAust Ltd	Long	1.7%
IIN	iiNET Ltd	Long	1.6%
HSKG	HSK Notes	Long	1.6%
Top Twenty Portfolio Holdings			86.6%

MARKET AND COMMENTARY

For the three years and eleven months to 31st August 2009, Cadence Capital Limited has returned a gross performance of 60.99% compared to an increase in the All Ordinaries Accumulation Index of 15.39%.

During the month of August, Cadence Capital Limited returned a positive gross performance of +8.00% compared to an increase in the All Ordinaries Accumulation Index of +6.47% and an increase in the Small Ordinaries Accumulation Index of +6.37%.

The fund finished the month 110.4% long, 4.7% short and with a net long exposure of 105.7%. The net exposure for July 2009 was 94.0%.

CADENCE CAPITAL LIMITED WEBCAST

On the 14th August 2009, Karl Siegling, Portfolio Manager for Cadence Capital Limited was interviewed by CNBC Australia and discussed two of the positions currently in the portfolio. The two stocks discussed were Rio Tinto Limited (RIO) and BlueScope Steel Ltd (BSL). To watch this interview please visit the 'News' section of the Cadence Capital website at www.cadencecapital.com.au

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