

INVESTMENT UPDATE August 2011

Fund NTA & Performance

Cadence Offshore Fund NTA as at 31st August 2011:

| | |
|--|------------|
| NTA per share (Series AUD1) | \$1,480.12 |
| Net Performance Aug 2011 (Series AUD1) | +2.98% |

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% | 0.66% | 2.98% | | | | | 12.44% |
| All Ordinaries Acc Index | 0.07% | 2.19% | 0.64% | -0.58% | -1.89% | -2.39% | -3.40% | -2.00% | | | | | -7.23% |
| * Net of all fees | | | | | | | | | | | | Accumulated return | 48.01% |

Portfolio Commentary

The Fund has had a good start to the year and for the eight months ended the fund has returned +12.44% (net) outperforming the All Ordinaries Accumulation Index by 19.67%. During August 2011, its twentieth month in operation, Cadence's Offshore Fund returned a positive net performance of +2.98% compared to a decrease in the All Ordinaries Accumulation Index of -2.00% and a decrease in the Small Ordinaries Accumulation Index of -2.69%. For the twenty months to 31st August 2011, the Fund has returned a positive net performance of +48.01% compared to a decrease in the All Ordinaries Accumulation Index of -4.16% and a decrease in the Small Ordinaries Accumulation Index of -0.04% during the same period.

The fund finished the month 38.39% net long. The net exposure for July 2011 was 33.76%.

Portfolio Sector Exposure

| Sector | Long | Short | Net |
|--------------------------------|---------------|--------------|---------------|
| Banks | 31.75% | | 31.75% |
| Materials | 2.78% | | 2.78% |
| Software & Services | 1.78% | | 1.78% |
| Commercial Services & Supplies | 0.93% | | 0.93% |
| Energy | 0.61% | | 0.61% |
| Diversified Financials | 0.54% | | 0.54% |
| Exposure | 38.39% | 0.00% | 38.39% |
| Cash on Hand | | | 61.61% |



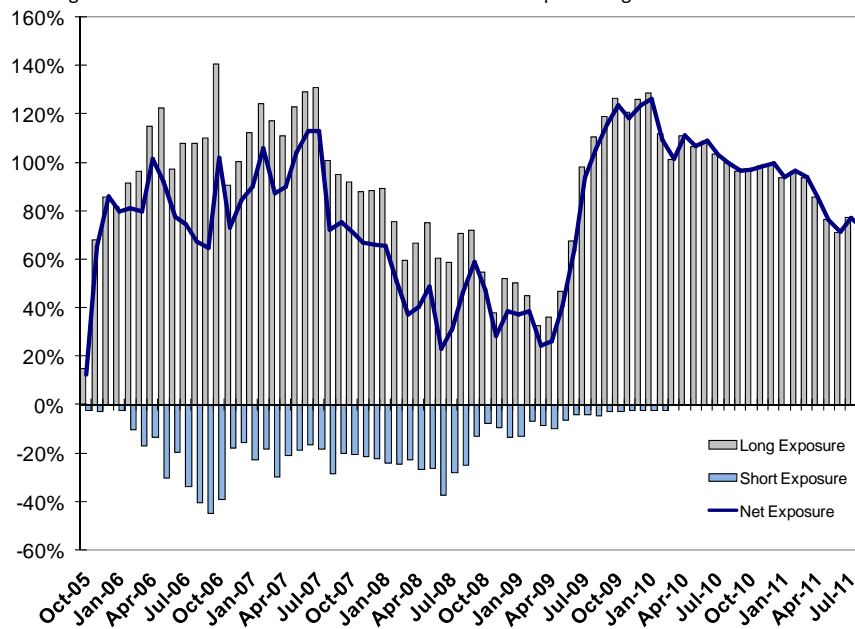
Historic Strategy Performance & Exposure – 5 Years

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

| Performance* to 31st August 2011 | CDM** | All Ords | Outperformance |
|--|---------|----------|----------------|
| 1 Month | 1.39% | -2.00% | + 3.39% |
| 1 Year | 75.36% | 2.61% | +72.75% |
| 2 Years | 95.50% | 5.41% | +90.09% |
| 3 Years | 93.66% | -4.59% | +98.25% |
| 4 Years | 77.39% | -17.11% | +94.50% |
| 5 Years | 134.53% | 5.99% | + 128.54% |
| Since Inception (71 months) | 214.77% | 21.63% | + 193.14% |
| Since Inception Annualised (71 months) | 21.39% | 3.36% | + 18.03% |

*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\$ 65 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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