



## INVESTMENT UPDATE August 2011

### Summary Update

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We are pleased to report that the fund has had a good start to the 2012 financial year and for the first two months ended 31st August 2011 the fund was up 2.74% (Gross) outperforming the All Ordinaries Accumulation Index by 8.07%.

For the seven years and ten months to 31st August 2011, Cadence Capital Fund has generated a gross performance of 17.66% per annum, outperforming the All Ordinaries Accumulation Index by 9.54% per annum.

The fund finished the month 70.78% long and with no shorts. The net long exposure for July 2011 was 73.55%.

### Fund NTA

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Cadence Capital unit price estimates as at 31st August 2011:

NTA (Post Fees and Post June 2011 Distribution)\*      \$1.69009

\* June 2011 distribution was \$ 0.1510 per unit with franking of \$0.2819 per unit attached

### Cadence Highlights

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Cadence has a **RECOMMENDED Rating by ZENITH** Investment Partners

Cadence Capital Limited has been **ranked by Patersons as the No. 1 Listed Investment Company** over both 1 and 2 years in their LIC Quarterly Update dated 24 August 2011.

Cadence Capital Limited has also been **ranked by Morningstar/ASX as the Number 2 Listed Investment Company** over both 1 and 3 years in the LMI Quarterly Update as at 30 June 2011.

All of these reports are available in the 'News and views' section at [www.cadencecapital.com.au](http://www.cadencecapital.com.au)



## Fund Performance

Performance* to 31st August 2011	CCF**	All Ords	Outperformance
1 Month	1.49%	-2.00%	+3.49%
1 Year	75.05%	2.61%	+72.44%
2 Years	94.86%	5.41%	+89.45%
3 Years	57.15%	-4.59%	+61.74%
4 Years	35.48%	-17.11%	+52.59%
5 Years	63.14%	5.99%	+57.15%
6 Years	112.70%	27.42%	+85.28%
Inception to date accumulated return (94 months)	257.47%	84.29%	+173.18%
Annualised return since inception (94 months)	17.66%	8.12%	+9.54%

\* Gross Performance before Management and Performance Fees

\*\* Adjusted to include material franking credit of 26.7 cents received from RHG dividend during May 2011

## Top Portfolio Positions

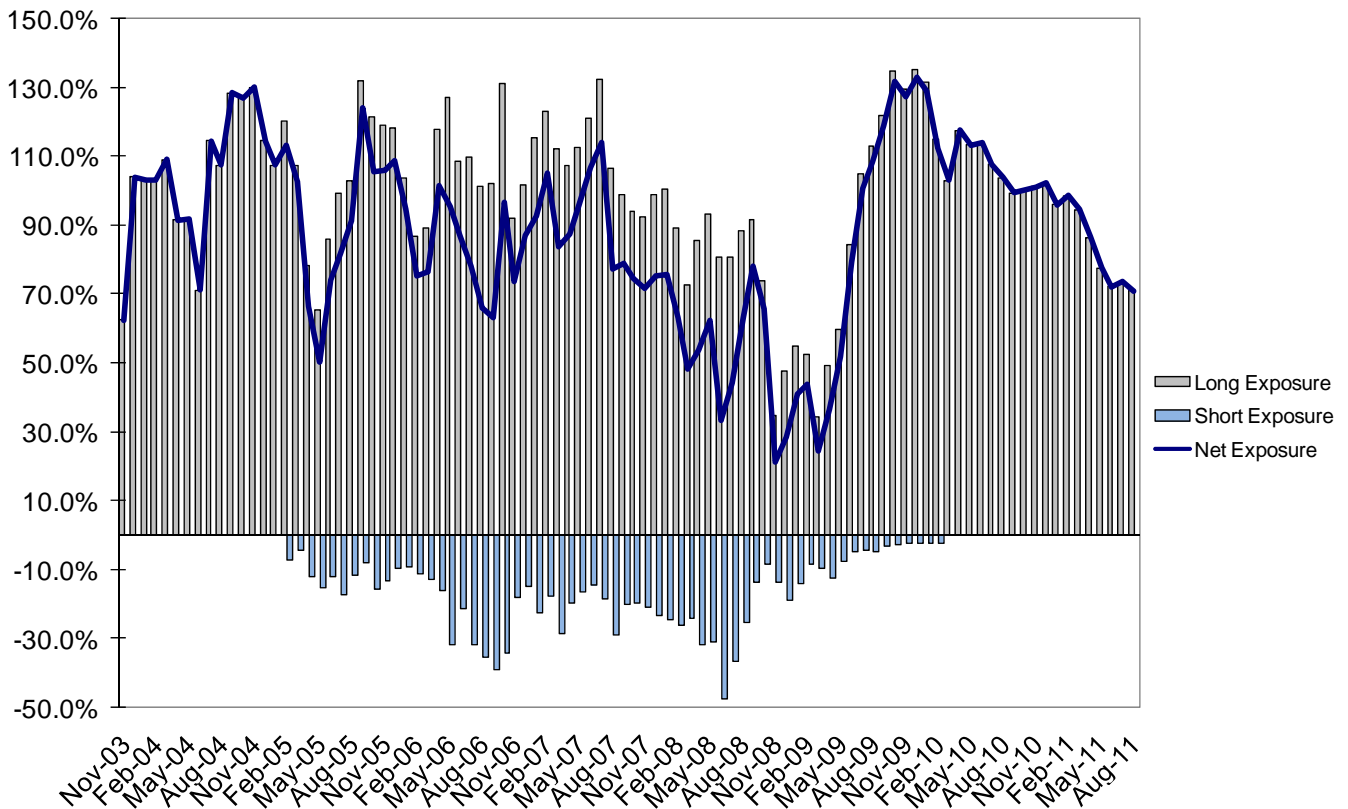
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	33.62%
RKN	Recon Ltd	Long	7.47%
BVA	Bravura Solutions Ltd	Long	6.00%
MMS	McMillan Shakespeare Limited	Long	5.23%
FXL	Flexigroup Limited	Long	3.12%
ANZ	Australia & New Zealand Banking Group	Long	3.04%
NAB	National Australia Bank Ltd	Long	3.02%
AQG	Alacer Gold Corp.	Long	1.95%
FFF	Firstfolio Limited	Long	1.88%
RIO	Rio Tinto Ltd	Long	1.24%
<b>Top Ten Portfolio Holdings</b>			<b>66.57%</b>



## Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	41.56%		41.56%
Software & Services	13.65%		13.65%
Materials	5.24%		5.24%
Commercial Services & Supplies	5.23%		5.23%
Diversified Financials	3.12%		3.12%
Energy	0.94%		0.94%
Telecommunication Services	0.71%		0.71%
Consumer Services	0.33%		0.33%
<b>Exposure</b>	<b>70.78%</b>	<b>0.00%</b>	<b>70.78%</b>
<b>Cash on Hand</b>			<b>29.22%</b>

## Portfolio Exposure





## Cadence News

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### June 2011 Distribution

Cadence Capital Fund was pleased with the June 2011 year end distribution paid to unit holders. For the past financial year the fund was in a position to distribute \$ 0.1510 per unit with imputation credits of \$0.2819 per unit attached. This high level of imputation credits per unit was mostly attributable to the dividend received from the RHG position in May 2011.

### Patersons Listed Investment Companies Research Report

On 24<sup>th</sup> August Patersons stockbrokers completed their quarterly research report on Listed Investment Companies (LIC) in Australia. Cadence Capital Limited ranked highly in their research report being the best performing Listed Investment Company over both 1 and 2 years. Had the Fund been listed for 5 years Cadence Capital Limited would have been one of the best performing LIC's over 5 years as well.

### 1 for 1 Bonus Options

Cadence Capital Limited issued a 1 for 1 bonus option on the 30<sup>th</sup> August 2011. Each bonus option has a strike price of \$1.25 and expires on the 1<sup>st</sup> September 2012. Option Holding Statements and Application forms to exercise Options, have recently been posted to investors. We would like to remind those investors who are looking to exercise their options in time to participate in the 6.0 cent fully franked dividend being paid on the 6th October 2011 that they will need to ensure that their application form and payment is received by the Company's share registry **by no later than 5.00pm (Sydney Time) on 21 September 2011**.

The Options are trading on the Australian Securities Exchange under the code CDMO.

### Year End Quarterly Webcast

Last month we released our year end webcast which gave a detailed update on the Company's yearend performance and discussed some of the detail of the Option issue. To watch this webcast or to read any recent press articles please visit the 'News and Views' section of the website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

## Disclaimer

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