



CADENCE OFFSHORE FUND DECEMBER 2010 INVESTOR REPORT

FUND NTA & PERFORMANCE

Cadence Offshore Fund NTA estimate as at 31st December 2010:

NTA per share (Series AUD1) \$1,316.32

Net Performance December 2010 (Series AUD1) +2.01%

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 (AUD1)	-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%

PORTFOLIO COMMENTARY

During December 2010, its twelfth month in operation, Cadence's Offshore Fund returned a positive net performance of +2.01% compared to an increase in the All Ordinaries Accumulation Index of +3.80% and an increase in the Small Ordinaries Accumulation Index of +7.07%. For the first year of trading to 31st December 2010, the Fund has returned a positive net performance of +31.63% compared to an increase in the All Ordinaries Accumulation Index of +3.31% and an increase in the Small Ordinaries Accumulation Index of +13.05% during the same period.

The fund finished the month 49.59% long and with no shorts, i.e. net long exposure of 49.59%. The net exposure for November 2010 was 105.09%.

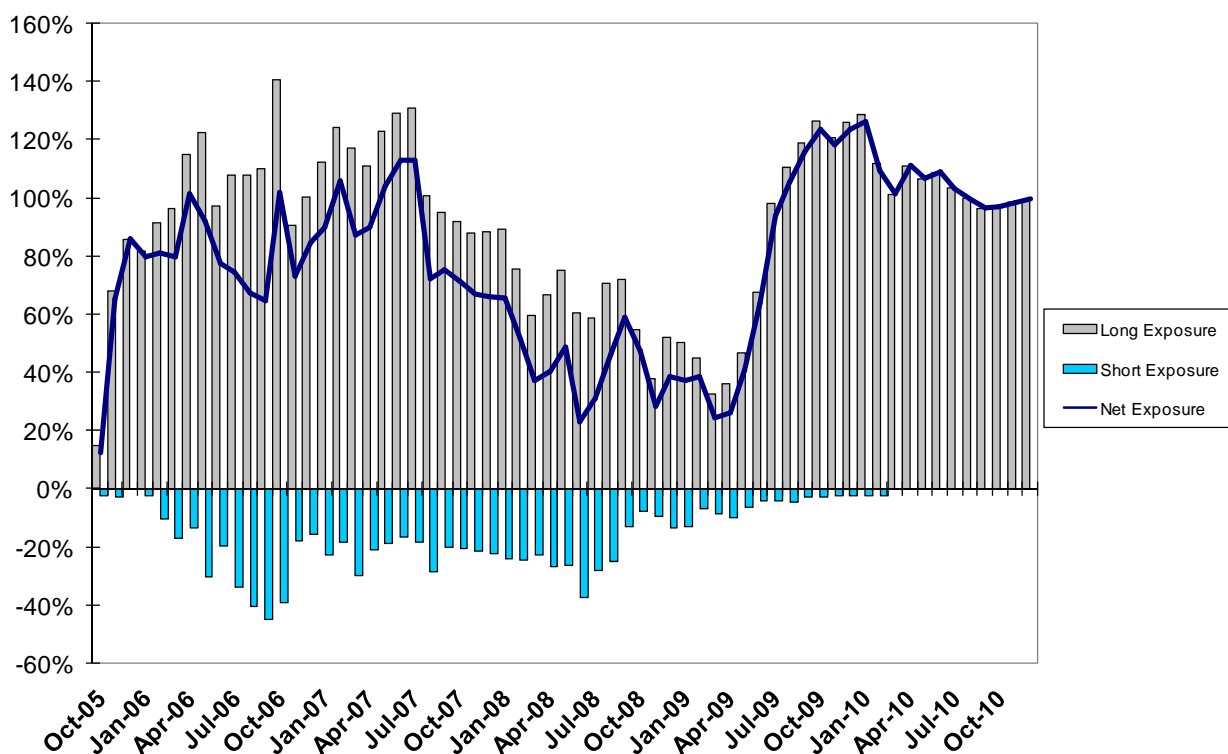
PORTFOLIO SECTOR EXPOSURE

Sector	Long	Short	Net
Banks	26.33%		26.33%
Software & Services	9.62%		9.62%
Commercial Services & Supplies	6.51%		6.51%
Materials	6.40%		6.40%
Food Beverage & Tobacco	0.73%		0.73%
Exposure	49.59%	0.00%	49.59%
Cash on hand			50.41%

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

Performance to 31st December 2010	CDM	All Ords	Outperformance
1 Year	32.11%	3.31%	+28.80%
2 Years	94.52%	44.19%	+50.33%
3 Years	30.71%	-14.04%	+44.75%
4 Years	36.31%	1.39%	+34.92%
5 Years	125.82%	26.73%	+99.09%
Inception to date accumulated return (63 months)	139.87%	31.10%	+108.77%
Annualised return since inception (63 months)	18.13%	5.29%	+12.84%
* Before Management and Performance Fees			



OFFSHORE FUND FACTS

Minimum Investment:	AU\$ 500 000	Redemption Fees:	None
Subscription Frequency:	Monthly	High Water Mark:	Yes
Redemption Frequency:	Monthly	Strategy Size:	AU\$ 45 Million
Redemption Notice:	3 Months	Prime Broker:	Citigroup
Lock-up:	None	Fund Domicile:	Cayman Islands
Management Fee:	1.5%	Legal Advisers (Cayman)	Walkers
Performance Fee:	20%		

DISCLAIMER

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