

INVESTMENT UPDATE December 2011

Fund NTA & Performance

Cadence Offshore Fund NTA as at 31st December 2011:

NTA per share (Series AUD1) \$1,517.57
 Net Performance Dec 2011 (Series AUD1) - 0.19%

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%	-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%
* Net of all fees												Accumulated return	51.75%

Portfolio Commentary

The Fund has had a good financial year and for the twelve months ended the fund has returned +15.28% (net) outperforming the All Ordinaries Accumulation Index by 26.71%. During December 2011 Cadence Cayman Fund returned a negative net performance of -0.19% compared to a decrease in the All Ordinaries Accumulation Index of -1.57% and a decrease in the Small Ordinaries Accumulation Index of -4.30%. For the two years to 31st December 2011, the Fund has returned a positive net performance of +51.75% compared to a decrease in the All Ordinaries Accumulation Index of -8.50% and a decrease in the Small Ordinaries Accumulation Index of -11.18% during the same period.

The fund finished the month 22.13% net long. The net exposure for November 2011 was 21.86%.

Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	13.37%		13.37%
Software & Services	3.60%		3.60%
Commercial Services & Supplies	1.75%		1.75%
Capital Goods	1.23%		1.23%
Materials	1.21%		1.21%
Energy	0.55%		0.55%
Diversified Financials	0.43%		0.43%
Exposure	22.13%	0.00%	22.13%
Cash on Hand			77.87%



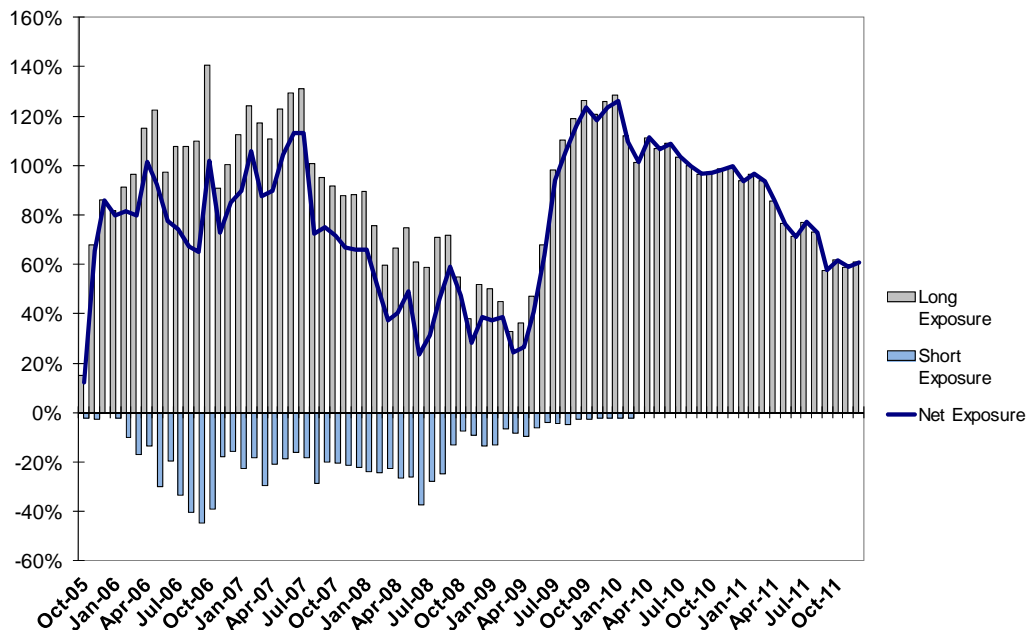
Historic Strategy Performance & Exposure – 6 Years

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 6 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

Performance* to 31st December 2011	CDM**	All Ords	Outperformance
1 Month	-0.95%	-1.57%	+0.62%
1 Year	31.03%	-11.43%	+42.46%
2 Years	73.10%	-8.50%	+81.60%
3 Years	154.87%	27.71%	+127.16%
4 Years	71.27%	-23.87%	+95.14%
5 Years	78.60%	-10.20%	+88.80%
Since Inception (75 months)	214.29%	16.12%	+198.17%
Since Inception Annualised (75 months)	20.11%	2.42%	+17.69%

*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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