



## INVESTMENT UPDATE December 2011

### Summary Update

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For the eight years and two months to 31st December 2011, Cadence Capital Fund has generated a gross performance of 16.94% per annum, outperforming the All Ordinaries Accumulation Index by 9.57% per annum.

During the month of December 2011, Cadence Capital Fund returned a gross performance of -1.14% 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 first six months of the financial year, to the 31<sup>st</sup> December 2011, the fund outperformed the All Ordinaries Accumulation Index by 12.81% and the Small Ordinaries Accumulation Index by 15.5%.

The fund finished the month 61.27% long and with no shorts. The net long exposure for November 2011 was 71.7%.

### Fund NTA

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Cadence Capital unit price estimates as at 31<sup>st</sup> December 2011:

NTA (Post Fees)            \$1.68814

### Cadence Highlights

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

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

Cadence Capital Limited has also 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.

All of these reports are available on our home page at [www.cadencecapital.com.au](http://www.cadencecapital.com.au)



## Fund Performance

Performance* to 31st December 2011	CCF**	All Ords	Outperformance
1 Month	-1.14%	-1.57%	0.43%
1 Year	32.32%	-11.43%	43.75%
2 Years	71.90%	-8.50%	80.40%
3 Years	156.62%	27.71%	128.91%
4 Years	31.79%	-23.87%	55.65%
5 Years	32.73%	-10.20%	42.93%
6 Years	95.63%	12.24%	83.39%
Inception to date accumulated return (98 months)	259.03%	75.94%	183.09%
Annualised return since inception (98 months)	16.94%	7.16%	9.57%

\* 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

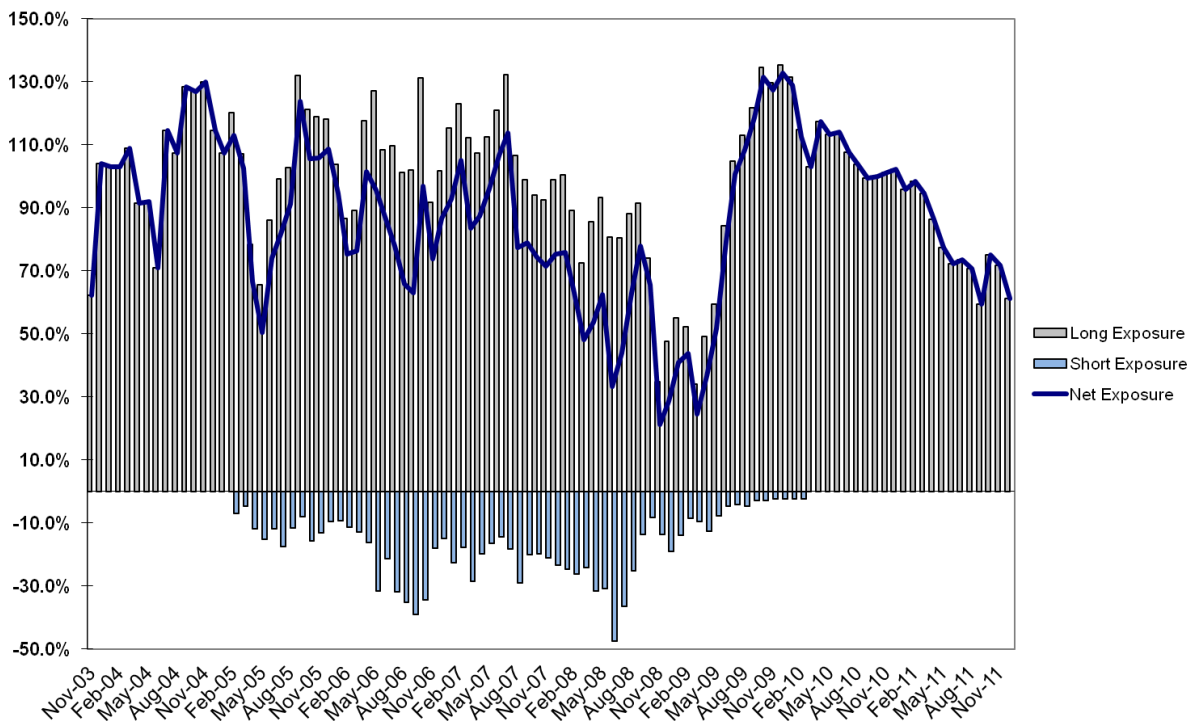
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	26.0%
RKN	Reckon Ltd	Long	7.7%
MMS	McMillan Shakespeare Limited	Long	6.8%
BVA	Bravura Solutions Ltd	Long	5.1%
ANZ	Australia & New Zealand Banking Group	Long	3.5%
NAB	National Australia Bank Ltd	Long	3.4%
FXL	Flexigroup Limited	Long	2.6%
FFF	Firstfolio Limited	Long	1.1%
AQG	Alacer Gold Corp.	Long	1.1%
VMG	VDM Group Limited	Long	1.0%
<b>Portfolio Holdings &gt; 1%</b>			<b>58.1%</b>



## Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	34.00%		34.00%
Software & Services	12.98%		12.98%
Commercial Services & Supplies	6.77%		6.77%
Diversified Financials	2.57%		2.57%
Materials	1.93%		1.93%
Capital Goods	1.21%		1.21%
Telecommunication Services	0.79%		0.79%
Energy	0.61%		0.61%
Consumer Services	0.43%		0.43%
<b>Capital Goods</b>	<b>61.27%</b>	<b>0.00%</b>	<b>61.27%</b>
<b>Cash on Hand</b>			<b>38.73%</b>

## Portfolio Exposure





## Cadence News

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### December Quarterly Webcast

We will be releasing the December quarterly webcast later this month. The webcast will firstly update investors on the half yearly performance of the fund and will also give an update on its portfolio. We also intend updating investors on the franking credit balance per share. We would like to once again recommend that you visit the 'News and Views' section of our website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au) as all past company webcasts, interviews and press articles involving Cadence can be found here.

## Disclaimer

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