

## CADENCE OFFSHORE FUND FEBRUARY 2011 INVESTOR REPORT

### FUND NTA & PERFORMANCE

Cadence Offshore Fund NTA estimate as at 28th February 2011:

NTA per share (Series AUD1) \$1,389.34

Net Performance February 2011 (Series AUD1) +3.78%

### 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%											5.55%
All Ordinaries Acc Index	0.07%	2.19%											2.26%
* Net of all fees												<b>Accumulated return</b>	<b>38.93%</b>

### PORTFOLIO COMMENTARY

During February 2011, its fourteenth month in operation, Cadence's Offshore Fund returned a positive net performance of +3.78% compared to an increase in the All Ordinaries Accumulation Index of +2.19% and an increase in the Small Ordinaries Accumulation Index of +1.27%. For the fourteen months to 28th February 2011, the Fund has returned a positive net performance of +38.93% compared to an increase in the All Ordinaries Accumulation Index of +5.64% and an increase in the Small Ordinaries Accumulation Index of +12.00% during the same period.

The fund finished the month 74.53% long and with no shorts, i.e. net long exposure of 74.53%. The net exposure for January 2011 was 51.41%.

### PORTFOLIO SECTOR EXPOSURE

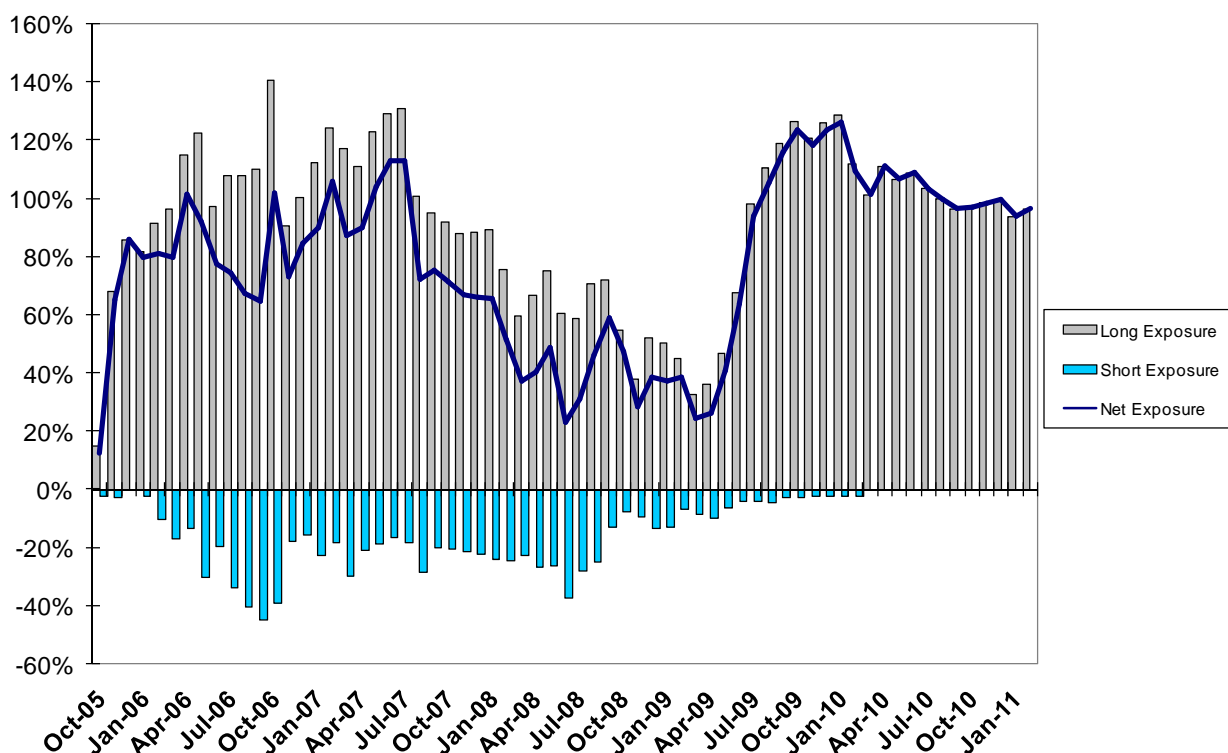
Sector	Long	Short	Net
Banks	26.17%		26.17%
Software & Services	17.35%		17.35%
Materials	17.32%		17.32%
Commercial Services & Supplies	7.32%		7.32%
Diversified Financials	3.38%		3.38%
Consumer Services	2.99%		2.99%
<b>Exposure</b>	<b>74.53%</b>	<b>0.00%</b>	<b>74.53%</b>
<b>Cash on hand</b>			<b>25.47%</b>

## 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 28th February 2011	CDM	All Ords	Outperformance
1 Month	10.58%	2.19%	
1 Year	56.64%	10.20%	+46.44%
2 Years	121.70%	62.03%	+59.67%
3 Years	62.83%	-1.21%	+64.04%
4 Years	53.24%	0.05%	+53.19%
5 Years	130.11%	24.16%	+105.95%
Inception to date accumulated return (65 months)	174.38%	34.07%	+140.31%
Annualised return since inception (65 months)	20.48%	5.56%	+14.92%

\* 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\$ 50 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%		

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