

## INVESTMENT UPDATE February 2012

### Fund NTA & Performance

Cadence Offshore Fund NTA as at 29<sup>th</sup> February 2012:

NTA per share (Series AUD1) \$ 1,565.60  
 Net Performance Feb 2012 (Series AUD1) + 2.22%

### 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 Cayman 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 Cayman 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%
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Cadence Cayman Fund	0.92%	2.22%											3.17%
All Ordinaries Acc Index	5.23%	2.41%											7.76%
* Net of all fees												<b>Accumulated return</b>	<b>56.55%</b>

### Portfolio Commentary

During February 2012 Cadence Cayman Fund returned a positive net performance of +2.22% compared to an increase in the All Ordinaries Accumulation Index of +2.41% and an increase in the Small Ordinaries Accumulation Index of +6.51%. For the two years and two months to 29th February 2012, the Fund has returned a positive net performance of +56.55% compared to a decrease in the All Ordinaries Accumulation Index of -1.40% and an increase in the Small Ordinaries Accumulation Index of +1.94% during the same period.

The fund finished the month 76.44% net long. The net exposure for December 2011 was 48.39%.

### Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	36.72%		36.72%
Software & Services	11.33%		11.33%
Commercial & Professional Services	11.02%		11.02%
Diversified Financials	8.66%		8.66%
Capital Goods	6.29%		6.29%
Materials	1.12%		1.12%
Consumer Services	0.75%		0.75%
Energy	0.54%		0.54%
<b>Exposure</b>	<b>76.44%</b>	<b>0.00%</b>	<b>76.44%</b>
<b>Cash on Hand</b>			<b>23.56%</b>



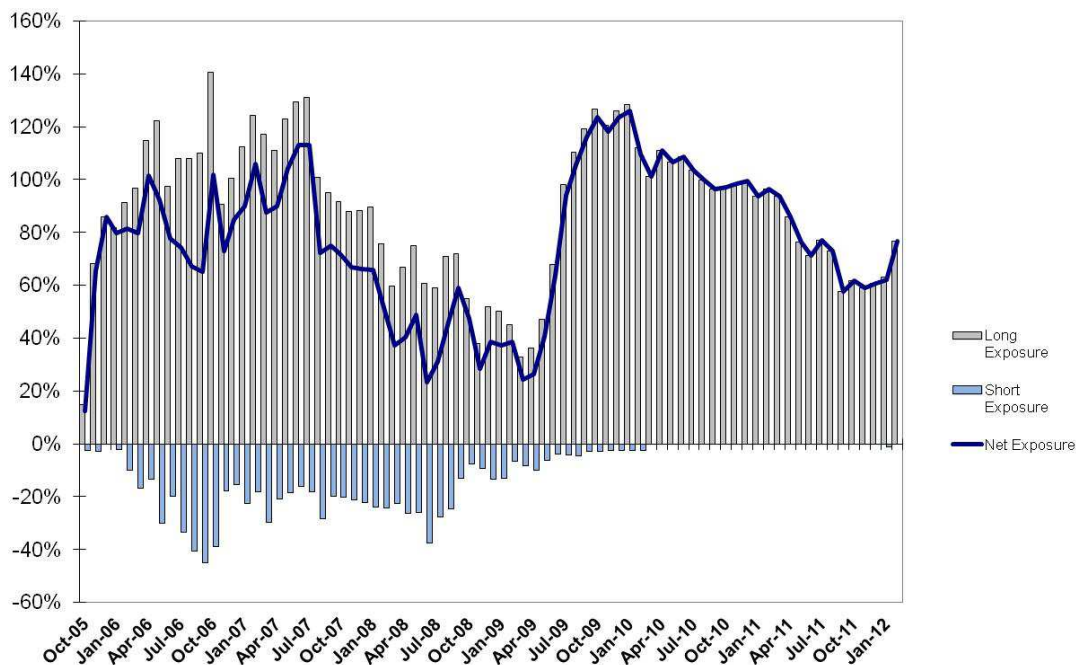
## Historic Strategy Performance & Exposure – 6 Years

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 29th February 2012	CDM**	All Ords	Outperformance
1 Month	2.75%	2.41%	0.34%
1 Year	21.32%	-6.67%	27.99%
2 Years	90.03%	2.86%	87.17%
3 Years	168.96%	51.23%	117.73%
4 Years	97.54%	-7.80%	105.34%
5 Years	85.91%	-6.62%	92.53%
Since Inception (77 months)	232.87%	25.13%	207.74%
Since Inception Annualised (77 months)	20.61%	3.56%	17.05%

\*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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