

INVESTMENT UPDATE AND NTA – JANUARY 2010

FUND NTA

Cadence Capital Limited NTA estimates as at 31st January 2010:

Pre Tax NTA \$1.07098
Post Tax NTA* \$1.08074

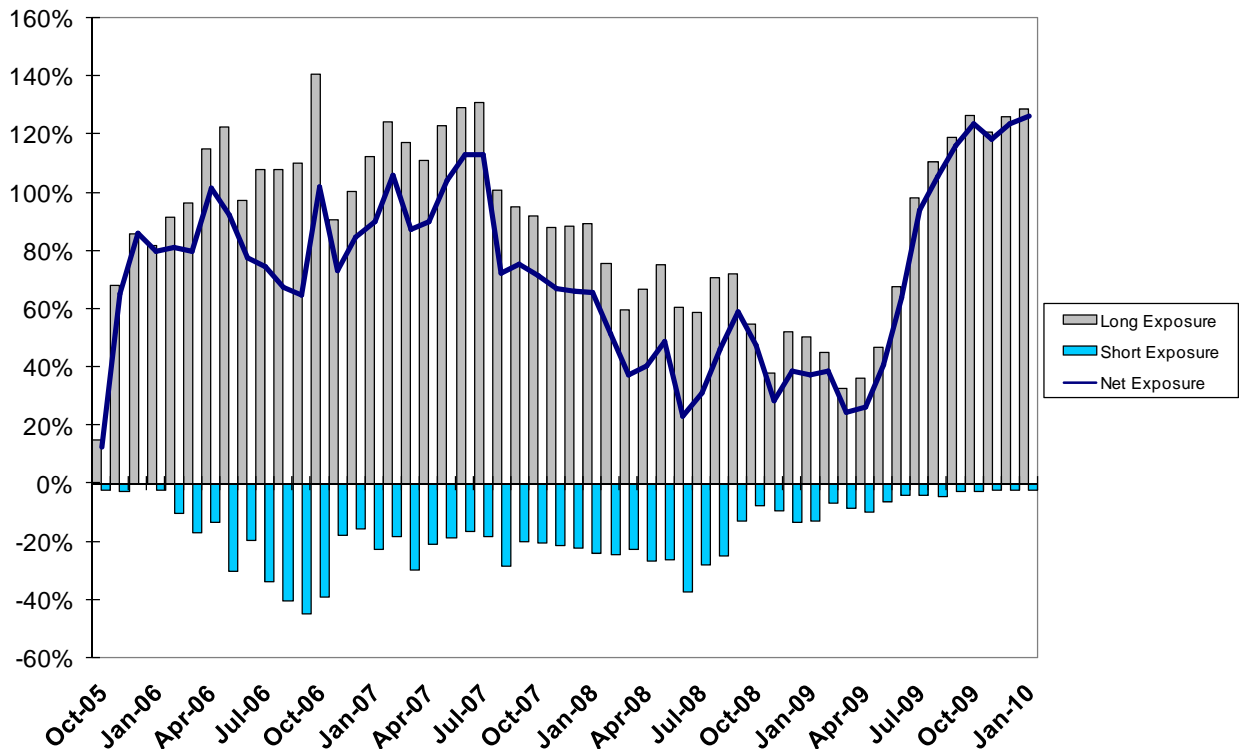
**Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

FUND PERFORMANCE*

Performance to 31st January 2010	CDM	All Ords	Outperformance
1 Month	-1.87%	-5.85%	
1 Year	45.98%	38.25%	+7.73%
Annualised return since inception (52 months)	14.26%	4.19%	+10.07%
Inception to date accumulated return (52 months)	78.18%	19.48%	+58.70%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	46.52%		46.52%
Banks	26.20%		26.20%
Software & Services	24.66%		24.66%
Diversified Financials	12.06%		12.06%
Telecommunication Services	5.30%		5.30%
Energy	3.67%		3.67%
Utilities	3.55%		3.55%
Consumer Services	1.84%		1.84%
Technology Hardware & Equipment	1.74%		1.74%
Capital Goods	1.70%		1.70%
Retailing	1.24%		1.24%
Transportation		-2.38%	-2.38%
Exposure	128.48%	-2.38%	126.10%
Cash Borrowings			26.10%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	16.3%
RIO	Rio Tinto Ltd	Long	8.6%
CUS	Customers Ltd	Long	8.1%
BVA	Bravura Solutions Ltd	Long	7.5%
RKN	Reckon Ltd	Long	7.4%
DIO	Dioro Exploration NL	Long	5.9%
NAB	National Australia Bank Ltd	Long	5.3%
HGG	Henderson Group PLC	Long	4.8%
CFE	Cape Lambert Iron Ore Ltd	Long	4.5%
PNA	PanAust Ltd	Long	4.5%
MCC	MacArthur Coal Ltd	Long	4.3%
TPM	TPG Telecom Ltd	Long	4.2%
AGO	Atlas Iron Ltd	Long	3.6%
PIH	Prime Infrastructure Group	Long	3.6%
NKP	Nkwe Platinum Limited	Long	3.5%
FFF	Firstfolio Limited	Long	2.8%
TCL	Transurban Group	Short	-2.4%
AOE	Arrow Energy Ltd/Australia	Long	2.3%
FSA	FSA Group Ltd	Long	2.1%
ANZ	Australia & New Zealand Banking Group	Long	1.9%
Top Twenty Portfolio Holdings			98.6%

MARKET AND COMMENTARY

For the four years and four months to 31st January 2010, Cadence Capital Limited has returned a gross performance of 78.18% compared to an increase in the All Ordinaries Accumulation Index of 19.48%.

We are pleased to report that the fund has performed well so far this year and for the seven months ended 31st January 2010 the fund is up 29.25% (Gross) outperforming the All Ordinaries Accumulation Index by 10.56%. During the month of January, Cadence Capital Limited returned a negative gross performance of -1.87% compared to a decrease in the All Ordinaries Accumulation Index of -5.85% and a decrease in the Small Ordinaries Accumulation Index of -7.43%.

The fund finished the month 128.5% long, 2.4% short and with a net long exposure of 126.1%. The net exposure for December 2009 was 123.5%.

CADENCE CAPITAL LIMITED NEWS

On the 25th January 2010, Karl Siegling, Portfolio Manager for Cadence Capital Limited was interviewed by CNBC Australia on the resources sector. To watch both this and all past interviews please visit the 'News' section of the Cadence Capital website at www.cadencecapital.com.au. Please note that you may be required to register online with CNBC to view their video links. This is a once off registration that is free.

Please also note that as communicated to you last month, we will be complementing these interviews with our own web broadcasts. It is the intention that these webcasts will be broadcast once a quarter and that they will cover amongst other things, updates on both the market and more specifically discussions around positions that the fund is invested in. These webcasts will also be able to be accessed through the 'News' section of the Cadence Capital website.

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