

CADENCE OFFSHORE FUND JANUARY 2011 INVESTOR REPORT

FUND NTA & PERFORMANCE

Cadence Offshore Fund NTA estimate as at 31st January 2011:

NTA per share (Series AUD1) \$1,338.73

Net Performance January 2011 (Series AUD1) +1.70%

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%												1.70%
All Ordinaries Acc Index	0.07%												0.07%
* Net of all fees												Accumulated return	33.87%

PORTFOLIO COMMENTARY

During January 2011, its thirteenth month in operation, Cadence's Offshore Fund returned a positive net performance of +1.70% compared to an increase in the All Ordinaries Accumulation Index of +0.07% and a decrease in the Small Ordinaries Accumulation Index of -2.18%. For the thirteen months to 31st January 2011, the Fund has returned a positive net performance of +33.87% compared to an increase in the All Ordinaries Accumulation Index of +3.38% and an increase in the Small Ordinaries Accumulation Index of +10.59% during the same period.

The fund finished the month 51.41% long and with no shorts, i.e. net long exposure of 51.41%. The net exposure for December 2010 was 49.59%.

PORTFOLIO SECTOR EXPOSURE

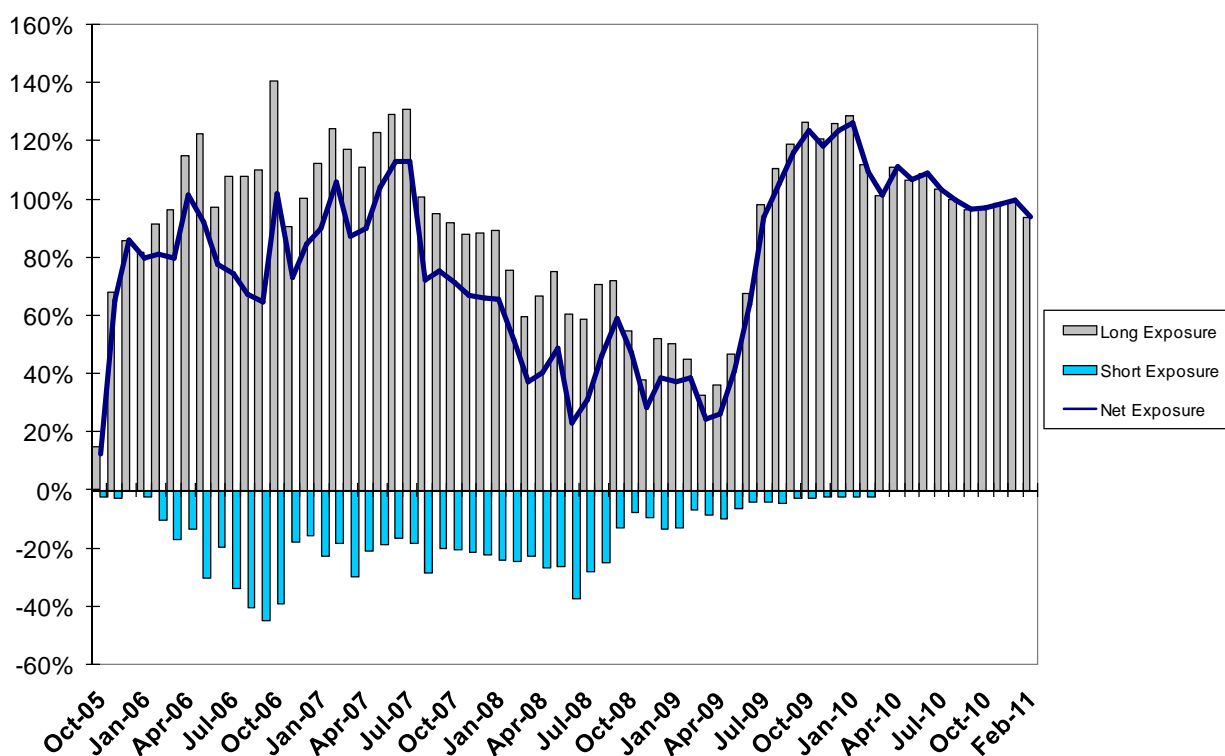
Sector	Long	Short	Net
Banks	26.94%		26.94%
Software & Services	9.19%		9.19%
Materials	7.93%		7.93%
Commercial Services & Supplies	6.30%		6.30%
Food Beverage & Tobacco	1.05%		1.05%
Exposure	51.41%	0.00%	51.41%

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 31st January 2010	CDM	All Ords	Outperformance
1 Month	3.44%	0.07%	
1 Year	39.26%	9.80%	+29.46%
2 Years	103.29%	51.80%	+51.49%
3 Years	46.88%	-3.08%	+49.96%
4 Years	38.10%	-0.54%	+38.64%
5 Years	117.01%	22.35%	+94.66%
Inception to date accumulated return (64 months)	148.12%	31.19%	+116.93%
Annualised return since inception (64 months)	18.58%	5.22%	+13.36%

* 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\$ 45 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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