



JANUARY 2011 INVESTOR REPORT

FUND NTA

Cadence Capital unit price estimates as at 31st January 2011:

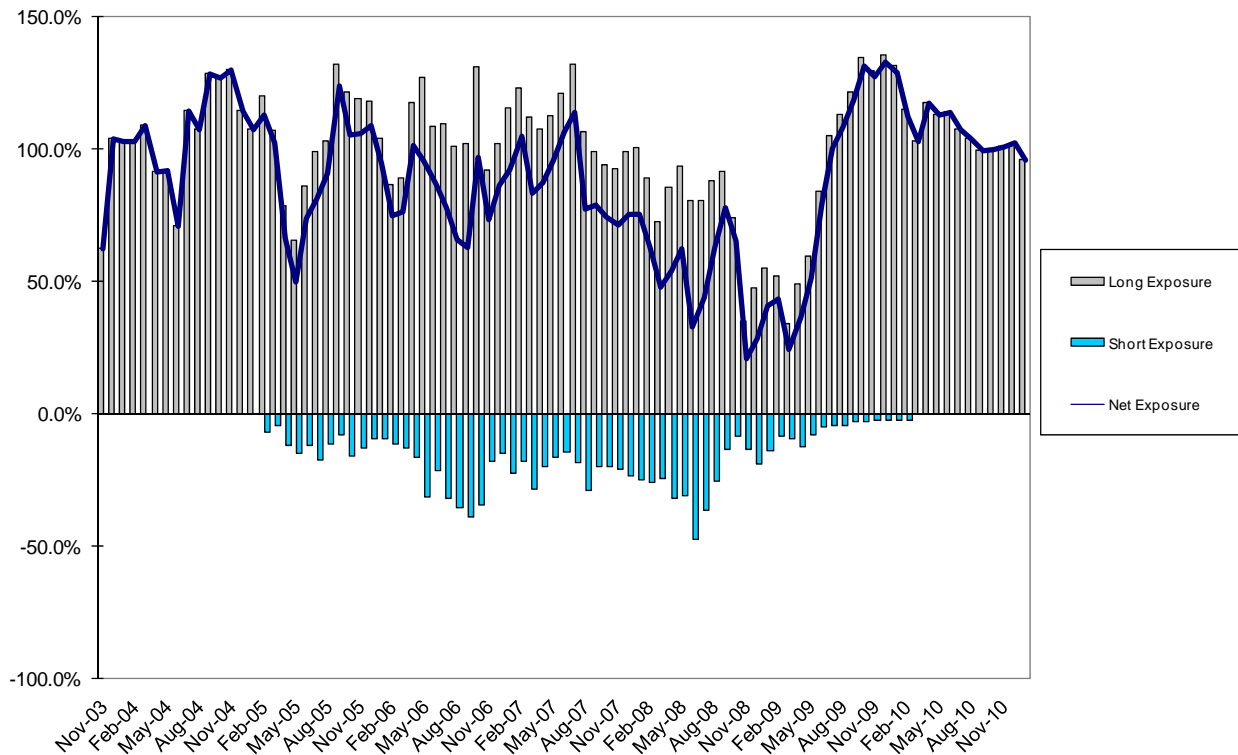
NTA (Post Fees and Distributions) \$1.67494

FUND PERFORMANCE*

Performance to 31st January 2011	CC	All Ords	Outperformance
1 Month	3.25%	0.07%	
1 Year	36.84%	9.80%	+27.04%
Annualised return since inception (87 months)	15.27%	9.94%	+5.33%
Inception to date accumulated return (87 months)	180.17%	98.78%	+81.39%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	35.05%		35.05%
Banks	32.30%		32.30%
Software & Services	17.03%		17.03%
Commercial Services & Supplies	5.89%		5.89%
Diversified Financials	2.19%		2.19%
Capital Goods	1.11%		1.11%
Technology Hardware & Equipment	0.76%		0.76%
Telecommunication Services	0.68%		0.68%
Food Beverage & Tobacco	0.46%		0.46%
Consumer Services	0.43%		0.43%
Exposure	95.91%	0.00%	95.91%
Cash on hand			4.09%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	23.8%
BVA	Bravura Solutions Ltd	Long	9.2%
RKN	Reckon Ltd	Long	7.5%
STB	South Boulder Mines Ltd	Long	6.7%
MMS	McMillan Shakespeare Limited	Long	5.9%
CFE	Cape Lambert Iron Ore Ltd	Long	5.6%
AWC	Alumina Limited	Long	3.8%
RIO	Rio Tinto Ltd	Long	3.6%
ANZ	Australia & New Zealand Banking Group	Long	3.3%
MCC	MacArthur Coal Ltd	Long	3.3%
AVO	Avoca Resources Limited	Long	3.3%
NAB	National Australia Bank Ltd	Long	2.9%
FFF	Firstfolio Limited	Long	2.3%
AGO	Atlas Iron Ltd	Long	2.3%
BTU	Bathurst Resources Limited	Long	2.0%
AKI	African Iron Limited	Long	1.9%
HSKG	Heemskirk Consolidated Convertible Note	Long	1.5%
FSA	FSA Group Ltd	Long	1.5%
ZRL	Zambezi Resources Limited	Long	1.2%
VMG	VDM Group Limited	Long	1.1%
Top Twenty Portfolio Holdings			92.5%

MARKET AND COMMENTARY

We are pleased to report that the fund has had a good year to date and for the seven months ended 31st January 2011 the fund is up 45.44% (Gross) outperforming the All Ordinaries Accumulation Index by 30.90%. During the month of January, Cadence Capital Fund returned a positive gross performance of +3.25% 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 seven years and three months to 31st January 2011, Cadence Capital Fund has returned a gross performance of 180.17% compared to an increase in the All Ordinaries Accumulation Index of 98.78%.

The fund finished the month 95.91% long and with no shorts, i.e. net long exposure of 95.91%. The net exposure for December 2010 was 102.20%.

CADENCE CAPITAL NEWS

On Wednesday the 2nd February 2011, Karl Siegling of Cadence Capital was quoted in the Australian Financial Review in an article titled; 'RHG goes ahead with buyback'. This article addressed, in some detail, the proposed RHG buyback. Cadence Capital will be releasing its quarterly webcast later this month. To either read the Australian Financial Review article or to view the webcast please visit the 'News' section of the Cadence Capital website at www.cadencecapital.com.au.

DISCLAIMER

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.