

INVESTMENT UPDATE AND NTA – JULY 2010

FUND NTA

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

Pre Tax NTA	\$1.02010
Post Tax NTA*	\$1.03825

These NTA's are post a 2.0c fully franked dividend that was paid on 24th June 2010

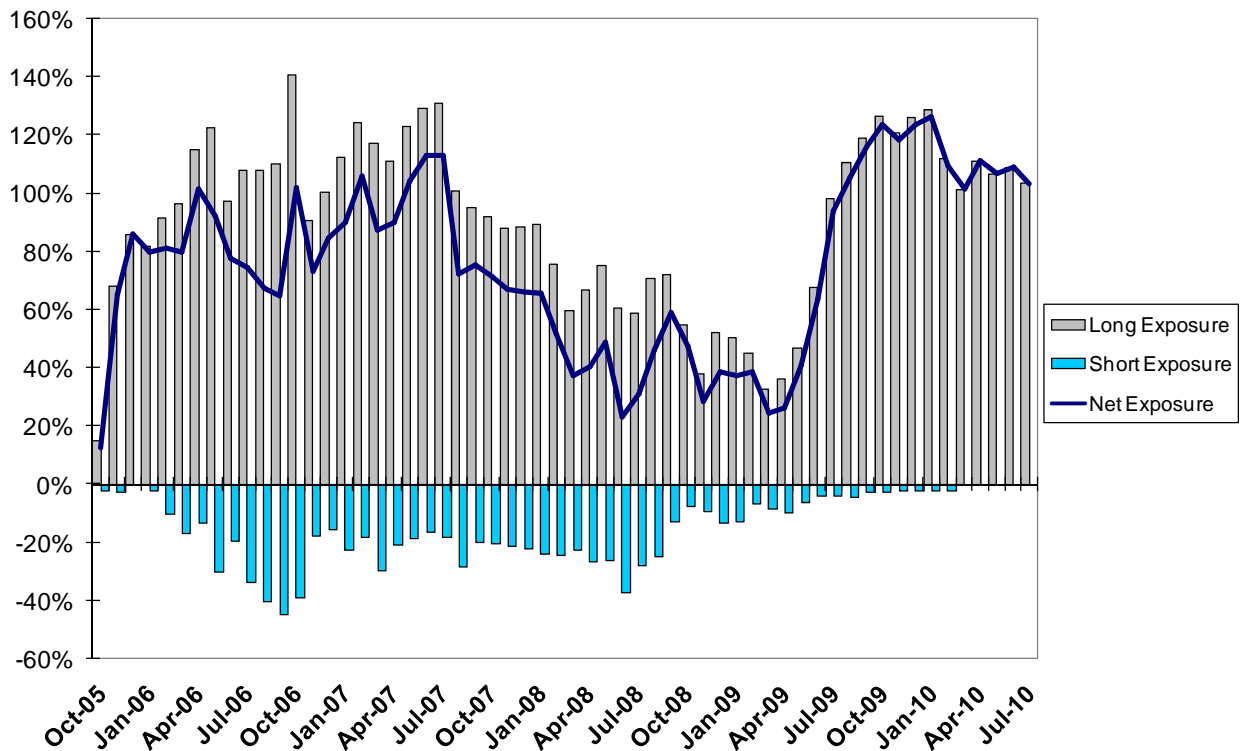
**Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

FUND PERFORMANCE*

Performance to 31st July 2010	CDM	All Ords	Outperformance
1 Month	4.66%	4.23%	
1 Year	18.40%	10.16%	+8.24%
Annualised return since inception (58 months)	12.47%	3.73%	+8.74%
Inception to date accumulated return (58 months)	76.48%	19.39%	+57.09%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	31.63%		31.63%
Materials	26.10%		26.10%
Software & Services	16.14%		16.14%
Telecommunication Services	7.26%		7.26%
Diversified Financials	5.31%		5.31%
Commercial Services & Supplies	5.22%		5.22%
Technology Hardware & Equipment	3.72%		3.72%
Capital Goods	2.03%		2.03%
Consumer Services	1.88%		1.88%
Real Estate	1.72%		1.72%
Insurance	1.43%		1.43%
Retailing	1.00%		1.00%
Exposure	103.44%	0.00%	103.44%
Cash Borrowings			-3.44%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	21.2%
RKN	Reckon Ltd	Long	8.5%
BVA	Bravura Solutions Ltd	Long	6.0%
TPM	TPG Telecom Ltd	Long	5.9%
AVO	Avoca Resources Limited	Long	5.3%
MMS	McMillan Shakespeare Limited	Long	5.2%
CFE	Cape Lambert Iron Ore Ltd	Long	4.7%
RIO	Rio Tinto Ltd	Long	4.1%
NAB	National Australia Bank Ltd	Long	3.9%
MCC	MacArthur Coal Ltd	Long	3.7%
ANZ	Australia & New Zealand Banking Group	Long	3.2%
FFF	Firstfolio Limited	Long	3.2%
AGO	Atlas Iron Ltd	Long	2.2%
FSA	FSA Group Ltd	Long	2.2%
VMG	VDM Group Limited	Long	2.0%
MIK	Mikoh Corporation Limited	Long	1.9%
RFG	Retail Food Group Limited	Long	1.9%
HSKG	Heemskirk Consolidated Convertible Note	Long	1.9%
HTC	Hostech Limited	Long	1.8%
PBD	Port Bouvard Limited	Long	1.7%
Top Twenty Portfolio Holdings			90.6%

MARKET AND COMMENTARY

We are pleased to report that Cadence Capital Limited has performed well over the past twelve months and the fund is up 18.4% (Gross) outperforming the All Ordinaries Accumulation Index by 8.2%. During the month of July, Cadence Capital Limited returned a positive gross performance of +4.66% compared to an increase in the All Ordinaries Accumulation Index of +4.23% and an increase in the Small Ordinaries Accumulation Index of +5.21%.

Since its inception four years and ten months ago, Cadence Capital Limited has returned a gross performance of 76.48% compared to an increase in the All Ordinaries Accumulation Index of 19.39% and an increase in the Small Ordinaries Accumulation Index of 6.64%.

The fund finished the month 103.4% long and with no shorts, i.e. net long exposure of 103.4%. The net long exposure for June 2010 was 108.8%.

CADENCE CAPITAL LIMITED NEWS

Cadence Capital Limited will be releasing its quarterly webcast later this week. This webcast will give an update on the funds performance throughout the past financial year and then will discuss the top two positions in the portfolio, namely RHG Limited, and Reckon Limited. This webcast and previous webcasts will be able to be accessed through the 'News' section of the Cadence Capital Limited 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.