CADENCE CAPITAL LIMITED

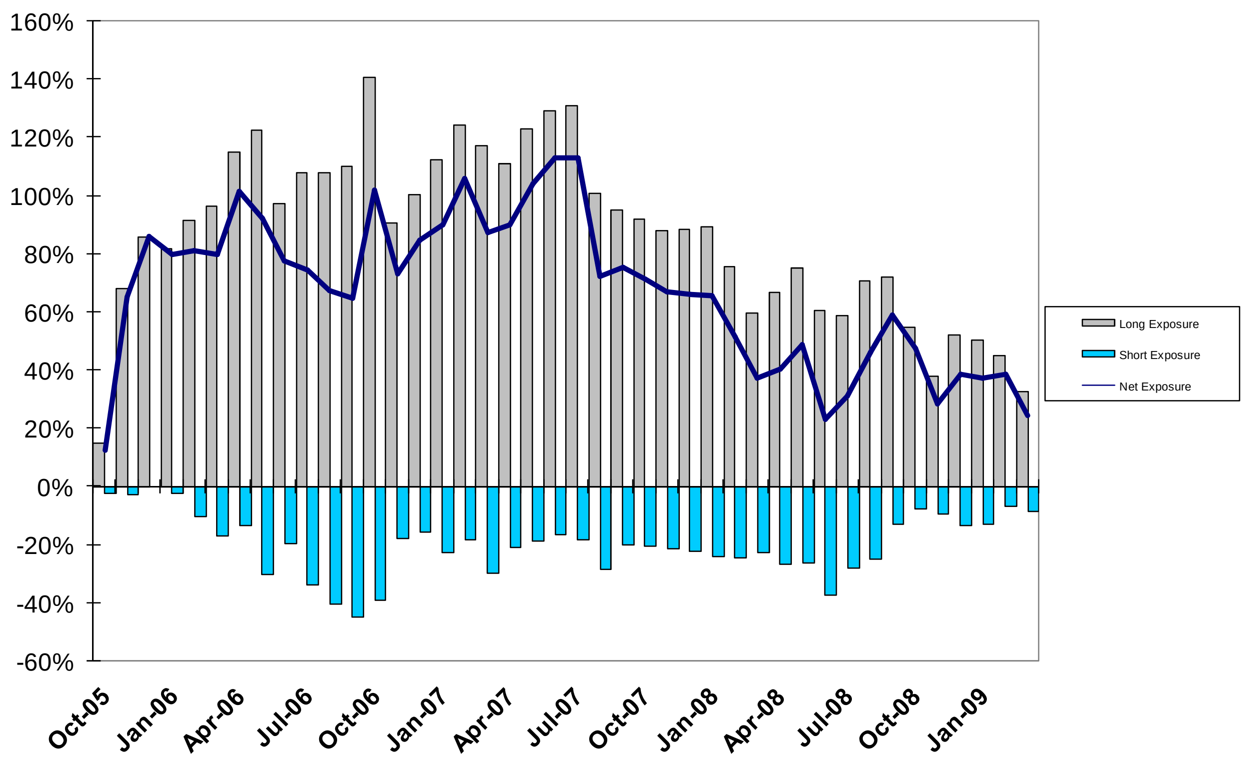
INVESTMENT UPDATE AND NTA – MARCH 2009

FUND PERFORMANCE*

Performance to 31st March 2009	CDM	All Ords
1 Month	1.68%	8.05%
3 Months	2.05%	-1.67%
6 Months	-17.51%	-21.53%
1 Year	-20.76%	-31.30%
2 Years (% per Annum)	-16.03%	-19.65%
3 Years (% per Annum)	0.14%	-7.56%
Annualised return since inception	6.79%	-3.15%
Inception to date accumulated return	25.84%	-10.60%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



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PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Software & Services	11.80%		11.80%
Telecommunication Services	4.39%		4.39%
Diversified Financials	4.02%		4.02%
Banks	3.81%		3.81%
Materials	5.03%	-2.89%	2.13%
Consumer Services	1.10%		1.10%
Health Care Equipment & Services	0.55%		0.55%
Insurance	0.16%		0.16%
Media	0.12%		0.12%
Energy	1.74%	-2.03%	-0.30%
Transportation		-3.36%	-3.36%
Exposure	**32.71%**	**-8.28%**	**24.43%**
Cash on Hand			**75.57%**

MARKET AND COMMENTARY

Cadence Capital Limited NTA estimates as at 31st March 2009:

Gross NTA	$0.95518
Pre Tax NTA	$0.76874
Post Tax NTA*	$0.87276

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

To get weekly estimates of the NTA for Cadence Capital Limited please visit www.cadencecapital.com.au

For the three years and six months to 31st March 2009, Cadence Capital Limited has returned a gross performance of 25.8% compared to a fall in the All Ordinaries Accumulation Index of -10.6%.

During the month of March, Cadence Capital Limited returned a positive gross performance of +1.68% compared to an increase in the All Ordinaries Accumulation Index of +8.05% and an increase in the Small Ordinaries Accumulation Index of +10.21%.

The fund finished the month 32.7% long, 8.3% short and with a net long exposure of 24.4%. The net exposure for February 2009 was 38.5%.

The proposed takeover of OZ Minerals - Part 2

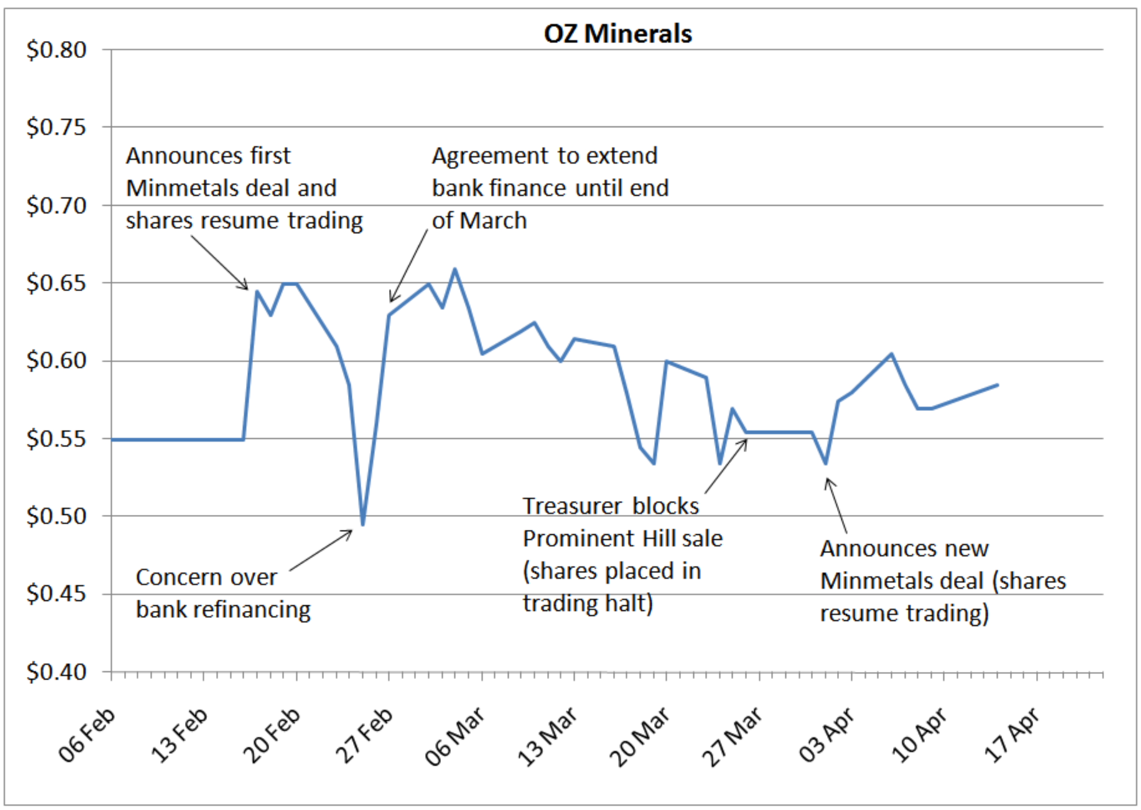
In our newsletter last month we talked about the proposed takeover of OZ Minerals by China Minmetals, and the possibility that there would be more twists and turns on the road to completion of the deal. This has turned out to be the case as Australian national defence concerns at one of OZ Minerals' mines have caused significant changes to the deal.

OZ Minerals' recently constructed Prominent Hill mine is located within the Woomera Prohibited Area weapons testing range in South Australia. On Friday March 27 the Treasurer of Australia, Wayne Swan, announced that because the weapons testing range "makes a unique and sensitive contribution to Australia's national defence" the "Minmetals' proposal for Oz Minerals cannot be approved if it includes Prominent Hill".

The announcement effectively stopped the proposed cash takeover of OZ Minerals by China Minmetals. Shares in OZ Minerals were halted while an alternative solution was developed. There was much speculation, including that Prominent Hill may be sold to an Australian company such as BHP, and the remaining assets sold to China Minmetals.

Over that weekend OZ Minerals and China Minmetals agreed on a new deal that did not include the Prominent Hill mine. Under the new deal Minmetals has agreed to pay US $1.2 billion for most of OZ Minerals assets, while OZ Minerals will retain ownership of Prominent Hill and the Martabe gold project, and continue as an Australian listed company.

The chart below shows the OZ Minerals share price response to the changing landscape.



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As we mentioned in our previous newsletter we bought OZ Minerals shares on February 25 after the original deal was announced. After the Treasurer blocked the original deal and the new deal was announced we re-evaluated our position.

Under the original deal, shareholders would have received cash for their shares. Under the new deal, OZ Minerals will receive cash from Minmetals, most of which will be used to repay debt. At this stage there has been no mention that any of the cash will be returned to shareholders, so we expect that it will be held inside the company to provide balance sheet strength in the short to medium term, and potentially used for expansions and/or acquisitions in the medium to long term.

Under the new deal, an investment in OZ Minerals would essentially be an investment in the Prominent Hill mine and the Martabe project. Neither of these have a proven track record and therefore have higher risk than a mine that has been operating for a number of years.

Based on our modeling we believe that the Prominent Hill valuation implied by the current OZ Minerals share price is slightly above what the mine is worth. We sold our OZ Minerals shares recently, and while we did not receive the 82.5 cents per share proposed in the original deal, we ended up making a good return in a short time.

We believe that there is a good chance that the new deal will go ahead, but we would not be surprised if there are yet again more twists and turns on the road to completion of the deal. We will watch with interest over the next few months.