



MAY 2010 INVESTOR REPORT

FUND NTA

Cadence Capital unit price estimates as at 31st May 2010:

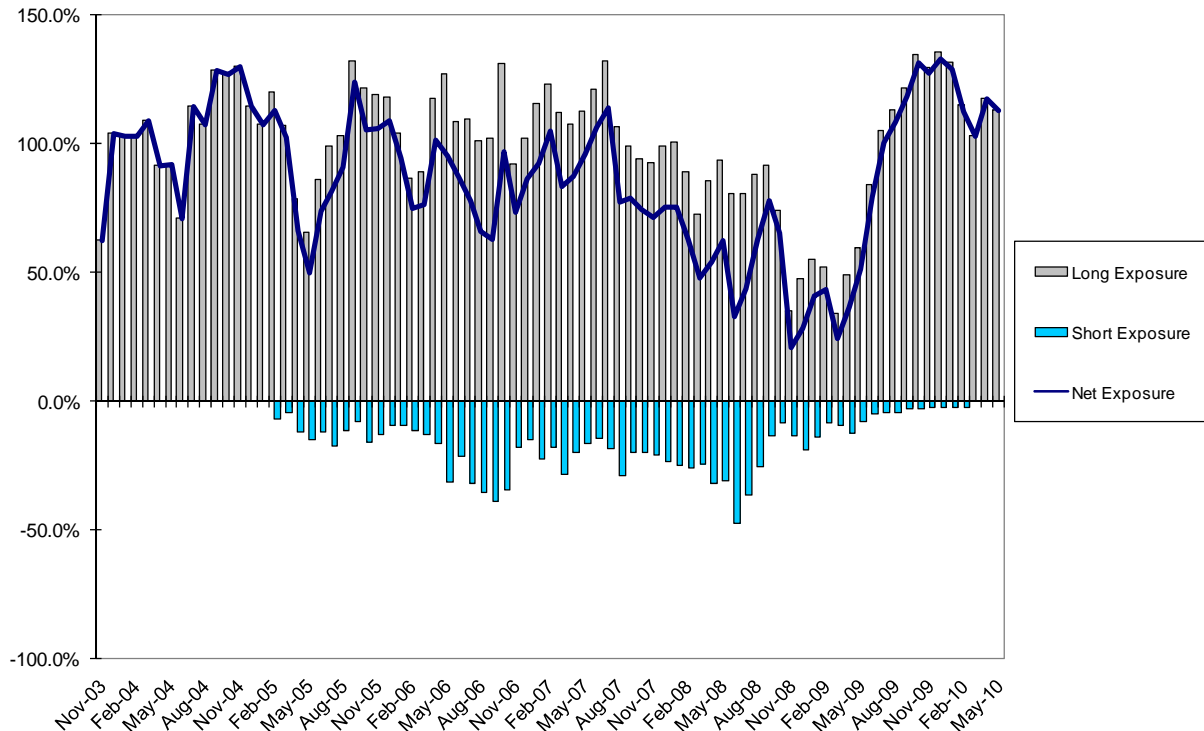
NTA \$1.95177
NTA Post Fees and Distribution \$1.16706

FUND PERFORMANCE*

Performance to 31st May 2010	CC	All Ords	Outperformance
1 Month	-12.14%	-7.57%	
1 Year	26.90%	21.41%	+5.49%
Annualised return since inception (79 months)	10.69%	9.17%	+1.52%
Inception to date accumulated return (79 months)	95.18%	78.20%	+16.98%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	32.13%		32.13%
Materials	27.29%		27.29%
Software & Services	17.42%		17.42%
Telecommunication Services	10.14%		10.14%
Diversified Financials	8.58%		8.58%
Commercial Services & Supplies	4.04%		4.04%
Technology Hardware & Equipment	3.49%		3.49%
Capital Goods	2.53%		2.53%
Insurance	2.49%		2.49%
Retailing	2.27%		2.27%
Energy	1.46%		1.46%
Consumer Services	1.28%		1.28%
Exposure	113.13%	0.00%	113.13%
Cash Borrowing			-13.13%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	20.5%
RKN	Reckon Ltd	Long	8.4%
TPM	TPG Telecom Ltd	Long	7.3%
BVA	Bravura Solutions Ltd	Long	4.8%
MMS	McMillan Shakespeare Limited	Long	4.0%
RIO	Rio Tinto Ltd	Long	4.0%
NAB	National Australia Bank Ltd	Long	4.0%
AVO	Avoca Resources Limited	Long	3.7%
CUS	Customers Ltd	Long	3.4%
FFF	Firstfolio Limited	Long	3.4%
ANZ	Australia & New Zealand Banking Group	Long	3.2%
CFE	Cape Lambert Iron Ore Ltd	Long	3.2%
MCC	MacArthur Coal Ltd	Long	2.7%
HGG	Henderson Group PLC	Long	2.6%
AGO	Atlas Iron Ltd	Long	2.4%
CCV	Cash Converters International	Long	2.3%
FSA	FSA Group Ltd	Long	2.1%
MIK	Mikoh Corporation Limited	Long	2.1%
TPC	Tel.Pacific Limited	Long	2.0%
PNA	PanAust Ltd	Long	2.0%
Top Twenty Portfolio Holdings			88.1%

MARKET AND COMMENTARY

For the six years and seven months to 31st May 2010, Cadence Capital has returned a gross performance of 95.18% compared to a rise in the All Ordinaries Accumulation Index of 78.20% during the same period.

We are pleased to report that the fund has performed well so far this year and for the eleven months ended 31st May 2010 the fund is up 27.3% (Gross) outperforming the All Ordinaries Accumulation Index by 10.5%. During the month of May, Cadence Capital returned a negative gross performance of -12.14% compared to a decrease in the All Ordinaries Accumulation Index of -7.57% and a decrease in the Small Ordinaries Accumulation Index of -8.18%.

The fund finished the month 113.13% long and with no shorts, i.e. net long exposure of 117.34%. The net exposure for April 2010 was 117.34%.

CADENCE CAPITAL NEWS

We would once again like to highlight that Cadence Capital broadcast its first quarterly webcast on the 23rd April 2010. This webcast gave an update on both the market and more specifically on the Fund's positioning and performance over the first quarter of this calendar year. It also covered a discussion on Firstfolio Limited (ASX Code: FFF) a position the fund is currently invested in. This and other webcasts are able to be accessed through 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.