

## INVESTMENT UPDATE AND NTA – MAY 2010

### FUND NTA

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

Pre Tax NTA	\$1.01236
Post Tax NTA*	\$1.03727

*These NTA's are post a 2.0c fully franked dividend that was paid on 18<sup>th</sup> March 2010*

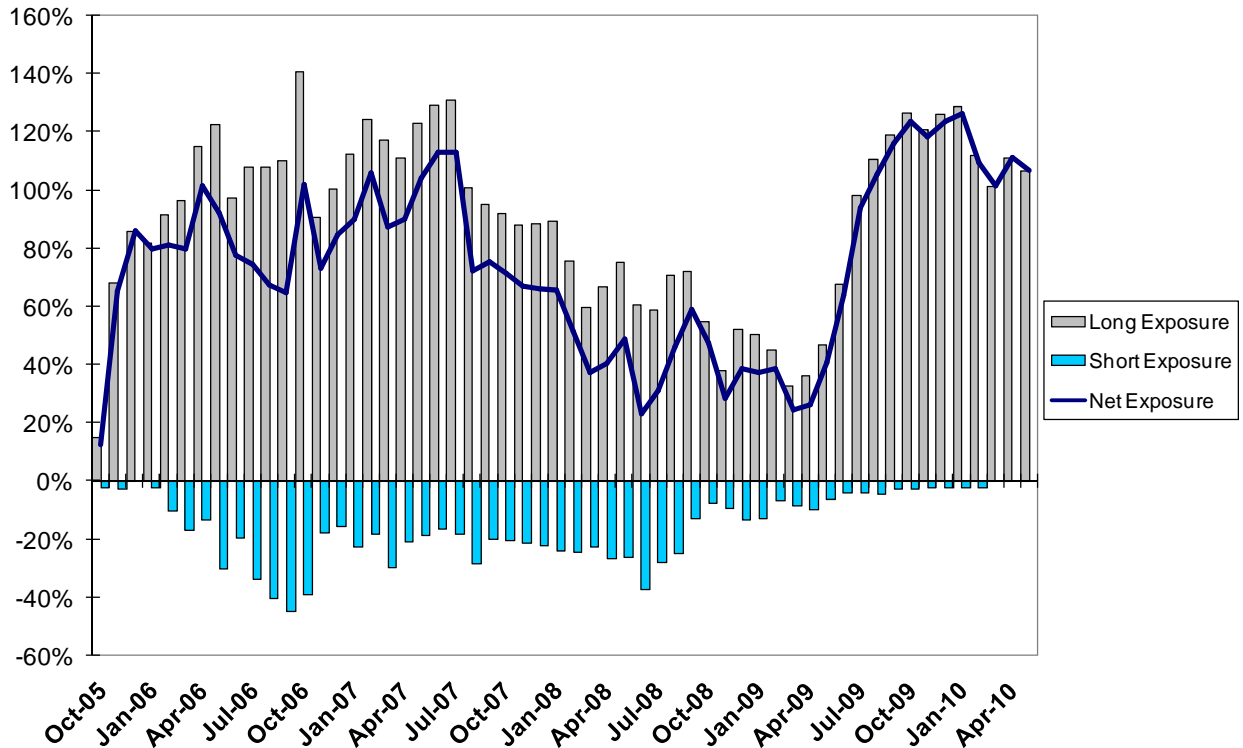
*\*Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

### FUND PERFORMANCE\*

Performance to 31st May 2010	CDM	All Ords	Outperformance
1 Month	-11.63%	-7.57%	
1 Year	25.19%	21.41%	+3.78%
Annualised return since inception (56 months)	12.07%	3.54%	+8.53%
Inception to date accumulated return (56 months)	70.23%	17.61%	+52.62%

\* Before Management and Performance Fees

### PORTFOLIO EXPOSURE ANALYSIS



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	31.29%		31.29%
Materials	25.87%		25.87%
Software & Services	16.45%		16.45%
Telecommunication Services	8.07%		8.07%
Diversified Financials	7.59%		7.59%
Commercial Services & Supplies	4.16%		4.16%
Technology Hardware & Equipment	3.31%		3.31%
Capital Goods	2.40%		2.40%
Insurance	2.36%		2.36%
Retailing	2.16%		2.16%
Consumer Services	1.74%		1.74%
Energy	1.28%		1.28%
<b>Exposure</b>	<b>106.67%</b>	<b>0.00%</b>	<b>106.67%</b>
<b>Cash Borrowings</b>			<b>-6.67%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	<b>20.2%</b>
RKN	Reckon Ltd	Long	<b>7.9%</b>
TPM	TPG Telecom Ltd	Long	<b>6.9%</b>
BVA	Bravura Solutions Ltd	Long	<b>4.5%</b>
MMS	McMillan Shakespeare Limited	Long	<b>4.2%</b>
RIO	Rio Tinto Ltd	Long	<b>3.9%</b>
NAB	National Australia Bank Ltd	Long	<b>3.8%</b>
AVO	Avoca Resources Limited	Long	<b>3.5%</b>
CUS	Customers Ltd	Long	<b>3.3%</b>
FFF	Firstfolio Limited	Long	<b>3.2%</b>
ANZ	Australia & New Zealand Banking Group	Long	<b>3.1%</b>
CFE	Cape Lambert Iron Ore Ltd	Long	<b>3.0%</b>
HGG	Henderson Group PLC	Long	<b>2.6%</b>
MCC	MacArthur Coal Ltd	Long	<b>2.5%</b>
AGO	Atlas Iron Ltd	Long	<b>2.2%</b>
CCV	Cash Converters International	Long	<b>2.2%</b>
FSA	FSA Group Ltd	Long	<b>2.0%</b>
MIK	Mikoh Corporation Limited	Long	<b>2.0%</b>
PNA	PanAust Ltd	Long	<b>1.9%</b>
RFG	Retail Food Group Limited	Long	<b>1.7%</b>
<b>Top Twenty Portfolio Holdings</b>			<b>84.6%</b>

## **MARKET AND COMMENTARY**

For the four years and eight months to 31st May 2010, Cadence Capital Limited has returned a gross performance of 70.23% compared to an increase in the All Ordinaries Accumulation Index of 17.61%.

We are pleased to report that the fund has performed well so far this year and for the eleven months ended 31<sup>st</sup> May 2010 the fund is up 23.5% (Gross) outperforming the All Ordinaries Accumulation Index by 6.7%. During the month of May, Cadence Capital Limited returned a negative gross performance of -11.63% 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 106.7% long and with no shorts, i.e. net long exposure of 106.7%. The net long exposure for April 2010 was 111.2%.

## **CADENCE CAPITAL LIMITED NEWS**

We would once again like to highlight that Cadence Capital Limited 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 Limited website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

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