

INVESTMENT UPDATE May 2012

Fund NTA & Performance

Cadence Offshore Fund NTA as at 31st May 2012:

NTA per share (Series AUD1) \$ 1,536.19
 Net Performance May 2012 (Series AUD1) -2.51%

Monthly Detailed Performance

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | YTD |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------|---------------|
| Cadence Cayman Fund | -2.70% | -0.28% | 2.21% | 6.06% | -9.07% | -2.61% | 7.60% | 4.02% | 5.24% | 4.70% | 12.35% | 2.01% | 31.63% |
| All Ordinaries Acc Index | -5.85% | 1.82% | 5.83% | -1.18% | -7.57% | -2.60% | 4.23% | -0.71% | 5.02% | 2.17% | -0.70% | 3.80% | 3.31% |
| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | YTD |
| Cadence Cayman Fund | 1.70% | 3.78% | -2.52% | 5.16% | -13.6% | 1.64% | 0.66% | 2.98% | -1.60% | 2.15% | 2.20% | -0.19% | 15.28% |
| All Ordinaries Acc Index | 0.07% | 2.19% | 0.64% | -0.58% | -1.89% | -2.39% | -3.40% | -2.00% | -6.27% | 7.17% | -3.43% | -1.57% | -11.43% |
| | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | YTD |
| Cadence Cayman Fund | 0.92% | 2.22% | 1.56% | -0.90% | -2.51% | | | | | | | | 1.23% |
| All Ordinaries Acc Index | 5.23% | 2.41% | 1.15% | 1.10% | -6.90% | | | | | | | | 2.60% |
| | | | | | | | | | | | | Accumulated return | 53.62% |
| | | | | | | | | | | | | All Ordinaries Acc Index | -6.13% |

* Net of all fees

Portfolio Commentary

During May 2012 Cadence Cayman Fund returned a negative net performance of -2.51% compared to a decrease in the All Ordinaries Accumulation Index of -6.90% and a decrease in the Small Ordinaries Accumulation Index of -10.22%. For the two years and five months to 31st May 2012, the Fund has returned a positive net performance of +53.62% compared to a decrease in the All Ordinaries Accumulation Index of -6.13% and a decrease in the Small Ordinaries Accumulation Index of -9.15% during the same period.

The fund finished the month 60.12% net long. The net exposure for April 2012 was 49.07%.

Portfolio Sector Exposure

| Sector | Long | Short | Net |
|------------------------------------|---------------|--------------|---------------|
| Banks | 25.38% | | 25.38% |
| Commercial & Professional Services | 9.30% | | 9.30% |
| Software & Services | 9.22% | | 9.22% |
| Diversified Financials | 6.46% | | 6.46% |
| Capital Goods | 5.73% | | 5.73% |
| Materials | 1.58% | | 1.58% |
| Energy | 1.32% | | 1.32% |
| Consumer Services | 1.13% | | 1.13% |
| Exposure | 60.12% | 0.00% | 60.12% |
| Cash on Hand | | | 39.88% |



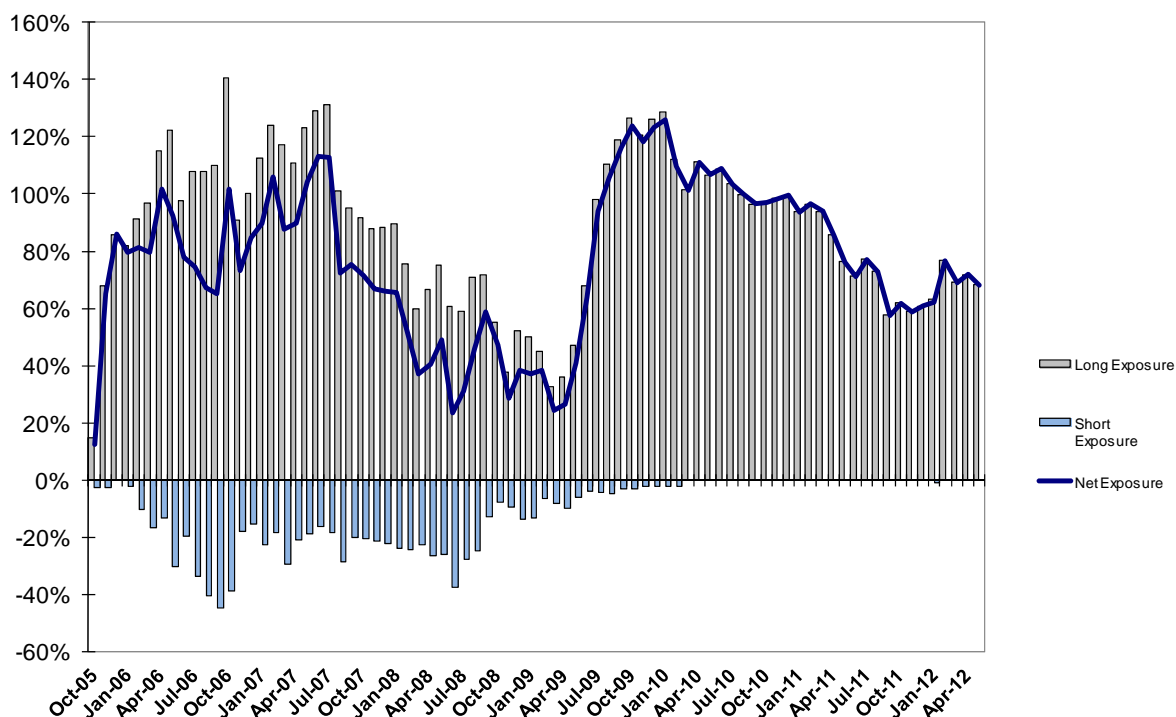
Historic Strategy Performance & Exposure- 6 Years

Cadence Capital Limited is an ASX listed fund that has been operating the Cadence Long/ Short Australian equities strategy for over five years. Over time the Cadence Cayman Fund will replicate the positions and holdings of Cadence Capital Ltd. Detailed below is the 6 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

| Performance* to 31st May 2012 | CDM** | All Ords | Outperformance |
|--|---------|----------|----------------|
| 1 Month | -4.58% | -6.90% | +2.32% |
| 1 Year | 5.63% | -9.49% | +15.12% |
| 2 Years | 88.15% | 1.30% | +86.85 |
| 3 Years | 135.45% | 22.98% | +112.47 |
| 4 Years | 89.64% | -14.61% | +104.25 |
| 5 Years | 64.00% | -19.09% | +83.09 |
| Since Inception (80 months) | 220.14% | 19.13% | +201.01 |
| Since Inception Annualised (80 months) | 19.07% | 2.66% | +16.41 |

*Before Management and Performance Fees

**Used the percentage increase in Post Tax NTA for May 2011



Fund Facts

| | | | |
|-------------------------|--------------|-------------------------|-----------------|
| Minimum Investment: | AU\$ 500 000 | Redemption Fees: | None |
| Subscription Frequency: | Monthly | High Water Mark: | Yes |
| Redemption Frequency: | Monthly | Strategy Size: | AU\$ 70 Million |
| Redemption Notice: | 3 Months | Prime Broker: | Citigroup |
| Lock-up: | None | Administrator: | TMF Group |
| Management Fee: | 1.5% | Fund Domicile: | Cayman Islands |
| Performance Fee: | 20% | Legal Advisers (Cayman) | Walkers |

DISCLAIMER: The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd and its associated companies. 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 and its associated companies 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.