

## INVESTMENT UPDATE August 2012

### Fund NTA & Performance

Cadence Offshore Fund NTA as at 31<sup>st</sup> August 2012:  
 NTA per share (Series AUD1) \$ 1,646.33  
 Net Performance August 2012 (Series AUD1) +4.45%

### 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%	2.35%	2.01%	31.63%
All Ordinaries Acc Index	-5.85%	1.82%	5.83%	-1.13%	-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%	-1.36%	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%	0.60%	1.99%	4.45%					8.49%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%					8.97%
												<b>Accumulated return</b>	<b>64.64%</b>
												<b>All Ordinaries Acc Index</b>	<b>-0.29%</b>

\* Net of all fees

### Portfolio Commentary

During August 2012 Cadence Cayman Fund returned a positive net performance of +4.45% compared to an increase in the All Ordinaries Accumulation Index of +2.12% and an increase in the Small Ordinaries Accumulation Index of +2.95%. For the two years and eight months to 31st August 2012, the Fund has returned a positive net performance of +64.64% compared to a decrease in the All Ordinaries Accumulation Index of -0.29% and a decrease in the Small Ordinaries Accumulation Index of -11.11% during the same period.

The fund finished the month 60.16% net long. The net exposure for July 2012 was 55.01%.

### Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	26.68%		26.68%
Diversified Financials	9.74%		9.74%
Software & Services	9.72%		9.72%
Commercial & Professional Services	8.42%		8.42%
Materials	2.68%	1.68%	1.00%
Capital Goods	2.25%		2.25%
Energy	1.37%		1.37%
Consumer Services	0.97%		0.97%
<b>Exposure</b>	<b>61.84%</b>	<b>1.68%</b>	<b>60.16%</b>
<b>Cash on Hand</b>			<b>39.84%</b>



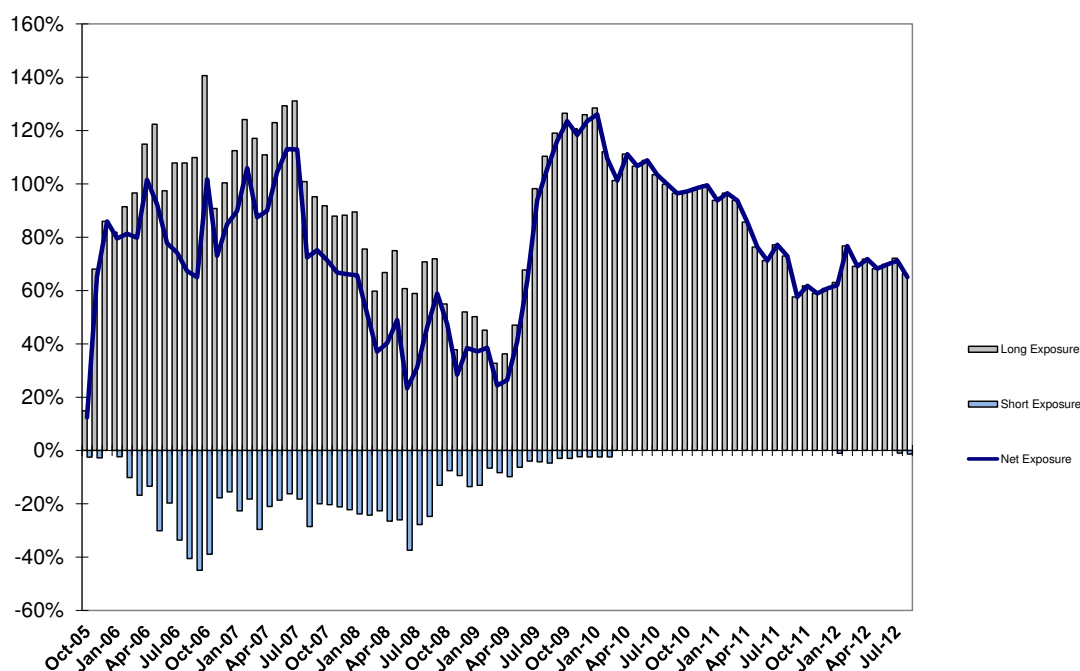
## Historic Strategy Performance & Exposure- 6 Years

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 August 2012	CDM**	All Ords	Outperformance
1 Month	6.43%	2.12%	+4.31%
1 Year	13.77%	4.04%	+9.73%
2 Years	99.51%	6.75%	+92.76%
3 Years	122.43%	9.66%	+112.77%
4 Years	120.32%	-0.73%	+121.05%
5 Years	101.81%	-13.76%	+115.57%
Since Inception (83 months)	258.11%	26.54%	+231.57%
Since Inception Annualised (83 months)	20.25%	3.46%	+16.79%

\*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\$ 90 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

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