

INVESTMENT UPDATE

December 2012

Cadence Offshore Fund NTA as at 31st December 2012:

NTA per share (Series AUD1) \$ 1,716.01

Net Performance November 2012 (Series AUD1) +0.78%

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%	-1.18%	-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%	-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%	0.09%	3.44%	-0.11%	0.78%	13.08%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%	2.12%	2.13%	2.97%	0.27%	3.43%	18.84%
												Accumulated return	71.60%
												All Ordinaries Acc Index	8.74%

* Net of all fees

Portfolio Commentary

During December 2012 Cadence Cayman Fund returned a positive net performance of +0.78% compared to an increase in the All Ordinaries Accumulation Index of +3.43% and an increase in the Small Ordinaries Accumulation Index of +3.23%. For the three years to 31st December 2012, the Fund has returned a positive net performance of +71.60% compared to an increase in the All Ordinaries Accumulation Index of +8.74% and a decrease in the Small Ordinaries Accumulation Index of -5.33% during the same period.

The fund finished the month 74.39 net long. The net exposure for November 2012 was 69.16%.

Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	25.16%		25.16%
Diversified Financials	15.19%		15.19%
Software & Services	10.85%		10.85%
Commercial & Professional Services	9.60%		9.60%
Materials	8.55%	2.21%	6.33%
Consumer Services	2.27%		2.27%
Energy	1.73%		1.73%
Retailing	1.26%		1.26%
Media	0.98%		0.98%
Real Estate	0.52%		0.52%
Health Care Equipment & Services	0.49%		0.49%
Capital Goods	0.01%		0.01%
Exposure	76.61%	2.21%	74.39%
Cash on Hand			25.61%

For more information contact Cadence Cayman Fund on +41 786271251 or email en@thezene.com

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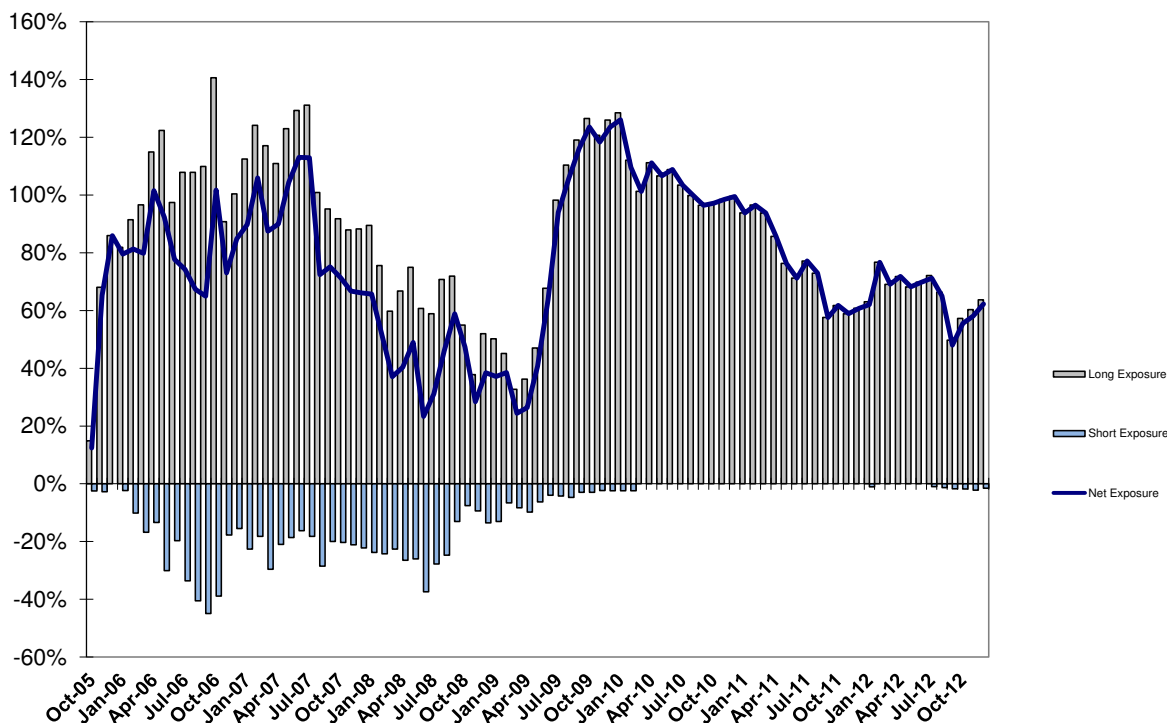
Historic Strategy Performance & Exposure- 6 Years

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 December 2012	CDM**	All Ords	Outperformance
1 Month	1.01%	3.43%	-2.42%
1 Year	19.07%	18.84%	+0.23%
2 Years	56.01%	5.26%	+50.75%
3 Years	106.11%	8.74%	+97.37%
4 Years	203.47%	51.77%	+151.70%
5 Years	103.93%	-9.52%	+113.45%
Since Inception (87 months)	274.22%	37.99%	+236.23%
Since Inception Annualised (87 months)	19.96%	4.54%	+15.42%

*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\$ 105 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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