

INVESTMENT UPDATE

December 2013

Cadence Offshore Fund NTA as at 31st December 2013:

NTA per share (Series AUD1) \$ 1,989.98

Net Performance December 2013 (Series AUD1) +0.75%

Monthly Detailed Performance

| | | | | | | | | | | | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------------|---------|
| Cadence Cayman Fund | 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 |
| All Ordinaries Acc Index | -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% |
| Cadence Cayman Fund | 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 |
| 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% |
| Cadence Cayman Fund | 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 |
| All Ordinaries Acc Index | 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% |
| Cadence Cayman Fund | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 | Dec-13 | YTD |
| 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% |
| Cadence Cayman Fund | 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 |
| All Ordinaries Acc Index | 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% |
| Cadence Cayman Fund | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 | Dec-13 | YTD |
| All Ordinaries Acc Index | 2.32% | 4.69% | -0.54% | 1.46% | 0.79% | -1.01% | -1.51% | -0.15% | 2.27% | 4.23% | 1.80% | 0.75% | 15.97% |
| | 5.08% | 5.18% | -2.24% | 3.82% | -4.39% | -2.62% | 5.46% | 2.59% | 2.39% | 3.91% | -1.38% | 0.92% | 19.66% |
| | | | | | | | | | | | | Accumulated return | 99.00% |
| | | | | | | | | | | | | All Ordinaries Acc Index | 30.11% |

* Net of all fees

Portfolio Commentary

During December 2013 Cadence Cayman Fund returned a positive net performance of +0.75% compared to an increase in the All Ordinaries Accumulation Index of +0.92%. Year to date the fund is up +15.97% compared to an increase in the All Ordinaries Accumulation Index of +19.66% and a decrease in the Small Ordinaries Accumulation Index of -0.76%. The fund finished the month 89.13% net long. The net exposure for November 2013 was 91.27%.

Portfolio Sector Exposure

| Sector | Long | Short | Net |
|--|---------------|--------------|---------------|
| Diversified Financials | 27.16% | | 27.16% |
| Banks | 15.69% | | 15.69% |
| Materials | 14.37% | 1.63% | 12.74% |
| Consumer Services | 7.20% | | 7.20% |
| Software & Services | 6.52% | | 6.52% |
| Real Estate | 5.11% | | 5.11% |
| Telecommunication Services | 3.21% | | 3.21% |
| Commercial & Professional Services | 3.11% | | 3.11% |
| Transportation | 2.69% | | 2.69% |
| Insurance | 2.18% | | 2.18% |
| Energy | 1.05% | | 1.05% |
| Utilities | 1.03% | | 1.03% |
| Retailing | 0.95% | | 0.95% |
| Pharmaceuticals, Biotechnology & Life Sciences | 0.49% | | 0.49% |
| Exposure | 90.76% | 1.63% | 89.13% |
| Cash on Hand | | | 10.87% |



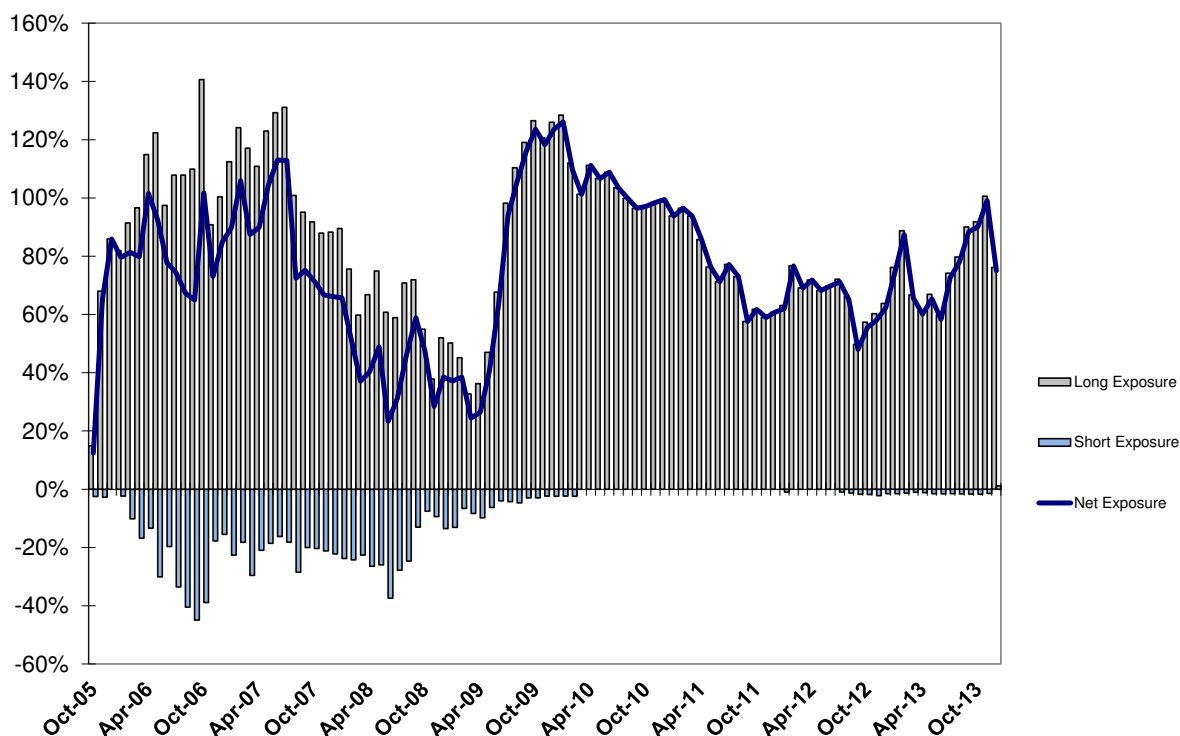
Historic Strategy Performance & Exposure - 8 Years

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 8 year performance and exposure history of Cadence Capital Limited (ASX Code CDM).

| Performance* to 31st December 2013 | CDM** | All Ords | Outperformance |
|---|---------|----------|----------------|
| 1 Month | 1.30% | 0.92% | +0.38% |
| 1 Year | 20.55% | 19.66% | +0.89% |
| 2 Years | 43.54% | 42.20% | +1.34% |
| 3 Years | 88.08% | 25.95% | +62.13% |
| 4 Years | 148.47% | 30.11% | +118.36% |
| 5 Years | 265.84% | 81.60% | +184.24% |
| 8 Years | 324.71% | 59.61% | +265.10% |
| Since Inception (8.25 years) | 351.14% | 65.12% | +286.02% |
| Since Inception Annualised (8.25 years) | 20.04% | 6.27% | +13.77% |

*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\$ 250 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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