

INVESTMENT UPDATE

January 2014

Cadence Offshore Fund NTA as at 31st January 2014:

NTA per share (Series AUD1) \$ 1,925.54
 Net Performance January 2014 (Series AUD1) -3.24%

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%	-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%
	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
Cadence Cayman Fund	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%
All Ordinaries Acc Index	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%
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD
Cadence Cayman Fund	-3.24%												-3.24%
All Ordinaries Acc Index	-2.76%												-2.76%
											Accumulated return		92.56%
											All Ordinaries Acc Index		26.52%

* Net of all fees

Portfolio Commentary

During January 2014 Cadence Cayman Fund returned a negative net performance of 3.24% compared to a decrease in the All Ordinaries Accumulation Index of 2.76%. For the past 49 months the fund has returned a positive net performance of +17.41% per annum compared to an increase in the All Ordinaries Accumulation Index of +5.93% per annum.

The fund finished the month 86.39% net long. The net exposure for December 2013 was 89.13%.

Cadence News

Cadence Capital Limited was ranked by ASX* as one of the top 3 performing Australian Equities Listed Investment Companies over 3 and 5 years in the LMI Quarterly Update as at 31st January 2014.

Cadence Capital Limited was a finalist at the 2012 Australian Hedge Fund Awards in the Best Long Short and Absolute Return Fund category.

* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 31st January 2014



Portfolio Sector Exposure

Sector	Long	Short	Net
Diversified Financials	28.72%		28.72%
Banks	16.26%		16.26%
Materials	13.18%	1.01%	12.16%
Consumer Services	6.87%		6.87%
Software & Services	6.01%		6.01%
Telecommunication Services	3.42%		3.42%
Commercial & Professional Services	3.26%		3.26%
Insurance	2.14%		2.14%
Real Estate	2.02%		2.02%
Transportation	1.87%		1.87%
Utilities	1.14%		1.14%
Energy	1.10%		1.10%
Unspecified	0.87%		0.87%
Pharmaceuticals, Biotechnology & Life Sciences	0.56%		0.56%
Exposure	87.41%	1.01%	86.39%
Cash on Hand			13.61%

Top Positions

ASX Code	Position	Direction	Holding
MQG	Macquarie Group Limited	Long	11.7%
HGG	Henderson Group Plc	Long	8.2%
NAB	National Australia Bank Ltd	Long	7.1%
FXL	Flexigroup Ltd	Long	5.9%
ANZ	Australia & New Zealand Banking Group	Long	5.8%
RFG	Retail Food Group	Long	5.7%
ARI	Arrium Limited	Long	5.2%
IIN	Ilnet Limited	Long	3.4%
MLB	Melbourne IT Ltd	Long	3.4%
BSL	Bluescope Steel Ltd	Long	3.0%
MMS	McMillan Shakespeare Ltd	Long	2.8%
AMC	Amcor Limited	Long	2.5%
RIO	Rio Tinto Ltd	Long	2.1%
CBA	Commonwealth Bank of Australia	Long	1.9%
TOL	Toll Holdings	Long	1.9%
PPT	Perpetual Limited	Long	1.8%
BOQ	Bank of Queensland Ltd	Long	1.4%
EPW	ERM Power Limited	Long	1.1%
SUN	Sunland Group Ltd	Long	1.4%
FLN	Freelancer Limited	Long	1.4%
Top Portfolio Holdings Gross Exposure			77.54%



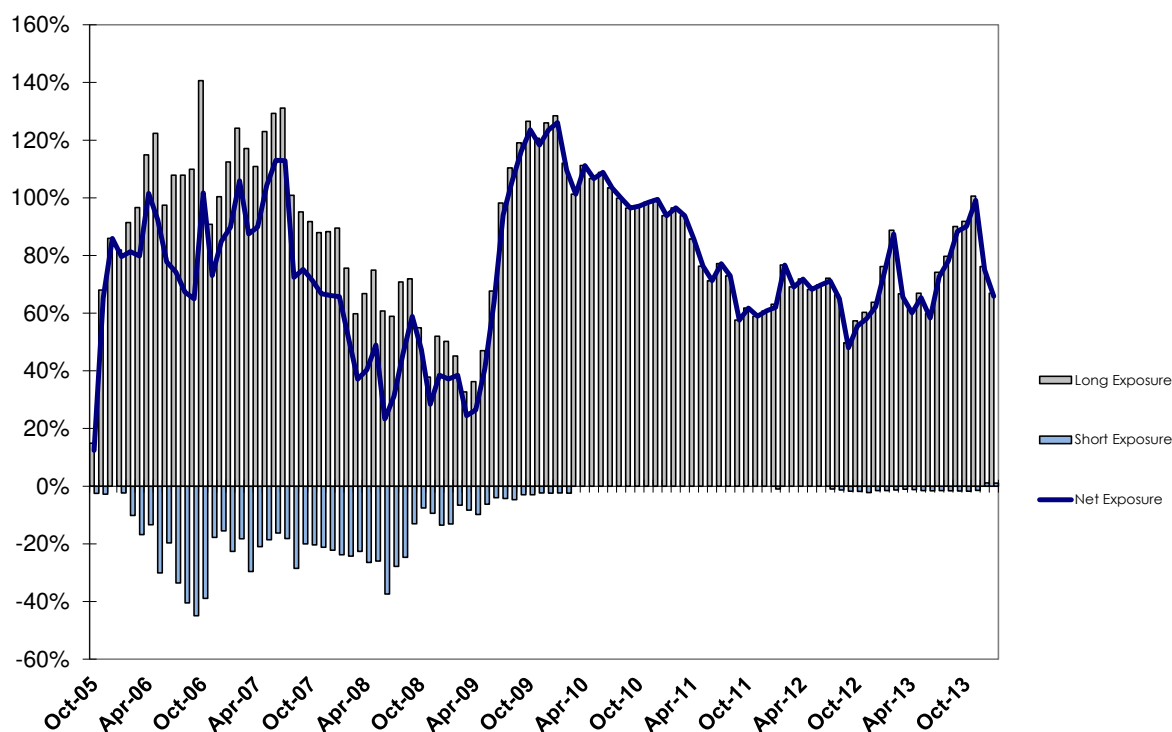
Historic Strategy Performance & Exposure - 8 Years

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 January 2014	CDM**	All Ords	Outperformance
1 Month	-1.53%	-2.76%	+1.23%
1 Year	15.91%	10.73%	+5.18%
2 Years	37.12%	31.41%	+5.71%
3 Years	79.03%	22.39%	+56.64%
4 Years	149.31%	34.38%	+114.93%
5 Years	263.95%	85.78%	+178.17%
8 Years	288.52%	49.73%	+238.79%
Since Inception (8.3 years)	344.22%	60.56%	+283.66%
Since Inception Annualised (8.3 years)	19.59%	5.85%	+13.74%

*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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