

## INVESTMENT UPDATE July 2012

### Fund NTA & Performance

Cadence Offshore Fund NTA as at 31st July 2012:

NTA per share (Series AUD1) \$ 1,576.15  
 Net Performance July 2012 (Series AUD1) +1.99%

### 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%						3.87%
All Ordinaries Acc Index	5.23%	2.41%	1.15%	1.10%	-6.90%	0.25%	3.74%						6.71%
												<b>Accumulated return</b>	<b>57.62%</b>
												<b>All Ordinaries Acc Index</b>	<b>-2.37%</b>

\* Net of all fees

### Portfolio Commentary

During July 2012 Cadence Cayman Fund returned a positive net performance of +1.99% compared to an increase in the All Ordinaries Accumulation Index of +3.74% and a decrease in the Small Ordinaries Accumulation Index of -0.19%. For the two years and seven months to 31st July 2012, the Fund has returned a positive net performance of +57.62% compared to a decrease in the All Ordinaries Accumulation Index of -2.37% and a decrease in the Small Ordinaries Accumulation Index of -13.66% during the same period.

The fund finished the month 55.01% net long. The net exposure for June 2012 was 60.45%.

### Portfolio Sector Exposure

Sector	Long	Short	Net
Banks	24.40%		24.40%
Software & Services	8.56%		8.56%
Commercial & Professional Services	8.31%		8.31%
Diversified Financials	6.39%		6.39%
Capital Goods	3.88%		3.88%
Materials	2.29%	1.07%	1.21%
Energy	1.33%		1.33%
Consumer Services	0.93%		0.93%
<b>Exposure</b>	<b>56.08%</b>	<b>1.07%</b>	<b>55.01%</b>
<b>Cash on Hand</b>			<b>44.99%</b>



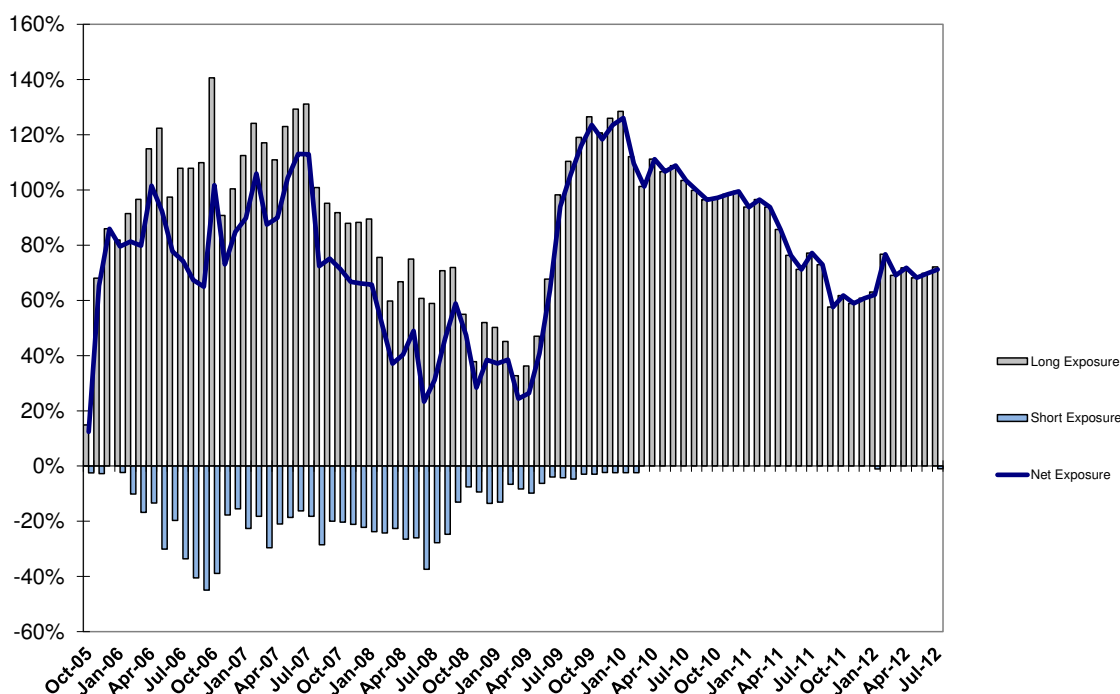
## Historic Strategy Performance & Exposure- 6 Years

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 July 2012	CDM**	All Ords	Outperformance
1 Month	3.93%	3.74%	+0.19%
1 Year	8.38%	-0.17%	+8.55%
2 Years	90.66%	3.78%	+86.88%
3 Years	125.74%	14.33%	+111.41%
4 Years	113.76%	1.11%	+112.65%
5 Years	70.18%	-14.12%	+84.30%
Since Inception (82 months)	236.48%	23.91%	+212.57%
Since Inception Annualised (82 months)	19.43%	3.19%	+16.24%

\*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

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