



INVESTMENT UPDATE

June 2012

Summary Update

Cadence Capital Fund had a good financial year to the 30th June 2012, generating a gross positive performance of +6.13% compared to a decrease in the All Ordinaries Accumulation Index of -7.04% and a decrease in the Small Ordinaries Accumulation Index of -14.61%.

During the month of June 2012, Cadence Capital Fund returned a gross performance of 1.22% compared to an increase in the All Ordinaries Accumulation Index of +0.25% and a decrease in the Small Ordinaries Accumulation Index of -4.78%. For the eight years and eight months to 30th June 2012, Cadence Capital Fund has generated a gross performance of 16.31% per annum, outperforming the All Ordinaries Accumulation Index by 9.23% per annum.

The fund finished the month 70.28% net long compared to 71.04% net long in May 2012.

Fund NTA

Cadence Capital unit price estimates as at 30th June 2012:

NTA (Post fees and pre distribution)	\$1.72549
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Cadence Highlights

Cadence has a **RECOMMENDED Rating by ZENITH** Investment Partners

Cadence Capital Limited was **ranked by ASX** as the Number 1 Australian Equities Listed Investment Company** over 1, 3 and 5 years in the LMI Quarterly Update as at 31 March 2012.

Cadence Capital Limited was **ranked by Patersons as the No. 1 Listed Investment Company** over both 1 and 2 years in their LIC Quarterly Update dated 24 August 2011.

All of these reports are available on our home page at www.cadencecapital.com.au

* Source: ASX website – Market Update on Management Funds section, LMI Quarterly Update as at 31 March 2012



Fund Performance

Performance* to 30th June 2012	CCF**	All Ords	Outperformance
1 Month	1.22%	0.25%	+0.97%
1 Year	6.13%	-7.04%	+13.17%
2 Years	91.70%	4.27%	+87.43%
3 Years	142.26%	18.64%	+123.62%
4 Years	61.95%	-7.64%	+69.59%
5 Years	24.61%	-18.83%	+43.44%
6 Years	69.85%	5.77%	+64.08%
Inception to date accumulated return (104 months)	270.41%	80.97%	+189.44%
Annualised return since inception (104 months)	16.31%	7.08%	+9.23%

* Gross Performance before Management and Performance Fees

** Adjusted to include material franking credit of 26.7 cents received from RHG dividend during May 2011

Top Portfolio Positions

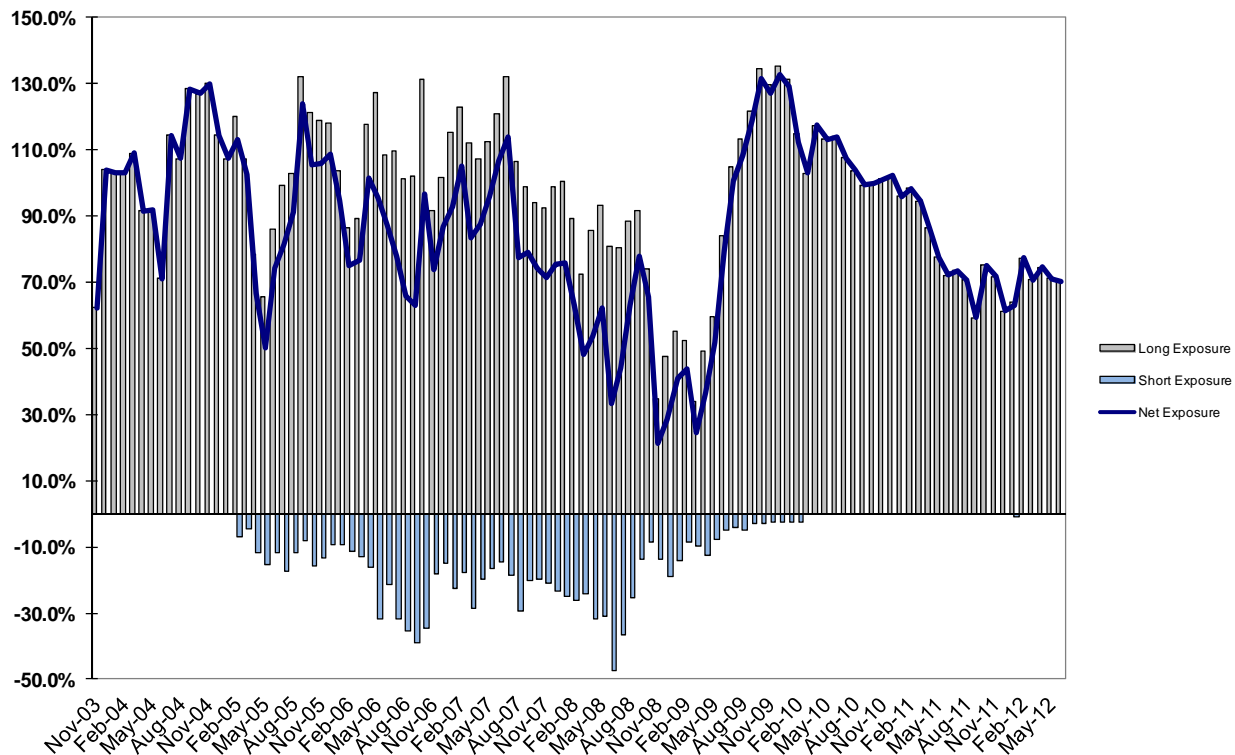
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	25.9%
MMS	Mc Millan Shakespeare Ltd	Long	7.5%
FXL	Flexigroup Ltd	Long	5.3%
RKN	Reckon Ltd	Long	5.1%
BVA	Bravura Solutions Ltd	Long	4.8%
ANZ	Australia & New Zealand Banking Group	Long	3.9%
NAB	National Australia Bank Ltd	Long	3.0%
MQG	Macquarie Group Limited	Long	2.8%
DCG	Decmil Group Limited	Long	2.0%
COF	Coffey International Limited	Long	1.6%
SPT	Spotless Group Ltd	Long	1.3%
RFG	Retail Food Group	Long	1.2%
CTP	Central Petroleum Ltd	Long	1.2%
VMG	VDM Group Limited	Long	1.1%
Portfolio Holdings > 1%			66.81%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	33.17%		33.17%
Commercial & Professional Services	10.41%		10.41%
Software & Services	10.27%		10.27%
Diversified Financials	8.10%		8.10%
Capital Goods	3.32%		3.32%
Energy	1.72%		1.72%
Materials	1.56%		1.56%
Consumer Services	1.24%		1.24%
Telecommunications Services	0.50%		0.50%
Exposure	70.28%	0.00%	70.28%
Cash on Hand			29.72%

Portfolio Exposure





Cadence News

Cadence Capital Fund Year End

Cadence Capital Fund generated a gross positive performance of +6.13% for the financial year ended 30th June 2012. The All Ordinaries Accumulation Index was down -7.04% (Outperformance of 13.17%) and the Small Ordinaries Accumulation Index was down -14.61% (Outperformance of 20.74%). In addition to the significant negative performance of the Australian stock market over the past year, the market has also displayed significant volatility. The combination of negative returns and high volatility has been a very poor combination for investments closely replicating the All Ordinaries Accumulation Index. The fund has once again generated high levels of franking this year in comparison to those generated by the All Ordinaries Accumulation Index.

We would like to once again recommend that you visit the 'News and Views' section of our website at www.cadencecapital.com.au as all past company webcasts, interviews and press articles involving Cadence can be found here.

Disclaimer

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