



INVESTMENT UPDATE

October 2012

Summary Update

We are pleased to report that the fund has had a good start to the 2013 financial year and for the first four months ended 31st October 2012 the fund has had a gross performance of 15.74% outperforming the All Ordinaries Accumulation Index by 4.33% and the Small Ordinaries Accumulation Index by 7.09%.

During the month of October 2012, Cadence Capital Fund returned a gross performance of +5.32% compared to an increase in the All Ordinaries Accumulation Index of 2.97% and an increase in the Small Ordinaries Accumulation Index of 1.31%. For the nine years to 31st October 2012, Cadence Capital Fund has generated a gross performance of 17.56% per annum, outperforming the All Ordinaries Accumulation Index by 9.46% per annum.

The fund finished the month 75.18% net long compared to 63.51% net long in September 2012.

Fund NTA

Cadence Capital unit price estimates as at 31st October 2012:

NTA (Post fees)* \$1.696149

** This unit price is post the 2012 year end distribution of \$0.20987*

Cadence Highlights

Cadence Capital Limited was **ranked by ASX* as the Number 1 Australian Equities Listed Investment Company** over 3 and 5 years in the LMI Quarterly Update as at 30 September 2012.

Cadence Capital Limited was **ranked by E.L.&C. Baillieu as the No. 1 Listed Investment Company** over both 3 and 5 years in their Listed Investment Company Sector Report dated 18th July 2012.

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

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 30 September 2012

For more information contact Cadence Capital Fund on 02 8298 2444 or email info@cadencecapital.com.au
Register to receive our newsletter at www.cadencecapital.com.au



Fund Performance

Performance* to 31st October 2012	CCF**	All Ords	Outperformance
1 Month	5.32%	2.97%	+2.35%
1 Year	17.66%	8.92%	+8.74%
2 Years	96.97%	4.62%	+92.35%
3 Years	103.91%	10.83%	+93.08%
4 Years	161.44%	35.68%	+125.76%
5 Years	49.48%	-16.82%	+66.30%
7 Years	147.73%	38.36%	+109.37%
Inception to date accumulated return (108 months)	328.73%	101.62%	+227.11%
Annualised return since inception (108 months)	17.56%	8.10%	+9.46%

* 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

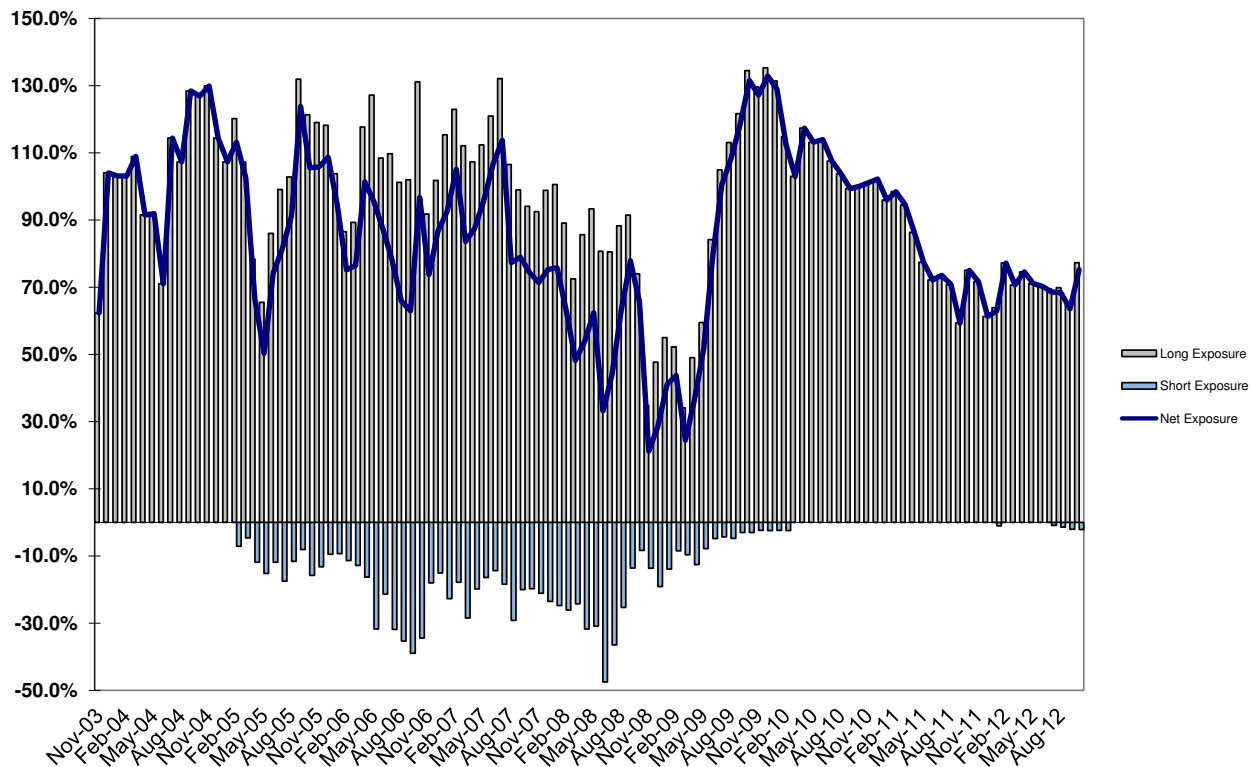
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	19.7%
FXL	Flexigroup Ltd	Long	7.8%
MMS	McMillan Shakespeare Ltd	Long	7.8%
BVA	Bravura Solutions Ltd	Long	5.9%
MQG	Macquarie Group Limited	Long	5.0%
ANZ	Australia & New Zealand Banking Group	Long	4.7%
NAB	National Australia Bank Ltd	Long	4.6%
RKN	Reckon Ltd	Long	4.2%
CTP	Central Petroleum Ltd	Long	3.5%
BTU	Bathurst Resources Ltd	Long	2.5%
RFG	Retail Food Group	Long	2.5%
DCG	Decmil Group Limited	Long	1.7%
OZL	Oz Minerals Ltd	Short	1.6%
MBN	Mirabela Nickel Ltd	Long	1.1%
COF	Coffey International Limited	Long	1.0%
Portfolio Holdings > 1%			73.66%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	28.94%		28.94%
Diversified Financials	12.87%		12.87%
Software & Services	11.03%		11.03%
Commercial & Professional Services	8.75%		8.75%
Materials	5.52%	2.10%	3.42%
Energy	4.20%		4.20%
Consumer Services	2.54%		2.54%
Capital Goods	2.29%		2.29%
Retailing	0.65%		0.65%
Real Estate	0.51%		0.51%
Exposure	77.28%	2.10%	75.18%
Cash on Hand			24.82%

Portfolio Exposure





Cadence News

AGM Presentation Webcast

The webcast of the Cadence Capital Limited AGM presentation will be sent out later this month. The presentation firstly gives an update on the fund's performance before updating investors on dividends and franking. This is then followed with an update of the markets and our outlook and then finishes with the question and answer session.

Other News

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.

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