



INVESTMENT UPDATE

June 2012

Summary Update

Cadence Capital Limited had a good financial year to the 30th June 2012, generating a gross positive performance of +5.49% 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 Limited returned a gross performance of +1.13% 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 six years and nine months to 30 June 2012, Cadence Capital Limited has generated a gross performance of 19.01% per annum, outperforming the All Ordinaries Accumulation Index by 16.34% per annum.

The fund finished the month 69.79% long compared to 68.22% long in May 2012.

Fund NTA

Net Tangible Assets as at 30 June	Amount (\$)
Pre Tax NTA*	\$1.295
Post Tax NTA*	\$1.378
Share price (ASX Code: CDM)	\$1.190
Option price (ASX Code: CDMO)^	\$0.010

^ The Option strike price is \$1.25 and expires on the 15th September 2012

*These NTA's are **post the 4.5c March 2012 fully franked interim and special dividend**

Fund Highlights

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.

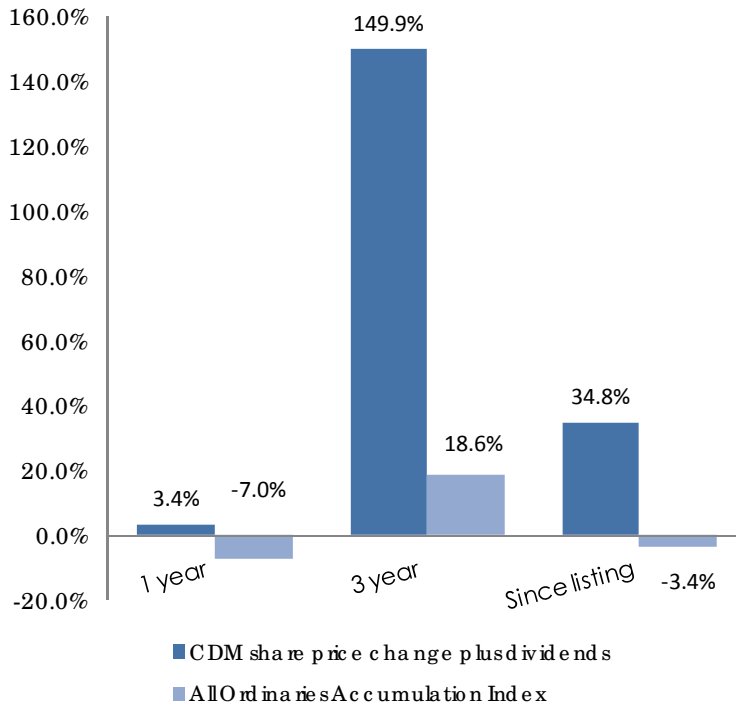
Cadence Capital Limited has a **RECOMMENDED Rating by ZENITH** Investment Partners

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



Share Price Return Including Dividends



Fully Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2*c	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	-	0.5c	4.5c	6.4c
TOTAL	13.5c	11.2c	5.5c	30.2c	42.3c

* Off market equal access buy back



Fund Performance

Performance* to 30th June 2012	CDM**	All Ords	Outperformance
1 Month	1.13%	0.25%	+0.88%
1 Year	5.49%	-7.04%	+12.53%
2 Years	92.00%	4.27%	+87.73%
3 Years	134.85%	18.64%	+116.21%
4 Years	98.62%	-7.64%	+106.26%
5 Years	63.28%	-18.83%	+82.11%
Since Inception (81 months)	223.76%	19.44%	+204.32%
Since Inception Annualised (81 months)	19.01%	2.67%	+16.34%

* Before Management and Performance Fees

**These numbers include the franking value of the substantial RHG dividend received in May 2011

In May 2011 the fund received a substantial fully franked dividend from its RHG holding. As a result of this dividend, the Post Tax NTA of the fund increased by +8% during that month. The May 2011 performance of the fund was adjusted to reflect this Post-tax increase in NTA as this figure more accurately included the material fully franked dividends received from RHG during this month.

Top Portfolio Positions

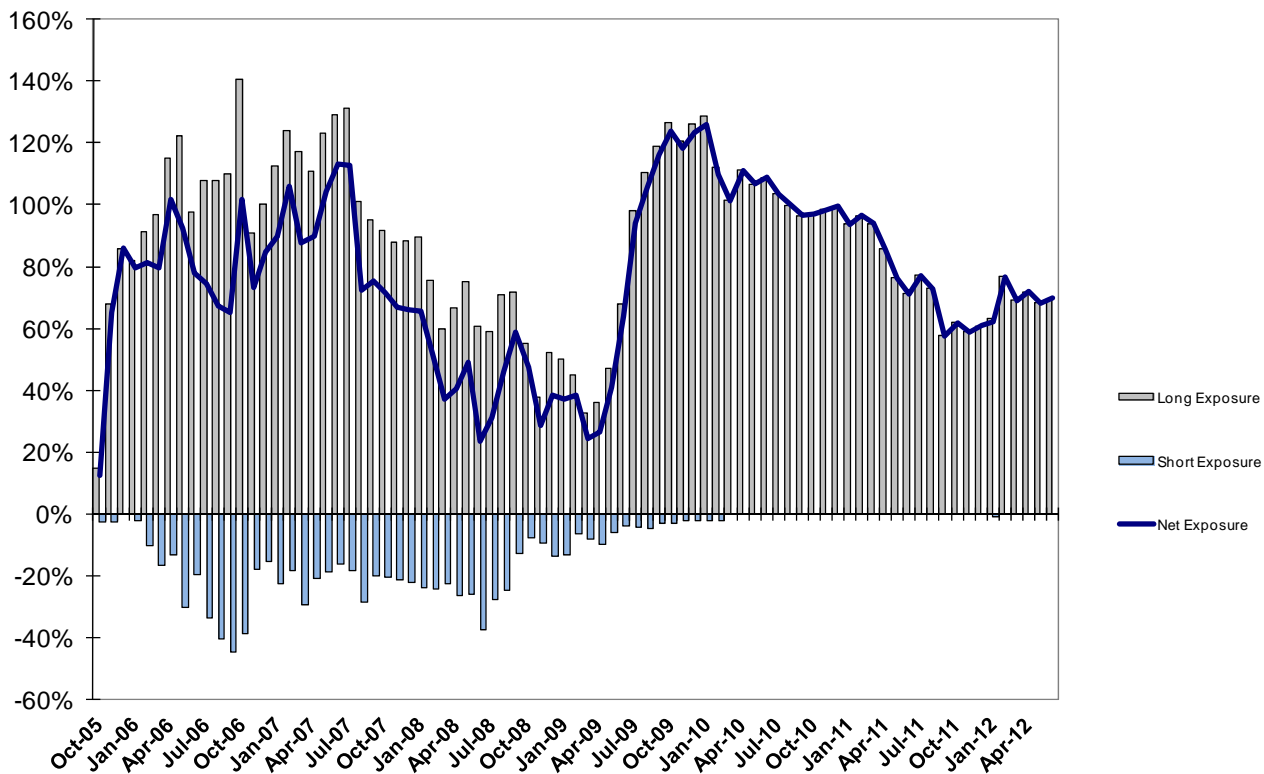
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	25.9%
MMS	Mc Millan Shake spe are Ltd	Long	7.5%
FXL	Flexigro up Ltd	Long	5.3%
RKN	Re c ko n Ltd	Long	5.1%
BVA	Bra vura So lutio ns Ltd	Long	4.8%
ANZ	Austra lia & Ne w Ze a la nd Ba nking Gro up	Long	3.9%
NAB	Na tio nal Austra lia Ba nk Ltd	Long	3.0%
MQG	Ma c qua rie Gro up Limite d	Long	2.8%
DCG	De c mil Gro up Limite d	Long	1.8%
COF	C offe y Inte ma tio nal Limite d	Long	1.6%
SPT	Sp o tle ss Gro up Ltd	Long	1.3%
CTP	C e ntra l Pe tro le um Ltd	Long	1.2%
RFG	Re ta il Fo o d Gro up	Long	1.2%
VMG	VDM Gro up Limite d	Long	1.1%
Portfolio Holdings above 1%			66.62%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	33.29%		33.29%
Commercial & Professional Services	10.46%		10.46%
Software & Services	10.09%		10.09%
Diversified Financials	8.07%		8.07%
Capital Goods	3.18%		3.18%
Energy	1.82%		1.82%
Materials	1.54%		1.54%
Consumer Services	1.23%		1.23%
Telecommunication Services	0.12%		0.12%
Exposure	69.79%	0.00%	69.79%
Cash on Hand			30.21%

Portfolio Exposure





Cadence News

Cadence Capital Limited Year End

Cadence Capital Limited generated a gross positive performance of +5.49% for the financial year ended 30th June 2012. The All Ordinaries Accumulation Index was down -7.04% (Outperformance of 12.53%) and the Small Ordinaries Accumulation Index was down -14.61% (Outperformance of 20.10%).

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 All Ordinaries Accumulation Index usually provides roughly 1.9% franking per annum (based on an average dividend yield of 4.5% per annum). In comparison, CDM has accumulated 5.8% franking this year (7 cents per share). This franking is in addition to the high levels of franking the fund has brought forward from the 2011 financial year. For many investors this high level of franking yield is very valuable.

Cadence Capital Limited will be announcing the Full Year 2012 results next month and remains committed to delivering at least a 7% fully franked dividend yield for the year.

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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