

INVESTMENT UPDATE AND NTA – OCTOBER 2009

FUND NTA

Cadence Capital Limited NTA estimates as at 31st October 2009:

Pre Tax NTA	\$1.10765
Post Tax NTA*	\$1.11212

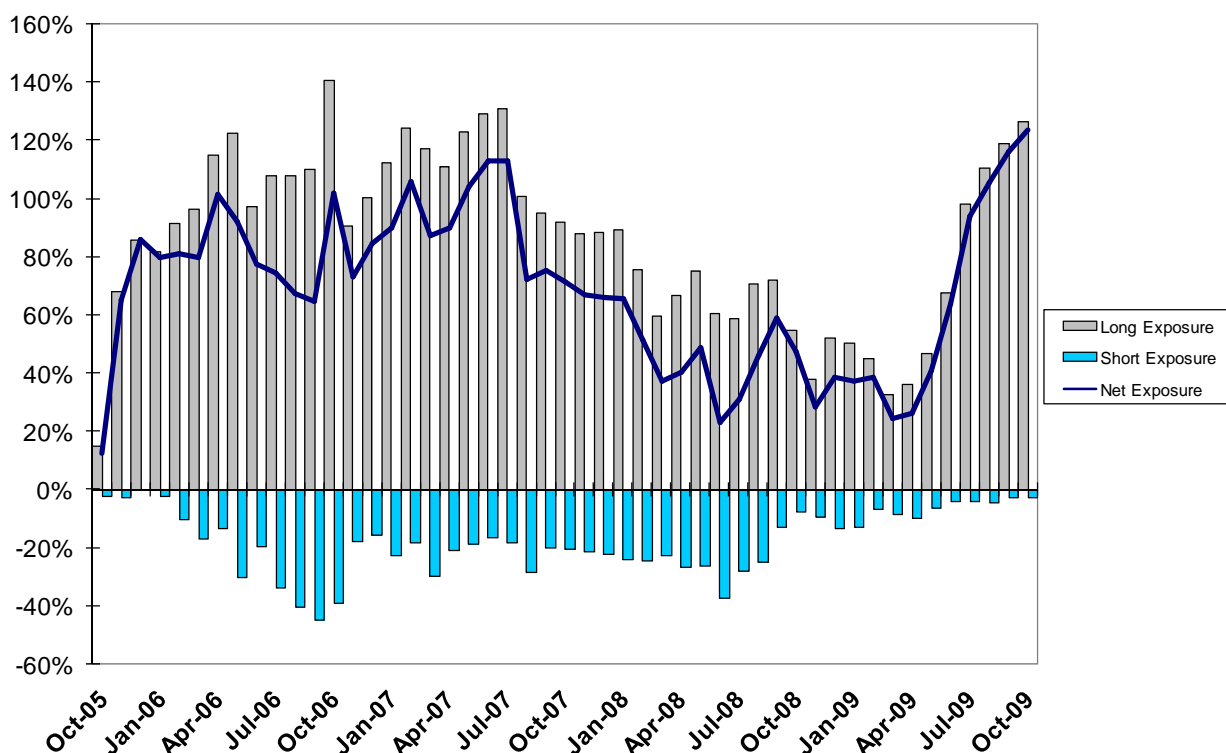
**Including net deferred taxed assets (deferred taxed assets less deferred tax liabilities)*

FUND PERFORMANCE*

Performance to 31st October 2009	<u>CDM</u>	<u>All Ords</u>	<u>Outperformance</u>
1 Month	-0.10%	-1.89%	
1 Year	39.97%	22.41%	+17.56%
Annualised return since inception (49 months)	16.23%	4.58%	+11.65%
Inception to date accumulated return (49 months)	84.79%	20.05%	+64.74%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Materials	40.66%		40.66%
Banks	26.28%		26.28%
Software & Services	25.12%		25.12%
Diversified Financials	12.87%		12.87%
Energy	7.97%		7.97%
Utilities	4.00%		4.00%
Technology Hardware & Equipment	2.67%		2.67%
Consumer Services	2.53%		2.53%
Telecommunication Services	2.23%		2.23%
Retailing	1.53%		1.53%
Capital Goods	0.65%		0.65%
Transportation		-2.94%	-2.94%
Exposure	126.51%	-2.94%	123.57%
Cash borrowings			-23.57%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	18.6%
RIO	Rio Tinto Ltd	Long	9.8%
CUS	Customers Ltd	Long	8.5%
BVA	Bravura Solutions Ltd	Long	8.3%
RKN	Reckon Ltd	Long	6.4%
NAB	National Australia Bank Ltd	Long	5.8%
AOE	Arrow Energy Ltd/Australia	Long	5.3%
HGG	Henderson Group PLC	Long	4.9%
BEPPA	BBI EPS Limited Convertible Shares	Long	4.0%
DIO	Dioro Exploration NL	Long	3.9%
MCC	MacArthur Coal Ltd	Long	3.8%
CDU	Cudeco Ltd	Long	3.3%
TCL	Transurban Group	Short	-2.9%
CFE	Cape Lambert Iron Ore Ltd	Long	2.8%
MIK	Mikoh Corp Ltd	Long	2.7%
RFG	Retail Food Group Ltd	Long	2.5%
IGO	Independence Group NL	Long	2.4%
PNA	PanAust Ltd	Long	2.2%
FSA	FSA Group Ltd	Long	2.2%
AGO	Atlas Iron Ltd	Long	2.1%
Top Twenty Portfolio Holdings			96.6%

MARKET AND COMMENTARY

For the four years and one month to 31st October 2009, Cadence Capital Limited has returned a gross performance of 84.79% compared to an increase in the All Ordinaries Accumulation Index of 20.05%.

We are pleased to report that the fund has had a very good start to the year and for the four months ended 31st October 2009 the fund is up 34.04% (Gross) outperforming the All Ordinaries Accumulation Index by 14.79%. During the month of October, Cadence Capital Limited returned a negative gross performance of -0.10% compared to a decrease in the All Ordinaries Accumulation Index of -1.89% and a decrease in the Small Ordinaries Accumulation Index of -1.18%.

The fund finished the month 126.5% long, 2.9% short and with a net long exposure of 123.6%. The net exposure for September 2009 was 116.1%.

CADENCE CAPITAL LIMITED NEWS

On the 2nd November 2009, Karl Siegling was interviewed by CNBC Australia and discussed two of the positions currently in the portfolio. The two stocks discussed were RHG Ltd (RHG) and Bravura Solutions Ltd (BVA). To watch this interview please visit the 'News' section of the Cadence Capital website at www.cadencecapital.com.au

DISCLAIMER

The information contained in this report has been prepared with all reasonable care by Cadence Asset Management Pty Ltd. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Cadence Asset Management Pty Ltd assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.