



**CADENCE**  
CAPITAL

**OCTOBER 2010 INVESTOR REPORT**

**FUND NTA**

Cadence Capital unit price estimates as at 31st October 2010:

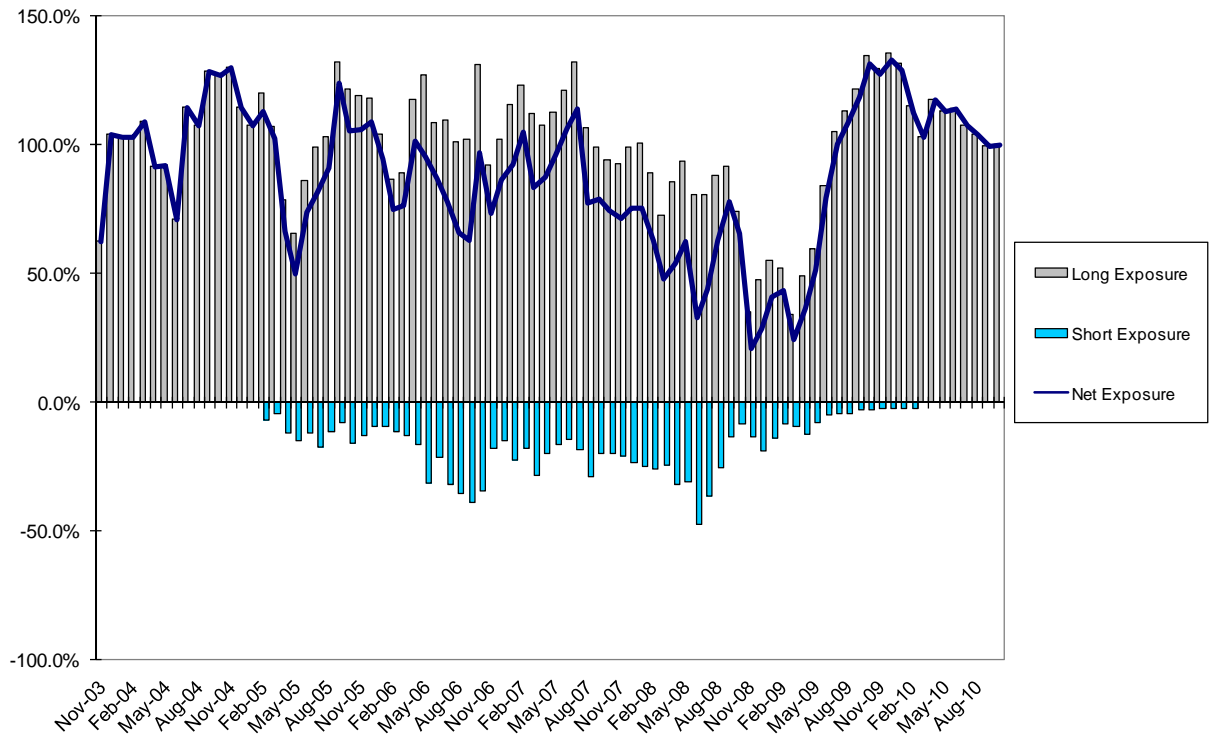
NTA (Post Fees and Distributions)                      \$1.30086

**FUND PERFORMANCE\***

<b>Performance to 31st October 2010</b>	<b>CC</b>	<b>All Ords</b>	<b>Outperformance</b>
1 Month	1.39%	2.17%	
1 Year	2.94%	5.94%	-3.00%
Annualised return since inception (84 months)	11.70%	9.83%	+1.87%
Inception to date accumulated return (84 months)	116.99%	92.72%	+24.27%

\* Before Management and Performance Fees

**PORTFOLIO EXPOSURE ANALYSIS**



## PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	32.62%		32.62%
Materials	31.10%		31.10%
Software & Services	17.85%		17.85%
Commercial Services & Supplies	6.46%		6.46%
Diversified Financials	3.25%		3.25%
Telecommunication Services	2.63%		2.63%
Capital Goods	2.28%		2.28%
Insurance	1.52%		1.52%
Technology Hardware & Equipment	1.47%		1.47%
Consumer Services	0.51%		0.51%
Utilities	0.32%		0.32%
<b>Exposure</b>	<b>100.03%</b>	<b>0.00%</b>	<b>100.03%</b>
<b>Cash borrowings</b>			<b>-0.03%</b>

## TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	20.8%
RKN	Reckon Ltd	Long	8.9%
BVA	Bravura Solutions Ltd	Long	8.3%
MMS	McMillan Shakespeare Limited	Long	6.5%
AWC	Alumina Limited	Long	6.3%
CFE	Cape Lambert Iron Ore Ltd	Long	4.8%
RIO	Rio Tinto Ltd	Long	4.6%
MCC	MacArthur Coal Ltd	Long	4.1%
NAB	National Australia Bank Ltd	Long	3.8%
ANZ	Australia & New Zealand Banking Group	Long	3.4%
FFF	Firstfolio Limited	Long	3.1%
AGO	Atlas Iron Ltd	Long	2.6%
AVO	Avoca Resources Limited	Long	2.6%
STB	South Boulder Mines Ltd	Long	2.4%
VMG	VDM Group Limited	Long	2.3%
FSA	FSA Group Ltd	Long	2.2%
HSKG	Heemskirk Consolidated Convertible Note	Long	2.0%
TPM	TPG Telecom Ltd	Long	1.6%
WBB	Wide Bay Australia Ltd	Long	1.5%
TAL	Tower Australia Group Limited	Long	1.5%
<b>Top Twenty Portfolio Holdings</b>			<b>93.3%</b>

## **MARKET AND COMMENTARY**

For the seven years to 31<sup>st</sup> October 2010, Cadence Capital Fund has returned a gross performance of 116.99% compared to an increase in the All Ordinaries Accumulation Index of 92.72%.

We are pleased to report that the fund has had a good start to the year and for the four months ended 31<sup>st</sup> October 2010 the fund is up 12.64% (Gross) outperforming the All Ordinaries Accumulation Index by 1.60%. During the month of October, Cadence Capital Fund returned a positive gross performance of +1.39% compared to an increase in the All Ordinaries Accumulation Index of +2.17% and an increase in the Small Ordinaries Accumulation Index of +3.31%.

The fund finished the month 100.03% long and with no shorts, i.e. net long exposure of 100.03%. The net exposure for September 2010 was 99.32%.

## **CADENCE CAPITAL NEWS**

Cadence Capital Limited (our ASX listed fund) recently held its AGM. At the AGM we provided an update on the Company, followed by a discussion on the stocks included in our portfolio and our views of the market.

Cadence Capital will provide the AGM presentation as a webcast during the month of November 2010. This along with previous webcasts and interviews can be viewed in the 'News' section of the Cadence Capital website at [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

## **DISCLAIMER**

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