



INVESTMENT UPDATE October 2011

Summary Update

For the eight years to 31st October 2011, Cadence Capital Fund has generated a gross performance of 17.50% per annum, outperforming the All Ordinaries Accumulation Index by 9.50% per annum.

During the month of October 2011, Cadence Capital Fund returned a gross performance of +5.99% compared to an increase in the All Ordinaries Accumulation Index of +7.17% and an increase in the Small Ordinaries Accumulation Index of +7.87%. For the first four months of the financial year, to the 31st October 2011, the fund outperformed the All Ordinaries Accumulation Index by 9.32% and the Small Ordinaries Accumulation Index by 9.25%.

The fund finished the month 75.04% long and with no shorts. The net long exposure for September 2011 was 59.34%

Fund NTA

Cadence Capital unit price estimates as at 31st October 2011:

NTA (Post Fees and Post June 2011 Distribution)* \$1.71279

* June 2011 distribution was \$ 0.1510 per unit with franking of \$0.2819 per unit attached

Cadence Highlights

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

Cadence Capital Limited has been **ranked by Morningstar/ASX as the Number 1 Australian Equities Listed Investment Company** over both 1 and 3 years in the LMI Quarterly Update as at 30 September 2011.

Cadence Capital Limited has also been **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



Fund Performance

Performance* to 31st October 2011	CCF**	All Ords	Outperformance
1 Month	5.99%	7.17%	-1.18%
1 Year	67.41%	-3.95%	+71.36%
2 Years	72.34%	1.76%	+70.58%
3 Years	120.97%	24.57%	+96.40%
4 Years	26.66%	-23.63%	+50.29%
5 Years	52.44%	0.33%	+52.11%
6 Years	109.91%	27.04%	+82.87%
Inception to date accumulated return (96 months)	263.27%	85.12%	+178.15%
Annualised return since inception (96 months)	17.50%	8.00%	+9.50%

* 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

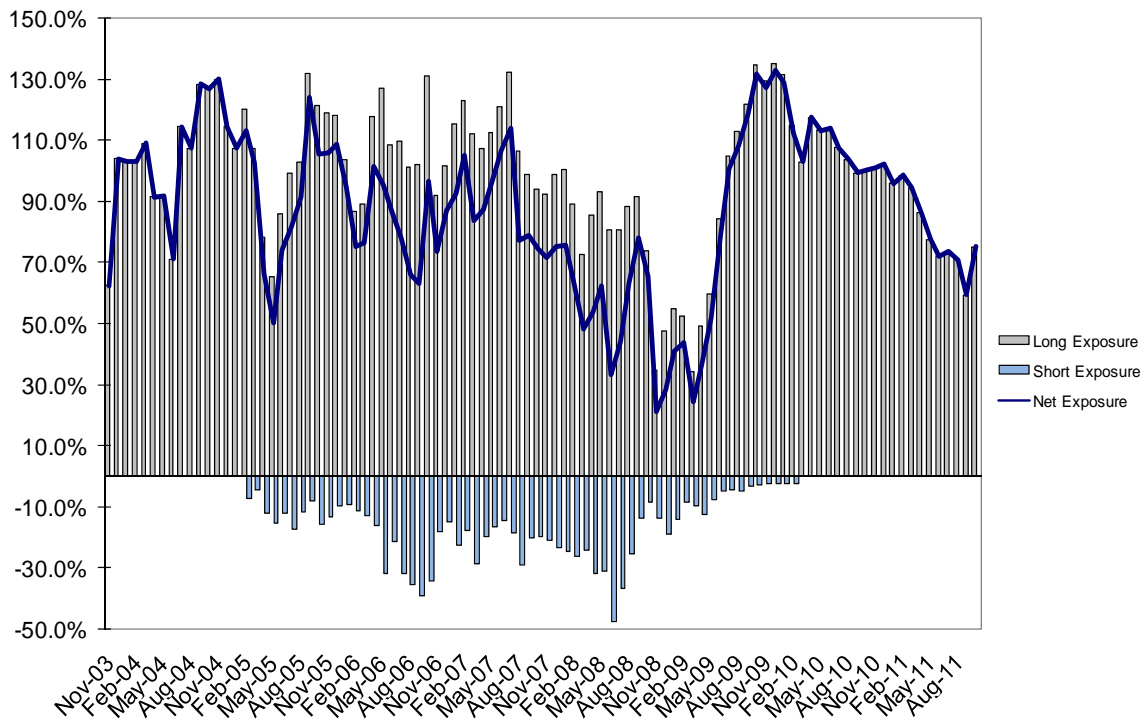
ASX Code	Position	Direction	Holding
RHG	RHG Ltd	Long	30.33%
RKN	Rekon Ltd	Long	9.72%
MMS	McMillan Shakespeare Ltd	Long	7.75%
BVA	Bravura Solutions Ltd	Long	6.13%
NAB	National Australia Bank Ltd	Long	3.78%
ANZ	Australia & New Zealand Banking Group	Long	3.74%
FXL	Flexigroup Ltd	Long	3.61%
AQG	Alacer Gold Corp.	Long	2.75%
FFF	Firstfolio Ltd	Long	1.73%
VMG	VDM Group Limited	Long	1.31%
Top Ten Portfolio Holdings			70.86%



Portfolio Sector Analysis

Sector	Long	Short	Net
Banks	39.58%		39.58%
Software & Services	16.07%		16.07%
Commercial Services & Supplies	7.75%		7.75%
Diversified Financials	4.76%		4.76%
Materials	4.17%		4.17%
Capital Goods	1.31%		1.31%
Telecommunications Services	0.49%		0.49%
Pharmaceuticals, Biotechnology & Life Sciences	0.48%		0.48%
Consumer Services	0.43%		0.43%
Exposure	75.04%	0.00%	75.04%
Cash on Hand			24.96%

Portfolio Exposure





Cadence News

Cadence Capital Limited AGM – Monday 28th November 2011 at 2.00pm

We would like to take this opportunity to remind all Cadence Capital Limited shareholders and potential shareholders that we will be holding our AGM on Monday the 28th November 2011 at 2.00pm. As Cadence Capital Limited will be celebrating 5 years of being listed on the ASX we will be holding this year's AGM at the Museum of Sydney, AGL Theatre. Our AGM is an opportunity to meet both the Board and the Investment Team. During the AGM we will be providing an update on the Company, followed by a broad discussion on the portfolio and our views of the market. As always we welcome the opportunity to answer any questions you may have.

As the Museum of Sydney is currently running the much talked about "Surf City" exhibition we would like to highlight that all AGM attendees are invited to visit this exhibition either before or after the AGM. Afternoon tea and light snacks will also be served after the AGM.

For catering purposes we would ask if you could please e-mail wayned@cadencecapital.com.au if you are interested in attending the Cadence Capital Limited AGM.

Morningstar/ ASX Quarterly LIC

Cadence Capital Limited is pleased to note that it has once again ranked highly in the latest Morningstar/ASX LMI Quarterly Update, as at 30 September 2011, as being the Number 1 Australian Equities Listed Investment Company over both 1 and 3 years.

Disclaimer

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