



SEPTEMBER 2010 INVESTOR REPORT

FUND NTA

Cadence Capital unit price estimates as at 30th September 2010:

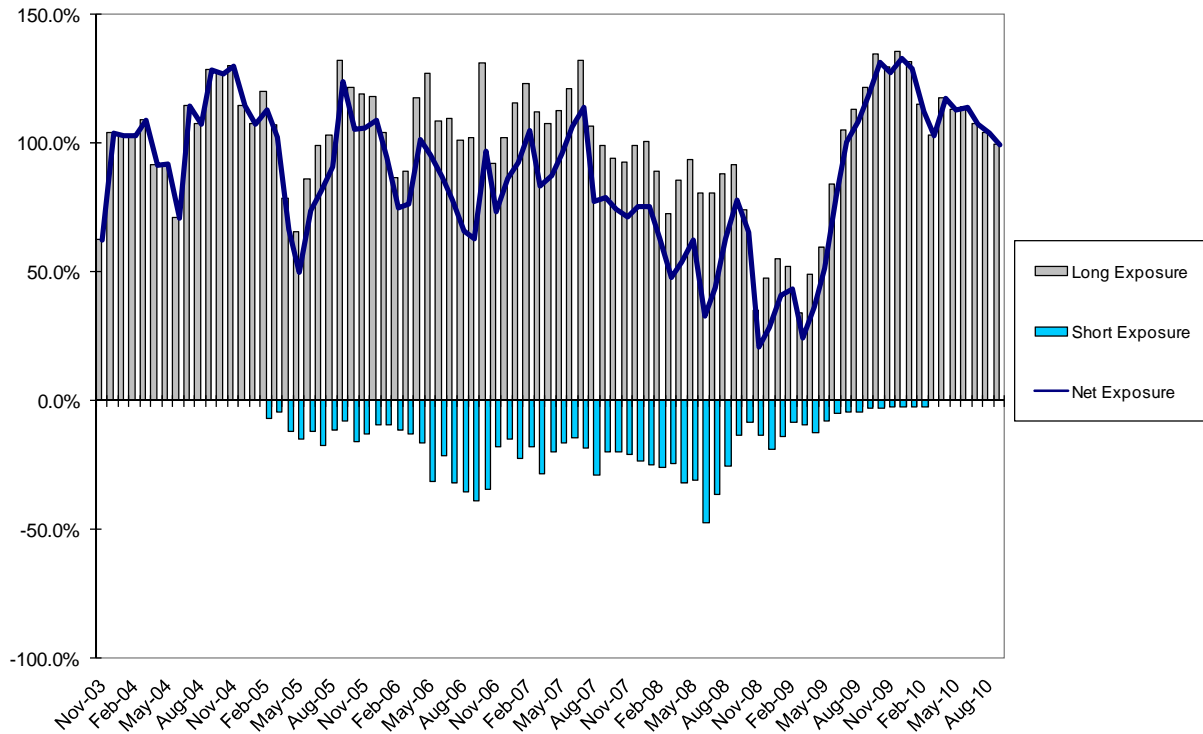
NTA (Post Fees and Distributions) \$1.28306

FUND PERFORMANCE*

Performance to 30th September 2010	CC	All Ords	Outperformance
1 Month	4.81%	5.02%	
1 Year	1.74%	1.73%	+0.01%
Annualised return since inception (83 months)	11.63%	9.61%	+2.02%
Inception to date accumulated return (83 months)	114.02%	88.63%	+25.39%

* Before Management and Performance Fees

PORTFOLIO EXPOSURE ANALYSIS



PORTFOLIO SECTOR ANALYSIS

Sector	Long	Short	Net
Banks	30.41%		30.41%
Materials	25.06%		25.06%
Software & Services	18.75%		18.75%
Commercial Services & Supplies	6.87%		6.87%
Telecommunication Services	4.22%		4.22%
Technology Hardware & Equipment	3.03%		3.03%
Diversified Financials	2.95%		2.95%
Capital Goods	2.12%		2.12%
Energy	1.75%		1.75%
Insurance	1.49%		1.49%
Real Estate	1.49%		1.49%
Media	0.67%		0.67%
Consumer Services	0.50%		0.50%
Gross Exposure	99.32%	0.00%	99.32%
Cash on hand			0.68%

TOP 20 PORTFOLIO POSITIONS

ASX Code	Position	Direction	% Holding
RHG	RHG Ltd	Long	20.2%
RKN	Reckon Ltd	Long	9.4%
BVA	Bravura Solutions Ltd	Long	8.7%
MMS	McMillan Shakespeare Limited	Long	6.9%
RIO	Rio Tinto Ltd	Long	4.3%
NAB	National Australia Bank Ltd	Long	3.9%
AVO	Avoca Resources Limited	Long	3.8%
CFE	Cape Lambert Iron Ore Ltd	Long	3.6%
TPM	TPG Telecom Ltd	Long	3.2%
ANZ	Australia & New Zealand Banking Group	Long	3.2%
FFF	Firstfolio Limited	Long	3.1%
MCC	MacArthur Coal Ltd	Long	3.1%
AWC	Alumina Limited	Long	2.6%
AGO	Atlas Iron Ltd	Long	2.5%
VMG	VDM Group Limited	Long	2.1%
FSA	FSA Group Ltd	Long	2.0%
HSKG	Heemskirk Consolidated Convertible Note	Long	2.0%
HTC	Hostech Limited	Long	1.7%
STB	South Boulder Mines Ltd	Long	1.6%
TAL	Tower Australia Group Limited	Long	1.5%
Top Twenty Portfolio Holdings			89.4%

MARKET AND COMMENTARY

Since its inception six years and eleven months ago, Cadence Capital Fund has returned a gross performance of 114.02% compared to an increase in the All Ordinaries Accumulation Index of 88.63% and an increase in the Small Ordinaries Accumulation Index of 79.82%. On an annualised basis since its inception, Cadence Capital Fund has returned a gross performance of 11.63% per annum, outperforming the All Ordinaries Accumulation Index by 2.02% per annum.

During the month of September, Cadence Capital Fund returned a positive gross performance of +4.81% compared to an increase in the All Ordinaries Accumulation Index of +5.02% and an increase in the Small Ordinaries Accumulation Index of +9.07%.

The fund finished the month 99.32% long and with no shorts, i.e. net long exposure of 99.32%. The net exposure for August 2010 was 103.78%.

CADENCE CAPITAL NEWS

As noted in last month's newsletter, Karl Siegling the Portfolio Manager for Cadence Capital Fund was interviewed on the 25th August 2010 by Sky Business. In this interview he discusses one of the positions currently in the portfolio, Firstfolio Limited (ASX Code: FFF). This interview and all previous interviews and quarterly webcasts can be accessed through the 'News' section of the Cadence Capital website at www.cadencecapital.com.au.

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