

EQUITY LADDER FUND



January 2010

Portfolio Manager *Francois Finlay*

BENCHMARK

CPIX +6%

INCEPTION DATE

01 Mar 02

FUND OBJECTIVES

The Cadiz Asset Management Equity Ladder Fund aims to achieve equity returns with substantially less risk than conventional equity portfolios, while targeting capital preservation. It is typically described as a protected equity investment product and it achieves its objective through active value-biased stock picking while managing downside risk through equity portfolio protection through the use of derivatives. The fund is a medium to long term investment for institutional investors with a moderate risk profile who want unlimited exposure to positive equity growth with protection on the downside.

FUND COMMENTARY

Over the past twelve months the Cadiz Equity Ladder Fund returned 40.42%, outperforming the FTSE/JSE Top 40 Index, which returned 33.00%. The fund also outperformed the average equity fund by 11.79% and the average absolute return fund by 27.27%.

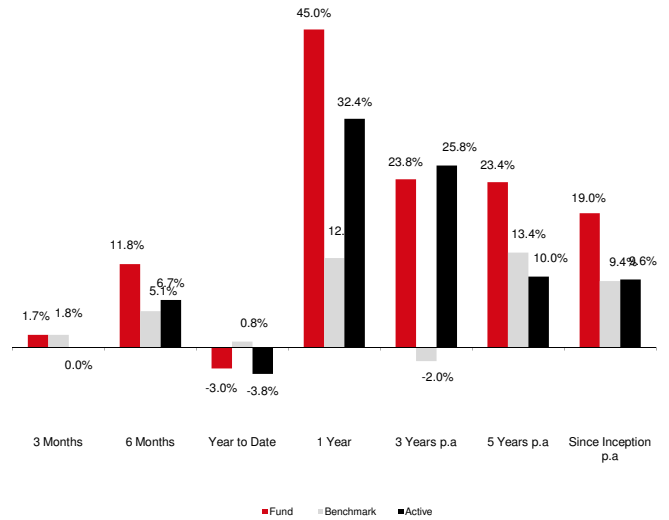
The much expected equity market consolidation began on the 11th of January 2010. The equity market is now at levels last seen in October and early November 2009. I personally feel that the markets are now oversold in the short term and will consolidate further (who knows when?) as earnings disappoint over the next 12 months. Sentiment is now mixed (dragged down on recent Greece/Spain/Ireland woes) but while interest rates stay low internationally and China keeps inflating its economy (although China has sent mixed s/term signals) the market could keep grinding higher in the short term. With the Top 40 closed at 23,184 (Friday 8th of February 2010), the ELF's protection levels are now set, on average, at 2% above the current spot - thus in the money. The protection is set from here for another 20% down move. The fund currently is very well protected in the event of a continued market consolidation. If the equity market does not consolidate then the fund will slightly underperform the Top40 due to the cost of the protection, but we will still have meaningful positive returns.

We maintain that we expect the fund to continue outperforming the FTSE/JSE TOP 40 Index over the next 12 months. At a sector level the Cadiz Equity Ladder Fund remains underweight Resources, overweight Industrials and slightly overweight Financials.

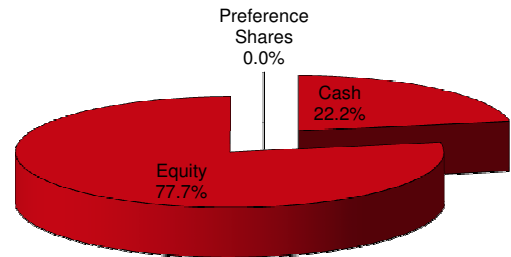
RISK STATISTICS (3 YEARS)

	FUND	BENCHMARK	ACTIVE
Standard Deviation	16.5%	17.3%	-0.8%
Tracking Error	16.5%		
Information Ratio	1.6		

PERIOD RETURNS ENDING 31 January 2010



ASSET ALLOCATION



TOP 10 EQUITY HOLDINGS

	FUND
Bhp Billiton Plc	14.5%
Anglo American plc	8.6%
SabMiller Plc	8.2%
MTN Group Ltd	6.9%
Sasol Ltd	6.7%
Telkom SA Ltd	4.3%
Impala Platinum Holdings Ltd	3.8%
Nedbank Group Ltd	3.3%
Standard Bank Group Ltd	3.3%
Compagnie Fin Richemont	3.1%

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