

29 July 2016

Abridged Report of the Trustee Standard Chartered Bank, Johannesburg Branch

We, Standard Chartered Bank, Johannesburg Branch, in our capacity as trustee of the

CADIZ COLLECTIVE INVESTMENTS SCHEME (THE "SCHEME")

have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ("the Act"), for the period 01 April 2015 up to and including 30 June 2016 ("the Report"). The Report is available from us and /or

CADIZ COLLECTIVE INVESTMENTS LIMITED (RF) PROPRIETARY (THE "MANAGER")

This letter is an abridged version of the Report.

Having fulfilled our duties as required by the Act, we confirm that the Manager of the Scheme has in general administered the Scheme:

- (i) within the limitations on the investment and borrowing powers of the Manager imposed by the Act, and
- (ii) in accordance with the provisions of the Act and the trust deeds.

We do however wish to bring to your attention the following instances of where the Manager has not administered the Scheme in accordance with the said limitations and provisions:

- (a) Some errors and timing differences resulted in contraventions of some of the limitations referred to in (i) and some of the provisions referred to in (ii) above. These contraventions were in our view not material and where appropriate the portfolios were compensated by the Manager for any loss (if any) that may have been suffered by the portfolios as a result on these contraventions

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof

Should any investor require a copy of the Report, kindly contact the Manager.

Yours sincerely

Dashendran Naidoo
Manager, Trustee Services

Henning Bisschoff
Head, TB SA

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Collective investments are medium to long term investments. The value of units may go down as well as up and past performance is not necessarily a guide of future performance. Collective investments are traded at ruling prices and can engage in borrowing (up to 10% of the market value of the fund) and scrip lending. Collective investments are valued on a net asset value basis i.e. total market value of all assets in the fund, including any interest and dividend accrual, and less any permissible deductions. Performance is calculated on a NAV to NAV basis and does not take any initial fees into account. Cadiz Collective Investments' funds are valued daily at 3pm. Instructions must reach Cadiz Collective Investments before 2pm (11am for the Cadiz Money Market Fund), to ensure same day value. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. A schedule of fees and charges and maximum commissions is available on request. Commission and incentives may be paid to financial advisors and if so, would be included in the overall fee. The following charges are levied against the portfolio: brokerage, auditor's fees, bank charges, trustee fees and Uncertificated Securities Tax. Cadiz Collective Investments Limited is a member of the Association of Savings & Investments South Africa.

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Report to investors

Dear Investor

The past year proved to be an extremely difficult market for investors, both domestically and internationally. There was plenty of excitement to satisfy drama-hungry investment markets.

The successfully-run local election was a highlight for South Africa

Despite this, we have unfortunately had a number of own goals over the past year. These include:

1. In December 2015, respected Finance Minister Nhlanhla Nene was replaced with an unknown back-bencher. This negatively affected our investment markets and currency. The decision was subsequently reversed four days later, with the appointment of highly esteemed Pravin Gordhan.
2. Perceived political attacks on Treasury have been a theme at different points during the year, culminating with the Finance Minister's recent plea to be 'allowed to do my job'.
3. Persistent noise around an impending cabinet reshuffle.
4. Perceived lack of oversight and governance at some of our state-owned entities.
5. The overhanging threat of an imminent downgrade of South Africa's (currently investment grade) credit rating.
6. Stagnant GDP growth.

At home, there are signs of an export and manufacturing-lead increase in growth

Despite the negativity of the above points, it isn't all bad news. After stagnant growth for some time, positive recent signs in exports and manufacturing may be signalling some green shoots of a potential mild increase in growth into 2017.

Internationally, growth remains sluggish and uncertain

It is likely to be a challenging road ahead as a number of uncertainties continue to cause market volatility:

1. Brexit – after an initial severe negative reaction to the vote to exit the European Union, the market settled down as markets realised that the Brexit negotiations and actual exit could take years.
2. The continuation of the stop/start US Federal Reserve interest rate hiking cycle.
3. The impending US election where the outcome remains highly uncertain as candidates agree on very little, apart from their support for infrastructure spending plans.

A tried and tested investment philosophy helps navigate uncertainty

Amidst drama and market volatility, a well-defined investment process and philosophy that has been proven to deliver results is crucial. The performance across our range of funds for the period is testament to this.



We subscribe to the style of value investing, which has performed well the past year

We believe that the main control you have as an investor is over the price you pay for an asset. So in our research process, we spend a great deal of time in understanding the underlying value of assets. If you over-pay for an investment there is a high chance of losing money in the long term. As we critically evaluate shares relative to their long-term fundamental drivers, our process is designed to look through near-term market noise and headlines. Many of the short-term concerns that affect asset prices, like the points raised above (the heightened risk of rating downgrades, fears of a cabinet reshuffle, governance concerns at state owned entities) are out of our control.

We are careful to invest in well-governed assets that we understand

We continue to focus on applying our disciplined approach of being careful not to over-pay for an asset. Whenever we invest, we ensure that we have a margin of safety, and we construct portfolios to safeguard and grow our clients' wealth over the long term. In other words, we will only invest our clients' hard-earned savings in assets that we understand and that have appropriate governance structures.

We are committed to delivering investment excellence through long-term performance

We do this through a range of accessible and understandable products across the risk spectrum. This commitment is aimed at growing and protecting our client's long-term wealth. Along with this, we aspire to provide a service to you that exceeds your expectations.

I would like to thank our investors and supporting financial intermediaries for choosing to invest with Cadiz. We look forward to building a rewarding relationship with you and to helping you achieve your financial goals. Please contact us if you have any feedback, questions or would like any information about our range of products. We would love to hear from you.

Yours sincerely

Fraser Shaw
Chief Operating Officer

	Cadiz Money Market Fund	Cadiz Protected Income Fund	Cadiz Absolute Yield Fund	Cadiz Stable Fund	Cadiz Managed Flexible Fund	Cadiz Inflation Plus Fund	Cadiz Equity Ladder Fund	Cadiz Mastermind Fund	Cadiz Money Market ABIL Retention Fund	Cadiz Absolute Yield ABIL Retention Fund	Cadiz Stable ABIL Retention Fund	Cadiz Inflation Plus ABIL Retention Fund
Benchmark	STeFI	STeFI+1%	CPI*+3%	CPI*+3%	Peer average	CPI*+5%	CPI*+6%**	FTSE/JSE SWIX	N/a	N/a	N/a	N/a
Maximum initial fee, VAT included (payable to financial adviser)	0,57%	0,00%	3,42%	3,42%	3,42%	3,42%	3,42%	3,42%	0%	0%	0%	0%
Class A Annual Management Fee, incl VAT	0,29%	0,00%	0,91%	1,14%	1,43%	1,43%	1,43%	1,43%	0%	0%	0%	0%
Class A Total Expense Ratio (TER)***	0,28%	0,00%	0,98%	1,27%	1,57%	1,53%	1,60%	1,84%	0,06%	0,02%	0,39%	0,31%
Transaction Cost	0,00%	0,00%	0,00%	0,27%	0,47%	0,36%	0,59%	0,66%	0,00%	0,00%	0,00%	0,00%
Total Investment Charge	0,28%	0,00%	0,98%	1,54%	2,04%	1,89%	2,19%	2,50%	0,06%	0,02%	0,39%	0,31%
Performance fee expense ratio (included in TER)	N/a	N/a	N/a	0,00%	N/a	0,00%	0,00%	0,00%	N/a	N/a	N/a	N/a

* SA CPI (CPIX until 31/12/2008)

** FTSE/JSE Top40 until 31/10/2008

*** TER is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a % of the average value of the portfolio, annualised for the period 1 April 2015 to 30 June 2016. Included in the TER is the proportion of costs that are incurred in the performance component (if applicable). The TER does not include transaction costs. A high TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

Income statement for the period ended 30 June 2016 (Rands)

Distributable income for the period	113 323 975	92 258 292	50 265 040	13 122 030	5 351 382	9 152 513	2 878 108	847 647	2 865 684	3 117 343	806 694	1 213 749
Undistributed income at the beginning of the period	357 753	202 715	595 646	92 076	31 412	56 931	13 658	3 448	854 951	15 963 253	277 594	349 324
Amount available for distribution	113 681 728	92 461 007	50 860 686	13 214 106	5 382 794	9 209 444	2 891 766	851 095	3 720 635	19 080 596	1 084 288	1 563 073
Income distribution	-113 193 609	-92 204 073	-50 846 289	-13 191 559	-5 375 079	-9 183 664	-2 833 846	-849 365	-3 720 635	-14 114 015	-449 854	-790 902
Undistributed income at the end of the period	488 119	256 934	14 397	22 547	7 715	25 780	57 920	1 730	-	4 966 581	634 434	772 171

Balance sheet as at 30 June 2016

Assets												
Investments at market value (incl. cash)	1 105 166 831	709 500 450	397 835 551	261 647 645	213 606 578	171 196 968	101 971 164	26 329 249	24 522 010	99 493 071	5 649 079	6 907 243
Current assets	21 382 386	2 510 883	4 917 083	5 442 471	3 328 939	6 661 015	103 298	1 261 216	246 937	1 528 061	395 608	692 628
Total assets	1 126 549 217	712 011 333	402 752 634	267 090 116	216 935 517	177 857 983	102 074 462	27 590 465	24 768 947	101 021 132	6 044 687	7 599 871
Liabilities												
Current liabilities	7 848 467	2 835 910	10 708 541	11 385 894	13 390 968	9 407 153	3 451 820	1 314 134	268 947	18 126	18 126	18 126
Total liabilities	7 848 467	2 835 910	10 708 541	11 385 894	13 390 968	9 407 153	3 451 820	1 314 134	268 947	18 126	18 126	18 126
Net assets attributable to investors at 30 June 2016	1 118 700 750	709 175 423	392 044 093	255 704 222	203 544 549	168 450 830	98 622 642	26 276 331	24 500 000	101 003 006	6 026 561	7 581 745

Income distribution per unit (cents) - Class A

30 June 2006	****		-			1,63	1,44	-				
30 September 2006	****		3,26		2,54	-	-	2,26				
31 December 2006	****		-		-	2,12	1,28	-				
31 March 2007	****		3,87		1,73	-	-	0,29				
30 June 2007	****		-		-	2,55	0,4	-				
30 September 2007	****		3,57		1,99	2,56	2,38	1,04				
31 March 2008	****		6,75		2,19	3,55	0,91	0,72				
30 September 2008	****		5,47		2,84	4,25	3,79	2,75				
31 March 2009	****		5,59		3,63	3,00	4,16	1,03				
30 September 2009	****		5,22		2,55	3,52	0,53	1,67				
31 March 2010	****		4,19		0,97	1,03	0,00	0,00				
30 September 2010	****		4,16		1,51	1,42	0,00	0,18				
31 March 2011	****	****	4,29		1,60	1,28	0,00	0,91				
30 September 2011	****	****	3,95		1,39	1,47	2,30	0,90				
31 March 2012	****	****	3,72		1,65	1,07	2,03	1,12				
30 September 2012	****	****	3,93	0,2	2,04	1,71	2,50	3,33				
31 March 2013	****	****	3,71	1,87	1,56	1,50	1,92	1,62				
30 September 2013	****	****	3,41	2,25	2,84	3,02	1,69	2,65				
31 March 2014	****	****	3,82	2,23	2,78	3,23	3,56	2,17				
30 September 2014	****	****	3,90	2,08	1,66	2,91	1,82	1,05				
31 March 2015	****	****	3,89	1,90	1,92	2,14	2,48	1,30				
30 September 2015	****	****	3,58	2,49	3,41	3,11	2,83	1,92				
31 March 2016	****	****	4,79	2,09	1,96	2,39	1,19	0,45				
30 June 2016	****	****	2,73	1,14	1,09	1,07	0,71	0,47				
09 May 2016	****	****							12,83	14,58		
16 May 2016	****	****									8,05	18,33

**** The Cadiz Money Market and Protected Income Funds distribute daily and monthly respectively.

ABIL Retention Funds distribute on an adhoc basis

Portfolio composition

Equities	0,0%	0,25%		19,80%	50,30%	37,34%	88,04%	70,47%	0,0%	0,0%	0,0%	0,0%
Gilts	0,0%	98,49%	74,41%		8,00%	7,50%			0,0%	95,0%	26,3%	92,0%
Property	0,0%			0,20%		0,33%			0,0%	0,0%	0,0%	0,0%
Preference shares	0,0%		4,58%	1,06%	1,50%	1,61%			0,0%	0,0%	0,0%	0,0%
Cash	100,0%	1,26%	0,25%	55,86%	15,71%	25,65%	11,96%	2,47%	100,0%	5,0%	12,9%	8,0%
Foreign equity	0,0%			23,08%	24,49%	27,57%		27,06%	0,0%	0,0%	0,0%	0,0%
Foreign gilts	0,0%		17,08%						0,0%	0,0%	60,8%	0,0%
Foreign cash	0,0%								0,0%	0,0%	0,0%	0,0%
Equity linked note			3,68%									

Investment performance *****

Fund performance												
1 year	7,23%	N/a	6,07%	4,79%	2,53%	3,00%	0,58%	-4,19%	0,00%	-5,38%	5,64%	5,25%
2 years (annualised)	6,87%	N/a	5,47%	4,26%	1,72%	2,42%	-3,63%	-5,39%	N/A *****	N/A *****	N/A *****	N/A *****
Benchmark												
1 year	6,85%	N/a	9,16%	9,16%	5,60%	11,21%	12,22%	4,12%				
2 years (annualised)	6,55%	N/a	8,34%	8,34%	6,72%	10,36%	11,36%	7,11%				

***** Performance is annualised and is rand denominated, and is based on a lump sum investment calculated on a NAV-NAV basis, with income distributions reinvested (source: Morningstar).

***** Not applicable as only launched on 18 August 2014