

31 July 2018

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 INVESTMENT 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 July 2017 up to and including 30 June 2018 ("the Report"). The Report is available from us and /or

CADIZ COLLECTIVE INVESTMENTS (RF) PROPRIETARY LIMITED (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 deed.

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:

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,



Chantel Kruger
Senior Manager, Trustee Services



Meloshri Naidoo
Head, Securities Services Operations

CADIZ COLLECTIVE INVESTMENTS LIMITED

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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 major economies of the world have managed to maintain their positive momentum into 2018, although the same cannot be said for emerging markets who have had an especially tough time due to the growing concerns around a possible US slowdown, prospects of a trade war and the increase in geopolitical tensions.

The initial strong reaction that domestic shares had to President Ramaphosa's victory at the ANC Elective Conference in December have all but been reversed as the local economy seems to be in worse shape than previously thought. PMI, retail sales, manufacturing and mining have all by and large disappointed and GDP forecasts are being adjusted downwards.

US Economic outlook remains relatively healthy

US unemployment fell to its lowest level in 18 years and the economy is expected to grow between 2.5 – 3% in 2018. Inflation continues to remain benign with Chairman Powell reporting that "The economy is doing very well. Most people who want jobs are finding them, and unemployment and inflation are low."

The nine-year bull market was propelled higher in January with the US cutting corporate tax, although the current fears of the escalating trade war between the US and China have dented investor sentiment somewhat.

Our experienced team sticks to our philosophy when times are tough

How does one manage investments in such an unknown environment? For us the answer is simple:

- Emotion drives the share price in the short term with overreaction to good and bad news. These emotional biases are often repeated and hence predictable.
- Earnings and interest rates drive the underlying business value over the long term.
- Good businesses grow their underlying value at higher rates than the stock market average and hence deliver superior long-term performance
- We take advantage of the markets short term pessimism by predominantly investing in good businesses which are experiencing solvable problems and hence are priced attractively.

At Cadiz, our asset management strategy is focused on creating long-term value and delivering sustainable returns for investors and our goal is to protect and grow our clients' wealth over time and avoid the potential for permanent capital loss.

To spot opportunities to generate alpha (outperformance) and protect capital regardless of the environment, we rely on our consistent investment philosophy.

Know the business you invest in

- Stick to investments that you understand
- Don't invest in businesses with excess financial leverage
- Don't invest in businesses where there are major concerns around management

Know the price you pay

- Critically appraise what the business is worth in a worst-case scenario
- Don't overpay for an investment

Know the position size

- Limit position size to low conviction investments

Changes to our unit trust offering

Cadiz would like to take this opportunity to thank and wish Michele van der Berg all the best, as she will be leaving at the end of September 2018. Alastair Sellick, the co-portfolio manager on the fund, will continue as the portfolio manager of the Cadiz Money Market Fund.

I would like to thank our investors and supporting financial intermediaries for choosing Cadiz Collective Investments. We look forward to building a rewarding relationship with you and to helping you achieve your financial goals.

Yours sincerely



Natalie Smith
Managing Director

	Cadiz Money Market Fund	Cadiz Protected Income Fund	Cadiz Absolute Yield Fund	Cadiz Stable Fund	Cadiz Balanced Fund	Cadiz Worldwide Flexible Fund Formerly Cadiz Equity Ladder Fund	Cadiz Equity Fund Formerly Cadiz Mastermind Fund	Cadiz Money Market ABIL Retention Fund	Cadiz Absolute Yield ABIL Retention Fund	Cadiz Stable ABIL Retention Fund	Cadiz Balanced ABIL Retention Fund
Benchmark	STeFI	STeFI+1%	STeFI+2%	CPI*+3%	Peer average	CPI**+6%**	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%	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%	0%	0%	0%	0%
Class A Total Expense Ratio (TER)**	0.30%	0.11%	0.95%	1.20%	1.50%	1.58%	1.91%	0.16%	0.04%	0.66%	1.85%
Transaction Cost	0.00%	0.00%	0.00%	0.18%	0.25%	0.30%	0.38%	0.00%	0.00%	0.00%	0.00%
Total Investment Charge	0.30%	0.11%	0.95%	1.38%	1.75%	1.88%	2.29%	0.16%	0.04%	0.66%	1.85%
Performance fee expense ratio (included in TER)	N/a	N/a	N/a	0.00%	N/a	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. 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 return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. necessarily imply a poor

Income statement for the year ended 30 June 2018 (Rands)

Distributable income for the year	74,747,653	3,388,960	42,301,199	10,711,940	10,778,021	743,389	24,280	1,876,063	8,123,842	286,827	298,301
Undistributed income at the beginning of the year	488,119	242,152	-36,641	25,808	16,111	57,909	-103,020	-227,369	2,342,227	229,987	132,170
Amount available for distribution	75,235,772	3,631,112	42,264,558	10,737,748	10,794,132	801,293	145,260	1,648,694	10,466,069	516,814	430,471
Income distribution	-74,747,652	-3,374,874	-42,249,257	-10,710,256	-10,792,278	-752,315	-144,675	-1,648,694	-9,737,923	-516,814	-430,471
Undistributed income at the end of the year	488,120	256,238	15,301	27,492	1,854	48,938	585	-	728,146	-	-

Balance sheet as at 30 June 2018

Assets											
Investments at market value (incl. cash)	882,864,896	120,989,141	485,414,826	295,399,888	433,780,843	84,883,723	45,588,612	-	56,685,754	-	-
Current assets	15,087,462	191,179	6,556,607	2,655,510	2,526,918	162,372	78,323	-	793,743	-	-
Total assets	897,952,358	121,180,320	491,971,433	298,055,398	436,307,761	85,046,095	45,666,935	-	57,479,497	-	-
Liabilities											
Current liabilities	6,205,881	240,647	27,739,029	7,131,866	6,358,043	486,810	646,944	-	6,409,394	-	-
Total liabilities	6,205,881	-	-	-	6,358,043	486,810	646,944	-	6,409,394	-	-
Net assets attributable to unitholders at 30 June 2018	891,746,477	-	-	-	429,949,718	84,559,285	45,019,991	-	51,070,103	-	-

Income distribution per unit (cents) - Class A

30 June 2006	****	-	-	-	-	1.44	-	-	-	-	-
30 September 2006	****	-	3.26	-	2.54	-	2.26	-	-	-	-
31 December 2006	****	-	-	-	-	1.28	-	-	-	-	-
31 March 2007	****	-	3.87	-	1.73	-	0.29	-	-	-	-
30 June 2007	****	-	-	-	-	0.4	-	-	-	-	-
30 September 2007	****	-	3.57	-	1.99	2.38	1.04	-	-	-	-
31 March 2008	****	****	6.75	-	2.19	0.91	0.72	-	-	-	-
30 September 2008	****	****	5.47	-	2.84	3.79	2.75	-	-	-	-
31 March 2009	****	****	5.59	-	3.63	4.16	1.03	-	-	-	-
30 September 2009	****	****	5.22	-	2.55	0.53	1.67	-	-	-	-
31 March 2010	****	****	4.19	-	0.97	0.00	0.00	-	-	-	-
30 September 2010	****	****	4.16	-	1.51	0.00	0.18	-	-	-	-
31 March 2011	****	****	4.29	-	1.60	0.00	0.91	-	-	-	-
30 September 2011	****	****	3.95	-	1.39	2.30	0.90	-	-	-	-
31 March 2012	****	****	3.72	-	1.65	2.03	1.12	-	-	-	-
30 September 2012	****	****	3.93	0.2	2.04	2.50	3.33	-	-	-	-
31 March 2013	****	****	3.71	1.87	1.56	1.92	1.62	-	-	-	-
30 September 2013	****	****	3.41	2.25	2.84	1.69	2.65	-	-	-	-
31 March 2014	****	****	3.82	2.23	2.78	3.56	2.17	-	-	-	-
30 September 2014	****	****	3.90	2.08	1.66	1.82	1.05	-	-	-	-
31 March 2015	****	****	3.89	1.90	1.92	2.48	1.30	-	-	-	-
30 September 2015	****	****	3.58	2.49	3.41	2.83	1.92	-	-	-	-
31 March 2016	****	****	4.79	2.09	1.96	1.19	0.45	-	-	-	-
30 June 2016	****	****	2.73	1.14	1.09	0.71	0.47	-	-	-	-
09 May 2016	****	****	-	-	-	-	-	12.83	14.58	-	-
16 May 2016	****	****	-	-	-	-	-	-	-	8.05	18.33
31 December 2016	****	****	5.17	2.33	2.22	1.39	0.19	-	-	-	-
16 January 2017	****	****	-	-	-	-	-	4.55	7.56	4.16	7.35
30 June 2017	****	****	4.88	2.28	2.17	1.03	0.00	3.46	5.41	4.43	5.28
31 December 2017	****	****	4.90	1.70	2.06	1.12	0.00	-	-	-	-
23 January 2018	****	****	-	-	-	-	-	3.52	5.67	25.38	87.95
23 April 2018	****	****	-	-	-	-	-	-	-	7.86	44.45
21 May 2018	****	****	-	-	-	-	-	2.91	-	-	-
30 June 2018	****	****	4.45	2.44	2.43	0.78	0.14	-	15.57	-	-

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

The ABIL Retention Funds distribute on an adhoc basis.

Portfolio composition

Equities		0.88%		22.31%	45.76%	48.40%	53.21%		83.72%		
Gilts	17.74%	91.84%	91.96%	34.32%	16.60%						
Property											
Preference shares											
Cash	82.26%	7.28%	0.99%	17.99%	5.81%	2.08%	25.98%		16.28%		
Foreign equity					31.79%	47.89%	19.93%				
Foreign gilts			2.76%								
Foreign cash			4.53%	5.61%	0.04%	1.63%	0.88%				
Equity linked note											
Money market											
Other			-0.24%								

Investment performance *****

Fund performance											
1 year	7.90%	N/a	8.62%	8.32%	9.12%	10.66%	11.24%		28.57%		
2 years (annualised)	8.00%	N/a	8.84%	7.67%	7.64%	6.80%	12.93%		15.09%		
Benchmark											
1 year	7.40%	N/a	9.49%	7.40%	7.48%	10.46%	11.68%				
2 years (annualised)	7.50%	N/a	8.99%	7.95%	4.39%	11.00%	5.83%				

***** 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)