

Report to investors

Dear Investor

The past year has been a time of extreme uncertainty, which has created a challenging investment environment. Some of the domestic uncertainties that investors have faced this year have included:

1. Questions around government's approach to land and financial sector policies.
2. Turmoil created by the recently released Mining Charter.
3. Uncertainty about senior management positions at state-owned enterprises (SOEs), which has raised further questions about SOE boards and governance issues.
4. Lack of confidence around the direction and policies of National Treasury.
5. Challenges to the independence of the South African Reserve Bank (SARB) and its mandate.
6. Alarming evidence of widespread corruption as evidenced by recently leaked Gupta emails and the apparent lack of political will to investigate.

This has been a lot to digest in a short period of time.

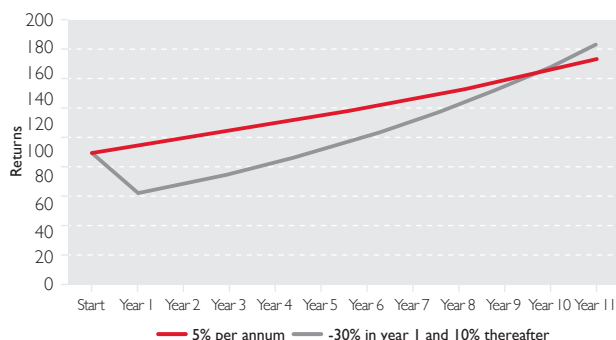
Global markets have been uncertain too

Finding investment direction globally has not been an easy task either – with heightened uncertainty in the US (regarding President Trump's ability to gain traction on his policies) and the recent UK elections complicating the outlook for Brexit.

Our experienced team sticks to our philosophy when times are tough

How does one manage investments in such an opaque environment? For us the answer is simple: we seek to reduce the noise of the daily headlines by continuously focusing on our investment philosophy and goals, while drawing on the strength and advantage of an experienced team. At Cadiz, our asset management strategy is focused on creating long-term value and delivering sustainable returns for investors. As our goal is to protect and grow our clients' wealth over time, we recognise and avoid the potential for permanent capital loss. Chart 1 illustrates how we do this.

Chart 1: Active management and our disciplined philosophy help us avoid losses



Source: Cadiz Asset Management

The red line is a hypothetical asset that grows at 5% per annum while the black line is a hypothetical asset that drops 30% immediately after buying it. It will take the asset that drops immediately nine years of growing at double the percentage growth rate to catch up with the red asset. This illustrates that active portfolio management and the consistent application of a sound investment strategy are critical to avoid large capital losses and generate positive, long-term returns.

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

- Non-fundamental drivers, determined by short-term influences, can result in market inefficiencies that can misprice the level of compensation on offer for the risk inherent in an investment. This allows investors to benefit from deviations from longer-term fair value.

Our primary goal is to identify the level of risk compensation offered by an asset and measure whether this is acceptable or presents an investment opportunity to buy or sell.

Changes to our unit trust offering

During the year we made several changes to our range of unit trusts. While this simplifies our range, our products are still well-represented across the risk spectrum.

| Current fund | Change |
|-----------------------------|---|
| Cadiz Managed Flexible Fund | Name changed to Cadiz Balanced Fund |
| Cadiz Inflation Plus Fund | Amalgamated into the Cadiz Balanced Fund |
| Cadiz Absolute Yield Fund | Made suitable for retirement fund investing (Regulation 28- compliant) |
| Cadiz Equity Ladder Fund | Name changed to Cadiz Worldwide Equity Fund and removed performance fee |
| Cadiz Mastermind Fund | Name changed to Cadiz Equity Fund and removed performance fee |

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.



Fraser Shaw
Chief Operating Officer

| | Cadiz Money Market Fund | Cadiz Protected Income Fund | Cadiz Absolute Yield Fund | Cadiz Stable Fund |
|--|-------------------------|-----------------------------|---------------------------|-------------------|
| Benchmark | STeFI | STeFI+1% | CPI*+3% | CPI*+3% |
| Maximum initial fee, VAT included (payable to financial adviser) | 0,57% | 0,00% | 3,42% | 3,42% |
| Class A Annual Management Fee, incl VAT | 0,29% | 0,00% | 0,91% | 1,14% |
| Class A Total Expense Ratio (TER)** | 0,30% | 0,05% | 0,95% | 1,20% |
| Transaction Cost | 0,00% | 0,00% | 0,00% | 0,14% |
| Total Investment Charge | 0,30% | 0,05% | 0,95% | 1,34% |
| Performance fee expense ratio (included in TER) | N/a | N/a | N/a | 0,00% |

* 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 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 year ended 30 June 2017 (Rands)

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Distributable income for the year | 72 837 642 | 12 081 697 | 36 619 224 | 12 141 727 |
| Undistributed income at the beginning of the year | 488 119 | 256 934 | 14 399 | 22 547 |
| Amount available for distribution | 73 325 761 | 12 338 631 | 36 633 623 | 12 164 274 |
| Income distribution | -72 837 642 | -12 096 479 | -36 670 263 | -12 138 466 |
| Undistributed income at the end of the year | 488 119 | 242 152 | -36 640 | 25 808 |

Balance sheet as at 30 June 2017

| | | | | |
|--|----------------------|--------------------|--------------------|--------------------|
| Assets | | | | |
| Investments at market value (incl. cash) | 994 773 311 | 193 236 993 | 402 810 412 | 273 637 105 |
| Current assets | 11 653 666 | 515 013 | 5 482 581 | 3 637 255 |
| Total assets | 1 006 426 977 | 193 752 006 | 408 292 993 | 277 274 360 |

Liabilities

| | | | | |
|--------------------------|------------------|----------------|-------------------|------------------|
| Current liabilities | 6 287 015 | 525 617 | 46 616 206 | 7 253 534 |
| Total liabilities | 6 287 015 | 525 617 | 46 616 206 | 7 253 534 |

Net assets attributable to unitholders at 30 June 2017

| | | | |
|----------------------|--------------------|--------------------|--------------------|
| 1 000 139 962 | 193 226 389 | 361 676 787 | 270 020 826 |
|----------------------|--------------------|--------------------|--------------------|

Income distribution per unit (cents) - Class A

| | | | | |
|-------------------|------|------|------|------|
| 30 June 2006 | **** | | - | |
| 30 September 2006 | **** | | 3,26 | |
| 31 December 2006 | **** | | - | |
| 31 March 2007 | **** | | 3,87 | |
| 30 June 2007 | **** | | - | |
| 30 September 2007 | **** | | 3,57 | |
| 31 March 2008 | **** | | 6,75 | |
| 30 September 2008 | **** | | 5,47 | |
| 31 March 2009 | **** | | 5,59 | |
| 30 September 2009 | **** | | 5,22 | |
| 31 March 2010 | **** | | 4,19 | |
| 30 September 2010 | **** | | 4,16 | |
| 31 March 2011 | **** | **** | 4,29 | |
| 30 September 2011 | **** | **** | 3,95 | |
| 31 March 2012 | **** | **** | 3,72 | |
| 30 September 2012 | **** | **** | 3,93 | 0,2 |
| 31 March 2013 | **** | **** | 3,71 | 1,87 |
| 30 September 2013 | **** | **** | 3,41 | 2,25 |
| 31 March 2014 | **** | **** | 3,82 | 2,23 |
| 30 September 2014 | **** | **** | 3,90 | 2,08 |
| 31 March 2015 | **** | **** | 3,89 | 1,90 |
| 30 September 2015 | **** | **** | 3,58 | 2,49 |
| 31 March 2016 | **** | **** | 4,79 | 2,09 |
| 30 June 2016 | **** | **** | 2,73 | 1,14 |
| 09 May 2016 | **** | **** | | |
| 16 May 2016 | **** | **** | | |
| 31 December 2016 | **** | **** | 5,17 | 2,33 |
| 16 January 2017 | **** | **** | | |
| 30 June 2017 | **** | **** | 4,88 | 2,28 |

**** 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 | | 0,98% | | 20,48% |
| Gilts | | 98,35% | 92,52% | |
| Property | | | | 1,63% |
| Preference shares | | | | 1,16% |
| Cash | 100,0% | 0,67% | 2,12% | 50,20% |
| Foreign equity | | | | 21,22% |
| Foreign gilts | | | 3,50% | |
| Foreign cash | | | 1,86% | 5,31% |
| Equity linked note | | | | |
| Money market | | | | |

Investment performance *****

| | | | | |
|-------------------------|-------|-----|-------|-------|
| Fund performance | | | | |
| 1 year | 8,02% | N/a | 9,05% | 7,03% |
| 2 years (annualised) | 7,62% | N/a | 7,55% | 5,90% |
| Benchmark | | | | |
| 1 year | 7,63% | N/a | 8,50% | 8,50% |
| 2 years (annualised) | 7,23% | N/a | 8,82% | 8,82% |

***** 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: fund website)

| Cadiz Balanced Fund Formerly 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 |
|--|---------------------------|--------------------------|-----------------------|--|--|----------------------------------|--|
| Peer average | CPI*+5% | CPI*+6%** | FTSE/JSE SWIX | N/a | N/a | N/a | N/a |
| 3,42% | 3,42% | 3,42% | 3,42% | 0% | 0% | 0% | 0% |
| 1,43% | 1,43% | 1,43% | 1,43% | 0% | 0% | 0% | 0% |
| 1,50% | 1,49% | 1,56% | 2,83% | 0,05% | 0,03% | 0,44% | 0,36% |
| 0,25% | 0,16% | 0,24% | 0,38% | 0,00% | 0,00% | 0,00% | 0,00% |
| 1,75% | 1,65% | 1,80% | 3,21% | 0,05% | 0,03% | 0,44% | 0,36% |
| N/a | 0,00% | 0,23% | 0,00% | N/a | N/a | N/a | N/a |

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

| | | | | | | | |
|------------------|------------------|------------------|----------------|------------------|-------------------|----------------|----------------|
| 6 874 253 | 6 404 389 | 1 147 964 | -77 001 | 1 735 062 | 7 410 303 | 357 661 | 451 252 |
| 7 715 | 25 779 | 57 919 | 1 729 | - | 4 966 581 | 294 226 | 176 106 |
| 6 881 968 | 6 430 168 | 1 205 883 | -75 272 | 1 735 062 | 12 376 884 | 651 887 | 627 358 |
| -6 865 857 | -6 405 113 | -1 147 974 | -27 748 | -1 962 431 | -10 034 657 | -421 900 | -495 188 |
| 16 111 | 25 055 | 57 909 | -103 020 | -227 369 | 2 342 227 | 229 987 | 132 170 |

| | | | | | | | |
|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| 248 828 558 | 173 224 922 | 87 246 160 | 24 109 016 | 24 872 731 | 91 246 306 | 5 712 009 | 6 840 845 |
| 1 098 063 | 1 245 000 | 41 655 | 13 039 | 247 600 | 1 247 162 | 73 672 | 128 053 |
| 249 926 621 | 174 469 922 | 87 287 815 | 24 122 055 | 25 120 331 | 92 493 468 | 5 785 681 | 6 968 898 |

| | | | | | | | |
|------------------|------------------|----------------|----------------|----------------|------------------|----------------|----------------|
| 5 600 969 | 3 425 696 | 642 224 | 137 940 | 847 700 | 4 204 998 | 236 944 | 226 396 |
| 5 600 969 | 3 425 696 | 642 224 | 137 940 | 847 700 | 4 204 998 | 236 944 | 226 396 |
| 244 325 652 | 171 044 226 | 86 645 591 | 23 984 115 | 24 272 631 | 88 288 470 | 5 548 737 | 6 742 502 |

| | | | | | | | |
|------|------|------|------|-------|-------|------|-------|
| - | 1,63 | 1,44 | - | - | - | - | - |
| 2,54 | - | - | 2,26 | - | - | - | - |
| - | 2,12 | 1,28 | - | - | - | - | - |
| 1,73 | - | - | 0,29 | - | - | - | - |
| - | 2,55 | 0,4 | - | - | - | - | - |
| 1,99 | 2,56 | 2,38 | 1,04 | - | - | - | - |
| 2,19 | 3,55 | 0,91 | 0,72 | - | - | - | - |
| 2,84 | 4,25 | 3,79 | 2,75 | - | - | - | - |
| 3,63 | 3,00 | 4,16 | 1,03 | - | - | - | - |
| 2,55 | 3,52 | 0,53 | 1,67 | - | - | - | - |
| 0,97 | 1,03 | 0,00 | 0,00 | - | - | - | - |
| 1,51 | 1,42 | 0,00 | 0,18 | - | - | - | - |
| 1,60 | 1,28 | 0,00 | 0,91 | - | - | - | - |
| 1,39 | 1,47 | 2,30 | 0,90 | - | - | - | - |
| 1,65 | 1,07 | 2,03 | 1,12 | - | - | - | - |
| 2,04 | 1,71 | 2,50 | 3,33 | - | - | - | - |
| 1,56 | 1,50 | 1,92 | 1,62 | - | - | - | - |
| 2,84 | 3,02 | 1,69 | 2,65 | - | - | - | - |
| 2,78 | 3,23 | 3,56 | 2,17 | - | - | - | - |
| 1,66 | 2,91 | 1,82 | 1,05 | - | - | - | - |
| 1,92 | 2,14 | 2,48 | 1,30 | - | - | - | - |
| 3,41 | 3,11 | 2,83 | 1,92 | - | - | - | - |
| 1,96 | 2,39 | 1,19 | 0,45 | - | - | - | - |
| 1,09 | 1,07 | 0,71 | 0,47 | - | - | - | - |
| - | - | - | - | 12,83 | 14,58 | - | - |
| - | - | - | - | - | - | 8,05 | 18,33 |
| 2,22 | 2,40 | 1,39 | 0,19 | - | - | - | - |
| - | - | - | - | 4,55 | 7,56 | 4,16 | 7,35 |
| 2,17 | 2,58 | 1,03 | 0,00 | 3,46 | 5,41 | 4,43 | 5,28 |

| | | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 47,01% | 28,87% | 77,37% | 61,58% | - | - | 28,14% | - |
| 14,87% | 13,35% | - | - | - | 92,76% | 62,60% | 91,43% |
| 2,20% | 2,05% | - | - | - | - | - | - |
| 2,78% | 3,27% | 2,22% | 5,71% | - | - | - | - |
| 8,62% | 25,21% | 9,56% | 4,95% | 100,0% | 7,24% | 9,26% | 8,57% |
| 21,27% | 27,25% | 10,85% | 27,76% | - | - | - | - |
| 3,25% | - | - | - | - | - | - | - |

| | | | | | | | |
|-------|--------|--------|--------|-------|--------|--------|--------|
| 6,19% | 8,69% | 3,07% | 14,63% | 0,00% | 3,02% | -4,30% | -8,34% |
| 4,34% | 5,81% | 1,81% | 4,80% | 0,00% | -1,27% | 0,55% | -1,78% |
| 1,38% | 10,54% | 11,54% | 0,28% | - | - | - | - |
| 3,47% | 10,86% | 11,87% | 2,18% | - | - | - | - |

Source: Morningstar).

available, free of charge, on request by any unitholder.

31 July 2017

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 July 2016 up to and including 30 June 2017 ("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 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 (RF) (Pty) Ltd. is a member of the Association of Savings & Investments South Africa.