FUND FACT SHEET MARCH 2019

Cadiz Money Market Fund

cadiz ASSET MANAGEMENT

KEY INFORMATION

Portfolio managers	Alastair Sellick & Sidney McKinnon
Inception	1 July 2008
Benchmark	STeFI

FUND OBJECTIVE

The Cadiz Money Market product range encompasses both segregated and pooled portfolios. These low risk money market mandates focus on delivering strong consistent returns over the medium to longer term, benchmarked against the STeFi. Core money market mandates are managed on a fully discretionary best house view basis. This mandate is ideally suited as a core money market investment for both pension and provident funds, as well as a money market investment option for retirement funds which offer member investment choice Our money market products have consistently outperformed the STeFi since its inception in 2000.

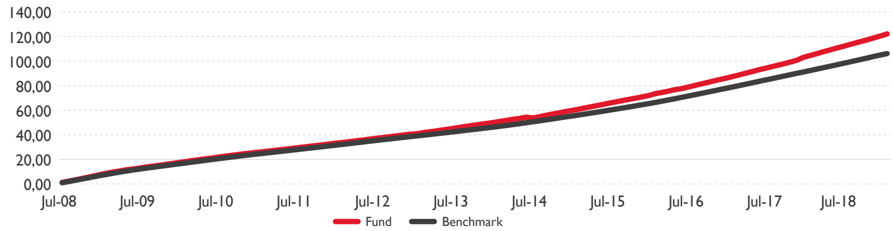
RISK STATISTICS (3 YEARS)

	Fund	Benchmark	Active
Standard Deviation	0.3%	0.1%	0.2%
Tracking error	0.4%		
Information Ratio	3.3		

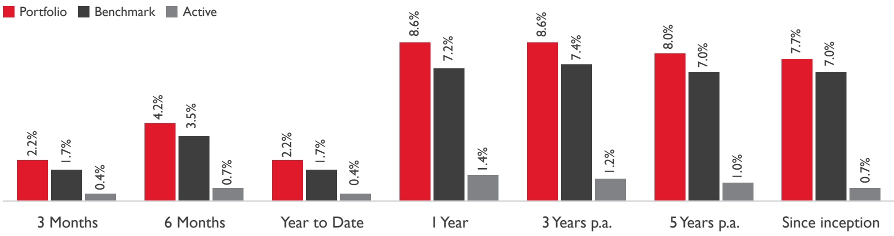
FUND CHARACTERISTICS

Maximum duration of the portfolio	90 days
Maturity of longest dated instrument	960 days

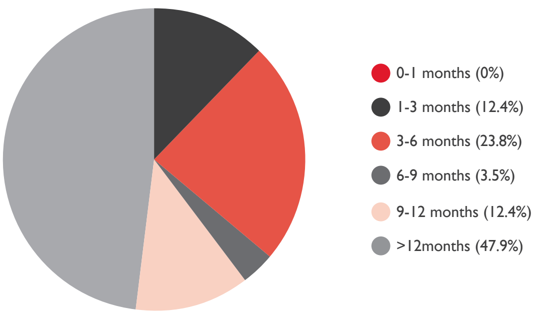
CUMULATIVE PERFORMANCE SINCE INCEPTION



PERIOD RETURN ENDING – 31 MARCH 2019



SECTOR ALLOCATION



Quarterly Fund Commentary First Quarter 2019

The directional movement of interest rates during the first quarter of 2019 was led by pertinent factors such as weaker global growth fears, currency volatility and fluctuations in the flow of capital. Global yields generally declined as markets repositioned themselves for a less hawkish stance taken by the US Federal Reserve Bank. The local currency started the period at about 14.35 to the USD. Substantive foreign buying of our local entities however drove the currency stronger and at one point it touched 13.31 to the USD. The strength was short lived as negative reports from the local power utility surfaced and increased government borrowing requirements were announced at the annual budget delivered by the finance minister. After some initial weakness, bond yields firmed on the back of the South African Reserve Banks's (SARB) decision to hold rates steady and the surprising action by ratings agency Moody's not to provide a firm decision on the country's credit rating at the end of the quarter. The All Bond Total Return Index was up 3.76% for the period.

Most of the shift in money market yields occurred in the medium to long end of the curve for the period under review. 3 and 6-month NCD yields remained steady while the 9-month and 12-month NCD yield declined 10 and 12 basis points respectively. The strength in the longer end was prompted by the SARB's decision to keep rates on hold. In addition, the Monetary Policy Committee emitted a less hawkish tone in their rhetoric delivered at the March meeting. Our view currently does not include a rate hike at the July meeting but the risk of at least one rate hike in the months leading up to year end remains high.

Factors that will influence the direction of rates in the coming months include volatility ahead of the government elections in May, further disruptions to electricity supply and weakening global growth.

The Fund continues to invest strategically across the money market yield curve to maximise yield while remaining within the risk parameters defined for money market funds. The Fund's retail asset class delivered 1.89% for the quarter while the STeFI composite index was up 1.73%.

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