

Cadiz Global Balanced Fund

PORTFOLIO MANAGERS



Adrian Meager
MD and CIO



Johan Louwrens
Senior Equity
Portfolio
Manager – SA



Thomas Blamey
Portfolio
Manager – SA

KEY INFORMATION

Inception 1 December 2001
Benchmark Alexander Forbes Global Large
Manager Watch Median Return

FUND OBJECTIVES

The Cadiz Asset Management Global Balanced product range encompasses both segregated and pooled portfolios. These moderate risk balanced mandates focuses on delivering strong consistent returns over the medium to longer term. These portfolios are managed on a fully discretionary best house view basis and comply with Regulation 28 of the Pension Funds Act, 1956 as amended. This product is targeted at institutional clients seeking moderate risk investment strategies based on a value style investment approach. This mandate is suitable as a core investment for pension and provident funds, as well as a medium risk option and trustee default for funds offering their members investment choice.

RISK STATISTICS (3 YEARS)

| | Fund |
|--------------------|-------|
| Standard Deviation | 13.1% |

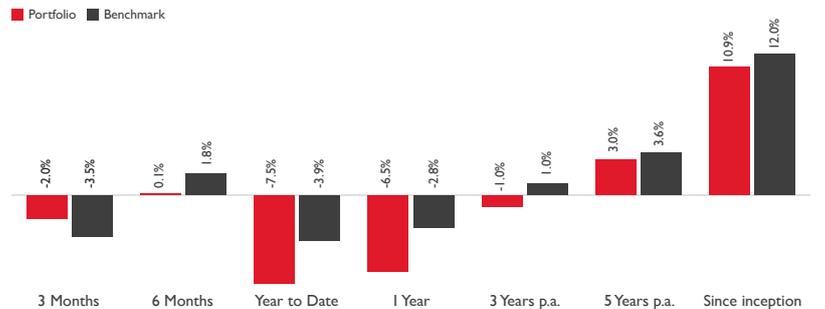
TOP 10 EQUITY HOLDINGS

| | |
|------------------------------|------|
| Naspers Limited-N Shs | 7.6% |
| British American Tobacco Plc | 4.1% |
| Prosus | 3.5% |
| Mtn Group Limited | 2.5% |
| Impala Platinum Holdings Ltd | 2.0% |
| Anglo American Plc | 1.7% |
| Anglogold Ashanti Limited | 1.6% |
| Firstrand Limited | 1.5% |
| Mediclinic International Plc | 1.4% |
| Multichoice Group Ltd | 1.4% |

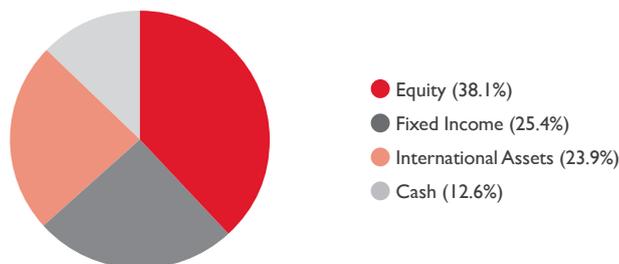
CUMULATIVE PERFORMANCE SINCE INCEPTION



PERIOD RETURN ENDING – 31 OCTOBER 2020



ASSET ALLOCATION



Physical Address: Alphen Estate, Alphen Drive, Constantia 7848, Cape Town / www.cadiz.co.za

This document is confidential and issued for the information of the addressee and clients of Cadiz only. It is subject to copyright and may not be reproduced in whole or in part without the written permission of Cadiz. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, expressed or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Cadiz in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisers to assist the user in reaching any decision. Cadiz will accept no responsibility of whatsoever nature in respect of the use of any statement, opinion, recommendation or information contained in this document.

This document is for information only and do not constitute advice or a solicitation for funds. Investors should note that the value of an investment is dependent on numerous factors including, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments. Past performance provides no guarantee of future performance.

Cadiz Funds (Pty) Ltd (Reg No. 2013/118580/07) is an authorized financial services provider (FSP 45442)

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV/NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

A money market portfolio is not the same as a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average.

Actual annual figures are available to the investor on request.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.

Cadiz Global Balanced Fund

Quarterly Fund Commentary Second Quarter 2020

PORTFOLIO COMMENTARY

After the selloff we saw during the first quarter, markets started seeing through the noise and pricing in a global recovery. While the recovery is still ongoing, and much is still to be uncovered and explored, we are confident that the fund is well positioned to take advantage of a continued recovery. The Cadiz Global Balanced Fund made up some lost ground over the second quarter, delivering 13.50%, a stark contrast to quarter one. The performance was however behind its benchmark, which delivered a return of 13.9%.

Over a meaningful period of three years, South African equity has disappointed, with the FTSE/JSE Capped SWIX delivering a return of -0.81% per annum, despite the recent market rally from March lows. What this means for our clients is that there is potential for long term gains, provided long term investment plans are adhered to. While we cannot predict the tipping point at which South African economic growth will bounce back, we can position ourselves to take advantage of this when it does, patience is key.

Most global markets have fared well in quarter two, with the MSCI World Index returning 18.65% in USD. Economic data out of developed markets is still mixed however, with governments and central banks weighing up options to reopen and provide continued stimulus to the economy. Most central banks globally have drastically reduced interest rates in an attempt to support the economy, with inflation rates dwindling near zero. While China seemed to get COVID-19 under control, Europe and the USA seemed to have mixed results in their response. While this story unfolds, we will keep looking for opportunities that may present themselves along the way.

The US stock market has led the recovery, with the DOW Jones ending the quarter up 18.51%, the S&P 500 up 20.54%, and Nasdaq up a whopping 30.95%. The tech sector has been the biggest driver of returns, and investors have been piling

into US listed companies that they believe will benefit from an acceleration in digital trends that were already underway (such as e-commerce, online payments, food and grocery delivery, cloud computing, telemedicine etc.). In addition to the uncertainty around the extent of the economic damage that has been done, we think investors should act with caution as other events, such as increasing US-China tensions, increased levels of corporate debt, a possible second wave of COVID-19, could derail the stock market's recovery. With that being said, we continue to focus on identifying individual businesses (and not the stock market as a whole), that meet our investment criteria, and are trading at a level that we think will provide good returns over a 5+ year time horizon.

FUND POSITIONING

During the quarter, the South African Reserve Bank cut the repo rate by 150 basis points, and initiated their bond purchasing program, providing stability and liquidity to the local bond market. At the beginning of April, the fund reduced its exposure to long dated bonds and started rotating into shorter dated paper at very attractive levels. This cautious approach has been beneficial to the fund and we are currently maintaining this position.

After taking advantage of lower share prices towards the end of the first quarter, we reduced our exposure to certain stocks that we believe had run too hard given the economic outlook, and we looked to improve the quality and return expectations of the fund.

The fund has reduced its exposure to equity, taking a cautious stance with increased cash at its disposal. The fund exited positions in L Brands, Diamond Offshore Drilling, and Intu Properties during the quarter, on concerns around increasing financial risk. Two of these decisions have already proven to be correct with both Diamond Offshore Drilling and Intu Properties filing for business rescue.

Positions which did not offer compelling risk/reward ratios anymore were trimmed as they increased by more than we think is warranted, given the current economic environment. We added to existing investments, taking advantage of depressed share prices.

We remain disciplined in sticking to our investment philosophy and process and focus intently on limiting permanent capital loss in order to grow your capital over the long term. This is achieved by investing in predominantly good businesses at attractive prices with capable management and low financial risk.

Thank you for your continued support.

Physical Address: Alphen Estate, Alphen Drive, Constantia 7848, Cape Town / www.cadiz.co.za

This document is confidential and issued for the information of the addressee and clients of Cadiz only. It is subject to copyright and may not be reproduced in whole or in part without the written permission of Cadiz. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, expressed or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Cadiz in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisers to assist the user in reaching any decision. Cadiz will accept no responsibility of whatsoever nature in respect of the use of any statement, opinion, recommendation or information contained in this document.

This document is for information only and does not constitute advice or a solicitation for funds. Investors should note that the value of an investment is dependent on numerous factors including, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments. Past performance provides no guarantee of future performance. Cadiz Funds (Pty) Ltd (Reg No. 2013/118580/07) is an authorized financial services provider (FSP 45442).

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio.

Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV/NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

A money market portfolio is not the same as a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average.

Actual annual figures are available to the investor on request.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.