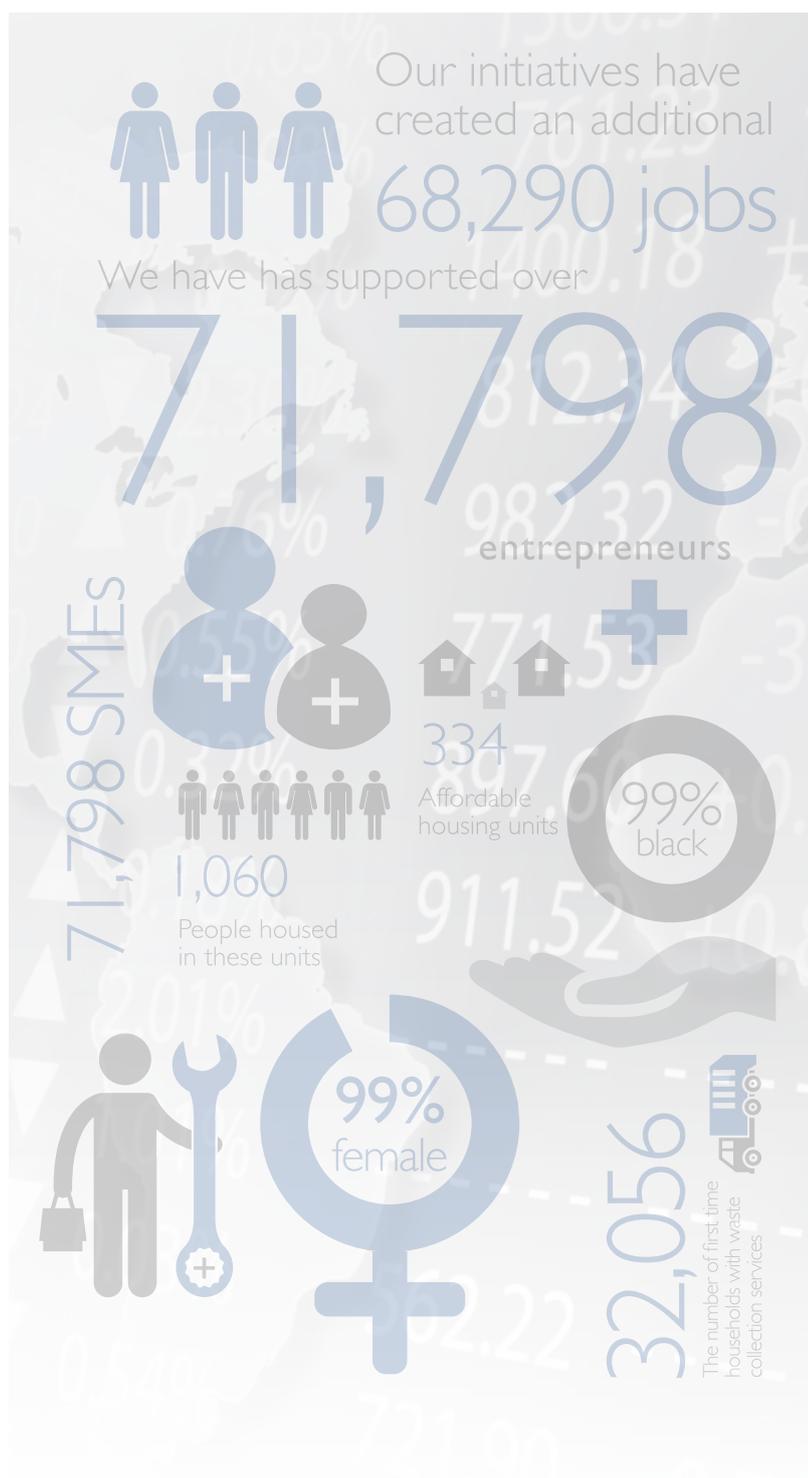


Inyosi Enterprise Development

Enterprise Development Investment with Immediate Benefits



Benefits

- **Immediate and ongoing access** to Enterprise Development points
- **Single upfront investment** which counts towards your Enterprise Development score annually
- **Unique** long term financial and impact track record
- **Turnkey investment** with annual accredited Enterprise Development certificate
- **Target real return** on your investment
- **Social and economic impact assessment** according to global best practice
- **Dedicated** professional investment team
- **Dedicated support** by enterprise development professionals
- **Regulated** fund manager

Who can invest?

Anyone (such as a company, trust or natural person) who requires Enterprise Development points in terms of the Department of Trade and Industry (DTI) scorecard or in terms of an industry specific scorecard.

TURNKEY ENTERPRISE DEVELOPMENT SOLUTION WITH IMMEDIATE BENEFITS

SUMMARY

Inyosi Solutions (Pty) Ltd and Mineworkers Investment Company (“MIC”) have joined forces to offer the Inyosi Enterprise Development Investment (“Enterprise”) to corporate investors who are looking for a scalable, professional and market leading solution to their Enterprise Development needs. Enterprise makes commercial unlisted fixed income investments, thereby providing diversified exposure into qualifying Enterprise Development investments, together with meaningful and measurable social benefits. Companies can now invest their enterprise development spend strategically, by combining a real return on their investment and earn accredited enterprise development points. In so doing, companies can take an active role in shaping a commercially scalable approach to SME growth and job creation by investing where they see potential for shared value – investments that are good for their business, good for the enterprise that receives growth funding, and ultimately good for the country. With effect 1 January 2016 the effective Management of Enterprise is via an authorised representative of Inyosi Solutions (Pty) Ltd under license of Cadiz Asset Management (Pty) Ltd.

Key Information

Benchmark	SA CPIX (one month lagged)
Nature of the investment	The Fund is offered as a policy underwritten by Cadiz Life Ltd. (FAIS product Category C)
Currency	South African Rand
Enterprise Development	After your year end, and annually thereafter, you will receive an Enterprise Development certificate from an accredited empowerment rating agency. The total points scored by you for Enterprise Development remains subject to the required total spend in terms of the scorecard applicable to your industry.
Annual Empowerdex certificate	On each annual anniversary we will issue you an Enterprise Development certificate based on the current market value of your investment and the rating of Enterprise by Empowerdex.
Underlying credit risk	Unlisted short and long term loans to qualifying entities
Minimum investment term	Enterprise is an open-ended investment. You should invest with a medium to long-term investment horizon (5 years plus).
Fund Manager	Cadiz Asset Management (Pty) Ltd.
Management fees (excl. VAT)	Ongoing asset management fee: 3% per annum
Financial adviser fees (excl. VAT)	Either 1.75% upfront and 0.25% ongoing OR 0.50% upfront and 0.50% ongoing
Life administration (excl. VAT)	Policy administration fee of 0.25% per annum
Access to your money (Liquidity)	60 day notice, subject to a 3% (excl. VAT) liquidation penalty in the first 3 years
Important administrative dates	Monthly cut-off date for withdrawals: Last business day of each month Valuations: Monthly
How can you cancel your Investment?	Within the initial 30 day cooling-off period: You have a 30 day cooling-off period to change your mind about your policy. If you change your mind within this period, we will sell the instruments at market value and pay you this plus any financial adviser fees that have been included in the cost of the investment. This value may be lower than the initial amount you invested. After the 30 day cooling-off period: If you surrender your policy after the 30 day cooling-off period, we will sell the instruments and pay you the market value, which may be lower than the initial amount you invested. We will charge you a surrender fee of 3% on the surrender value. We require a 60 day notice of surrender to facilitate liquidity in Enterprise from the end of the month in which your surrender was received. All early surrenders are subject to the liquidity provisions of Enterprise, and the fund manager may within the notice period, at its discretion, ring-fence and liquidate assets in the portfolio equal in value to the surrender value. In the event of Enterprise not being able to liquidate the underlying investments during this time, the fund manager may elect to pass the investments in specie to the client. You may make one withdrawal during the first 5 years of your policy: The maximum amount you may withdraw is the lesser of: - Your initial contribution plus 5% per year; or - The market value of the underlying assets
Tax Implications	The lump sum you get back from your investment is tax-free in your hands. Cadiz Life Limited is responsible for all taxation during the term of your investment.

Social Impact of Inyosi Enterprise Development since 2012 (as at 30 June 2017)

We have supported over

71,798
entrepreneurs



32,056

The number of first time households with waste collection services



HOW ENTERPRISE WORKS

Enterprise has been rated by the accredited rating agency, Empowerdex. Every investor receives an Enterprise Development certificate from the accredited rating agency indicating their exact accredited Enterprise Development spend.

Enterprise undertakes to invest into unlisted investments which will provide our investors with exposure to a diverse portfolio of enterprise development investments with an explicit goal of complying with the DTI B-BBEE scorecard and industry specific scorecards on Enterprise Development.

Enterprise's strategic objectives are:

- a. To provide monetary or non-monetary recoverable contributions in favour of beneficiary entities with a specific objective of assisting and/or accelerating the development, sustainability and ultimate financial and operational independence of that beneficiary. This is commonly accomplished through the expansion of these beneficiary's financial and/or operational capacity.
- b. To target those areas which are applicable to the Department of Trade and Industry B-BBEE Codes of Good Practice and Sector Codes as they pertain Financial Services, Construction, Mining, Health, Information and Communications Technology, Property, Tourism, Transport, Chartered Accountancy, Forestry and Agriculture, and any subsequent codes as gazetted from time to time.

The following is a non-exhaustive list of Enterprise Development contributions that the fund will endeavour to monitor and record:

- Grant contributions to beneficiary entities,
- Investments into beneficiary entities,
- Loans and loan facilities made to beneficiary entities,
- Guarantees given or security provided to beneficiary entities,
- Direct costs incurred by Enterprise in assisting and hastening development of beneficiary entities,
- Overhead costs of Enterprise directly attributable to investment contributions and the ongoing running and operation of Enterprise,
- Development capital advanced to beneficiary entities,
- Preferential credit terms granted by Enterprise to measured entities,
- Preferential terms provided by Enterprise in respect of the supply of goods or services to beneficiary entities,
- Contributions made to settling service costs relating to operational or financial capacity or efficiency levels of a beneficiary entity,
- The creation or development of capacity or expertise for beneficiary entities needed to manufacture or produce goods or services not manufactured or produced in the Republic of South Africa,
- Facilitating access to credit for beneficiary entities without access to similar credit facilities through traditional means owing to lack of credit history, high risk or lack of collateral,
- Provision of training or mentoring to beneficiary entities which will assist the beneficial entities to increase their operational or financial capacity, and
- The maintenance of Enterprise by an enterprise development team which focuses exclusively on support of beneficiary entities or candidate beneficiary entities.


334
Affordable housing units


+ 1,060
People housed in these units

381


SMEs supported through finance or equipment leasing



Our initiatives have created an additional 68,290* jobs & supported the development of 71,798 SMEs

* Of these, 68,023 are a direct result of CENT's lending, while another 267 jobs have been created indirectly.

KEY INVESTMENT RISKS AND THEIR MITIGATING FACTORS

KEY RISKS	RISK MITIGATION
Enterprise will be exposed to unlisted investments	Enterprise will target a well-diversified portfolio with reasonable geographic and sector diversification and reasonably limit exposure to each investment's capital structure.
The investments are unrated	Although the investments are unrated, Enterprise will ensure that the maximum possible security is obtained by imposing financial covenants on the borrower, by taking as much security as possible, and through our sound investment process, due diligence and ongoing reporting and monitoring of investments.
The investments are difficult to price	Although the investments are difficult to price they are all typically linked to Prime and they have a finite loan term. All loans are carried at book value unless there is a clear indication that the borrower is unable to pay interest or capital at which point the valuation will be adjusted to reflect this.
The investments are relatively illiquid	As the loans are typically granted for a period of 3 – 5 years, our investments are relatively illiquid. Investors should therefore have an investment horizon of 3 – 5 years.
Liquidity in the event of a redemption	Enterprise is well diversified and should manage to fund any redemptions. The following process will facilitate redemptions: <ol style="list-style-type: none"> Enterprise will always hold a small component of cash Liquidations will be funded by inflows The underlying loan assets are staggered in maturity and thus there are ongoing loan maturities which could fund any redemptions The investor must provide 60 days notice. This enables Enterprise to secure the liquidity needed to fund the withdrawal. All early surrenders are subject to the liquidity provisions of Enterprise, and assets may be ring-fenced within the 60 day period. In the event of Enterprise not being able to liquidate the underlying investments during this time, the fund manager may elect to pass the investments in specie to the client.
Enterprise Development rating is subject to the current legislative environment	Enterprise's empowerment rating performance is subject to changes in legislation that may impact negatively on the Portfolio's rating. This will be mitigated by Inyosi Solutions (Pty) Ltd keeping abreast of legislative changes and reviewing Enterprise's mandate where and when appropriate.
Risk to capital	Enterprise will make loans to qualifying entities in terms of the DTI scorecard. The qualifying entities are typically smaller enterprises looking for funding to grow. If an entity to whom a loan was made is unable to repay capital or interest this will negatively impact on the value of the Enterprise portfolio and will also negatively impact on the value of your own investment leading to capital or income losses. Our rigorous screening process of such entities together with the portfolio diversification should mitigate this risk to an acceptable level.

Cadiz Life, Inyosi Solutions and Cadiz Asset Management are all related parties.

QUESTIONS AND ANSWERS

What happens after you complete an application form and invest?

- When we receive your money we will write to you to acknowledge receipt of your application within 5 working days,
- We will buy units in Enterprise on the next business day, and
- Within 21 business days after we have invested your money we will issue confirmation of your investment in the form of a policy document.

How will we keep you informed?

We will send you a statement for the 6 months to 30 June and 31 December each year showing the details of your investment. You may also access this information online via our secure website at www.cadiz.co.za.

How do you receive your annual Enterprise Development certificate?

On every financial year-end of your investment we will provide you with an empowerment accredited Enterprise Development certificate within 30 days after the company's year-end. The certificate will be issued to you based off your current market value and Enterprise's latest Enterprise Development rating. You may also access this information online via our secure website at www.cadiz.co.za.

What if you need your money?

Upon written request received prior to the last business day of the month, the proceeds of the redemption will be paid within 60 days from the end of that month provided that we have been able to liquidate the investments. The fund manager may ring-fence assets within the portfolio and will endeavour to liquidate them over the 60 day period. Finally we will distribute the assets to you in specie if we are not able to liquidate them.

What happens to your investment in the event of your death?

We will give your estate or any beneficiaries' access to the investment. They may decide whether to keep the investment, or withdraw the money.

What are the risks associated with this investment?

The investments are primarily unlisted debt with a specific aim of growing the fund exposure to qualifying enterprise development entities. Although these entities will go through our rigorous credit process they carry risks to both capital and income. We also value these investments at their realistic mark to market. However, it should be noted that this mark to market is not a traded price as these investments have lower liquidity and do not trade often. Because they are debt instruments they have a finite maturity date, and during their life the counterparty has to repay interest and/or capital which provides strong evidence of the loan strength.

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Cadiz Life Ltd (Reg. No. 2005/006996/06) is a registered long-term insurer. **Cadiz Asset Management (Pty) Ltd** (Reg.No. 1953/001254/07) is an authorised financial services provider; FSP636.

September 2018