SAFFRON SCI* ACTIVE BOND FUND

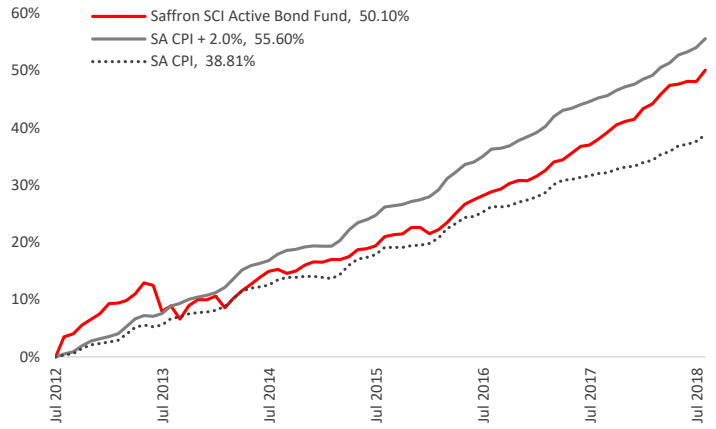
Class A l Minimum Disclosure Document (MDD)
As at 31 July 2018

SAFFRON WEALTH FUND MANAGEMENT

Fund Performance

Since launch cumulative performance graph

The Saffron funds transitioned to Sanlam Collective Investments from MET Collective Investments on 02 December 2017.



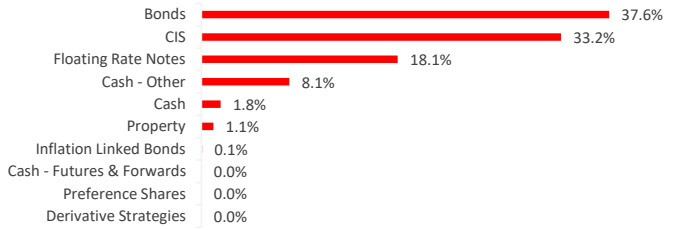
Monthly %	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18
Fund	0.87	0.93	0.44	0.23	1.34	0.57	1.14	1.07	0.16	0.33	-0.04	1.37
Benchmark	0.26	0.65	0.45	0.26	0.63	0.45	0.91	0.54	0.90	0.35	0.53	0.99

Yearly (%)	Jul'09	Jul'10	Jul'11	Jul'12	Jul'13	Jul'14	Jul'15	Jul'16	Jul'17	Jul'18
Fund						5.85	4.94	6.47	7.15	8.74
Benchmark						8.35	6.97	8.03	6.54	7.14

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	8.74	7.14	6.67	5.14	8.74	7.14	6.67	5.14
3 Years	24.05	23.31	21.43	16.54	7.45	7.23	6.69	5.23
5 Years	37.79	42.92	34.82	30.10	6.62	7.40	6.16	5.40
Inception	50.10	55.60	41.88	38.81	6.91	7.54	5.92	5.54

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	1.66
Sharpe Ratio	0.09
Information Ratio	0.31
Maximum Drawdown	-0.88

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/07/2018

Highest Annual %	9.64 (Mar'18)
Lowest Annual %	-0.75 (Jan'14)

Risk Profile

Conservative

You prefer to receive stable income flows and are determined to keep your capital intact at all times. You understand that comfort means that you may not receive outsize returns but that your capital will be safe — and the likelihood of losing money is slim. The portfolio that gives you the most comfort consists primarily of income-oriented asset classes such as cash, nominal and inflation-linked bonds and property. You avoid too much exposure to equities because of their higher volatility.

Fees (Incl. VAT)

	(%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	-
Annual Management Fee	1.15
Performance Fee	No

Fund Objective

The portfolio is a specialist fixed interest portfolio that predominantly invests in nominal and inflation linked government and corporate bonds, and aims to provide inflation beating returns.

Fund Strategy

The portfolio may include interest bearing securities, money market instruments, preference shares, property shares and property related securities, non-equity securities and assets in liquid form. The manager may from time to time invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa and which are consistent with the portfolio's primary objective. For efficient portfolio management purposes, the Manager may invest in financial instruments (listed and unlisted) allowed by the Act in order to achieve its investment objective. In selecting securities for this portfolio, the Manager shall seek to secure a stable real capital growth in excess of the ruling inflation rate. The asset allocation will be actively managed and will continually reflect the portfolio manager's view of the relative attractiveness of the various asset classes and sectors. Exposure to property related securities will be capped to a maximum of 10% of the portfolio's net asset value. This portfolio will be managed in accordance with the regulations governing pension funds.

Fund Information

Ticker	MSIL
12 Month Yield (%)	5.77
Fund Manager	Deon van Zyl
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Conservative
Benchmark	CPI plus 2% p.a. over a 12 month rolling period
Fund Size	R368,969,933
Portfolio Launch Date	02 July 2012
Fee Class Launch Date	02 July 2012
Minimum Lump Sum Investment	R 10,000.00
Minimum Monthly Investment	R 500.00
Income Declaration Date	June & December
Income Pricing Date	1st business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

Distribution History (cents per unit)

02/07/2018:	3.48 cpu	03/07/2017:	3.07 cpu	30/05/2016:	2.10 cpu
02/01/2018:	0.36 cpu	03/01/2017:	2.73 cpu	04/01/2016:	2.16 cpu
04/12/2017:	3.04 cpu	01/07/2016:	1.22 cpu	01/07/2015:	1.60 cpu

Cost Ratios	(%)
TER	1.31
TC	0.02
TIC	1.33

Total Expense Ratio (TER) is the percentage value of the Financial Product that was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future. The TER presented is for the period 1 January 2015 to 31 March 2018.

Transaction Cost (TC) is the percentage value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

Administered by:

Sanlam

*The legal registered name of this portfolio is: Saffron Sanlam Collective Investments Active Bond Fund

Glossary Terms

Annualised Returns
Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation
Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Distributions
The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Derivatives
Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Liquidity
The ability to easily turn assets or investments into cash.

Information Ratio
The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

LISP (Linked Investment Service Provider)
A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Maximum Drawdown
The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Money Market Instruments
A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

Participatory Interests
When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Regulation 28
Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities, 25% for property, 25% for foreign (offshore) assets and 5% African assets.

Risk-adjusted returns
Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

Sharpe Ratio
The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation
Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. Income funds derive their income primarily from interest-bearing instruments. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Saffron Wealth (Pty) Ltd, (FSP) Licence No. 34638, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk-free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment Manager

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SAFFRON WEALTH FUND MANAGEMENT

Administered by: Sanlam