SAFFRON SCI* OPPORTUNITY INCOME FUND

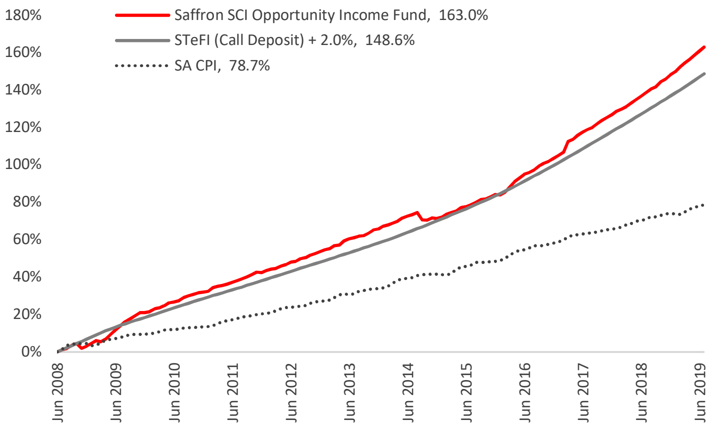
Class A l Minimum Disclosure Document (MDD)
As at 30 June 2019

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.



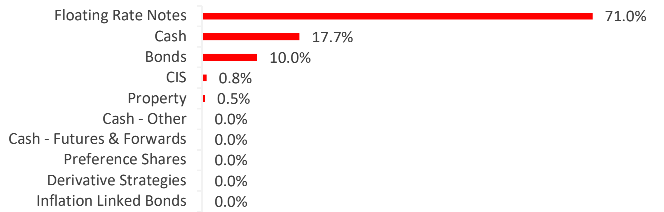
Monthly %	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19
Fund	0.78	0.49	1.07	0.62	0.95	0.70	1.03	0.81	0.72	0.91	0.79	0.88
Benchmark	0.70	0.70	0.68	0.70	0.68	0.72	0.72	0.65	0.72	0.70	0.72	0.70

Yearly %	Jun'09	Jun'10	Jun'11	Jun'12	Jun'13	Jun'14	Jun'15	Jun'16	Jun'17	Jun'18	Jun'19
Fund	12.89	11.64	8.47	7.51	8.51	7.61	3.05	9.70	11.71	9.06	10.20
Benchmark	12.99	8.88	7.73	7.41	6.94	7.12	7.75	8.44	9.11	8.83	8.75

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	10.20	8.75	6.62	4.55	10.20	8.75	6.62	4.55
3 Years	34.25	29.15	21.71	14.90	10.32	8.90	6.77	4.74
5 Years	51.76	50.90	36.68	27.88	8.70	8.58	6.45	5.04
10 Years	130.74	117.80	78.68	66.12	8.72	8.10	5.98	5.21
Inception	162.98	148.58	99.62	78.64	9.12	8.57	6.44	5.38

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	1.26
Sharpe Ratio	2.09
Information Ratio	0.79
Maximum Drawdown	0.00

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/06/2019

Highest Annual %	18.73 (Oct'09)
Lowest Annual %	2.84 (Dec'14)

Risk Profile

Cautious

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	1.00
Annual Management Fee	1.15
Performance Fee	No

Fund Objective

The portfolio seeks investment opportunities that meet the objective of delivering an enhanced level of income and stability on capital invested.

Fund Strategy

The portfolio will invest across the full spectrum of income generating assets including interest bearing securities (including, but not limited to bonds, convertible bonds, debentures, corporate debt, cash deposits and money market instruments) as well as inflation-linked bonds, corporate bonds, listed property, and preference shares. The portfolio will be actively managed with exposure to various asset classes to reflect changing economic and market circumstances, in order to maximise returns to investors. For efficient portfolio management purposes, the Manager may invest in financial instruments (listed and unlisted derivatives) allowed by the Act in order to achieve its investment objective. 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. This portfolio will be managed in accordance with the regulations governing pension funds. The Manager is permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation.

Fund Information

Ticker	MIPP
12 Month Yield (%)	8.19
Fund Manager	Brandon Quinn
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Cautious
Benchmark	STeFI (Call) plus 2% p.a. over 12-month rolling period
Fund Size	R690,416,556
Portfolio Launch Date	02 June 2008
Fee Class Launch Date	02 June 2008
Minimum Lump Sum Investment	R 10,000.00
Minimum Monthly Investment	R 500.00
Income Declaration Date	March, June, September & December
Income Pricing Date	1st business day of April, July, October & 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)

01/07/2019:	2.51 cpu	01/10/2018:	2.51 cpu	02/01/2018:	0.66 cpu
01/04/2019:	2.47 cpu	02/07/2018:	2.49 cpu	04/12/2017:	1.47 cpu
02/01/2019:	2.60 cpu	03/04/2018:	2.30 cpu	02/10/2017:	2.22 cpu

Cost Ratios	(%)
TER	1.19
TC	0.02
TIC	1.21

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 TER's. The TER presented is for the period 1 April 2016 to 31 March 2019.

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 Opportunity Income 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

Investment Manager
Saffron Wealth (Pty) Ltd
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SAFFRON WEALTH FUND MANAGEMENT

Administered by: Sanlam

The fund returned 2.60% and 10.20% for the quarter and year respectively, exceeding the benchmark (STeFI Call Deposit +2.0%) which returned 2.14% and 8.75% respectively. On a rolling one-year period, the fund beat the enhanced cash benchmark by 1.45%.

All SA asset classes returned positive returns in the first two quarters of 2019. The top-performing asset class for the quarter was Property (+4.52%), followed by Equities (ALSI Total Return) at 3.92%, Bonds (All Bond Total Return Index) at 3.70%, Inflation-linked bonds (+2.76%) and Cash (+1.80%). Over a rolling 12-month basis, Bonds were the top performer (+11.48%), with Property posting the lowest return (+0.79%).

The US Fed announced an unchanged Fed Funds Rate on the 19th of June. The Fed now seems to be supporting market expectations of a July rate cut. The next FOMC meeting will be held on the 31st of July. Personal Consumption Expenditure (PCE) is now expected to print at 1.5% in 2019, previously estimated at 1.8%. Core PCE, the Fed's preferred measure of inflation, is also seen moderating to 1.8% in 2019, from 2.0% previously. The GDP forecast was left unchanged at 2.1% for 2019 and 2.0% for 2020.

In the recent risk-on environment, the US 10-year Treasury yield traded 40 bps lower (2.41% to 2.01%) at quarter end, while the Dollar Index weakened to 96.1, down 1.2% over the quarter. 3-Month USD Libor decreased materially to 2.32%, down 28 bps and 49 bps QTD and YTD respectively. The US curve remains negatively sloped, traditionally signalling imminent recessionary conditions.

As expected, the European Central Bank (ECB) kept policy rates unchanged. The growth outlook was revised upwards to 1.2% for 2019 and downwards to 1.4% for 2020 and 2021 respectively. Inflation is expected to remain below the bank's 2.0% target over the forecast horizon. Mario Draghi, President of the ECB, stated that an accommodative monetary policy remains necessary and that key policy rates will remain unchanged, until at least the first half of 2020 (previously end of 2019). He further signalled that the next policy rate move would more likely be down than up.

The German 10-year generic yield was down another 13bps, ending the month deeper in negative territory, at -0.33%, while the French 10-year yield was down 22bps, closing the month at -0.01% and slipping into the negative for a first time over the last year.

The Bank of England (BOE) unanimously voted to maintain the Bank rate at 0.75% at its June meeting. All members also voted to maintain the stock of gilts at GBP435bn and corporate bonds at GBP10bn. The MPC acknowledged that the perceived likelihood of a no-deal Brexit had risen. Rates are expected to remain unchanged this year.

Commodity returns were reversed during the second quarter of 2019. The CRB Commodities Index returned -4.3% (+4.2% in the previous quarter), with the CRB Metals Index as the biggest loser at -13.3% (up 8.0% in 1Q19). The CRB Livestock Index returned -7.6% (previously +8.9%). Brent crude oil traded at USD66.55 at quarter-end (down -2.7%). Oil jumped to a five-week high after Saudi and Russia signalled their support for an extension of OPEC+ output cuts couple with a US-China agreement to restart trade talks that improved the demand outlook. The rand price per barrel was ZAR943.72, down -4.4% over the quarter as the rand appreciated by 2.9% against the dollar. Palladium (+11.0%) and gold (+9.07%) performed strongly, with copper (-7.8%) and platinum (-1.7%) losing.

In the global credit space, the Markit iBoxx USD Liquid High Yield Index gained 1.54 % over the period. The VIX Index, which measures risk sentiment, traded slightly higher at the end of the quarter at 15.08 from 13.71.

On balance, Emerging Markets credit experienced a strong 2Q19. The J.P. Morgan Emerging Market Bond Spread was flat at 405 bps over the period. 5-Year Credit Default Spreads compressed, including South Africa (-17bps), Russia (-16bps), Brazil (-16bps), China (-13bps), Mexico (-11bps) and Turkey (-10bps).

Over the quarter, the rand appreciated against most of the major currencies, including the British pound (+5.4%), the Australian dollar (+3.9%), the US dollar (+2.86%), the Euro (+1.5%) and the Japanese yen (+0.15%).

SA headline inflation for May printed slightly higher at 4.5% (previously 4.4%), mainly due to the effect of higher food and non-alcoholic beverages (NAB) inflation. Food and NAB inflation rose to 3.2% y/y in May from 2.9% in April. Meat prices continued to normalise slowly, printing at -0.9% y/y (previously -1.2%). Fuel price inflation was down to 11.6% y/y (previously 12.0%). The base effects from the large fuel price hikes last year are strong enough to deliver lower year-on-year fuel inflation in the coming months. Core inflation remained unchanged at 4.1%. Headline inflation is expected to remain within the 3 - 6% target range.

The South African Reserve Bank (SARB) kept rates on hold at 6.75% as expected. Two MPC members preferred an interest rate cut, while three voted to keep the rate on hold. The QPM now projects one interest rate cut during 1Q20 (previously a hike in 4Q19). The inflation projection was decreased to 4.5% in 2019 (from 4.8%), 5.1% in 2020 (from 5.3%) and 4.6% in 2021 (from 4.7%). The growth expectations for 2019 was lowered to 1.0%, with 2020 and 2021 stable at 1.8% and 2.0% respectively. The probability of an interest rate cut over the next 12 months has consequently increased meaningfully.

S&P kept SA's local and foreign currency rating at sub-investment grade and maintained the outlook as stable on the 24th of May. The agency however stated that "overall reform efforts are likely to be lacklustre and unlikely to be significant enough to drive strong GDP growth." This announcement was shortly followed by the news that Eskom's CEO Phakamani Hadebe has resigned, citing health reasons, as investors await the announcement of a balance sheet restructuring and the release of the FY18/19 financial results.

The SA trade balance surprised to the upside by posting a surplus of R1.7bn (from R3.5bn deficit in April), better than consensus of R0.7bn. The surplus was driven by an increase in exports, specifically metals and stones, machinery and electronics, and chemicals. The deterioration in the SA budget partially reversed as the budget deficit shrank to -R17.5bn from -R63.5bn in April. Despite the uptick in the figure, the underlying detail is still concerning: total revenue collection YTD was 12.17% of February Budget estimates, compared to 12.20% the previous year. Total expenditure incurred YTD was 15.20%, compared to just 14.40% the previous year. Financially distressed SOEs will continue to put pressure on the budget, holding fiscal expenditure at elevated levels.

The first quarter GDP contracted 3.2% q/q (consensus expected -1.6% q/q) seasonally adjusted and annualised, from 1.4% q/q in 4Q18, due to a surprising decline in the agricultural output (-13.2%) as well as a broad-based weakness in the economy. Most of the weakness is believed to be from power cuts in the first quarter. Consensus and the World Bank's 2019 growth forecast for SA is at 1.1%.

The quarter presented opportunities for tactical duration positioning which contributed positively to the fund's performance. The fund maintained duration at 0.37 years (from 0.39 years) over the quarter, whilst increasing the gross running yield to 9.38% from 9.29%.

The fund aims to enhance total return through value opportunities that, on a risk-adjusted basis, achieve or exceed our objective of Cash (STeFI Call Deposit) +2.0%.

Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
BCom (Hons), CFA

SAFFRON WEALTH
FUND MANAGEMENT

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Sanlam