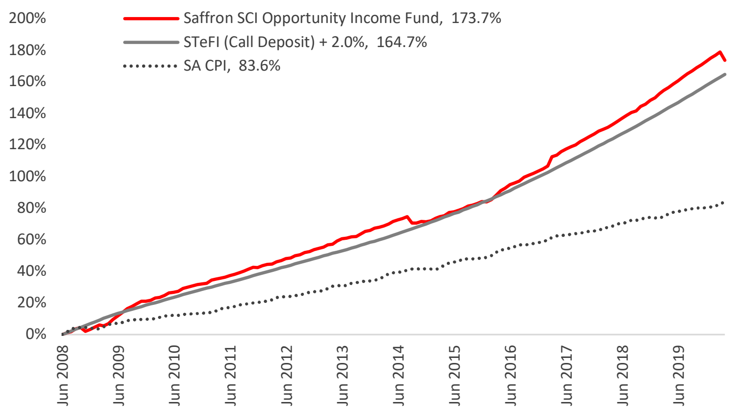
SAFFRON SCI* OPPORTUNITY INCOME FUND

Class A l Minimum Disclosure Document (MDD)
As at 31 March 2020

Fund Performance

Since launch cumulative performance graph

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



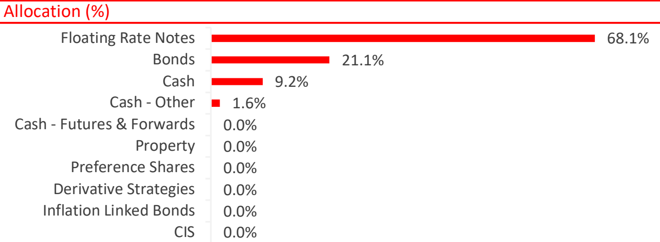
Monthly %	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	Mar'20
Fund	0.91	0.79	0.88	0.78	0.70	0.74	0.71	0.76	0.78	0.69	0.73	-1.85
Benchmark	0.70	0.72	0.70	0.72	0.69	0.70	0.71	0.68	0.71	0.70	0.65	0.69

Yearly %	Mar'10	Mar'11	Mar'12	Mar'13	Mar'14	Mar'15	Mar'16	Mar'17	Mar'18	Mar'19	Mar'20
Fund	16.59	8.83	7.61	7.66	8.16	3.17	8.94	11.87	9.08	10.01	6.79
Benchmark	9.50	8.01	7.42	7.06	6.97	7.67	8.13	9.09	8.96	8.70	8.71

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	6.77	8.70	6.57	4.14	6.77	8.70	6.57	4.14
3 Years	28.12	28.75	21.32	13.00	8.61	8.79	6.66	4.16
5 Years	56.15	51.87	37.55	27.46	9.32	8.72	6.58	4.97
10 Years	119.68	117.25	78.21	64.39	8.19	8.07	5.95	5.10
Inception	173.67	164.55	109.30	83.57	8.88	8.57	6.44	5.27

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	1.58
Sharpe Ratio	0.78
Information Ratio	0.00
Maximum Drawdown	-1.85

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/03/2020

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	-
Maximum Annual Advice Fee	1.15
Annual Management Fee	1.15
Performance Fee	No

*The legal registered name of this portfolio is: Saffron Sanlam Collective Investments Opportunity Income Fund

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 (%)	7.90
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
Regulation 28 Compliant	Yes
Fund Size	R1,093,328,714
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)

01/04/2020:	2.25 cpu	01/07/2019:	2.51 cpu	01/10/2018:	2.51 cpu
02/01/2020:	2.19 cpu	01/04/2019:	2.47 cpu	02/07/2018:	2.49 cpu
01/10/2019:	2.37 cpu	02/01/2019:	2.60 cpu	03/04/2018:	2.30 cpu

Cost Ratios	(%)
TER	1.18
TC	0.03
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 January 2017 to 31 December 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:

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
(FSP) License No. 34638
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Manager Information

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SAFFRON WEALTH
FUND MANAGEMENT

Administered by:
Sanlam

The fund returned -0.46% and 6.77% for the quarter and year respectively, while the benchmark (STeFI Call Deposit +2.0%) returned 2.05% and 8.70%. On a rolling one-year period, the fund lagged the enhanced cash benchmark by 1.94%, the first annual underperformance versus benchmark in 21 months.

Global markets plummeted as the Covid-19 pandemic rapidly spread globally and markets responded to the impending catastrophic economic consequences. Policy responses vary in detail, however, are consistent in their primary approaches: implement lockdowns to protect populations and provide monetary and fiscal stimulus to support the economy.

The pandemic has had a significant impact on global economic data releases. PMI surveys for the Eurozone, UK and US printed at record lows and in the US, initial jobless claims were measured at 3283k, 4.5 times the previous record high. The US Federal Reserve (Fed) has already cut interest rates by a cumulative 150 bps this year at two separate emergency meetings. The Fed further committed to open-ended Quantitative Easing (QE), approved a USD2trn fiscal stimulus package, and asserted that there is further capacity to ease should it be required. The US 10-year yield fell to 0.67%, 125 bps lower over the quarter. The Dollar Index strengthened significantly from 96.39 to 99.05, in line with global risk aversion, and 3-month USD Libor decreased to 1.45%, down 46 bps QTD.

The Bank of England (BoE) MPC left the Bank rate at 0.10% and held total targeted asset purchases at GBP645bn. The European Central Bank (ECB) followed the Fed and pledged 'unlimited' monetary stimulus through bond buying and other plans. European yields rose, but still remain negative: the German 10-year generic yield rose by 14bp to end the quarter at -0.47%, while the French 10-year moved 27 bps higher to close the quarter at -0.02%.

The Commodity Research Bureau (CRB) Commodity Index returned -8.03% for the quarter, with the CRB Metals Index and Food Index returning -11.85% and -9.26% respectively. The March 8 collapse in global oil prices (-30.0% on a single day!) resulting from a relationship breakdown between Saudi Arabia and Russia during the OPEC+ meeting, compounded market fears regarding Covid-19 with the impact thereof specifically on emerging market oil producers. Brent crude oil dropped -65.6% over the quarter (from USD 66.25 to USD 22.74 dollars per barrel). Other growth commodities also performed poorly with Platinum, Copper and Iron Ore down -25.0%, -20.6% and -8.7% respectively. Gold, Palladium and Rhodium remained the best performers up 5.0%, 23.5% and 76.9% respectively.

Covid-19 fears have seen global risk aversion rocket, destroying value in both emerging markets and risky financial assets as investors flee for safety. The VIX Index, which measures risk sentiment, traded at 53.5 at the end of the quarter from a low 12.5 and a high of 82.69. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread widened more than 240 bps, trading at 543.3 versus 302.6 at the beginning of the year. The JPM EMBI Index lost -11.9%. Emerging Market 5-year Credit Default Swap spreads widened drastically: Russia's spread widened the most (+262.7 bps), followed by Indonesia (+236.9 bps), Mexico (+213.5 bps), Brazil (+184.6 bps) and South Africa (+159.8 bps). China and Turkey's spreads only widened by +68.0 bps and +68.4 bps respectively.

In South Africa, Cash was the top performing asset class for the quarter (+1.69%) and the year (+7.25%). Property was the worst performer at -48.15%, followed by Equities (ALSI Total Return) at -21.38%, Bonds (ALBI) at -8.72% and Inflation-linked bonds (CILI) at -6.61%. Over the quarter, the rand depreciated significantly against most of the major currencies, including the yen (-28.3%), US dollar (-27.4%), euro (-24.4%), pound (-19.0%) and Australian dollar (-10.7%).

The South African Reserve Bank unanimously decided to reduce the repo rate by 100bps to 5.25% (which exceeded the consensus view for a 50bps cut) as it emphasised the risks to economic growth posed by the Covid-19 pandemic. Although the QPM (Quarterly Projection Model) points to three more cuts of 25 bps each, the MPC decided to front-load the cuts at the March meeting. The SARB expects inflation to moderate significantly to 3.4% in 2Q20 (previously 4.7%) with lower oil prices. The rand has depreciated by 17.2% against the USD since the January meeting, but the pass-through is expected to be muted by weak domestic demand. The economy is expected to contract in 2020 due to the effects of the pandemic and the unreliable power supply. The SARB therefore expects GDP growth to shrink by -0.2% in 2020, 1.0% in 2021 and 1.6% in 2022.

The fourth quarter GDP contracted by -1.4% q/q, worse than the -0.2% consensus estimate, making this the second successive year where the economy recorded a technical recession. On the production side, the contraction in GDP was driven by agriculture, manufacturing, electricity, construction, trade and government sectors and taxes and subsidies (together subtracting -2.2% from growth). Mining and finance sectors contributed 0.7%. Continued load shedding, together with the negative impact of the Covid-19 pandemic will most likely cause an outright contraction in growth in 2020. Lower than expected growth poses a significant risk to an already weak fiscus.

Foreigners were net sellers of bonds, with a substantial R55.6bn outflow in March. Further outflows are still expected following the Moody's downgrade of South Africa to Ba1 from Baa3. The sovereign's negative outlook was retained given the risks to growth and fiscal metrics (both revenue and expenditure) which could result in a worsening of the debt trajectory and reduce SA's access to international funding. FTSE Russell confirmed that the WGBI reweighting will however be delayed until May. Due to liquidity shortages, the SARB was prompted to intervene in the market via open market operations. These included supplementary daily overnight repurchase auctions, offering 7-day and 3-month term repurchases in weekly auctions, and the purchasing of government bonds in the secondary market. This relieved some of the pressures, but the yield curve remains very steep. The R208 and R2023 (both short-end) recorded a 1.77% and 0.51% return for the month respectively. The longer end produced large negative returns, with the 10-year R2030 returning -10.60% and the 30-year R2048 returning -11.88% for the month of March.

South African USD credit spreads widened significantly over the period in line with global credit risk appetite. Domestic credit risk premia have similarly widened although not to the same extent. Liquidity in the South African bond and credit market has been assisted by direct liquidity provided by the SARB through its Repo program.

The quarter presented opportunities for tactical duration positioning which contributed positively to the fund's performance. Having entered the quarter with substantial cash positions, the fund increased duration to 0.91 years (from 0.54 years) over the quarter and continues to offer an attractive running yield (9.26% gross per annum) despite the substantial lowering of the REPO rate. The fund is well positioned 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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