

# Saffron MET Active Bond Fund

MET Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 30 June 2016

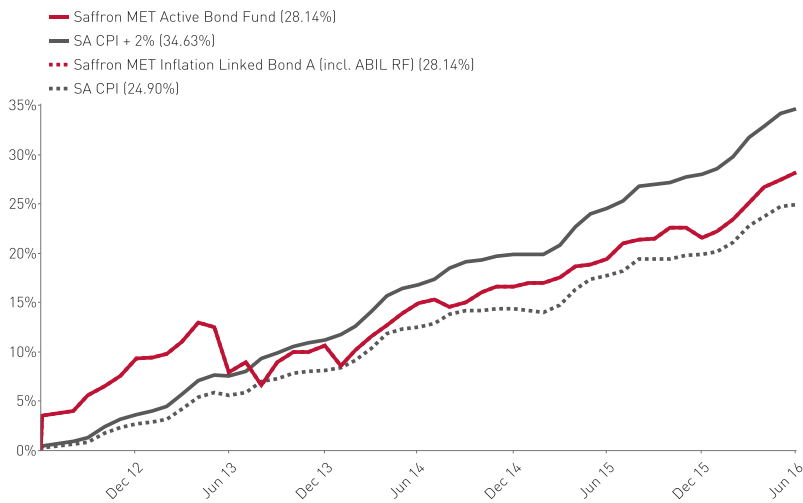
Assets managed by: Saffron Wealth



**SAFFRONWEALTH**  
FUND MANAGEMENT

## Portfolio performance

### Since launch cumulative performance graph



Monthly (%)	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
Fund	1.34	0.30	0.11	0.91	0.00	-0.88	0.58	0.98	1.34	1.26	0.62	0.54
Benchmark	0.59	1.19	0.17	0.17	0.42	0.25	0.42	0.92	1.50	0.91	0.98	0.33
Fund <sup>(1)</sup>	1.34	0.30	0.11	0.91	0.00	-0.88	0.58	0.98	1.34	1.26	0.62	0.54

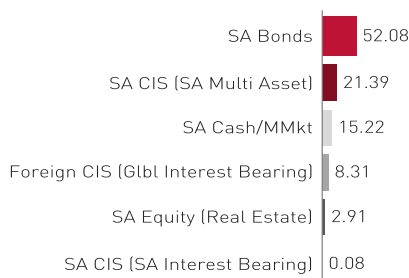
Fund<sup>(1)</sup> - Composite of fund and ABIL retention fund, illustrating return for investors in fund prior to Aug'14

Yearly (%)	Jun 13	Jun 14	Jun 15	Jun 16
Fund	7.97	6.43	3.90	7.32
Benchmark	7.56	8.63	6.57	8.12

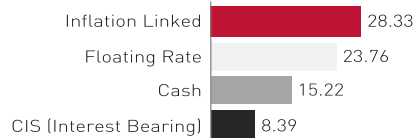
	Cumulative (%)				Annualised (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 year	7.32	8.12	6.85	6.12	7.32	8.12	6.85	6.12
2 years	11.51	15.23	13.55	10.97	5.60	7.34	6.56	5.34
3 years	18.69	25.17	19.70	18.32	5.88	7.77	6.18	5.77
Launch	28.14	34.63	25.99	24.90	6.40	7.72	5.95	5.72

## Portfolio holdings

### Asset allocation (%)



### Interest bearing allocation (%)



## Portfolio profile

An actively managed fund that aims to provide inflation beating returns. The Saffron MET Active Bond Fund is a specialist fixed interest portfolio that consists of inflation linked bonds, government bonds, corporate bonds and other interest bearing securities, money market instruments, preference shares, property shares and property related securities, non-equity securities and assets in liquid form. The fund's objective is to deliver a return of 2.0% over CPI (over 12 month rolling period, net of fees) on a sustainable basis. The fund adopts an active asset allocation and will reflect Saffron's best view of relative attractiveness of the assets in the investable universe. Exposure to property related securities may be actively varied but shall not exceed 10% of the fund's net asset value.

## Portfolio information

Portfolio inception:	2 July 2012
Portfolio size (30/06/2016):	R 555.84 million
Launch:	2 July 2012
NAV price (Launch):	100.00 (cpu)
NAV price (30/06/2016):	114.69 (cpu)
JSE code:	MSIL
ISIN number:	ZAE000168241
Regulation 28 compliant:	No

Classification: SA - Multi Asset - Income  
Benchmark: CPI plus 2% p.a. over a 12 month rolling period

Minimum lump sum:	R 5,000
Minimum monthly:	R 500

## Portfolio income

Distribution cpu	Dividend	Interest	Total
Jun'15	0.060	1.540	1.600
Dec'15	0.040	2.120	2.160
Apr'16	0.050	2.050	2.100
Jun'16	0.010	1.210	1.220
Jul'15 - Jun'16	0.100	5.380	5.480

Declaration: 30 Jun/31 Dec  
Payment: 1st working day of Jul/Jan

## Portfolio costs

Initial fee - MetCI (incl. VAT):	0%
Initial fee - Adviser (incl. VAT):	0% - 3.42%
Annual management fee (incl. VAT):	1.14%

Performance fee: No

Cost ratios (incl. VAT):		
TER (%)	TC (%)	TIC (%)
1.14%	0.04%	1.18%

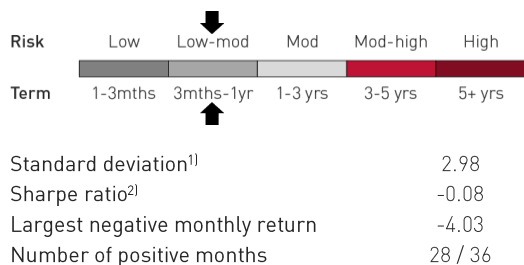
TER (%): Total Expense Ratio, TC (%): Transactions Costs Ratio, TIC (%): Total Investment Charges (TER (%) + TC (%))

Please see Disclosures section for further information on cost ratios

## Portfolio managers

Deon van Zyl, BCom, Hons

## Risk/reward profile and 3 year statistics



### Specific risks

Interest rate risk can result in short term capital volatility. Permanent capital loss is possible should an issuer of an instrument held in the fund default.  
This portfolio is permitted to invest in foreign securities which may have additional risks depending on the specific risks associated with that country such as potential macroeconomic risks; potential political risks; potential liquidity constraints and the repatriation of funds. Fluctuations in exchange rates may cause both positive and negative movements in the value of international investments.

<sup>1</sup>Standard deviation – measures the volatility of fund returns <sup>2</sup>Sharpe ratio – fund return minus cash return (STeFI composite), divided by the Standard deviation (of fund returns)

## Portfolio mandate

### Objective/investment policy

The Saffron MET Active Bond Fund is a specialist fixed interest portfolio that predominantly invests into inflation linked bonds, government bonds, corporate bonds. It may include other interest bearing securities, money market instruments, preference shares, property shares and property related securities, non-equity securities and assets in liquid form. The portfolio may also invest into participatory interests and other forms of participation in portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective. The Manager may make active use of derivatives to reduce the risk that a general decline in the value of investment markets may have on the value of the portfolio and may from time to time invest in financial instruments in order to achieve the portfolio's investment objective. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. 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. Nothing shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and Supplemental Deed. The Trustee shall ensure that the investment policy is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors. This will be done in order to be able to manage the portfolio in accordance with its mandate.

### Limits and constraints

- Board Notice 90 of 2014 limitations applicable to Standard Portfolios.
- Minimum 70% in South Africa.
- Maximum 30% in foreign (25% maximum for non-African).
- Maximum 10% effective equity exposure (including international equity).
- Maximum 25% effective property exposure (including international property).

## Disclosures

MET Collective Investments (RF) (Pty) Ltd (the "Manager"), registration number 1991/003741/07, is authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS) in Securities. The Manager is the manager of the MET Collective Investments Scheme, and MMI Holdings Ltd is a full member of the Association for Savings and Investment SA. Standard Bank of South Africa Limited (+27 (0)21 441 4100 PO Box 54, Cape Town, 8000) is the trustee of the scheme. Saffron MET Active Bond Fund is a portfolio of the MET Collective Investments Scheme and Saffron Wealth (Pty) Ltd, registration number: 2007/005503/07, an approved financial services provider (FSP) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), FSP number: 34638, is responsible for managing the assets of this portfolio. CIS are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of units apply to portfolios, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager reserves the right to close and reopen certain portfolios to new investors from time to time in order to manage them more efficiently in accordance with their mandate. Portfolios are valued daily at approx. 15h00, latest prices can be viewed at [www.metci.co.za](http://www.metci.co.za). Forward pricing is used. Instructions must reach the Manager before 14h00 to ensure same-day value. The Manager does not provide any guarantee, either with respect to the capital or the return of this portfolio. Additional information on the proposed investment can be obtained, free of charge, at [www.metci.co.za](http://www.metci.co.za) or may be requested from the Manager.

Saffron MET Active Bond Fund is a portfolio that derives its income primarily from interest-bearing instruments. The yield (where present) is current and calculated daily.

Saffron MET Active Bond Fund is a third party named CIS portfolio, the assets of which are administered by Saffron Wealth (Pty) Ltd, registration number: 2007/005503/07, a registered financial services provider, FSP number: 34638. The Manager retains full legal responsibility for all third party named CIS portfolios under the MET Collective Investments Scheme.

The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product 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. A current TER may not necessarily be an accurate indication of future TER's. The disclosed TER is shown as an annual percentage based on data for the period from 01 April 2013 to 31 March 2016. The Transaction Costs (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product. TC 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. The disclosed TC is shown as an annual percentage based on data for the period from 01 April 2013 to 31 March 2016. The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC). The TER and TC have been calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

Performance is calculated for a portfolio/portfolio class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. Annualised returns, also known as Compound Annualised Growth Rates (CAGR), are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. Performance figures quoted are from Morningstar, as at 30/06/2016, for a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-dividend date. CPI/Inflation figures, where present, are lagged by one month. Cash figures, where present, are STeFI Composite Index returns.

This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products.

## Contact and other information

### Scheme

MET Collective Investments Scheme

### Custodian/Trustee

Standard Bank of South Africa Limited

Telephone: +27 (0)21 441 4100

### Management company

MET Collective Investments (RF) (Pty) Ltd

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Call centre: 0860 111 899

Email: [ci.clientservice@momentum.co.za](mailto:ci.clientservice@momentum.co.za)

Web: [www.metci.co.za](http://www.metci.co.za)

Registration no.: 1991/003741/07



collective investments

A member of MMI Holdings

### Third party manager

Saffron Wealth (Pty) Ltd

An authorised financial services provider, FSP No: 34638

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Registration no.: 2007/005503/07



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