met
collective investments

SAFFRONWEALTH
FUND MANAGEMENT

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31 AUG 2013

# SAFFRON MET OPPORTUNITY INCOME FUND

| | | | |
|---|---|---|---|
| Fund category | South African - Multi Asset - Income* | Fund size | R812.109 million |
| Fund description | An actively managed fund that aims to deliver higher levels of income than a pure income fund | NAV | 109.66 cents per unit |
| | | Benchmark | Stefi + 2.0% p.a. |
| Launch date | 02 June 2008 | TER[1] | 1.16% |
| Portfolio manager/s | Brandon Quinn | Risk profile | Low/Moderate |

## INVESTMENT MANDATE

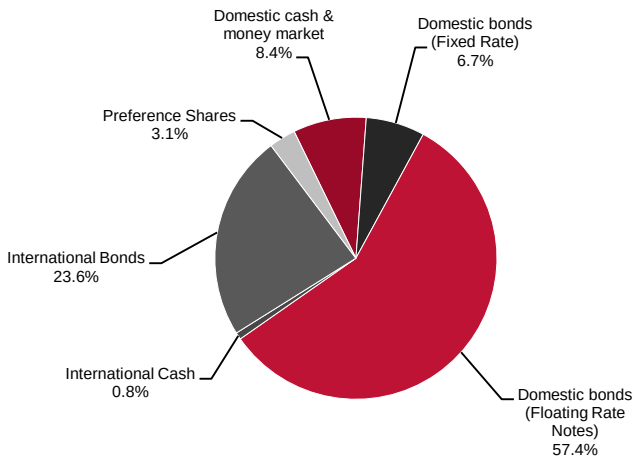
The fund has a flexible mandate with no prescribed maturity or duration limits. The fund can invest in a wide variety of interest or yield bearing instruments, including, but not limited to cash deposits, money market instruments and debentures, government and corporate bonds, convertible bonds as well as preference shares, property securities, and assets in liquid form. The portfolio may from time to time invest in financial instruments, in accordance with the provisions of the Act, and Regulations, as amended from time to time, in order to achieve the portfolio's investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. With the purpose to seek opportunities to enhance the portfolio's income return, the portfolio may invest in securities such as equity linked notes that are exposed to price movements in the equity markets as well as derivative instruments such as futures and options linked to the equity exposure of equity linked notes and other such instruments. The portfolio may also invest in participatory interests and other forms of participation of collective investment schemes, registered in South Africa and other similar schemes.

## FUND OBJECTIVE & BENCHMARK

The Saffron MET Opportunity Income Fund aims to seek opportunities to deliver a reasonable level of sustainable income and stability on capital invested. The fund's objective is to deliver a return of 2.0% over the STeFI index on a sustainable basis.

## SECTOR ALLOCATIONS

*As at 31/08/2013*




## RISK STATISTICS

*Since launch*

| | Fund | Benchmark |
|---|---|---|
| Positive months | 95.24% | 100% |
| Annualised deviation | 2.98% | 1.56% |
| Maximum gain | 2.31% | 1.10% |
| Maximum drawdown | -2.36% | 0.00% |
| Modified duration | 0.98 years | N/A |

The recommended investment horizon is 12 months and longer. The fund may have limited exposure to non-equity growth securities that will cause price variations on a day to day basis making it unsuitable as an alternative to money market investments over short investment horizons of less than 12 months.

## SUITABLE FOR INVESTORS

- Seeking significant return enhancement over cash
- Looking for innovative and active investment management within the fixed interest space
- Requiring managed exposure to efficient income generating investments
- With an investment horizon of 12 to 36 months

## TECHNICAL OVERVIEW

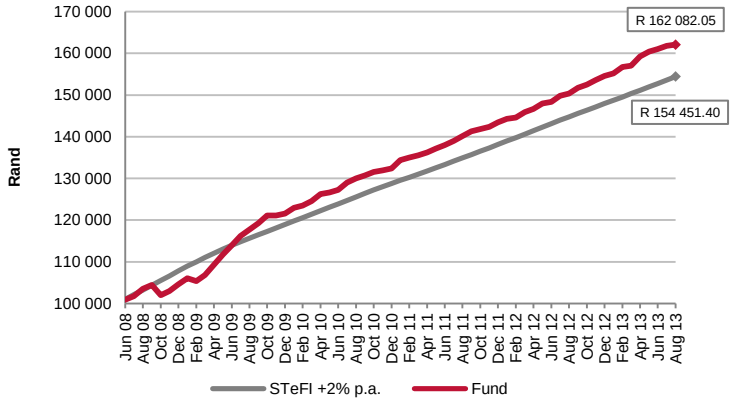
| | |
|---|---|
| Original buying price: | 100 cents |
| FSP upfront comm. (max): | 0% |
| Annual service fee: | 1.14% (incl. VAT) |
| Performance fee: | None |
| Minimum lump sum: | R5 000 |
| Min. monthly investment: | R500 |
| Income distribution 2012: | 6.63 cpu |
| Date of income declaration: | 31 Mar / 30 Jun / 30 Sept / 31 Dec |
| Date of income payment: | 2nd working day Apr / Jul / Oct / Jan |
| Valuation time: | 15h00 |
| Transaction time: | 13h00 |

## PERFORMANCE

*As at 31/08/2013*

| Returns since inception (02/06/2008) | Fund | STeFI +2.0% |
|---|---|---|
| Unannualised returns | 62.08% | 54.45% |
| Annualised returns | 9.64% | 8.63% |

**Growth of R100 000 investment since fund inception**




## FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that in most cases where the FSP is a related party to Saffron Wealth (Pty) Ltd and/or MET, Saffron Wealth (Pty) Ltd and/or the distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as a client. Such fees are paid out of the portfolio's service charge and range as follows (excl VAT):

| | |
|---|---|
| CIS Manager | Up to 0.85% |
| Saffron Wealth (Pty) Ltd | Up to 0.15% |
| Distribution / LISP | Up to 0.40% |

## MONTHLY PERFORMANCE RETURNS

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund 2013 | 0.38% | 1.00% | 0.19% | 1.40% | 0.73% | 0.37% | 0.49% | 0.18% | | | | |
| Fund 2012 | 0.59% | 0.24% | 0.86% | 0.56% | 0.86% | 0.29% | 0.95% | 0.40% | 0.92% | 0.47% | 0.71% | 0.68% |
| Fund 2011 | 1.48% | 0.50% | 0.38% | 0.50% | 0.68% | 0.61% | 0.71% | 0.83% | 0.82% | 0.42% | 0.36% | 0.74% |

## DISCLOSURES

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