

# Saffron MET Opportunity Income Fund

MET Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 31 August 2015

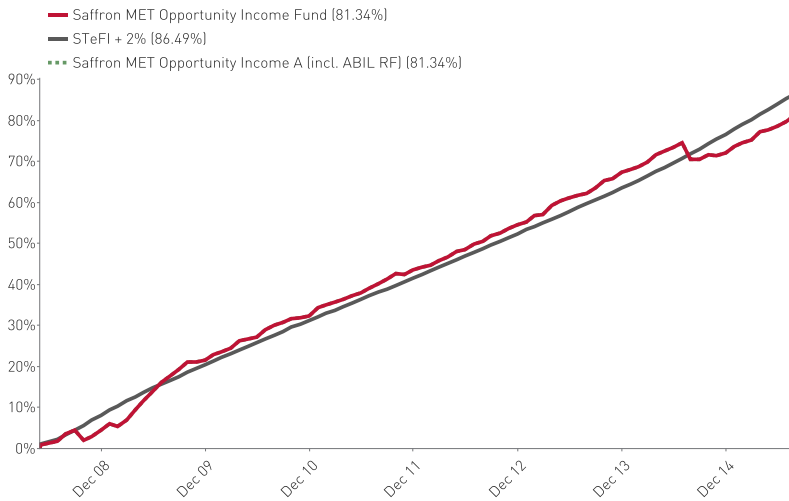
Assets managed by: Saffron Wealth



**SAFFRONWEALTH**  
FUND MANAGEMENT

## Portfolio performance

### Since launch cumulative performance graph



### Monthly (%) Sep 14 Oct 14 Nov 14 Dec 14 Jan 15 Feb 15 Mar 15 Apr 15 May 15 Jun 15 Jul 15 Aug 15

	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15
Fund	-0.03	0.65	-0.09	0.35	0.91	0.58	0.39	1.06	0.27	0.56	0.64	0.90
Benchmark	0.66	0.68	0.67	0.69	0.69	0.62	0.70	0.67	0.70	0.68	0.70	0.70
Fund <sup>(1)</sup>	-0.03	0.65	-0.09	0.35	0.91	0.58	0.39	1.06	0.26	0.56	0.64	0.90

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

### Yearly (%) Aug 09 Aug 10 Aug 11 Aug 12 Aug 13 Aug 14 Aug 15

	Aug 09	Aug 10	Aug 11	Aug 12	Aug 13	Aug 14	Aug 15
Fund	13.73	10.40	7.81	7.31	7.78	5.17	6.36
Benchmark	12.88	9.46	8.11	7.78	7.29	7.69	8.47

### Cumulative (%)

	Cumulative (%)				Annualised (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 year	6.36	8.47	6.35	4.97	6.36	8.47	6.35	4.97
2 years	11.86	16.81	12.28	11.63	5.76	8.08	5.96	5.66
3 years	20.56	25.32	18.10	18.71	6.43	7.81	5.70	5.88
5 years	39.48	46.02	32.26	31.04	6.88	7.87	5.75	5.56
7 years	75.13	80.43	57.08	45.13	8.33	8.80	6.66	5.46
Launch	81.34	86.49	61.56	50.19	8.56	8.98	6.84	5.77

## Portfolio holdings

### Asset allocation (%)

SA Interest Bearing	68.78
SA Cash/Money Market	8.93
Foreign Cash/Money Market	8.38
Foreign Unit Trust	6.36
Foreign Interest Bearing	5.65
Foreign Interest Bearing (ZAR)	1.82
(ZAR)	0.08

### Interest bearing allocation (%)

Interest Bearing 3 - 7 yr	33.53
Interest Bearing 1 - 3 yr	21.37
Interest Bearing 7 - 12 yr	13.89
Cash	8.93
Foreign Cash	8.38
Foreign Bonds	5.65
ZAR Bonds	1.82

## Portfolio profile

An actively managed fund that aims to deliver higher levels of income than a pure income fund with 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. The fund is suitable for investors seeking significant return enhancement over cash; looking for innovative and active management within the fixed interest space; requiring managed exposure to efficient income generating investments; with an investment horizon of 12 to 36 months.

## Portfolio information

Portfolio inception:	2 April 2013
Portfolio size (31/08/2015):	R 547.79 million
Launch:	2 June 2008
NAV price (Launch):	100.00 (cpu)
NAV price (31/08/2015):	110.52 (cpu)
JSE code:	MIPP
ISIN number:	ZAE000120044

Classification: SA - Multi Asset - Income

Benchmark: STeFI (Call) plus 2% p.a. over a 12 month rolling period

Minimum lump sum:	R 5,000
Minimum monthly:	R 500
Valuation:	Daily
Valuation time:	15h00
Dealing cut-off time:	14h00

## Portfolio income

	Distribution cpu	Dividend	Interest	Total
Sep'14		0.000	1.450	1.450
Dec'14		0.000	1.410	1.410
Mar'15		0.000	1.250	1.250
Jun'15		0.000	1.490	1.490
Sep'14 - Aug'15	0.000	5.600	5.600	5.600
2014 Total:	0.100	5.650	5.750	5.750

Declaration: 31 Mar/30 Jun/30 Sep/31 Dec

Payment: 2nd working day of Apr/Jul/Oct/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

Total expense ratio (TER) (incl. VAT): 1.17%

## Portfolio managers

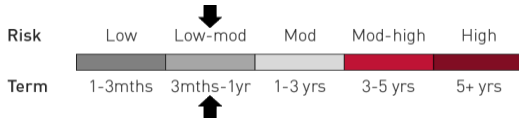
Brandon Quinn  
BCom, CFA

met

collective investments

A member of MMI Holdings

## Portfolio risk and term



## Portfolio mandate

### Objective/investment policy

The Saffron MET Opportunity Income Fund aims to seek opportunities to deliver a reasonable level of sustainable income and stability on capital invested. The investable universe of the portfolio includes interest bearing (including, but not limited to bonds, convertible bonds, debentures, corporate debt, cash deposits and money market instruments) as well preference shares, equity securities, property securities, and assets in liquid form. The portfolio may from time to time invest in financial instruments 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 and 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 is positioned as an opportunity income portfolio to reflect the portfolio's flexible mandate in terms of accessing a broad spectrum of underlying high yielding assets including securities linked to equities with due consideration being given to the lower risk mandate for the portfolio, using appropriate strategies to minimise risk where necessary. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment 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 will be permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation. The portfolio will be actively managed with exposure to various asset classes being varied to reflect changing economic and market circumstances, in order to maximise returns investors. The Trustee shall ensure that the investment policy is carried out.

### Limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum exposure of 25% to offshore investments plus maximum of 5% in Africa.

## 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 Opportunity Income 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 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 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 Opportunity Income 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.

This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

The Total Expense Ratio (TER) has been calculated using data from 01 July 2014 until 30 June 2015. The TER is disclosed as a percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER does not include transaction costs. The TER is calculated quarterly but may additionally be re-calculated with effect from any significant portfolio restructurings and/or fee changes occurring. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

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 31/08/2015, 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.

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.

## Regulation 28

Compliant: No

### Portfolio intended maximum limits (IML's)

Equity	Property	Equity and property	Foreign	Africa
10.00%	25.00%	35.00%	25.00%	5.00%

## 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

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

Facsimile: +27 (0)12 675 3889

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

### 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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