

# Saffron MET Opportunity Income Fund

MET Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 29 February 2016

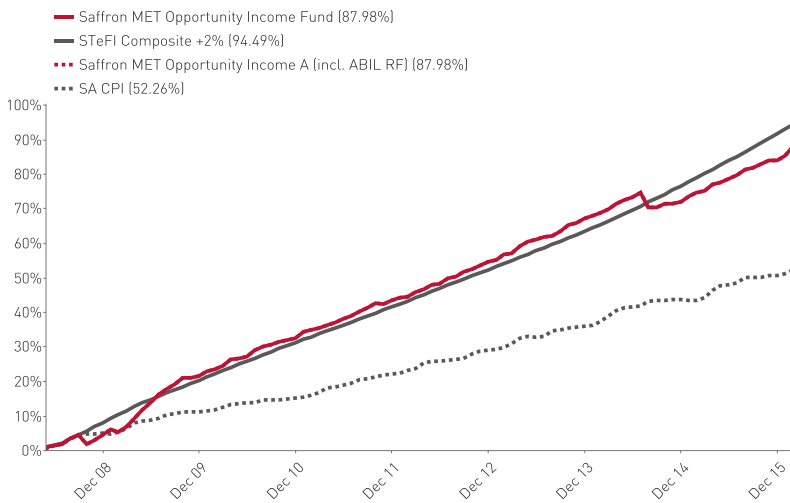
Assets managed by: Saffron Wealth



**SAFFRONWEALTH**  
FUND MANAGEMENT

## Portfolio performance

### Since launch cumulative performance graph



### Monthly (%)

|                     | Mar 15 | Apr 15 | May 15 | Jun 15 | Jul 15 | Aug 15 | Sep 15 | Oct 15 | Nov 15 | Dec 15 | Jan 16 | Feb 16 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fund                | 0.39   | 1.06   | 0.27   | 0.56   | 0.64   | 0.90   | 0.23   | 0.69   | 0.61   | -0.09  | 0.78   | 1.40   |
| Benchmark           | 0.70   | 0.67   | 0.70   | 0.68   | 0.70   | 0.70   | 0.68   | 0.71   | 0.69   | 0.72   | 0.73   | 0.69   |
| Fund <sup>(1)</sup> | 0.39   | 1.06   | 0.26   | 0.56   | 0.64   | 0.90   | 0.23   | 0.69   | 0.61   | -0.09  | 0.78   | 1.40   |

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

### Yearly (%)

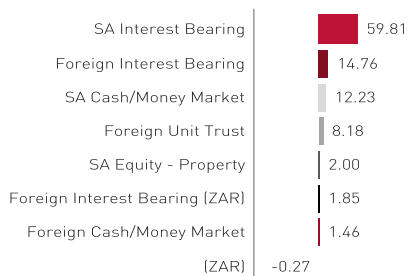
|           | Feb 10 | Feb 11 | Feb 12 | Feb 13 | Feb 14 | Feb 15 | Feb 16 |
|-----------|--------|--------|--------|--------|--------|--------|--------|
| Fund      | 17.17  | 9.36   | 7.10   | 8.38   | 7.63   | 3.46   | 7.68   |
| Benchmark | 10.61  | 8.81   | 7.82   | 7.55   | 7.32   | 8.18   | 8.69   |

### Cumulative (%)

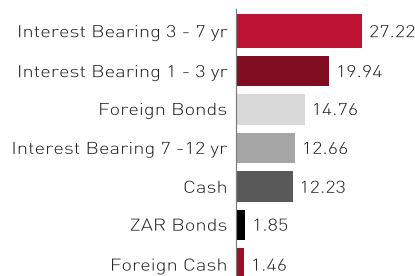
|         | Cumulative (%) |           |       |           | Annualised (%) |           |      |           |
|---------|----------------|-----------|-------|-----------|----------------|-----------|------|-----------|
|         | Fund           | Benchmark | Cash  | Inflation | Fund           | Benchmark | Cash | Inflation |
| 1 year  | 7.68           | 8.69      | 6.55  | 6.23      | 7.68           | 8.69      | 6.55 | 6.23      |
| 2 years | 11.40          | 17.58     | 13.01 | 10.93     | 5.55           | 8.43      | 6.31 | 5.32      |
| 3 years | 19.90          | 26.18     | 18.90 | 17.35     | 6.24           | 8.06      | 5.94 | 5.48      |
| 5 years | 39.18          | 46.32     | 32.52 | 31.36     | 6.84           | 7.91      | 5.79 | 5.61      |
| 7 years | 78.35          | 76.12     | 53.32 | 44.59     | 8.62           | 8.42      | 6.30 | 5.41      |
| Launch  | 87.98          | 94.49     | 66.83 | 52.26     | 8.49           | 8.97      | 6.83 | 5.58      |

## Portfolio holdings

### Asset allocation (%)



### Interest bearing allocation (%)



## 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 (29/02/2016): | R 512.88 million |
| Launch:                      | 2 June 2008      |
| NAV price (Launch):          | 100.00 (cpu)     |
| NAV price (29/02/2016):      | 111.24 (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 |
|------------------|----------|----------|-------|
| Mar'15           | 0.000    | 1.250    | 1.250 |
| Jun'15           | 0.000    | 1.490    | 1.490 |
| Sep'15           | 0.000    | 1.580    | 1.580 |
| Dec'15           | 0.000    | 1.660    | 1.660 |

|                 |       |       |       |
|-----------------|-------|-------|-------|
| Mar'15 - Feb'16 | 0.000 | 5.980 | 5.980 |
| 2015 Total:     | 0.000 | 5.980 | 5.980 |

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%      |

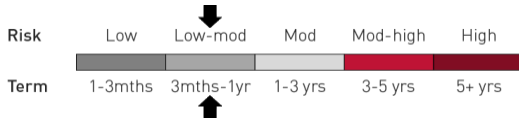
Performance fee: No

Total expense ratio (TER) (incl. VAT): 1.14%

## Portfolio managers

Brandon Quinn  
BCom, CFA

## 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) 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 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 portfolio that derives its income primarily from interest-bearing instruments. The yield (where present) is current and calculated daily.

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 January 2013 to 31 December 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 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 29/02/2016, 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.

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

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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

### 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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