

# Saffron MET Opportunity Income Fund

MET Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 31 July 2016

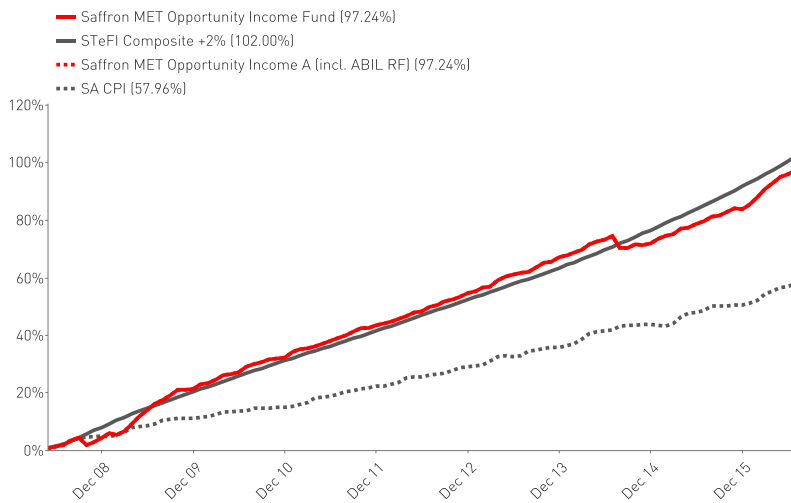
Assets managed by: Saffron Wealth



**SAFFRONWEALTH**  
FUND MANAGEMENT

## Portfolio performance

### Since launch cumulative performance graph



### Monthly (%)

	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16
Fund	0.90	0.23	0.69	0.61	-0.09	0.78	1.40	1.57	0.97	1.12	0.48	0.69
Benchmark	0.70	0.68	0.71	0.69	0.72	0.73	0.69	0.75	0.74	0.77	0.76	0.79
Fund <sup>(1)</sup>	0.90	0.23	0.69	0.61	-0.09	0.78	1.40	1.57	0.97	1.12	0.48	0.69

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

### Yearly (%)

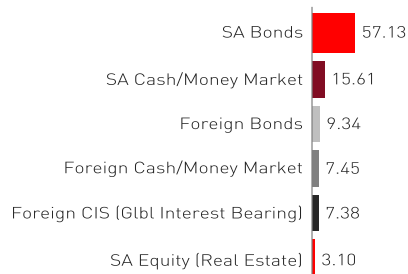
	Jul 09	Jul 10	Jul 11	Jul 12	Jul 13	Jul 14	Jul 15	Jul 16
Fund	14.15	11.06	7.73	7.77	8.01	7.89	2.94	9.75
Benchmark	13.24	9.57	8.18	7.83	7.33	7.60	8.44	9.08

### Cumulative (%)

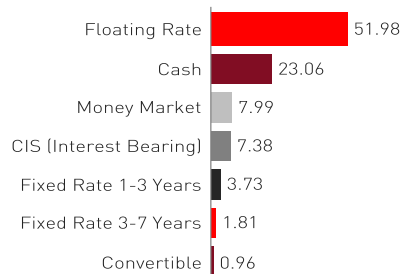
	Cumulative (%)				Annualised (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 year	9.75	9.08	6.94	6.27	9.75	9.08	6.94	6.27
2 years	12.98	18.28	13.69	11.30	6.29	8.76	6.62	5.50
3 years	21.89	27.27	19.93	18.66	6.82	8.37	6.24	5.87
5 years	41.89	47.29	33.36	32.14	7.25	8.05	5.92	5.73
7 years	69.75	74.58	51.98	44.50	7.85	8.29	6.16	5.40
Launch	97.24	102.00	71.85	57.96	8.68	8.99	6.86	5.76

## 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 (29/07/2016):	R 519.33 million
Launch:	2 June 2008
NAV price (Launch):	100.00 (cpu)
NAV price (29/07/2016):	113.16 (cpu)
JSE code:	MIPP
ISIN number:	ZAE000120044
Regulation 28 compliant:	No

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

## Portfolio income

Distribution cpu	Dividend	Interest	Total
Dec'15	0.000	1.660	1.660
Mar'16	0.000	1.680	1.680
Apr'16	0.000	0.550	0.550
Jun'16	0.060	1.200	1.260
Aug'15 - Jul'16	0.060	6.670	6.730

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

Payment: 1st 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

Cost ratios (incl. VAT):

TER (%)	TC (%)	TIC (%)
1.14%	0.04%	1.18%

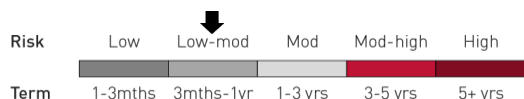
TER (%): Total Expense Ratio, TC (%): Transactions Costs Ratio, TIC (%): Total Investment Charges (TER (%) + TC (%))

Please see Disclosures section for further information on cost ratios

## Portfolio managers

Brandon Quinn, BCom, CFA

## Risk/reward profile and 3 year statistics



Standard deviation <sup>1</sup>	2.16
Sharpe ratio <sup>2</sup>	0.26
Largest negative monthly return	-2.34
Number of positive months	32 / 36

<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)

### 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.

## 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 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 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.

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 31/07/2016, for a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-dividend date. All figures calculated in ZAR. 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

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### Management company

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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

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Registration no.: 2007/005503/07



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