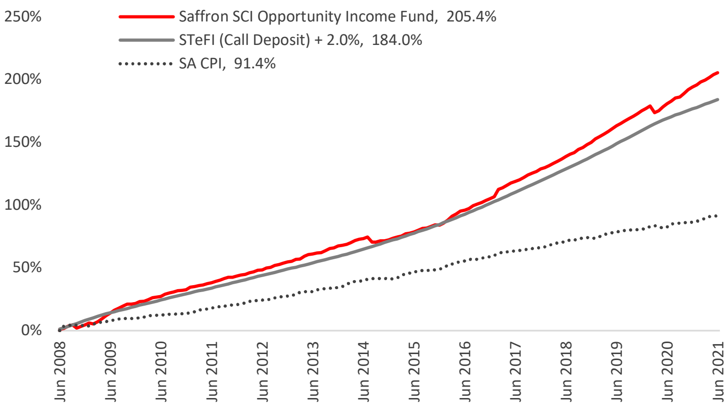
SAFFRON SCI* OPPORTUNITY INCOME FUND

Class A l Minimum Disclosure Document (MDD)
As at 30 June 2021

Fund Performance

Since launch cumulative performance graph

The Saffron funds transitioned to Sanlam Collective Investments from MET Collective Investments on 02 December 2017.



Monthly %	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21
Fund	0.75	0.93	0.18	0.95	1.16	0.69	0.63	0.69	0.58	0.67	0.75	0.50
Benchmark	0.49	0.47	0.45	0.46	0.44	0.46	0.46	0.42	0.46	0.45	0.46	0.45

Yearly %	Jun'10	Jun'11	Jun'12	Jun'13	Jun'14	Jun'15	Jun'16	Jun'17	Jun'18	Jun'19	Jun'20	Jun'21
Fund	11.64	8.47	7.51	8.51	7.61	3.05	9.70	11.71	9.06	10.20	6.72	8.81
Benchmark	8.88	7.73	7.42	6.93	7.12	7.75	8.44	9.11	8.85	8.75	8.15	5.61

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	8.82	5.61	3.54	4.91	8.82	5.61	3.54	4.91
3 Years	27.96	24.21	17.04	12.03	8.57	7.49	5.39	3.86
5 Years	55.89	47.51	33.61	23.11	9.29	8.08	5.97	4.25
10 Years	121.24	112.07	73.97	62.64	8.26	7.81	5.69	4.98
Inception	205.37	183.92	119.13	91.42	8.91	8.31	6.18	5.09

Fund Holdings

Asset Allocation (%)

Asset	%
Floating Rate Notes	58.9%
Bonds	20.2%
Cash & Equivalents	18.8%
Treasuries	1.9%
Property	0.0%
Preference Shares	0.0%
Derivative Strategies	0.0%
Inflation Linked Bonds	0.0%
CIS	0.0%

Risk Statistics (3 Year Rolling)

Standard Deviation	1.65
Sharpe Ratio	1.38
Information Ratio	-0.09
Maximum Drawdown	-1.85

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/06/2021

Highest Annual %	18.73 (Oct'09)
Lowest Annual %	2.84 (Dec'14)

Risk Profile

Cautious

You prefer to receive stable income flows and are determined to keep your capital intact at all times. You understand that comfort means that you may not receive outsize returns but that your capital will be safe — and the likelihood of losing money is slim. The portfolio that gives you the most comfort consists primarily of income-oriented asset classes such as cash, nominal and inflation-linked bonds and property. You avoid too much exposure to equities because of their higher volatility.

Fees (Incl. VAT)

	(%)
Maximum Initial Advice Fee	-
Maximum Annual Advice Fee	1.15
Annual Management Fee	1.15
Performance Fee	No

Fund Objective

The portfolio seeks investment opportunities that meet the objective of delivering an enhanced level of income and stability on capital invested.

Investment Policy

The portfolio will invest across the full spectrum of income generating assets including interest bearing securities (including, but not limited to bonds, convertible bonds, debentures, corporate debt, cash deposits and money market instruments) as well as inflation-linked bonds, corporate bonds, listed property, and preference shares. The portfolio will be actively managed with exposure to various asset classes to reflect changing economic and market circumstances, in order to maximise returns to investors. For efficient portfolio management purposes, the Manager may invest in financial instruments (listed and unlisted derivatives) allowed by the Act in order to achieve its investment objective. The manager may from time to time invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa and which are consistent with the portfolio's primary objective. This portfolio will be managed in accordance with the regulations governing pension funds. The Manager is permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation.

Fund Information

Ticker	MIPP
12 Month Yield (%)	4.83
Fund Manager	Brandon Quinn
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Cautious
Benchmark	STeFI (Call) plus 2% p.a. over 12-month rolling period
Regulation 28 Compliant	Yes
Fund Size	R1,102,691,579
Portfolio Launch Date	02 June 2008
Fee Class Launch Date	02 June 2008
Minimum Lump Sum Investment	R 10,000.00
Minimum Monthly Investment	R 500.00
Income Declaration Date	March, June, September & December
Income Pricing Date	1st business day of April, July, October & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

Distribution History (cents per unit)

01/07/2021	1.49 cpu	01/10/2020:	1.48 cpu	02/01/2020:	2.19 cpu
01/04/2021	1.44 cpu	01/07/2020:	1.83 cpu	01/10/2019:	2.37 cpu
04/01/2021	1.33 cpu	01/04/2020:	2.25 cpu	01/07/2019:	2.51 cpu

Cost Ratios	(%)
TER	1.20
TC	0.02
TIC	1.22

Total Expense Ratio (TER) is the percentage value of the Financial Product that was 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. The current TER may not necessarily be an accurate indication of future TER's. The TER presented is for the period 1 April 2018 to 31 March 2021.

Transaction Cost (TC) is the percentage value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs 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.

Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

Administered by:

*The legal registered name of this portfolio is: Saffron Sanlam Collective Investments Opportunity Income Fund

Glossary Terms

Annualised Returns
Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation
Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Distributions
The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Derivatives
Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Liquidity
The ability to easily turn assets or investments into cash.

Information Ratio
The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

LISP (Linked Investment Service Provider)
A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Maximum Drawdown
The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Money Market Instruments
A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

Participatory Interests
When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Regulation 28
Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities, 25% for property, 30% for foreign (offshore) assets and 10% African assets.

Risk-adjusted returns
Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

Sharpe Ratio
The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio’s returns are due to excessive risk or not. The greater a portfolio’s Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation
Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

Investment Manager
Saffron Wealth (Pty) Ltd
(FSP) License No. 34638
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SAFFRON WEALTH FUND MANAGEMENT

Administered by: Sanlam

The fund returned 1.93% and 8.82% for the quarter and year respectively, while the benchmark (STeFI Call Deposit +2.0%) returned 1.36% and 5.61%. On a rolling one-year period, the fund beat the enhanced cash benchmark by 3.21%.

The global economic recovery continues despite difficulties imposed by the third wave of covid-19 infections as the delta variant becomes dominant across many countries. The US is close to returning to near-normal conditions while Europe is lagging, even with ever increasing vaccinations. The Fed stirred the market with a hawkish statement at the last meeting as inflation projections rose. In South Africa, focus is on the impact of the more restrictive level 4 lockdown and the effect it will have on an already fragile economy.

The US Fed kept rates unchanged within the range of 0.00% to 0.25%, as expected, but brought its forecast for rate hikes forward, expecting two increases by the end of 2023 as the economy recovers. The Fed pledged to continue asset purchases at the USD120bn monthly pace until 'substantial further progress' is made on jobs and inflation but acknowledged that the debate on when QE tapering might materialise has begun. The inflation forecast was raised significantly, with headline PCE expected to print at 3.4% (from 2.4%) and core PCE at 3.0% (from 2.2%). The following years only see marginal upward revisions, with PCE expected to print at 2.2% (from 2.1%) in 2023. The Fed reiterated that the increase in inflation is mainly due to base effects, and that it is expected to be temporary. GDP forecasts for 2021 is forecast at 7.0% (from 6.5%), while at 3.3% and 2.4% for 2022 and 2023 respectively. The Dollar Index (DXY) weakened by -0.85% (92.44), the US 10-year bond yield dropped steeply to 1.44%, down -27 bps for the quarter, and 3-month USD LIBOR traded 6bps lower at 0.15%.

The European Central Bank (ECB) held the Deposit rate at -0.50%, the Main Refinancing rate at 0.00% and the Marginal Lending rate at 0.25%. The bank committed to purchasing EUR1.85trn of bonds as part of its pandemic emergency purchase programme (PEPP), which will run until March 2022, and highlighted it will continue buying bonds until it judges that the crisis is over. GDP growth expectations are standing at 4.6% (previously 4.0%) and 4.7% (previously 4.1%) for 2021 and 2022 respectively. The inflation forecast was still far from the target, expected to print at 1.1%, 1.3% and 1.4% for the next three years, respectively. Like US rates, European yields lifted over the quarter: the German 10-year generic yield traded higher by 8bps and the French 10-year yield closed up 18bps. The UK generic 10-year yield declined by 13bps to 0.71%.

The Commodity Research Bureau (CRB) Commodity Index returned +9.73% for the quarter, with the CRB Metals Index and Food Index returning +8.64% and +13.55% respectively. Oil continued to recover significantly (+18.24%) over the quarter, closing just above USD75 per barrel at quarter end. Most hard commodities also strengthened over the period, including Copper (+6.4%), Palladium (+5.9%) and Gold (+3.7%) which are largely positive for resource driven economies, particularly in emerging markets. Platinum however lost -9.4%.

Global markets have remained somewhat volatile as market participants continue to digest the latest pandemic news. The VIX Index, a measure of market volatility, traded lower at 15.8 at the end of the quarter. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread tightened by 13 bps, ending the quarter at 356 bps. The JPM EMBI Core Index gained +3.9%. Emerging Market 5-year Credit Default Swaps tightened, with South Africa at 186 (-51 bps), Brazil at 165 (-61 bps) and Turkey at 384 (-91 bps) at quarter end. The rand reversed the positive trend against the dollar in May, weakening by -4.0% m/m, but managed to strengthen by 3.32% over the quarter. The currency also strengthened against the euro at 16.94 (+2.25%) and against the pound at 19.75 (+3.01%).

In South Africa, Property was the top performing asset class for the quarter at +12.12%. Nominal bonds (ALBI Total Return) returned +6.86%, followed by inflation-linked bonds (CILI Total Return) and cash (STeFI) which returned +2.98% and 0.92% respectively. Equity (ALSI Total Return) was flat at +0.05%. Over 12 months, Property was the top performing asset class at +25.17% and cash the worst performing class at +4.01%.

The SARB voted unanimously to keep the repo rate unchanged at 3.50%, as expected. The Quarterly Projection Model (QPM) continues to embed 50bp of tightening this year and 250bp of rate hikes in total out to end-2023. The approach to interest rate normalisation will likely be cautious, with the MPC noting that the 'repurchase rate level remains highly accommodative, and will remain so even with steps taken to normalise interest rate levels in response to rising inflation'. Inflation estimates for 2021 are now expected at 4.2% (10bps lower than at the March meeting), while the forecasts for 2022 and 2023 remain unchanged at 4.4% and 4.5%, respectively. GDP expectations were adjusted marginally higher to 4.2% y/y (from 3.8%) for 2021, but revised 10 bps lower for 2022 and 2023, to 2.3% and 2.4% respectively.

SA headline inflation accelerated by 5.2% y/y in May from 4.4% previously, but probably reached its peak for this year, mainly reflecting base effects. 'Transport' and 'food and non-alcoholic beverages' contributed the most, adding 2.0% and 1.2% to the figure, respectively. Fuel prices increased for the fifth straight month, up 37.4% y/y. Food inflation increased for the third straight month, with notable increases in the subcategories 'oils and fats' and 'sugar, sweets and desserts' (in line with domestic and global shortages) while meat, fish and vegetable prices also edged higher. Core inflation rose marginally, up 3.1% y/y from 3.0% in April, as economic activity gradually resumes relative to the strict lockdown in the same month last year.

SA GDP grew by 4.6% q/q (seasonally adjusted and annualised) in the first quarter of 2021 from a downwardly revised 5.8% (previously 6.3%) in the previous quarter. The y/y rate of decline moderated to 3.2% from 4.2% in the previous quarter. The largest contributions came from finance and mining, supported by elevated commodity prices, and record low interest rates. Only agriculture made marginal negative contributions to the figure. SA experienced 12 consecutive months of a trade surplus, benefiting from strong global commodity prices, which pushed the current account into a surplus. The latest trade surplus widened to 8.1% of GDP relative to 7.9% the previous quarter as a result of the increase in exports to the highest level on record at R1.688bn. Import volumes rose faster than export volumes but improving terms of trade resulted in a slower increase in the value of imports. The current account surplus as a percentage of GDP widened to 5.0% in 1Q21 from 3.7% in the previous quarter.

The 3-month JIBAR rate moved 1 bp higher to 3.69%, while 12-month JIBAR rose by 16 bps to 4.79%. The 12-month Treasury average yield rose 12bps to 4.99%. Foreigners were net sellers of bonds worth R15.1bn for the quarter, bringing the cumulative outflow for the last 12 months to R36.1bn. The yield curve flattened in June, supported by a reduced amount of issuance in the weekly auctions. Year-to-date, weekly SAGB auctions have been cut from R6.6bn to R3.9bn and ILBs from R2.0bn to R1.2bn. Bond returns across the curve were positive, with the 1-3-year bucket returning +1.40%, the 3-7 years bucket returning +2.01%, and the 7-12 years bucket and 12+ years bucket returning +6.65% and 10.09% respectively. Over 12 months bonds produced strong returns, the strongest performer being the 12+ years bucket, generating +17.90%. The SARB reverted to its normal provision of liquidity after ending daily supplementary auctions in February. According to the SARB's Statement of Assets and Liabilities, the accumulated government bond holdings at the end of May was R41.6bn, a R33.5bn cumulative increase since secondary market bond-buying was announced in March 2020.

The quarter presented tactical duration positioning opportunities which contributed positively to the fund's performance. The fund decreased duration to 0.64 years (from 0.97 years) into strength over the quarter and continues to offer an attractive gross running yield of 7.00% per annum in a very low rate (repo rate at 3.5%) and inflation (last print at 5.2%) environment. The fund is well positioned to enhance total return through value opportunities that, on a risk-adjusted basis, achieve or exceed our objective of Cash (STeFI Call Deposit) +2.0%.

Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
BCom (Hons), CFA

SAFFRON WEALTH
FUND MANAGEMENT

Administered by: