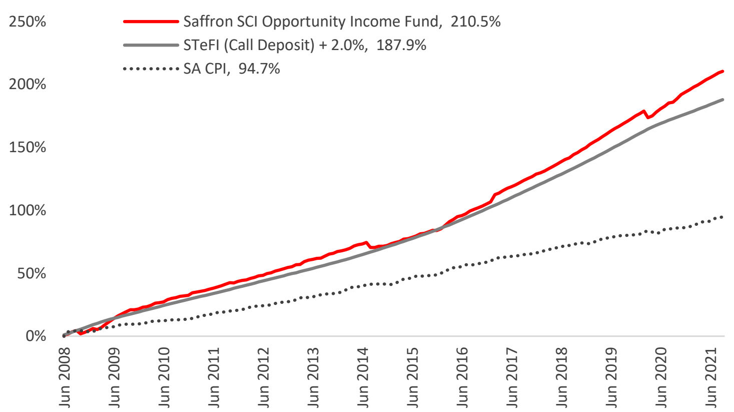
SAFFRON SCI* OPPORTUNITY INCOME FUND

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

Fund Performance

Since launch cumulative performance graph

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



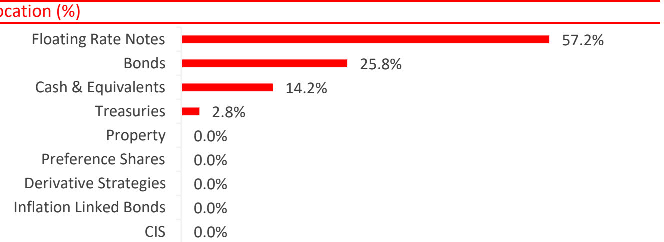
Monthly %	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21
Fund	0.95	1.16	0.69	0.63	0.69	0.58	0.67	0.75	0.50	0.60	0.66	0.39
Benchmark	0.46	0.44	0.46	0.46	0.42	0.46	0.45	0.46	0.45	0.46	0.46	0.45

Yearly %	Sep'10	Sep'11	Sep'12	Sep'13	Sep'14	Sep'15	Sep'16	Sep'17	Sep'18	Sep'19	Sep'20	Sep'21
Fund	9.55	8.11	7.42	7.74	4.23	6.63	10.48	11.42	9.18	10.07	6.34	8.59
Benchmark	8.66	7.49	7.35	6.88	7.31	7.82	8.73	9.08	8.75	8.78	7.40	5.57

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	8.59	5.57	3.50	4.97	8.59	5.57	3.50	4.97
3 Years	27.09	23.32	16.21	12.58	8.32	7.24	5.14	4.03
5 Years	54.61	46.30	32.51	24.09	9.11	7.91	5.79	4.41
10 Years	119.69	111.16	73.22	63.05	8.19	7.76	5.65	5.01
Inception	210.44	187.83	121.05	94.68	8.87	8.25	6.13	5.12

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	1.64
Sharpe Ratio	1.41
Information Ratio	-0.10
Maximum Drawdown	-1.85

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/09/2021

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 (%)	4.54
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	R1,169,299,437
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)

01/10/2021	1.54 cpu	04/01/2021	1.33 cpu	01/04/2020:	2.25 cpu
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

Cost Ratios	(%)
TER	1.20
TC	0.01
TIC	1.21

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 July 2018 to 30 June 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
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Administered by:

The fund returned 1.66% and 8.59% for the quarter and year respectively, while the benchmark (STeFI Call Deposit +2.0%) returned 1.38% and 5.57%. On a rolling one-year period, the fund return exceeded the enhanced cash benchmark by 3.02%.

Global risk sentiment will likely remain volatile, sensitive to the threat of a mutating virus, any signs of persistent inflation and potential shifts in international monetary policies. These uncertainties are likely to subdue risk appetites and provide a headwind for continued appreciation in asset prices.

In Developed Markets, the US Fed held rates unchanged within the range of 0.00% to 0.25%, and maintained the pace of asset purchases to at least USD80bn of Treasuries and USD40bn of agency mortgage-backed securities. The FOMC however did move a step closer to asset tapering as progress towards the Fed's inflation and employment goals continued 'broadly as expected'. Fed Chair Jerome Powell revealed in a subsequent press conference that the Fed could announce tapering at its November meeting and cease purchases around mid-2022. GDP growth is expected to reach 5.9% for 2021 (7.0% previously), and 3.8% and 2.5% in 2022 and 2023 (previously 3.3% and 2.4%) respectively. The PCE inflation forecast is now 4.2% for 2021 (previously 3.4%) and 2.2% for 2022 (previously 2.1%). The unemployment rate is expected to increase to 4.8% from 4.5% in 2021, 3.8% in 2022 and 3.5% in 2023. Over the quarter the Dollar Index (DXY) strengthened by +1.76% (94.23), the US 10-year bond yield lifted slightly to 1.51% (up 3 bps for the quarter) and 3-month USD LIBOR traded 1 bp lower at 0.13%.

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 ECB announced that the pace of asset purchases would be reduced, arguing that favourable financing conditions could be maintained with a 'moderately lower' pace of purchases than in the past two quarters. Inflation is forecasted at 2.2% (previously 1.9%), 1.7% (previously 1.5%) and 1.5% (previously 1.4%) for 2021, 2022 and 2023 respectively. The consensus view is that the expected rise is temporary, driven by factors such as high energy prices, the reversal of the temporary VAT reduction in Germany and global raw materials shortages. The GDP growth forecast now stand at 5.0% (2021), 4.6% (2022) and 2.1% (2023). As with US rates, European yields lifted over the quarter: the German 10-year generic yield traded higher at -0.20%, the French 10-year yield closed at 0.15% and the UK generic 10-year at 1.02%.

The Commodity Research Bureau (CRB) Commodity Index (-0.10%) and CRB Metals Index (0.08%) were flat over the quarter, while the Food Index dropped by -3.15%. Oil continued to recover (+3.53%) over the quarter, rising above USD78 per barrel at quarter end. Most hard commodity prices however softened over the period, including Copper (-3.8%), Palladium (-30.9%), Platinum (-11.0%) and Gold (-1.1%) which were largely negative for resource driven economies, particularly in emerging markets.

The VIX Index, a measure of market volatility, traded higher at 23.1 at the end of the quarter (+7.7). The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread lifted by 17.5 bps, ending the quarter at 373 bps. Emerging Market 5-year Credit Default Swaps widened, with South Africa at 214 (+26 bps), Brazil at 206 (+39 bps) and Turkey at 434 (+49 bps) at quarter end. The rand continued to weaken against the dollar, depreciating by 4.4% to 15.07. The currency also weakened against the euro to 17.46 (-2.1%) and against the pound to 20.31 (-2.2%).

In South Africa, the Property sector again was the top performing asset class for the quarter at +5.94%. Highly illiquid Inflation-linked bonds (CILI Total Return) returned +2.02%, followed by cash (STeFI) at +0.95%, nominal bonds (ALBI Total Return) at +0.37%, and equity (ALSI Total Return) at -0.84%. Over the past 12 months, Property has been the top performing asset class at +54.43% and cash the worst performer at +3.80%.

The SARB voted unanimously to keep the repo rate unchanged at 3.50%, in line with market expectations. The tone of the statement became slightly more hawkish than the previous one, with the SARB's QPM adding 225 bps in rate hikes to the repo rate by the end of 2023 (a 25bps hike in the fourth quarter of 2021, followed by hikes of 25bps in each quarter of 2022 and 2023). The MPC inflation view was broadly unchanged, with headline inflation forecast to average a slightly higher 4.4% in 2021 (from 4.3% previously) and unchanged at 4.2% and 4.5% for 2022 and 2023 respectively. The risk to inflation is to the upside, driven by higher global producer inflation, robust global food prices, elevated and volatile oil prices, and upward pressure on domestic electricity and other administrative prices. The SARB revised its 2021 GDP forecast up to 5.3% from 4.2% previously. GDP growth expectations for 2022 and 2023 were revised lower to 1.7% and 1.8% (from 2.3% and 2.4%) respectively. Risks to the growth outlook are considered broadly balanced.

SA headline inflation for August accelerated to 4.9% yoy from 4.6% in July. The rise largely reflects some of the base effects caused by the lockdown last year. The main contributors were 'food and non-alcoholic beverages' and 'transport'. Food inflation accelerated by 7.4% yoy from 7.0% in the preceding three months. Transport prices advanced by 9.9%, driven by fuel prices, up 19.6% yoy from 15.2% in July. Core inflation edged higher to 3.1% from 3.0% in July. Once low base of 2020 has dissipated, inflation will likely ease towards the 4.5% midpoint of the SARB's target range.

SA GDP grew by 1.2% qoq (4.7% annualised) in 2Q21 from 1.0% in the previous quarter. Year-on-year, the economy expanded by 19.3% from a 2.6% yoy contraction in the previous quarter, mainly due to base effects. Five of ten industries recorded growth, the most significant contribution from the broad transport sector, followed by trade and personal services. Value added by manufacturing, finance and government services declined over the period. Weaker performance is expected for the third quarter, reflecting the impact of a stricter lockdown and the destructive riots in Kwazulu-Natal and parts of Gauteng.

The 3-month JIBAR rate moved 1 bp lower to 3.68%, while 12-month JIBAR rose by 14bps to 4.93%. The 12-month Treasury average yield rose 5bps to 5.04%. Foreigners were large net sellers of bonds in September (-R35.2bn), bringing the cumulative outflow over the past 12 months to R87.5bn. The short end of the yield curve steepened notably by the end of September (an increase of 26.5bps for the R2023 and 31bps for the R186) in line with rate and risk expectations. Bond returns across the curve were positive to flat for the quarter, with the 1-3 years bucket returning +1.52%, the 3-7 years bucket returning +1.17%, the 7-12 years bucket +0.22% and the 12+ years bucket -0.01%. Over 12 months bonds produced strong returns, the strongest performer being the 12+ years bucket, generating +17.59%. According to the SARB's Statement of Assets and Liabilities, the accumulated government bond holdings at the end of August were 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 duration was unchanged at quarter-end at 0.65 years (from 0.64 years) and continues to offer an attractive gross running yield of 7.04% per annum in a very low rate (repo rate at 3.5%) and inflation (last print at 4.9%) environment. The fund is well positioned to enhance total return through duration positioning and value opportunities that, on a risk-adjusted basis, achieve or exceed our objective of Cash (STeFI Call Deposit) +2.0%.

Portfolio Manager
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BCom, CFA

Assistant Manager
Anina Swiegers
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SAFFRON WEALTH
FUND MANAGEMENT

Administered by:
Sanlam