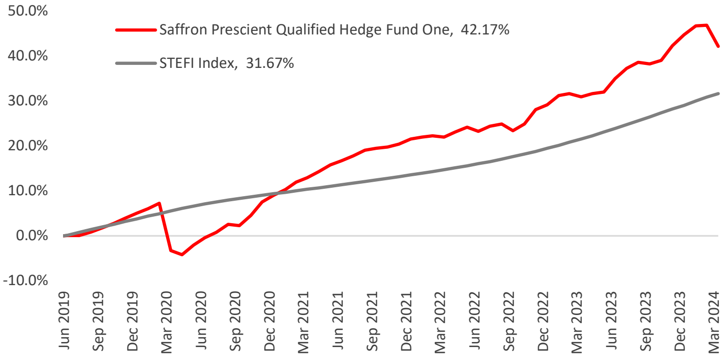
SAFFRON PRESCIENT QUALIFIED HEDGE FUND ONE

The fund was previously named Saffron Sanlam Collective Investments Qualified Hedge Fund One
Class A l Minimum Disclosure Document & General Investor Report
As at 31 March 2024

Fund Performance

Since inception cumulative performance graph



Monthly %	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
Fund	0.56	0.25	2.25	1.69	1.01	-0.28	0.58	2.34	1.67	1.37	0.13	-3.19
Benchmark	0.57	0.69	0.65	0.68	0.69	0.65	0.72	0.68	0.65	0.74	0.65	0.63

Yearly %	Mar'21	Mar'22	Mar'23	Mar'24
Fund	16.73	7.96	7.36	8.57
Benchmark	4.57	3.94	5.96	8.32

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	8.57	8.32	8.57	8.32
2 Years	16.56	14.78	7.96	7.13
3 Years	25.84	19.30	7.96	6.06
4 Years	46.90	24.75	10.09	5.68
5 Years	N/A	N/A	N/A	N/A
Since Inception	42.17	31.67	7.63	5.92

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/03/2024

Highest Annual %:	19.27%	Lowest Annual %:	-2.03%

Risk Statistics

	3 Year Rolling	Since Inception
Standard Deviation	2.11%	3.42%
Sharpe Ratio	0.29	0.17
Sortino Ratio	0.40	0.20
Information Ratio	0.29	0.17

Value at Risk (10-day, 99% confidence)	Current	Regulatory Maximum	Mandate
VaR at period end	2.50%	20.00%	20.00%
Highest VaR over the month	2.75%		

Sources of Leverage

Leverage Sources	Absa Prime Services
Leverage Type	Loan
Leverage Value (ZAR)	57,000,000.00
Gearing Ratio	3.31
Maximum Gearing Per Mandate	4.00

Counterparty Exposure (%)

Absa Prime Services	100.00%

Risk Profile

Aggressive

You can afford to take on a higher level of risk because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive over the longer term.

1) Where return and risk figures are quoted for periods greater than 12 months, these returns are annualised. In other words, they are scaled to represent an equivalent one year measure. Actual annual figures are available to the investor on request.
2) VAR represents the statistical loss that the Fund can experience given its current holdings over a one Month period with a 1% probability.
3) Sources of leverage are from equity and / or fixed interest derivatives provided by the Prime Broker. The types and sources of leverage are based on strategies that implement derivatives, short selling and borrowed money as by the Prime Broker. Leverage is calculated using the Commitment approach.
4) Portfolio stress testing is performed by subjecting a portfolio through extreme market situations, and noting the portfolio profit and loss, value at risk and exposure movements.
5) In some circumstances asset hypothecation exists and is limited within the contracting arrangements with the different counter parties.

Fund Objective

The objective of the fund is to provide consistently superior risk-adjusted returns to investors through exploiting opportunities that present in interest rate and derivative markets.

Fund Strategy

The porfolio shall invest in a combination of assets in liquid form including cash, cash equivalents, money market instruments, listed and unlisted interest rate instruments, corporate and sovereign bonds, preference shares and listed property. The portfolio shall be permitted to invest in listed and unlisted financial instruments (derivatives) including but not limited to interest rate derivatives, currency derivatives and commodity derivatives. The Manager shall be permitted to invest in offshore investments as legislation permits. The Portfolio may also invest in participatory interests of portfolio of collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes. The 10 day 99% VAR shall be limited to 20% of the NAV.

Fund Manager Details

Investment Manager: Saffron Wealth (Pty) Ltd

FAIS Disclosure: Saffron Wealth (Pty) Ltd is an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Fund Manager: Brandon Quinn

Fund Information

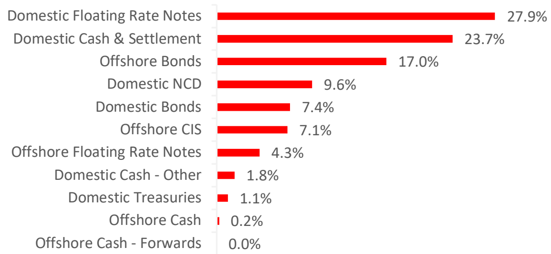
Fund Classification	Qualified Investor Hedge Fund | South African | Fixed Income
Base Currency	South African Rand (ZAR)
Inception Date	May 2019
JSE Code	SSHOA
ISIN	ZAE000273991
Benchmark	STeFI
Risk Profile	Aggressive
Liquidity Risk Profile	Monthly
Fund Valuation Time	17:00
Transaction Cut Off Time	14:00
Monthly Price Information	Morningstar
Min. Lump Sum Investment	ZAR 1,000,000.00
Min. Recurring Investment	ZAR 1,000,000.00
Valuation Frequency	Monthly
Valuation Dates	Last day of each month
Income Distribution Freq.	Annually
Income Declaration Dates	Last day of March
Income Payment Dates	Last business day of April
Fund Size	ZAR 27,457,571.81
Number of Units	910915.60
Unit Price	11.74
Asset Duration	1.20
Fund Duration	5.17

Distribution History (cents per unit)

31/08/2023	27.30 cpu	30/12/2022	8.96 cpu
30/06/2023	7.61 cpu	30/09/2022	0.00 cpu
31/03/2023	8.54 cpu		

Fund Holdings

Asset Allocation (%)



Service Charge (Excl. VAT)

	(%)
Service Charge	1.00% p.a. payable monthly
Broker Advisory Fee (max)	1.00%
Performance Fee*	20% of profits above (i) STeFI and (ii) the high water mark, payable quarterly
Total Expense Ration (TER)	1.20%
Transaction Costs (TC)	0.20%
Total Investment Charge (TIC)	1.40%

*The performance fee is accrued daily, based on performance over a rolling one year period with payment to the manager being made monthly. Performance fees will only be charged once the performance fee benchmark is outperformed.

Glossary Terms

Collective Investment Schemes (CIS)
Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Distributions
The income that is generated from an investment and given to investors through annual distribution payouts.

Highest & Lowest return
The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV
The net asset value represents the assets of a Fund less its liabilities.

Fixed-interest investments
Fixed interest funds invest in bonds, fixed-interest and money market instruments. Interest income is a feature of these funds and, in general, capital should remain stable. A fixed-interest investment aims to offer investors a regular income at a set interest rate, which can be fixed over a specified term. If interest rates fall, the fixed interest investment typically becomes more valuable. Conversely if interest rates rise, the value of the investment will fall. The interest provides you with a fixed amount at regular intervals. So this is usually a very predictable way of getting an income from your investment.

LISP (Linked Investment Service Providers)
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.

Leverage
This refers to the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

Value at Risk (VaR)
A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome.

Encumbrance or Rehypothecation
The practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by their clients. Clients who permit rehypothecation of their collateral may be compensated either through a lower cost of borrowing or a rebate on fees.

Total Expense Ratio (TER)
This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

Qualified Investor
Any person, who invests a minimum investment amount of R1 million per hedge fund, and who –
(a) has demonstrable knowledge and experience in financial and business matters which would enable the investor to assess the merits and risks of a hedge fund investment; or
(b) has appointed a FSP who has demonstrable knowledge and experience to advise the investor regarding the merits and risks of a hedge fund investment;

Qualified Investor Hedge Fund or QI Fund (QIF)
A hedge fund in which only qualified investors may invest.

Additional Information

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. 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. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, investment decisions of the investment manager and the TER. The Manager retains full legal responsibility for any third party-named portfolio. Where foreign securities are included in a portfolio there may be 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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that Hedge Funds are processed on a monthly basis. Your application form together with proof of payment must be submitted to Prescient before 14h00, 2 (two) business days before the preceding month end. Redemptions: Hedge Fund redemptions are processed at the end of each month and require a months' notice. In order to receive month end prices, your redemption must be submitted to Prescient before 14h00, 1 business day of the preceding month end, for processing at the end of the following month. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Prices are published monthly and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za. The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA. This portfolio operates as a white label fund under the Prescient QI Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act. This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.

Adherence to policy objective
The portfolio adhered to its policy objective.

Investment Manager
Saffron Wealth (Pty) Ltd
(FSP) License No. 34638
Physical Address: B6 Octo Place, Electron Road, Technopark, Stellenbosch, 7599
Postal Address: Suite 426, Private Bag X5061, Stellenbosch, 7599
Tel: +27 (21) 880 7080
Email: info@saffronwealth.com
Website: www.saffronwealth.com

SAFFRON WEALTH FUND MANAGEMENT

Manager Information
Prescient Management Company (RF) (Pty) Ltd
Registration number: 2002/022560/07
Physical Address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945
Postal Address: P.O. Box 31142, Tokai, 7966
Tel: 0800 111 899
Email: info@prescient.co.za
Website: www.prescient.co.za

Trustee Information
Nedbank Investor Services
Physical Address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709
Tel: +27 11 534 6557
Website: www.nedbank.co.za

Fund Manager Quarterly Comment - As at 31 March 2024

The fund returned -1.74% and 8.57% for the quarter and year respectively, while the benchmark (STeFI Index) returned 2.04% and 8.32%. On a rolling one-year basis, the fund exceeded the cash benchmark by 0.25%.

In the first quarter of 2024, central banks maintained steady rates amidst signs of improved economic growth, while hints of potential rate cuts stirred cautious anticipation in the markets. Bond yields and the US Dollar Index saw increases, while the decline of the South African rand reflected amplified challenges encountered by emerging markets. With major central banks indicating they are approaching the peak of rate cycles, persistent risks from unexpected inflation and geopolitical tensions contribute to ongoing market volatility.

The Federal Reserve left rates unchanged for the fifth consecutive meeting in March, in line with expectations, keeping the Federal funds target rate range at 5.25 – 5.50%. Although the FOMC statement was largely unchanged, markets focused on updated projections and cues about the timing of rate cuts from Chair Powell's press conference. Despite robust economic growth, the 'dot plot' still indicates potential interest rate cuts this year, despite upward revisions to GDP and inflation forecasts. Powell remained noncommittal on timing, emphasising the need for confidence in inflation progress. Discussion on Quantitative Tightening (QT) hinted at a slowdown, but no firm commitment was made. Over the quarter, the yields on US 5-year and 10-year generic bonds saw increases of 37 and 32 bps, respectively, while the US Dollar Index (DXY) displayed a noteworthy gain of +3.11%. Taking a broader annual perspective, the 5-year and 10-year yields increased by +64 bps and +73 bps respectively. Additionally, during this period, the DXY registered a gain of +1.93%.

The European Central Bank (ECB) rate decision in March saw rates unchanged for the fourth consecutive meeting, with the Deposit rate remaining at 4.00%. However, the focus shifted to future policy adjustments, with hints from President Lagarde suggesting a potential rate cut in June pending confirmation of softening wage data. Lagarde emphasised improving inflation confidence but underscored the need for further evidence. Lagarde's discussion on market expectations and rejection of waiting for Fed actions suggest independent ECB decision-making.

The Bank of England's Monetary Policy Committee (MPC) voted 8–1 to maintain the Bank Rate at 5.25%, with one member advocating for a 0.25% reduction. Despite the market's upward shift in implied policy rates for advanced economies, UK GDP and market sector output are anticipated to rebound in the first half of the year, supported by fiscal measures in the Spring Budget 2024. While CPI inflation fell to 3.4% in February, services inflation remains high at 6.1%, prompting expectations for a slight drop below the 2% target in Q2 2024. The MPC asserts its commitment to price stability, indicating a continued need for restrictive monetary policy to address inflationary pressures, with ongoing monitoring of economic data to guide future adjustments in Bank Rate.

The VIX Index, a measure of market volatility, closed at 13.01, marking an increase of 0.56. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread tightened by 51 bps, finishing the quarter at 294 bps, with the index delivering a positive return of +1.40%. The 5-year Credit Default Swap (CDS) for South Africa widened to 259 bps, showing a significant increase of 56 bps. In contrast, Brazil's CDS widened slightly (+5 bps) to 138 bps, and Turkey's to 310 bps (+27 bps increase). Turning to the energy sector, Brent crude oil concluded the quarter at USD 87.00 per barrel, marking a significant increase of +12.93%. Commodity price movements over the quarter, on which most emerging market economies are dependent, showed the CRB Food, CRB Commodities and CRB Metals Index returning +12.23%, +4.82 and -3.82%, with metals experiencing a divergent trend. Gold and copper posted positive returns of +5.40% and +3.58% respectively, while iron ore, platinum and palladium lost -28.63%, -8.13% and -7.61% respectively. Over the last 12 months, gold was the best performer at +13.23%, and palladium the worst performer at -30.55%.

The South African rand depreciated by -2.83% against the USD over the quarter, aligning with the prevailing trend in metals markets. Over the preceding one-year period, the USDZAR exchange rate depreciated by -6.10%, while the CRB Metals Index recorded a loss of -7.89%. The rand also weakened against the euro (-0.95%) and the pound (-2.30%) over the quarter. Within the South African asset class landscape, the top-performing asset class for the quarter was listed property (JSAPYTR Index) at +3.85%, followed by cash (STEFI Index) at +2.04%. Nominal bonds (ALBTR Index) returned -1.80%, inflation-linked bonds (CILITR Index) -0.33% and equity (JALSHTR Index) -2.25%. Over a 1-year period, property emerged as the standout asset class with a return of +20.47%.

The South African Reserve Bank (SARB) kept its repo rate at 8.25% in March, in line with expectations. In South Africa, inflation is above targets, especially in food prices due to bad weather. The unstable rand is influenced by global interest rates and local economic challenges. Despite some growth challenges in 2023, the SARB expects gradual improvement, particularly in the private sector. The 3-month JIBAR rate decreased slightly to 8.35% over the quarter, but rising by 39bps over the year, impacting the fund's increased running yield. The 12-month T-bill average yield was flat at 9.13%. The SAGB yield curve saw significant widening, with the short-end R186 and R2032 lifting by 61bps and 87bps, and the long-end R209 and R2040 lifting by 82bps and 77bps, respectively.

In March, the fund had an indirect exposure to two RedInc Rentals notes, through the underlying fund which elected to side pocket the exposure by way of a retention fund. This was on the back of significantly reduced liquidity and uncertainty surrounding the obligor's future repayment prospects. It should be noted that at the time of the creation of the retention fund, the instruments had not missed any coupon payments. The purpose of a side pocket is to provide protection for all investors where the quantum of a potential asset write-down is uncertain. The retention fund subsequently wrote down the assets by 31.73%, which had a c. -3% impact on the hedge fund return. The release of the borrower's audited annual financial statements, expected in late April / May 2024, will afford a better position to determine the recovery prospects of the instruments.

At the end of 1Q 2024, the fund was 3.31x geared, with an effective 23.68% allocation to cash. The largest asset class exposures were to Domestic Floating Rate Notes (27.94%) and Offshore Bonds (17.03%). The Value-at-Risk (VaR) risk measure (99% confidence, 10-day period) calculated by the independent risk managers stood at 2.50%. The asset-pool is expected to outperform the gearing cost going forward, given the significant difference in the gearing cost versus the gross running yield of the underlying assets (10.44% per annum).

The fund aims to enhance total return through value opportunities that, on a geared and risk-adjusted basis, achieve or exceed our hurdle return of STeFI.

Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
BCom (Hons), CFA