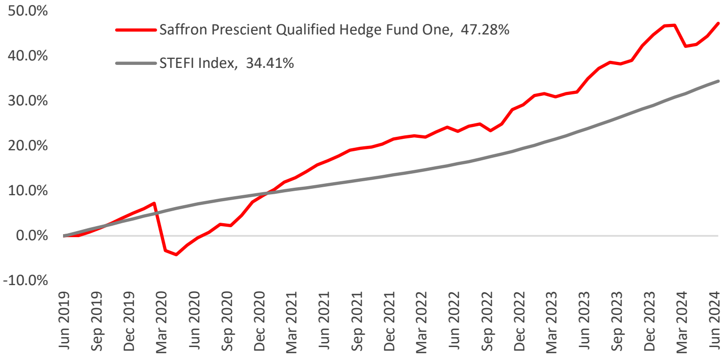
SAFFRON PRESCIENT QUALIFIED HEDGE FUND ONE

The fund was previously named Saffron Sanlam Collective Investments Qualified Hedge Fund One
Class A l Minimum Disclosure Document & General Investor Report
As at 30 June 2024

SAFFRON WEALTH FUND MANAGEMENT

Fund Performance

Since inception cumulative performance graph



Monthly %	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24
Fund	1.69	1.01	-0.28	0.58	2.34	1.67	1.37	0.13	-3.19	0.29	1.28	1.98
Benchmark	0.68	0.69	0.65	0.72	0.68	0.65	0.74	0.65	0.63	0.74	0.70	0.63

Yearly %	Jun'21	Jun'22	Jun'23	Jun'24
Fund	17.17	5.60	9.55	9.11
Benchmark	4.01	4.18	6.76	8.50

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	9.11	8.50	9.11	8.50
2 Years	19.53	15.84	9.33	7.63
3 Years	26.23	20.68	8.07	6.47
4 Years	47.90	25.51	10.28	5.85
5 Years	47.19	34.18	8.04	6.06
Since Inception	47.28	34.41	7.99	6.05

Performance net of fees.

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/06/2024

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

Risk Statistics

	3 Year Rolling	Since Inception
Standard Deviation	2.15%	3.35%
Sharpe Ratio	0.24	0.20
Sortino Ratio	0.34	0.22
Information Ratio	0.25	0.19

Value at Risk (10-day, 99% confidence)

	Current	Regulatory Maximum	Mandate
VaR at period end	2.48%	20.00%	20.00%
Highest VaR over the month	3.05%		

Sources of Leverage

Leverage Sources	Absa Prime Services
Leverage Type	Loan
Leverage Value (ZAR)	56,800,000.00
Gearing Ratio	2.09
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

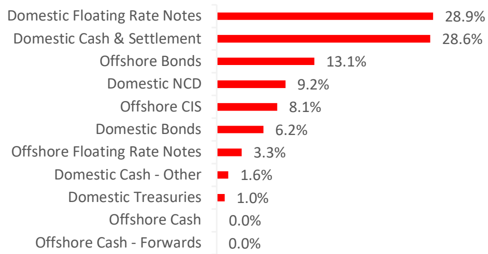
Fund Classification	Qualified Investor Hedge Fund | South African | Fixed Income
Base Currency	South African Rand (ZAR)
Inception Date	May 2019
JSE Code	SSHOA
ISIN	ZAE000273991
Benchmark	STeFI
Risk Profile	Aggressive
Liquidity Risk Profile	Monthly
Fund Valuation Time	17:00
Transaction Cut Off Time	14:00
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 29,844,799.47
Number of Units	910612.00
Unit Price	12.04
Asset Duration	1.03
Fund Duration	3.18

Distribution History (cents per unit)

31/03/2024	0.00 cpu	31/03/2023	8.54 cpu
31/08/2023	27.30 cpu	30/12/2022	8.96 cpu
30/06/2023	7.61 cpu	30/09/2022	0.00 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. Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor 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

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

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SAFFRON WEALTH FUND MANAGEMENT

Fund Manager Quarterly Comment - As at 30 June 2024

The fund returned 3.59% and 9.11% for the quarter and year respectively, while the benchmark (STeFI Index) returned 2.09% and 8.50%. On a rolling one-year basis, the fund exceeded the cash benchmark by 0.61%.

The Federal Reserve's FOMC kept policy rates steady at 5.25-5.50%, marking the seventh consecutive meeting without change. The statement noted modest progress towards the inflation target, a more positive outlook than previous months. The Summary of Economic Projections (SEP) showed slight upward revisions in 2024 and 2025 inflation forecasts, with core PCE inflation also up, while unemployment and GDP projections remained unchanged. The dot plot indicated a median expectation of one rate cut this year, down from three in March, with potential for two cuts depending on future data. Market reactions included higher yields and volatile stocks, with the S&P 500 closing at a record high. Powell stressed the need for more positive data before considering policy loosening. The Fed's trajectory remains unchanged, with the long-run neutral rate expected at 2.8%. Yields on US 5-year and 10-year bonds rose by 16 bps and 20 bps respectively over the quarter, and the US Dollar Index gained 1.38%. Looking over the year, the 5-year and 10-year yields increased by 22 bps and 56 bps respectively. Additionally, the DXY saw a gain of 2.87%.

In a widely anticipated move, the ECB Governing Council implemented a 25 bp rate cut, its first in five years, setting the Deposit rate at 3.75%, Main refinancing rate at 4.25%, and Marginal lending rate at 4.50%. The decision aimed to address inflation outlook and monetary policy transmission concerns. ECB President Christine Lagarde downplayed recent inflation and wage growth increases as anticipated, offering no clear guidance on future rate cuts. She emphasised data dependency and avoiding commitments on interest rate paths. Additionally, the ECB announced plans to reduce its PEPP bond holdings by EUR 7.5 billion monthly from July, with reinvestments ending by 2024. Market response was muted, with 10-year Bund yields stable at 2.55%.

The Bank of England's Monetary Policy Committee (MPC) voted to keep the Bank rate at 5.25%, with seven out of nine members in favour, while two members advocated for a 25 bp cut. This decision reflects a growing division within the committee, as some members hinted they might support lower rates soon, describing the current decision as "finely balanced". Despite strong services inflation and robust private sector pay growth, some members argued that these factors are temporary and unlikely to affect medium-term inflation. Concerns remain about the labour market, with the Bank noting issues with official statistics and alternative indicators suggesting a less severe fall in employment. The MPC's next meeting in August is seen as pivotal, with a potential rate cut on the horizon, provided inflation expectations continue to decline. The Bank aims to gradually ease policy while monitoring the economic impact, favouring a cautious approach to avoid reviving inflation.

The VIX Index, a measure of market volatility, closed at 12.44, marking a decrease of 0.57 points. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread rose sharply by 109 basis points, finishing the quarter at 403 bps. Despite this increase, the EMBI index delivered a positive return of +0.44%. South Africa's 5-year Credit Default Swap (CDS) tightened by 50 bps to 209 bps, while Brazil's widened by +32 bps to 170 bps. Turkey's spread tightened by 29 bps to 281 bps. In the energy sector, Brent crude oil ended the quarter at USD 85.00 per barrel, down by -2.30%. Commodity price movements over the quarter, crucial for many emerging market economies, showed mixed results. The CRB Food Index returned -1.86%, while the CRB Commodities Index posted a modest gain of +0.55%. The CRB Metals Index, on the other hand, saw a significant increase of +7.74%. Within metals, platinum, copper, gold, and iron ore performed well, with returns of +9.32%, +7.86%, +6.74%, and +5.40%, respectively. However, palladium experienced a decline of -3.88%. Over the past 12 months, gold emerged as the best performer among metals, with a strong return of +21.23%. In contrast, palladium showed the weakest performance, declining by -20.59%.

The South African rand appreciated by +3.64% against the USD during the quarter, a movement closely aligned with trends in metals markets. This correlation reflects the significant impact of commodity prices, particularly metals like platinum, copper, and gold, on South Africa's export-driven economy. Over the past year, the USDZAR exchange rate increased by +3.48%, mirroring movements in the CRB Metals Index, which gained +8.79% over the same period. In addition to its strength against the dollar, the rand also showed gains against the euro (+4.28%) and the pound (+3.43%) over the quarter. Among South African asset classes, equities (JALSHTR Index) performed best, rising +8.21% for the quarter, followed by nominal bonds (ALBTR Index) at +7.49%, and listed property (JSAPYTR Index) at +5.50%. Over the past year, property emerged as the top-performing asset class with a return of +26.25%.

The South African Reserve Bank (SARB) maintained the repo rate at 8.25% during its May meeting. Domestically, SARB forecasts indicate that inflation is expected to stabilise at 4.5% by Q2 2025, showing improvement from previous estimates. Forecasts for food and core inflation in 2024 were slightly revised downward, while expectations for fuel price inflation in 2025 suggest a faster path to reaching the inflation target midpoint, as noted by the SARB. Despite concerns over elevated inflation expectations from businesses and trade unions, the Monetary Policy Committee (MPC) views inflation risks as balanced, underscoring the importance of promptly anchoring expectations. Economic growth forecasts anticipate a 1.2% increase in GDP for 2024, bolstered by improved prospects in the second quarter due to reduced power cuts. Looking ahead, the SARB anticipates policy normalisation, with gradual rate easing towards neutrality by next year, contingent upon incoming data and risk assessments. The 3-month JIBAR rate remained stable at 8.35% over the quarter, while the 12-month T-bill average yield saw a slight increase to 9.03% (up from 8.68%). The market reacted positively to the outcome of the South African elections, with bonds rallying on the back of this stability. The SAGB yield curve exhibited significant tightening, with the short-end R186 and R2032 yields tightening by 52 bps and 75 bps respectively, and the long-end R209 and R2040 yields by 88 bps.

Looking ahead, while major central banks have indicated they are at the peak of their rate cycles, risks persist from potential inflation surprises, especially given the backdrop of volatile energy markets and numerous global geopolitical risks. In this environment, the South African Forward Rate Agreement (FRA) Curve currently anticipates approximately two 25 basis points cuts over the next two years, reflecting market expectations for potential easing measures by the SARB.

At the end of 2Q 2024, the fund was 3.21x geared, with an effective 28.58% allocation to cash. The largest asset class exposures were to Domestic Floating Rate Notes (28.94%) and Offshore Bonds (13.05%). The Value-at-Risk (VaR) risk measure (99% confidence, 10-day period) calculated by the independent risk managers stood at 2.48%. 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 (10.01% 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
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BCom, CFA

Assistant Manager
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