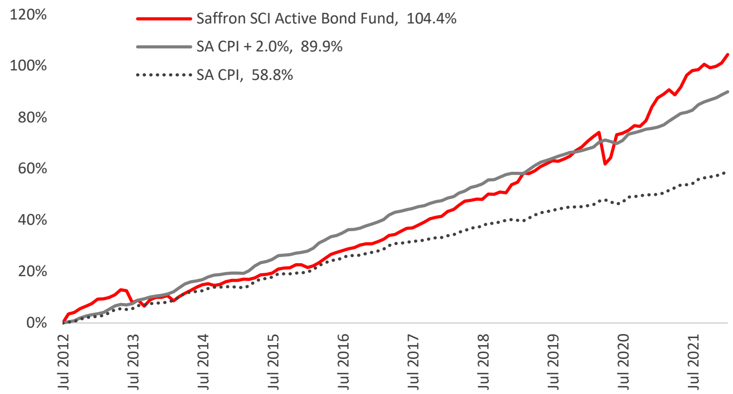
SAFFRON SCI* ACTIVE BOND FUND

Class A l Minimum Disclosure Document (MDD)
As at 31 December 2021

Fund Performance

Since launch cumulative performance graph

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



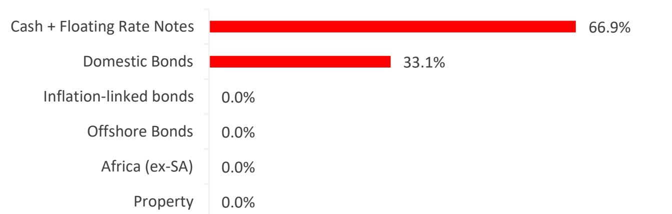
Monthly %	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21
Fund	0.79	0.90	-1.04	1.59	2.43	0.91	0.20	1.03	-0.70	0.34	0.60	1.66
Benchmark	0.50	0.83	0.83	0.82	0.25	0.41	1.23	0.57	0.41	0.41	0.64	0.63

Yearly (%)	Dec'12	Dec'13	Dec'14	Dec'15	Dec'16	Dec'17	Dec'18	Dec'19	Dec'20	Dec'21
Fund			5.36	4.25	8.25	8.99	7.96	10.24	9.90	9.01
Benchmark			7.31	7.23	8.76	6.70	6.49	6.03	5.06	7.79

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	9.02	7.80	3.53	5.80	9.02	7.80	3.53	5.80
3 Years	32.07	20.09	15.39	13.44	9.72	6.29	4.89	4.29
5 Years	55.42	36.45	31.44	24.10	9.22	6.41	5.62	4.41
Inception	104.46	89.94	68.09	58.76	7.82	6.99	5.62	4.99

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	6.03
Sharpe Ratio	0.68
Information Ratio	0.17
Maximum Drawdown	-7.05

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2021	
Highest Annual %	16.70 (Apr'21)
Lowest Annual %	-0.75 (Jan'14)

Risk Profile

Conservative

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 is a specialist fixed interest portfolio that predominantly invests in nominal and inflation linked government and corporate bonds, and aims to provide inflation beating returns.

Investment Policy

The portfolio may include interest bearing securities, money market instruments, preference shares, property shares and property related securities, non-equity securities and assets in liquid form. 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. For efficient portfolio management purposes, the Manager may invest in financial instruments (listed and unlisted) allowed by the Act in order to achieve its investment objective. In selecting securities for this portfolio, the Manager shall seek to secure a stable real capital growth in excess of the ruling inflation rate. The asset allocation will be actively managed and will continually reflect the portfolio manager's view of the relative attractiveness of the various asset classes and sectors. Exposure to property related securities will be capped to a maximum of 10% of the portfolio's net asset value. This portfolio will be managed in accordance with the regulations governing pension funds.

Fund Information

Ticker	MSIL
12 Month Yield (%)	3.67
Fund Manager	Brandon Quinn
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Conservative
Benchmark	CPI plus 2% p.a. over a 12 month rolling period
Regulation 28 Compliant	Yes
Fund Size	R30,763,452
Portfolio Launch Date	02 July 2012
Fee Class Launch Date	02 July 2012
Minimum Lump Sum Investment	R 10,000.00
Minimum Monthly Investment	R 500.00
Income Declaration Date	June & December
Income Pricing Date	1st business day of July & 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)

03/01/2022	4.62 cpu	01/07/2020:	3.13 cpu	02/01/2019:	3.96 cpu
01/07/2021	2.60 cpu	02/01/2020:	4.71 cpu	02/07/2018:	3.48 cpu
04/01/2021	2.47 cpu	01/07/2019:	3.66 cpu	02/01/2018:	0.36 cpu

Cost Ratios	(%)
TER	1.93
TC	0.06
TIC	1.99

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. The TER presented is for the period 1 October 2018 to 30 September 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 Active Bond 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

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. Income funds derive their income primarily from interest-bearing instruments. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Saffron Wealth (Pty) Ltd, (FSP) Licence No. 34638, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk-free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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SAFFRON WEALTH FUND MANAGEMENT

Administered by:
Sanlam

The fund returned 2.62% and 9.02% for the quarter and year respectively. In comparison, the benchmark (CPI plus 2% p.a. over a 12-month rolling period) returned 1.69% and 7.80% and the All Bond Index (ALBI) 2.87% and 8.40% for the quarter and year respectively. Over a rolling 1-year period, the fund beat the benchmark return by 1.22% and the ALBI return by 0.62%. Over the quarter, the fund decreased duration to 2.29 years from 2.71 years versus the ALBI's duration of 6.36 years. The gross running yield of the fund was at 7.37%, compared to an ALBI gross running yield of 9.51% with a much higher duration.

The rapid spread of the Omicron variant introduced further global lockdowns of varying stringencies but was moderated by expectations that the strain is less severe than the previous Delta variant. The timeline for a return to near-normal economic activity remains unclear, fuelling the fear of non-transitory inflation. In South Africa however, lockdown restrictions were eased, as the fourth wave of the infections appeared to have peaked in December without overwhelming the healthcare system.

Fed Chair Jerome Powell signalled at the most recent FOMC meeting that inflation is the number one concern for keeping US economic expansion on track. The Fed has accelerated the drawdown of its asset-purchase program and announced a doubling of the pace at which it is scaling back purchases of Treasuries and mortgage-backed securities to USD 30bn a month and putting it on track to conclude the program in early 2022, rather than mid-2022 as initially planned. The Fed has signalled three policy rate increases of 25 bps over the next year. At the time of this report, the US FRA curve indicated a market expectation of 5.3 x 25 bp hikes over the next two years. US GDP growth is forecast at 4.0% for 2022, up from the previous expectation of 3.8% while Personal Consumption Expenditure (PCE) is anticipated at 2.6%, up from 2.2%. Over the quarter the Dollar Index (DXY) strengthened by +1.74% (95.67), 3-month USD LIBOR traded 8 bps higher at 0.21% and 12-month USD LIBOR traded 35 bps higher at 0.58%. The US 5-year bond yield lifted 31 bps to 1.25%, while the US 10-year bond yield lifted by only 1 bp over the quarter to 1.49%, but increased 60 bps year-to-date.

The Bank of England (BOE) MPC voted by a majority of 8-1 to increase the Bank Rate by 0.15%, to 0.25%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at GBP 20bn, as well as the UK government bond purchases, financed by issuance of central bank reserves, at GBP 875bn - the total stock of asset purchases at GBP 895bn. Inflation reached 5.1% y/y in November, the sharpest increase in a decade and well above the Bank's 2.0% target, and expected to peak at 6.0% in April 2022.

The European Central Bank (ECB) remains restrained on their outlook for inflation, signalling that an exit from its current accommodative policy would be slow. The ECB announced it will cut bond purchases under its EUR 1.85 trillion Pandemic Emergency Purchase Programme (PEPP) next quarter and will slow the scheme next March. The bank will however increase bond purchases under the longer-running Asset Purchase Program (APP), doubling it to EUR40bn in 2Q22, reducing it to EUR30bn in 3Q22, and finally maintain purchases at EUR20bn for as long as necessary. The ECB expects inflation to remain above its 2.0% target for 2021 and 2022, returning to below the target over the following two years. As with US rates, European yields lifted over the quarter: the German 10-year generic yield traded higher at -0.18%, the French 10-year yield closed at 0.20% and the UK generic 10-year at 0.97%.

The Commodity Research Bureau (CRB) Commodity Index (+3.98%) and CRB Metals Index (+10.51%) performed strongly over the quarter. Copper (+6.63%), gold (+3.87%) and iron ore (+5.48%) delivered strong returns, while platinum (-0.86%) and palladium (-0.88%) were relatively flat. Brent crude oil lost 1.89% over the quarter, trading at USD77.78 per barrel at quarter end.

The VIX Index, a measure of market volatility, traded lower at 17.22 at the end of the quarter (-3.93). The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread lifted by 7.34 bps, ending the quarter at 386 bps. Emerging Market 5-year Credit Default Swaps were mixed, with South Africa at 203 (-9 bps), Brazil at 205 (flat) and Turkey at 564 (+130 bps) at quarter end. The rand continued to weaken against the dollar, depreciating 7.08% to 15.94. The local currency also weakened against the euro to 18.13 (-5.03%) and against the pound to 21.58 (-7.10%).

South African Equities (ALSI Total Return) were the top performing asset class for the quarter at +15.13%. Property returned +8.35%, while illiquid Inflation-linked bonds (CILI Total Return) returned +5.09%, followed by nominal bonds (ALBI Total Return) at +2.87% and cash (STeFI) at +0.98%. Over the past 12 months, Property has been the top performing asset class at +36.94% and cash the worst performer at +3.81%.

The SARB MPC raised the repo rate by 25 bps to 3.75%. The decision was in line with the implied policy rate path of the Quarterly Projection Model, which reflected a hike of 25 bps in the fourth quarter of 2021, followed by additional hikes of 25 bps in each quarter of 2022, 2023 and 2024. The FRA is indicating 10.3 x 25 bp hikes over the next two years. The inflation forecast was raised to 4.5% for 2021 (previously 4.4%), while the forecast was raised by 10 bps to 4.3% and 4.6% for 2022 and 2023 respectively. Risks to the short-term inflation outlook remain driven by higher global produce and food prices, elevated and volatile oil prices, and domestic electricity and other administrative prices. Key input assumptions were revised higher, with Brent crude oil raised to USD 73 per barrel for 2022 (up USD 6) and USD 68 per barrel for 2023 (up USD 3). The electricity tariff assumption was sharpy higher at 14.5% for 2022 and 12.3% for 2023, from 11.8% and 10.0% previously. The growth forecast for 2021 was reduced by 10 bps to 5.2%, however the 2022 and 2023 GDP growth estimates remained unchanged at 1.7% and 1.8% respectively. The MPC assessed the risks to the growth forecasts for 2022 and 2023 driven by a possible slowdown in commodity prices, longer-term damage caused by the July riots, ongoing electricity supply constraints, and weak job creation.

SA headline inflation rose to 5.5% y/y in November, in line with consensus, due to higher fuel inflation. Core inflation rose to 3.3% from 3.2%, narrowly based on higher tobacco inflation. Food inflation slowed for the third consecutive month, given lower meat and bread and cereals inflation. The Producer Price Index (PPI) inflation for final manufactured goods however surprised on the upside, accelerating to 9.6% y/y in November from 8.1% in October, also due to higher fuel inflation. This print is at the highest level on record and is expected to continue higher next month.

SA GDP contracted by -1.5% q/q in the third quarter from a revised 1.2% in the second quarter. The slowdown stemmed from factors including Covid-related restrictions on economic activity, social unrests, a cyberattack on Transnet, and power outages. Six of the ten sectors contracted over the period, including the trade, catering and accommodation, manufacturing, agriculture and transport, storage and communication industries. Finance and personal services helped limit the decline, while all other sectors remained flat.

The 3-month JIBAR rate moved 21 bps higher to 3.88%, while 12-month JIBAR rose by 51 bps to 5.43%. The 12-month Treasury average yield rose 75 bps to 5.84%. Foreigners were again large net sellers of bonds in December (-R8.0bn) and November (-R52.9bn), which brings the 12-month cumulative outflow to R198.8bn. Bond returns across the curve were positive for the quarter, with the 1-3 years bucket returning +1.37%, the 3-7 years bucket returning +1.06%, the 7-12 years bucket +2.32% and the 12+ years bucket 4.08%. Over 12 months bonds produced strong returns, the strongest performer being the 12+ years bucket, generating +12.56%. According to the SARB's Statement of Assets and Liabilities, the accumulated government bond holdings at the end of November were R40.5bn, a R32.4bn cumulative increase since secondary market bond-buying was announced in March 2020.

On a rolling one-year basis, the fund aims to exceed a benchmark of CPI +2.0% and the target total return of the South African All Bond Index.

Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
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SAFFRON WEALTH
FUND MANAGEMENT

Administered by:
Sanlam