

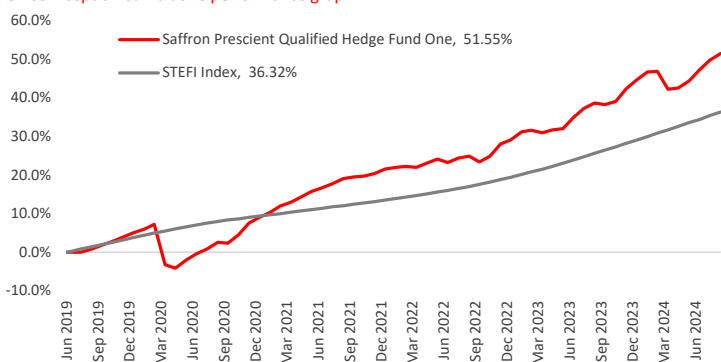
# SAFFRON PRESCIENT QUALIFIED HEDGE FUND ONE

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



## Fund Performance

### Since inception cumulative performance graph



| Monthly % | Sep'23 | Oct'23 | Nov'23 | Dec'23 | Jan'24 | Feb'24 | Mar'24 | Apr'24 | May'24 | Jun'24 | Jul'24 | Aug'24 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fund      | -0.28  | 0.58   | 2.34   | 1.67   | 1.37   | 0.13   | -3.19  | 0.29   | 1.28   | 1.98   | 1.69   | 1.19   |
| Benchmark | 0.65   | 0.72   | 0.68   | 0.65   | 0.74   | 0.65   | 0.63   | 0.74   | 0.70   | 0.63   | 0.74   | 0.67   |

| Yearly %  | Aug'20 | Aug'21 | Aug'22 | Aug'23 | Aug'24 |
|-----------|--------|--------|--------|--------|--------|
| Fund      | 1.68   | 16.10  | 4.87   | 11.04  | 9.30   |
| Benchmark | 6.46   | 3.83   | 4.43   | 7.29   | 8.53   |

|                 | Cumulative Return (%) |           | Annualised Return (%) |           |
|-----------------|-----------------------|-----------|-----------------------|-----------|
|                 | Fund                  | Benchmark | Fund                  | Benchmark |
| 1 Year          | 9.30                  | 8.53      | 9.30                  | 8.53      |
| 2 Years         | 21.37                 | 16.45     | 10.17                 | 7.91      |
| 3 Years         | 27.28                 | 21.61     | 8.37                  | 6.74      |
| 4 Years         | 47.77                 | 26.27     | 10.25                 | 6.01      |
| 5 Years         | 50.26                 | 34.43     | 8.48                  | 6.10      |
| Since Inception | 51.55                 | 36.32     | 8.31                  | 6.13      |

Performance net of fees.

### Highest and Lowest Annual Returns

Time Period: Since Inception to 31/08/2024

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

### Risk Statistics

|                    | 3 Year Rolling | Since Inception |
|--------------------|----------------|-----------------|
| Standard Deviation | 2.18%          | 3.31%           |
| Sharpe Ratio       | 0.24           | 0.22            |
| Sortino Ratio      | 0.34           | 0.25            |
| Information Ratio  | 0.25           | 0.22            |

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

|                            | Current | Maximum | Mandate |
|----------------------------|---------|---------|---------|
| VaR at period end          | 2.41%   | 20.00%  | 20.00%  |
| Highest VaR over the month | 2.79%   |         |         |

### Sources of Leverage

|                             |                     |
|-----------------------------|---------------------|
| Leverage Sources            | Absa Prime Services |
| Leverage Type               | Loan                |
| Leverage Value (ZAR)        | 56,800,000.00       |
| Gearing Ratio               | 3.26                |
| 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.

- 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.
- VAR represents the statistical loss that the Fund can experience given its current holdings over a one Month period with a 1% probability.
- 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.
- 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.
- 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 portfolio 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

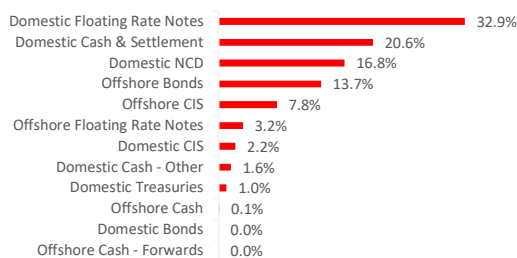
|                           |                                                              |
|---------------------------|--------------------------------------------------------------|
| Fund Classification       | Qualified Investor Hedge Fund   South African   Fixed Income |
| Base Currency             | 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 29,271,083.89                                            |
| Number of Units           | 910499.09                                                    |
| Unit Price                | 12.52                                                        |
| Asset Duration            | 0.57                                                         |
| Fund Duration             | 2.43                                                         |

## 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 Ratio (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.

### 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

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Website: www.saffronwealth.com



MDD as at 31 August 2024

Issue Date: 09 September 2024

## 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](http://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.

### 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](http://www.nedbank.co.za)

Administered by:

**Prescient**  
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