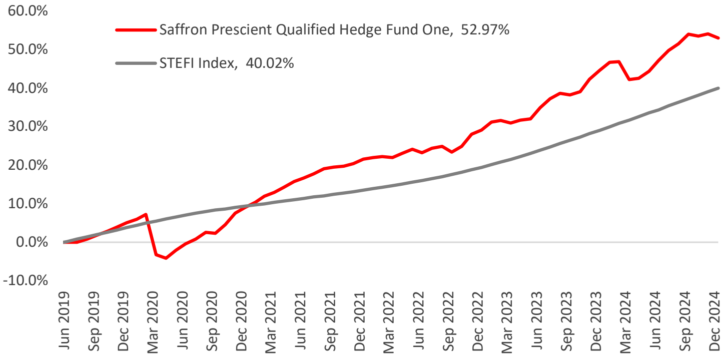
SAFFRON PRESCIENT QUALIFIED HEDGE FUND ONE

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 December 2024

Fund Performance

Since inception cumulative performance graph



Monthly %	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24	Nov'24	Dec'24
Fund	1.37	0.13	-3.19	0.29	1.28	1.98	1.69	1.19	1.65	-0.35	0.35	-0.70
Benchmark	0.74	0.65	0.63	0.74	0.70	0.63	0.74	0.67	0.69	0.68	0.63	0.69

Yearly %	Dec'20	Dec'21	Dec'22	Dec'23	Dec'24
Fund	3.77	11.50	6.20	12.07	5.72
Benchmark	5.39	3.81	5.19	8.03	8.51

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	5.72	8.51	5.72	8.51
2 Years	18.48	17.22	8.85	8.27
3 Years	25.82	23.31	7.96	7.23
4 Years	40.29	28.01	8.83	6.37
5 Years	45.58	34.91	7.80	6.17
Since Inception	52.97	40.02	7.97	6.26

Performance net of fees. Source: Prescient Fund Services; Date: 31/12/2024

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2024

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

Risk Statistics

	3 Year Rolling	Since Inception
Standard Deviation	2.27%	3.25%
Sharpe Ratio	0.11	0.18
Sortino Ratio	0.15	0.21
Information Ratio	0.11	0.18

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

	Current	Regulatory Maximum	Mandate
VaR at period end	2.98%	20.00%	20.00%
Highest VaR over the month	2.98%		

Source: RiskCafé; Date: 31/12/2024

Sources of Leverage

Leverage Sources	Absa Prime Services
Leverage Type	Loan
Leverage Value (ZAR)	54,300,000.00
Gearing Ratio	3.15
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

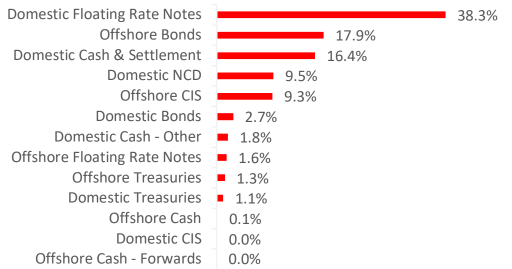
Fund Classification	Qualified Investor Hedge Fund | South African | Fixed Income
Base Currency	South African Rand (ZAR)
Inception Date	May 2019
JSE Code	SSHOA
ISIN	ZAE000273991
Benchmark	STeFI
Risk Profile	Aggressive
Liquidity Risk Profile	Monthly
Fund Valuation Time	17:00
Transaction Cut Off Time	14:00
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 30,059,762.95
Number of Units	907413.75
Unit Price	12.60
Asset Duration	0.90
Fund Duration	3.74

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.

MDD as at 31 December 2024
Issue Date: 21 January 2025

Administered by: Prescient

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.

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

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 indirectly to the use of or reliance upon the information.

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SAFFRON WEALTH FUND MANAGEMENT

MDD as at 31 December 2024
Issue Date: 21 January 2025

Administered by: Prescient

Fund Manager Quarterly Comment - As at 31 December 2024

The fund returned -0.70% and 5.72% for the quarter and year respectively, while the benchmark (STeFI Index) returned 2.00% and 8.51%. On a rolling one-year basis, the fund lagged the cash benchmark by -2.79%.

The Federal Reserve's decision to cut rates by 25bps to the 4.25-4.50% in December range was largely expected, but the market reacted strongly, with Treasury yields rising and the S&P 500 falling by 3%. This response stemmed from the Fed's shift towards a more cautious approach to monetary policy. Chair Powell emphasised that the Fed is entering a new phase of more careful decision-making, driven by ongoing inflation risks and economic resilience. The updated economic projections showed stronger-than-expected GDP growth and lower unemployment, but inflation remained a concern, with the PCE inflation forecast revised higher. As a result, the Fed now anticipates only two rate cuts in 2025, down from the four cuts previously expected. This cautious stance, however, is influenced by uncertainty around future policies, especially those from President-elect Trump, whose potential policy moves add an extra layer of unpredictability to the Fed's outlook. Over the quarter, yields on US 5-year and 10-year bonds lifted by 84 bps and 80 bps, respectively, while the DXY (US Dollar Index) gained 7.72%. Looking over the year, 5-year and 10-year yields lifted by 53 bps and 69 bps, respectively, with the DXY up by 7.06%.

Similarly, the European Central Bank (ECB) cut its policy rates by 25bps at their last meeting, bringing the Deposit rate to 3.00%, the Main refinancing rate to 3.15%, and the Marginal lending rate to 3.40%, in line with expectations. While a 50bps cut had been considered, all members ultimately favoured the smaller reduction. The tone of the accompanying statement shifted to a more dovish stance, dropping the previous emphasis on keeping rates restrictive and instead highlighting two-sided risks to inflation. Despite a stronger-than-expected GDP growth forecast for 2024, the ECB downgraded its growth projections for 2025 and 2026, adding a cautious tone to the outlook. President Lagarde noted that inflation risks remain, especially domestically, and that inflation control is not yet guaranteed. She also suggested that the ECB's direction is clear, with further rate cuts likely, though the pace and extent of those cuts remain uncertain. The ECB's forecasts are based on assumptions about global tariffs, but uncertainty around US policies, particularly with the potential for tariffs under President Trump, could alter the outlook. For now, the ECB's future rate cuts are expected to be gradual, with a projected Deposit rate of 1.50% by the end of 2025, although the outlook is subject to change as trade and geopolitical uncertainties persist.

In the UK, the Bank of England's Monetary Policy Committee (MPC) kept the Bank rate on hold at 4.75% during its final meeting of 2024, as expected. However, three members disagreed, voting for a 25bps rate cut, which slightly boosted expectations for future cuts and caused a small dip in the pound. The MPC faces significant uncertainty, particularly regarding the impact of National Insurance hikes and potential US tariff increases on inflation, both of which remain unclear. Recent data presented a mixed picture: while inflation showed signs of persistence, particularly in wages and household expectations, economic growth indicators suggested a loss of momentum, which could reduce inflationary pressures in the longer term. Market expectations now include two to three rate cuts next year, with the first likely in May, though the pace and extent of cuts will depend on how the economic and trade uncertainty unfolds.

The VIX Index, a key gauge of market volatility, closed at 17.35, reflecting an increase of 0.62 points. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread tightened by approximately 30 basis points, ending the quarter at 364 bps, while the index posted a negative return of -2.12%, driven by higher US interest rates. In credit spreads, South Africa's 5-year Credit Default Swap (CDS) spread widened by 15 bps to 193 bps, and Brazil's widened by 64 bps to 216 bps. Conversely, Turkey's spread tightened by 7 bps to 263 bps.

In the energy sector, Brent crude oil ended the quarter at USD 72.64 per barrel, marking a 3.94% increase. Commodity prices, important for many emerging-market economies, showed mixed results. The CRB Food Index rose by 3.07%, while the CRB Commodities Index fell slightly by -0.70%. The CRB Metals Index posted a more significant loss of -5.79%. Within metals, prices for gold, palladium, platinum, iron ore, and copper were generally weaker, with returns of -0.56%, -9.50%, -8.15%, -7.41%, and -10.72%, respectively. Over the past 12 months, gold was the best-performing metal, delivering a solid return of 27.22%, while iron ore saw the greatest decline, falling by -27.81%.

The South African rand depreciated by -9.11% against the US dollar, -1.48% against the euro, and -1.98% against the pound during the quarter, a decline that mirrored trends in the metals markets. This correlation highlights the significant role that commodity prices, particularly platinum and copper, play in South Africa's export-driven economy. Over the past year, the USD/ZAR exchange rate fell by -2.60%, while the CRB Metals Index posted a near-flat return of -0.38%. In terms of asset class performance, cash (SteFI) was the best performer, returning +2.01%, followed by inflation-linked bonds (CILI TR Index) at +0.83%, and nominal bonds (ALBI TR Index) at +0.43%. Equities (JALSHTR Index) and listed property (JSAPYTR Index) posted negative returns of -2.14% and -0.83%, respectively. Over the past year, property emerged as the top-performing asset class, delivering an impressive return of +28.96%.

In a significant move, S&P Global Ratings has revised South Africa's credit ratings outlook from stable to positive. While the country remains below investment grade, the improved outlook reflects optimism about South Africa's reform program, increased political stability, and potential GDP growth.

The South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) decided to cut the repo rate by 25bps to 7.75%, aligning with expectations, but adopting a cautious stance on future easing. While acknowledging positive factors like lower inflation, a more stable exchange rate, and falling oil prices, the MPC highlighted medium-term risks, such as administered price hikes and potential wage increases, which could push inflation higher. Inflation forecasts for 2024 were revised down to 4.5%, but projections for 2025 and 2026 were raised due to expected increases in food and electricity prices. Despite a stable inflation outlook in the near term, the MPC expressed concerns about global and domestic inflation risks, including a weaker rand and rising global interest rates. The SARB's growth outlook is more optimistic, with a projected 2% growth by 2027, supported by domestic reforms and improved disposable income. However, the MPC's cautious approach risks missing an opportunity to stimulate demand and accelerate structural reforms. The Quarterly Projection Model now indicates only two repo rate cuts in 2025, down from three previously. The 3-month JIBAR rate tightened to 7.75% (down 30 bps), while the 12-month T-bill average yield increased to 8.42% (from 8.30%). The South African bond market was muted after its rally earlier in the year on the back of the positive outcome of the national elections. The SAGB yield curve lifted, with the short-end R186 and R2032 yields lifting by 33 bps and 26 bps, respectively, and the long-end R209 and R2044 yields tightening by 37 bps and 40 bps, respectively.

At the end of 4Q 2024, the fund was 3.15x geared, with an effective 16.42% allocation to cash. The largest asset class exposures were to Domestic Floating Rate Notes (38.27%) and Offshore Bonds (17.86%). The Value-at-Risk (VaR) risk measure (99% confidence, 10-day period) calculated by the independent risk managers stood at 2.98%.

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.

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