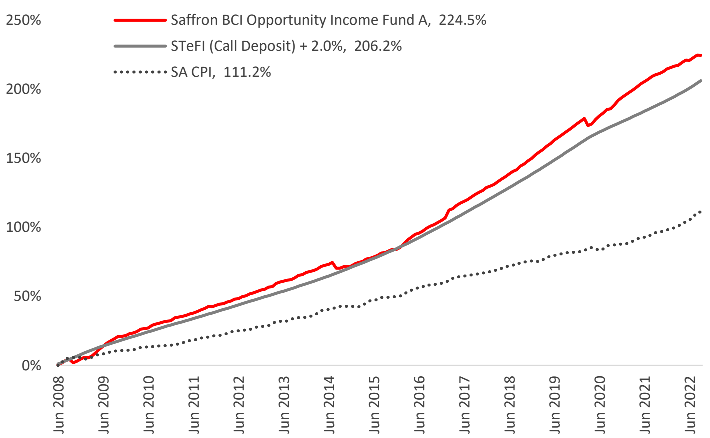
SAFFRON BCI OPPORTUNITY INCOME FUND

CLASS A

Minimum Disclosure Document (MDD)
30 September 2022

Fund Performance

Since launch cumulative performance graph



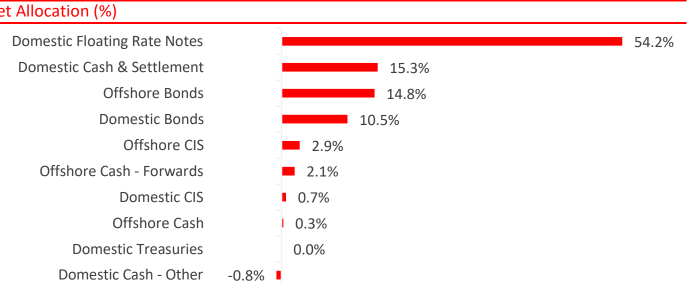
Monthly %	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22
Fund	0.29	0.44	0.60	0.37	0.30	0.20	0.62	0.55	-0.07	0.62	0.58	-0.06
Benchmark	0.46	0.45	0.48	0.49	0.45	0.50	0.50	0.52	0.54	0.56	0.61	0.60

Yearly %	Sep'11	Sep'12	Sep'13	Sep'14	Sep'15	Sep'16	Sep'17	Sep'18	Sep'19	Sep'20	Sep'21	Sep'22
Fund	8.11	7.42	7.74	4.23	6.63	10.48	11.42	9.18	10.07	6.34	8.59	4.53
Benchmark	7.49	7.35	6.88	7.31	7.82	8.73	9.08	8.75	8.78	7.40	5.57	6.34

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	4.53	6.33	4.25	7.61	4.53	6.33	4.25	7.61
3 Years	20.71	20.55	13.60	16.36	6.47	6.43	4.34	5.18
5 Years	45.05	42.61	29.17	27.40	7.72	7.36	5.25	4.96
10 Years	113.79	109.15	71.59	67.72	7.89	7.66	5.55	5.31
Inception	224.51	206.35	130.64	114.57	8.56	8.12	6.00	5.47

Fund Holdings

Asset Allocation (%)



Risk Statistics (3 Year Rolling)

Standard Deviation	1.71
Sharpe Ratio	-0.07
Information Ratio	-0.14
Maximum Drawdown	-1.85

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/09/2022

Highest Annual %	18.73%
Lowest Annual %	2.84%

Risk Profile

Low-Moderate Risk

Where the asset allocation contained in this MDD reflects offshore and equity exposure, the portfolio is exposed to currency and equity risks. The portfolio is exposed to default and interest rate risks. Therefore, it is suitable for medium term investment horizons. The expected potential long-term investment returns are lower but less volatile over the medium to long term than higher risk portfolios.

Effective 25/03/2022: Manager change from SCI. Removel of Regulation 28. Annualised return is the weighted compound growth rate over the period measured.

Fund Objective

The Saffron BCI Opportunity Income Fund is a specialist income portfolio that seeks investment opportunities that meet the objective of delivering an enhanced level of income and stability on capital invested.

Investment Policy

In order to achieve this objective, the investments normally to be included in the portfolio will comprise a combination of assets in liquid form, bonds, inflation linked bonds, loan stock, notes, debentures, debenture bonds, convertible bonds, preference shares, listed property securities and property related securities, money market instruments, corporate debt, convertible equities, other interest-bearing securities and non-equity securities. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes. The portfolio may from time to time invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Fund Information

Fund Manager	Brandon Quinn
Launch Date	02 June 2008
Fund Size	ZAR 1409.29 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	125.65 cents
JSE Code	MIPP
ISIN Number	ZAE000120044
ASISA Fund Classification	South African - Multi Asset - Income
Benchmark	STeFI Call Deposit index plus 2% p.a.
Minimum Investment Amount	None
Monthly Fixed Admin Fee*	R15 excl. VAT on all direct investor accounts with balances of less than R100,000
Valuation	Daily
Portfolio Valuation Time	15:00
Transaction Cut Off Time	14:00
Regulation 28 Compliant	No

Distribution History (cents per unit)

03/10/2022	2.09	03/01/2022	1.53	04/01/2021	1.33
01/07/2022	1.81	01/10/2021	1.54	01/10/2020	1.48
01/04/2022	0.05	01/07/2021	1.49	01/07/2020	1.83
25/03/2022	1.37	01/04/2021	1.44	01/04/2020	2.25

Income Declaration Date	31 March, 30 June, 30 September & 31 December
Income Payment Date	2nd business day of April, July, October & January

Cost Ratios (%)

TER**: 1.17% (PY: 1.17%)	TC: 0.00% (PY: 0.00%)	TIC: 1.17% (PY: 1.17%)
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

Fees (Incl. VAT) (%)

Annual Service Fee	1.15
Initial Advisory Fee (Max)	3.45
Annual Advice Fee	0.00 - 1.15 (if applicable)
Initial Fee	0.00
Performance Fee	None

Information & Disclosures

Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.bcis.co.za.

Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.

Actual annual performance figures are available to existing investors on request.

Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

* Monthly Fixed Admin Fee
R15 excl. VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

** Total Expense Ratio (TER)
Please note: A higher TER ratio 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. 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, the investment decisions of the investment manager and the TER. The prior year ("PY") TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 30 June 2022, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 June 2022.

Risks
Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Effective Annual Cost
Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za. BCI calculates the EAC as per the ASISA standard for a period of 3 years up till the most recent TER reporting period.

FAIS Conflict of Interest Disclosure
Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances, portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily.

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Fund Manager Quarterly Comment - As at 30 September 2022

The fund (Class A) returned 1.14% and 4.55% for the quarter and year respectively, while the benchmark (STeFI Call Deposit +2.0%) returned 1.72% and 6.33%. On a rolling one-year period, the fund return lagged the enhanced cash benchmark in a volatile market where the average for the ASISA category was 4.42%.

Persistently high inflation in major economies dominated the last quarter, requiring central banks to front-load aggressive rate hikes. The US Federal Reserve (Fed) and the European Central Bank (ECB) each decided to raise rates by 75bp at the September meetings. The South African Reserve Bank (SARB) also hiked by 75bp before the Medium-Term Budget Policy Statement in October and ANC National Conference in December.

The Fed announced, in line with market expectations, another 75bp hike at the September meeting, taking the Federal funds target range to 3.00 – 3.25%. The FOMC now believes that even more aggressive tightening is required to retrace inflation back c. 2.00%. The Fed-funds rate currently implies another 125bp of rate hikes at this year's remaining two policy meetings, expected to close the year at 4.40%. A further hike is expected in 2023, with the rate peaking at 4.60%. No cuts are expected until 2024. The Fed projected GDP growth of 1.2% in 2023, versus 1.7% previously. The 10-year generic US yield jumped to 75bp to 3.74% at quarter-end, bringing the total increase YTD to 232bp.

The three key ECB interest rates were hiked by 75bp. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will be increased to 1.25%, 1.50% and 0.75% respectively. The Bank of England increased the Bank rate by 50bp to 2.25% at the September meeting, in line with expectations. European long-term yields also rose, with the German 10-year generic trading at 2.11% and the French 10-year at 2.72%. The UK 10-year yield traded at 4.08% after the Bank of England intervened to stabilise the gilt market after the new government proposed a mini-budget that destabilised the market.

The price of Brent crude (USD) dropped significantly (-21.2%) over the quarter to c. USD88 per barrel. The Commodity Research Bureau (CRB) Commodity Index (-5.1%) and CRB Metals Index (-11.4%) continued to lose some of the gains achieved in the first quarter on the back of global growth concerns. Copper (-4.4%), platinum (-9.4%), palladium (-3.2%) and gold (-8.3%) also lost over the quarter. The softening in metals prices negatively impacted the fiscal view on South Africa, weakening the ZAR by -10.2%. The rand also depreciated against the EUR (-3.8%) and the GBP (-2.0%) over the period.

The VIX Index, a measure of market volatility, traded higher at 31.62 at the end of the quarter (+4.9). The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread only widened by 9bp, ending the quarter at 467bp, while the index was down -5.0%. Emerging Market 5-year Credit Default Swaps continued to widen, with South Africa at 345 (+33bp) and Brazil at 313 (+16bp). Turkey recovered to 782bp (-48bp) at quarter end off historic highs of 2021.

In the South African asset class universe, Cash (STeFI) was the top performing asset class at +1.35%, followed by Bonds (ALBI) at +0.60%. Property (JSAPY), Equities (ALSI Total Return) and Inflation-linked bonds (CILI) all had negative returns at -3.54%, -2.43% and -1.00% respectively. Over the past 12 months, Inflation-linked bonds were the top performing asset class at +7.44%, followed by Cash at +4.59%. Property was the worst performer at -8.75%.

The SARB announced a 75bps increase in the repo rate in September, taking the policy rate to 6.25% and front-loading the projected hikes from the QPM, which forecast a repo of 5.60% by year-end and 6.36% by the end of 2023. Two members voted for a 100bp increase and three members for a 75bp increase. The SARB adjusted its CPI forecast lower over the forecast period, with CPI in 2022 expected at 6.5% (unchanged), 2023 at 5.3% (previously 5.7%) and 2024 at 4.6% (from 4.7% previously). Wage growth, food, fuel, electricity and core inflation estimates were all revised lower, but the risk to the inflation outlook is still to the upside. Growth forecasts were adjusted lower to 1.9% in 2022 (from 2.0% previously) and 1.4% in 2023 and 1.7% in 2024, both revised higher because of stronger household demand and investment growth.

At the time of writing, the 3x6s FRA priced in another 75bp increase with the rate topping out at 8.37% (12x15s FRA). The 3-month JIBAR rate moved 142bp higher to 6.47%, while 12-month JIBAR rose by 112bp to 8.59% over the quarter, the effects of which will be seen in an increased running yield of the fund. The 12-m T-bill average yield rose by 150bps to 8.54% at the end of September. In the SA Bond market, foreigners were net sellers yet again, with a R21.9bn, R8.9bn and R27.2bn net outflow in September, August and July respectively. This brings the cumulative outflow for the last 12 months to R291.1bn (Bloomberg). The SAGB yield curve shifted higher by the end of September, with the shorter R186 lifting by 57bp and the long-dated R2048 by 25bp over the quarter. The 1- to 3-years bucket returned +0.65%, the 3- to 7-years bucket returned -0.36%, the 7- to 12-years bucket returned -0.82% and the 12+ years bucket -0.55%. The top performing area of the curve for the year was the 1- to 3-years bucket at +3.36%. The SARB's monetary policy implementation framework (MPIF) switch from a cash shortage to 'tiered floor' system based on excess supply of bank reserve was completed. The provision of liquidity via the amount on offer at the weekly auction remains at R7bn. The banks' total quota allocation with the SARB is settled at R67.4bn, and deposits within the quota were R48.4bn at quarter-end. According to the SARB's statement of assets and liabilities, the accumulated government bond holdings at the end of August were at R38.4bn, a cumulative R30.2bn increase since secondary market bond-buying was announced in March 2020 (R32.1bn at previous quarter-end).

Of domestic concern is the research report commissioned by Business Leadership SA that found that there is an 85% chance that South Africa will be placed on a global greylist by February 2023. The immediate impact will be an increase in the risk category for all South African clients (individuals and entities) at many international financial institutions, particularly those in the EU and UK. Aside from the additional administrative burden in transacting with offshore entities, the impact is likely to manifest in higher risk premia payable by South African entities and is expected to detract from growth in the range of 1% - 3% of GDP, depending on the time taken by SA to meet the global FATF (Financial Action Task Force) requirements.

The fund duration was higher at quarter-end at 0.89 years from 0.84 years the previous quarter as the fund added duration into market weakness. The fund continues to offer an attractive gross running yield of 9.24% per annum and is strategically positioned in the short-end for rising policy rates and higher inflation and tactically positioned in longer duration bonds to capture higher yields offered by market weakness. High cash balances will allow the fund to benefit from value opportunities that are likely to present in this late stage of the global business cycle to achieve our objective of Cash (STeFI Call Deposit) +2.0%.

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