

SAFFRON BCI GLOBAL ENHANCED INCOME FEEDER FUND

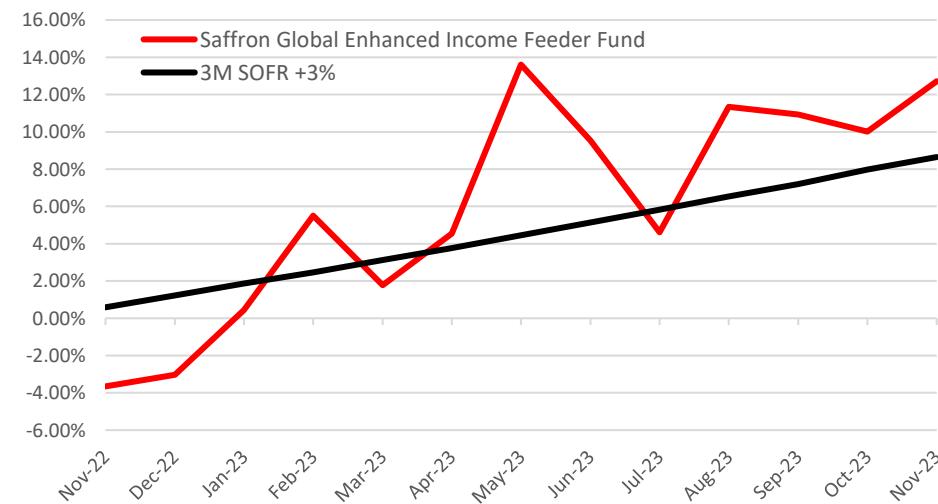
CLASS A

Minimum Disclosure Document (MDD)
31 December 2023



Fund Performance

Since launch cumulative performance graph



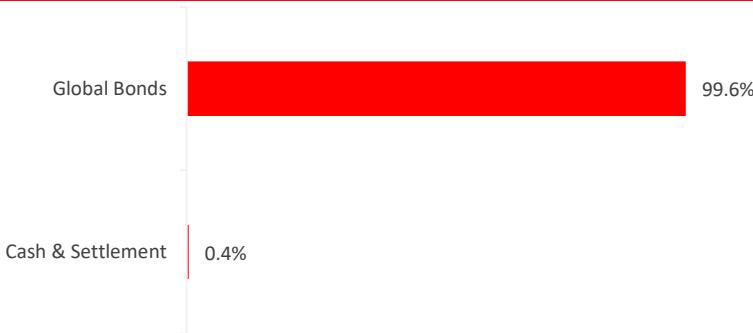
Monthly %	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23
Fund	3.47	5.05	-3.73	2.76	9.07	-4.07	-4.94	6.75	-0.42	-0.91	2.70	-2.12
Benchmark	0.65	0.59	0.67	0.65	0.68	0.67	0.70	0.70	0.68	0.77	0.68	0.70

Yearly %	Dec'23
Fund	13.26
Benchmark	8.44

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	13.26	8.44		
3 Years				
5 Years				
10 Years				
Inception	9.80	10.39	8.43	8.93

Fund Holdings

Asset Allocation (%)



Risk Statistics (1 Year Rolling)

Standard Deviation	4.52%
Sharpe Ratio	0.05
Information Ratio	0.26

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2023

Highest Annual %	15.71%
Lowest Annual %	16.00%

Risk Profile

Low-Moderate Risk

The risk indicator is determined using historical data or, where historical data is not available, using simulated historical data. Historical data, such as is used in calculating the synthetic indicator, may not be a reliable indication of the future risk profile of the Fund. The risk category shown is not a target or a guarantee and may change over time. A category 1 fund is not risk free, the risk of loss is small but the chance of making gains may also be limited. With a category 7 fund, the risk of losing money is high but so also is the possibility of making gains. The risk indicator for the Fund is set at 3 as this reflects the market risk arising from proposed investments.

Annualised return is the weighted average compound growth rate over the period measured.

Fund Objective

The Fund's investment objective is to generate a high level of income and capital appreciation over the medium to long term.

Investment Policy

The portfolio will apart from assets in liquid form, invest solely in the participatory interests of the Saffron BCI Global Enhanced Income Fund, established under the Prescient Global Funds ICAV domiciled in Ireland. The underlying portfolio invests primarily in debt and debt-related securities issued by governments and corporations listed on global recognised exchanges. To the extent that the assets in the portfolio are exposed to exchange rate risk, the manager may enter into financial transactions for the exclusive purpose of hedging such exchange rate risk subject to the conditions and limits as stipulated by the Act.

Fund Information

Fund Manager	Brandon Quinn, CFA
Assistant Fund Manager	Anina Swiegers, CFA
Launch Date	Friday, 4 November 2022
Fund Size	R 150.99 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	109.11 cents
JSE Code	SAFFA
ISIN Number	ZAE000314324
ASISA Fund Classification	Global - Multi Asset - Income
Benchmark	CME Term 3-Month SOFR +3%
Minimum Investment Amount	None
Fee Class	A
Valuation	Daily
Portfolio Valuation Time	08:00 (T+1)
Transaction Cut Off Time	14:00
Regulation 28 Compliant	No

Distribution History (cents per unit)

Income Declaration Date	30 June / 31 December
Income Payment Date	2nd working day of July / January

Cost Ratios

TER:	0.80	TC:	-	TIC:	0.80
The % of the value of the Fund was incurred as expenses relating to the administration of the Fund.		The % of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.		The % of the value of the Fund was incurred as costs relating to the investment of the Fund.	

Fees (Incl. VAT)

(%)
Annual Service Fee
Initial Advisory Fee (Max)
Annual Advice Fee
Initial Fee
Performance Fee
Monthly Fixed Admin Fee

0.17

3.45

0.00

None

R15 (Excl. VAT)

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 2023, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2023.

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. A feeder fund, that a feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

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Fund Manager Quarterly Comment - As at 31 December 2023

The Saffron Global Enhanced Income Fund delivered a strong performance in Q4, achieving a return of 2.49%, surpassing its benchmark, the Secured Overnight Financing Rate (SOFR) +3% return of 2.14%. The fund ended the quarter with a gross running yield of 5.98%, benefiting from an increased allocation to Additional Tier 1 (AT1) instruments and short-dated US Treasuries.

In the US bond market, Treasury yields varied significantly. The 2-Year yield decreased from a quarter open of 5.12% to 4.26% by quarter end, while the 10-Year yield rallied from an initial 4.70% to 3.88% in reaction to the release of Federal Reserve's policy stance on interest rates. The Fed held the funds rate steady at 5.25%-5.5%, with projections indicating a potential decrease to 4.6% by the end of 2024, suggesting a shift from the previous rate hiking position. Notably, the 10v2 yield curve inversion saw significant changes over the quarter, starting at -18 basis points and reaching -53 basis points in mid-December before ending the quarter at -35 basis points.

Inflation, as measured by Core Personal Consumption Expenditures (PCE), continued its downward trend, falling to 2.64% in November from 3.37% in September, supporting the Federal Reserve rhetoric and a more dovish stance on future monetary policies.

Emerging market stability improved Q4. Brazil's 5-year Credit Default Swap (CDS) decreased from 186 to 132, and South Africa's from 278 to 202, indicating reduced risk perceptions and heightened market confidence in these emerging economies.

The European Central Bank (ECB) maintained its high interest rates, keeping the main refinancing operations rate at 4.5% and the deposit facility rate at 4%. However, the inflation rate for December in the Euro area reversed several months of decline, increasing to 2.6% from 2.4% in November. The ECB's overall stance remained cautious, with potential rate cuts anticipated starting in Q2 2024. However, this timeline may be delayed if inflation rates continue to rise.

China's economy showed signs of recovery with improvements in the Caixin Manufacturing PMI to 50.8 and Services PMI to 52.9, though challenges persist. The real estate sector remains a significant risk, with the average price of new homes in 70 major cities falling for six consecutive months. Financial issues among real estate developers and local governments are intensifying, as highlighted by Moody's recent downgrade of China's sovereign credit outlook from stable to negative.

Geopolitical factors, including the upcoming Taiwanese presidential election and the U.S. election, may impact foreign investor interest in China. Despite a surge in industrial production in November, retail sales growth did not meet expectations, indicating a consumption slowdown. This trend, coupled with the real estate market slump, is expected to dampen economic growth and consumer sentiment in the coming year.

Overall, Q4 2023 was characterized by dynamic economic and monetary developments, with the markets adjusting to changing inflation rates and policy directions. The coming quarters will likely continue to be shaped by these evolving economic conditions, and a close watch on these indicators will be essential for informed investment decisions.

In response to the changing landscape in the US Treasury market, particularly the decline in yields influenced by the Federal Reserve's dovish position on interest rates and the anticipation of potential rate cuts in the early part of 2024, the fund is strategically adjusting its portfolio composition. This adjustment entails a reallocation of assets, moving away from short-term US Treasury bills and increasing exposure to Subordinated and Senior Unsecured debt. The fund is also aims to enhance its investment in these debt categories by allocating additional capital. This strategic shift is designed to optimize returns in the context of the current and projected interest rate environment.

Looking ahead to 2024, the global financial market is expected to be influenced by several key factors, including the Federal Reserve's interest rate policy, inflation trends worldwide, and significant economic shifts in both emerging and established markets. The performance of emerging markets, particularly in the context of China's economic adjustments, will be important to monitor. Additionally, geopolitical developments, such as the U.S. elections, are likely to contribute to market fluctuations.

These factors will necessitate a dynamic approach to asset allocation, emphasizing both yield optimization and risk management. The fund will closely track these global economic indicators and policy changes, adapting its strategy to align with the evolving market landscape. In this potentially unpredictable environment, the ability to swiftly adjust to new information and trends will be crucial. The fund aims to leverage these changes, seeking opportunities that arise from the shifting global economic conditions.

